

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Environmental Preservation and Conservation Committee

BILL: SB 304

INTRODUCER: Senators Jones, Lynn, and Thrasher

SUBJECT: St. Johns River License Plate

DATE: January 21, 2010 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|------------------|
| 1. | McManus | Meyer | TR | Favorable |
| 2. | Kiger | Kiger | EP | Favorable |
| 3. | | | GA | |
| 4. | | | RC | |
| 5. | | | | |
| 6. | | | | |

I. Summary:

This bill requires the Department of Highway Safety and Motor Vehicles (DHSMV) to develop a license plate titled “St. Johns River.” The plate will be available to drivers wishing to pay an extra \$25 annual use fee, distributed to the St. Johns River Alliance, Inc. (organization), to fund competitive grants for targeted community-based or county-based research or projects, for which state funding is limited or not currently available, and community outreach and access programs. The “St. Johns River” license plate has met the statutory application requirements for a new specialty license plate and falls within the exception from the moratorium on new specialty license plates created by the 2008 Legislature. DHSMV’s cost of developing the license plate is approximately \$60,000 which is offset by the revenue from the application fee paid by the organization. This bill will take effect October 1, 2010.

This bill amends sections 320.08056 and 320.08058 of the Florida Statutes.

II. Present Situation:

Specialty License Plates

The Florida Legislature created the first specialty license plates in 1986, one commemorating the seven astronauts who died when the space shuttle Challenger exploded after lift-off, and one for each of the nine universities then in the state university system.

Specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay an annual use fee for the privilege. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to an organization in support of a particular cause or charity signified in the plate’s design and designated in statute. The

Legislature may create a specialty license plate under its own initiative or it can do so at the request of an organization.

Section 320.08053, F.S., provides an organization seeking authorization to establish a specialty license plate must submit the following:

- A request for the particular license plate with a description of the proposed plate in specific terms, including a sample plate conforming to the specifications set by DHSMV.
- The results of a scientific sample survey of Florida motor vehicle owners that indicates at least 30,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased costs. The Auditor General is required to validate the methodology, results, and any evaluation by DHSMV of the scientific sample survey prior to the submission of the specialty license plate for approval by the Legislature.
- An application fee, not to exceed \$60,000, to defray DHSMV's cost for reviewing the application and developing the specialty license plate, if authorized.
- A marketing strategy outlining both the short and long term marketing plans and a financial analysis outlining the anticipated revenue and the planned expenditures of the revenue from the requested specialty license plate.

The required documentation and fees must be submitted at least 90 days before the convening of the next regular session of the Florida Legislature. If a specialty license plate is approved by law, the organization must submit a proposed art design for the specialty plate to DHSMV no later than 60 days after the act becomes a law. If the specialty license plate is not approved by the Legislature, the application fee is refunded to the requesting organization.

In 2008, the Legislature passed SB 1992, which included a moratorium on the issuance of specialty plates by DHSMV. The moratorium is effective from July 1, 2008 to July 1, 2011, but contains an exception "for [any] specialty license plate proposal which has submitted a letter of intent to the Department of Highway Safety and Motor Vehicles prior to May 2, 2008" or "which was included in a bill filed during the 2008 Legislative Session."¹ There were 12 organizations which met the moratorium exceptions; however, only one organization's specialty license plate was enacted during the 2009 Session.²

Section 320.08056, F.S., provides DHSMV is responsible for developing the specialty license plates and must begin production and distribution within one year after approval of the specialty license plate by the Legislature. Specialty license plates must bear the design required by law for the appropriate specialty plate, and the designs and colors must be approved by DHSMV. In addition, the specialty license plate must bear the imprint of numerals from 1 to 999, inclusive, capital letters "A" through "Z", or a combination thereof.

¹ S. 45, 2008-176, Laws of Florida

² Organizations that have met the moratorium exceptions, but have not been legislatively authorized include: Coalition for Renewable Energy Solutions – "Go Green", East Coast Surfing Hall of Fame and Museum – "Let's Go Surfing", Florida Horse Park – "Discover Florida's Horses", Fraternal Order of Police – "Fraternal Order of Police", Guy Harvey Ocean Foundation – "Catch Me Release Me", Surfing Evolution and Preservation – "Endless Summer", St. Johns River Alliance – "St. Johns River", Florida Biodiversity Foundation – "Save Wild Florida", Sons of Confederate Veterans – "Confederate Heritage", Toomey Foundation for the Natural Sciences – "Preserving the Past", and Toomey Foundation for the Natural Sciences – "Trinity". The University of Miami - Center for Autism and Related Disabilities – "Autism Awareness" specialty license plate was created during the 2009 Session (see 2009-71, L.O.F.).

DHSMV is authorized to annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray each specialty plate's pro rata (proportionate) share of DHSMV's costs directly related to issuing the specialty license plate. A person wishing to purchase a specialty license plate must pay, in addition to the required license plate fee and license tax, a license plate annual use fee (from \$15 to \$25) and a processing fee of \$5.

In an effort to manage the number of specialty license plates and to eliminate those less popular the Legislature during the 2004 Session enacted SB 2020 which provides DHSMV must discontinue the issuance of an approved specialty plate if the number of valid specialty license plates in use falls below 1,000 plates for at least 12 consecutive months. DHSMV is authorized to discontinue the issuance and distribution of specialty plates if the organization no longer exists, if the organization has stopped providing services authorized to be funded, or if the organization requests it. To date, only four plates have ever been discontinued for lack of sales. These plates are the Girl Scouts plate, the Orlando Predators plate, and the Tampa Bay Storm plate, and the Corrections Foundation plate.

Annual use fees, or any interest earned from those fees, may be used by the authorized organization for public or private purposes; however, the annual fees may not be used for commercial or for-profit activities, or for general administrative expenses (except as specifically authorized or to pay the cost of the audit or report required to ensure the proceeds are used as authorized).

Section 320.08058, F.S., lists the approved specialty license plates and specifies funding requirements.

Section 320.08062, F.S., requires all organizations receiving annual use fee proceeds from DHSMV to be responsible for ensuring proceeds are used in accordance with ss. 320.08056 and 320.08058, F.S. Each organization is either subject to an audit or is required to annually attest, under penalties of perjury, that such proceeds were used correctly. DHSMV can examine all records pertaining to the use of specialty license plate revenues.

There are currently 113 specialty license plates authorized by the Legislature to date. Sales of specialty license plates generated over \$37 million in annual use fee revenues during the 2009 Fiscal Year (July 2008-June 2009).

St. Johns River Alliance, Inc.

The St. Johns River Alliance, Inc., is a nonprofit organization that seeks to preserve, protect, promote, restore and celebrate the St. Johns River as an American Heritage River, based on its ecological, historic, economic, recreational and cultural significance. The organization is organized across 13 counties to protect the St. Johns River waterway and promote research.

DHSMV has found that the "St. Johns River" license plate has met the application requirements and falls within the exception from the moratorium on new specialty license plates created by the 2008 Legislature, as the organization submitted its materials before May 2, 2008.

III. Effect of Proposed Changes:

The bill authorizes DHSMV to develop and issue a St. Johns River Alliance, Inc., license plate titled "St. Johns River." Drivers can purchase this specialty plate upon payment of the appropriate license taxes and fees and a \$25 annual use fee.

The first \$60,000 of annual use fees shall reimburse the organization for administrative and startup costs. Thereafter, annual use fees shall be distributed to the St. Johns River Alliance, Inc., which may use up to 10 percent of the of the proceeds for the administrative costs directly associated with education programs, conservation, research, and grant administration of the organization and up to 10 percent of the proceeds for the promotion and marketing of the plates. At least 30 percent of the fees shall be available for competitive grants for targeted community-based or county-based research or projects for which state funding is limited or not currently available. The remaining 50 percent of the proceeds shall be directed toward community outreach and access programs. Any remaining funds shall be distributed with the approval of and accountability to the board of directors of the St. Johns River Alliance, Inc., and shall be used to support activities contributing to education, outreach, and springs conservation.

The competitive grants shall be administered and approved by the board of directors of the St. Johns River Alliance, Inc. A grant advisory committee shall be composed of six members chosen by the St. Johns River Alliance board members.

The bill shall take effect October 1, 2010.

IV. Constitutional Issues:**A. Municipality/County Mandates Restrictions:**

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

Persons wishing to purchase a "St. Johns River" plate can do so for an additional charge of \$25 (plus \$5 processing fee) beyond the normal fees associated with buying a license plate.

The St. Johns River Alliance, Inc., has paid the \$60,000 application fee, which will be refunded if the plate is not approved by the Legislature.

C. Government Sector Impact:

DHSMV is responsible for developing and distributing the “St. Johns River” license plate. The cost of this effort is approximately \$60,000. This impact will be offset by the \$60,000 application fee that the organization has already paid.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

None.