

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: CS/SB 2326

INTRODUCER: Committee on Communications, Energy, and Public Utilities and Senator Ring

SUBJECT: Go Green Florida License Plate

DATE: April 14, 2009

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Wiehle	Caldwell	CU	Fav/CS
2.	Hennigan	Kiger	EP	Favorable
3.			TR	
4.			GA	
5.				
6.				

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE.....	<input checked="" type="checkbox"/>	Statement of Substantial Changes
B. AMENDMENTS.....	<input type="checkbox"/>	Technical amendments were recommended
	<input type="checkbox"/>	Amendments were recommended
	<input type="checkbox"/>	Significant amendments were recommended

I. Summary:

The committee substitute requires the Department of Highway Safety and Motor Vehicles (DHSMV) to develop a license plate titled "Go Green Florida." The plate would be available to drivers wishing to pay an extra \$25 annual use fee. Revenues from the sale of plates will be distributed to the Coalition for Renewable Energy Solutions, Inc. for the: Renewable Energy and Energy Efficient Technology grants programs; Solar Energy System Incentives program; and other educational programs dedicated to providing effective alternative energy practices.

The "Go Green Florida" 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.

This committee substitute will take effect October 1, 2009.

This committee substitute 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(s) 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 the department.
- 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 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 the department 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 the department. 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."¹

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

¹ S. 45, 2008-176, Laws of Florida

the appropriate specialty plate, and the designs and colors must be approved by the department. 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.

The department 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 \$2.

The department 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. The department 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, the Miami Hooters plate, and the Tampa Bay Storm plate.

Annual use fees or any interest earned from those 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.

The Legislature has authorized 111 specialty license plates to date. Sales of specialty license plates generated over \$35 million in annual use fee revenues during the 2008 Fiscal Year (July 2007-June 2008).

Florida Renewable Energy and Energy-Efficient Technologies Grants Program

The Florida Energy and Climate Protection Act established the Renewable Energy and Energy-Efficient Technologies Grants Program (RE&EE) to provide matching grants for demonstration, commercialization, research and development projects relating to renewable energy technologies and innovative technologies that significantly increase energy efficiency for vehicles and commercial buildings. The grant program is designed to stimulate capital investment in the state and promote and enhance the statewide utilization of renewable energy and energy-efficient technologies.

Grant funds are available to Florida municipalities and county governments, established for-profit companies licensed to do business in Florida, universities and colleges in Florida, utilities located and operating within Florida, not-for-profit organizations, and State of Florida agencies.

Florida's Solar Energy System Incentives

Florida's Solar Energy System Incentives Program was established in June 2006 by SB 888 to provide financial incentives for the purchase and installation of solar energy systems from July 1, 2006, through June 20, 2010. A total of \$2.5 million was available for FY 2006-2007; \$3.5 million was available for FY 2007-2008, and \$5 million is available for FY 2008-09.

The program, administered by the Department of Environmental Protection (DEP), provides rebates to Florida residents, businesses, non-profits and public facilities that purchase and install new photovoltaic (PV) systems two kilowatts (kW) or larger in capacity, solar water heating systems that provide at least 50% of a building's hot water consumption, and solar thermal pool heaters.

Presently, due to the waiting list roll-over from FY 2007-2008, the program budget for FY 2008-2009 incentives has already been exhausted.

III. Effect of Proposed Changes:

Section 1: amends s. 320.08056, F.S., on specialty license plates, to create a license plate annual use fee of \$25 for the "Go Green Florida" license plate.

Section 2: amends s. 320.08058, F.S., to require the Department of Highway Safety and Motor Vehicles to develop a "Go Green Florida" license plate. The words "Florida" must appear at the top of the plate, "Go Green Florida" must appear on the bottom, and the Go Green emblem or logo must appear on the plate. Before the specialty license plate can be issued, all the requirements of s. 320.08053, F.S., must be met.

The proceeds from the sale of the "Go Green Florida" plate are to be distributed to the Coalition for Renewable Energy Solutions, Inc., a not-for-profit corporation. After reimbursement for documented costs expended to establish the plates and for annual auditing costs, the coalition is to use the proceeds of the annual use fees in the following manner:

- A maximum of five percent of the proceeds must be used by the coalition for administrative costs directly associated with the operations as they relate to the management and distribution of the proceeds.
- A maximum of 25 percent must be used for continuing statewide promotion and marketing of the plate.
- Seventy percent of the proceeds must be used to fund the Renewable Energy and Energy Efficient Technology Grants program under s. 377.804, F.S., and the Solar Energy System Incentives program under s. 377.806, F.S., administered by the Florida Energy and Climate Commission, or other educational programs dedicated to providing effective alternative energy practices.

The coalition must comply with the financial audit requirements of s. 320.08062, F.S.

The "Go Green Florida" emblem or logo may be used as a decal by the department for specified uses but may not be substituted for a license plate.

Section 3: provides that the committee substitute take effect October 1, 2009.

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:

Proponents of projects awarded by the Florida Energy and Climate Commission may receive energy efficient, renewable technology, and solar energy systems grants. People may benefit from educational programs dedicated to providing effective alternative energy practices. Those who support these goals may purchase a Go Green Florida specialty plate to help fund these programs.

C. Government Sector Impact:

The Florida Energy and Climate Commission will receive funding from the specialty plate fee revenue.

The DHSMV is responsible for developing and distributing the “Go Green Florida” 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.)

CS by Communications, Energy and Public Utilities on March 31, 2009:

The committee substitute removes the provision creating the Go Green Florida Program within the Florida Energy and Climate Commission. The Department of Highway Safety and Motor Vehicles is to develop a Go Green Florida license plate. A minimum of 70 percent of the funding must be used to fund the Renewable Energy and Energy Efficient Technology Grants program under s. 377.804, F.S., the Solar Energy System Incentives program under s. 377.806, F.S., or other educational programs dedicated to providing effective alternative energy practices.

- B. **Amendments:**

None.