

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 279

License Plates

SPONSOR(S): Ray

TIED BILLS:

IDEN./SIM. BILLS: SB 342

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Roads, Bridges & Ports Policy Committee	20 Y, 0 N, As CS	McVay	Miller
2) Economic Development & Community Affairs Policy Council			
3) Transportation & Economic Development Appropriations Committee			
4) Full Appropriations Council on Education & Economic Development			
5)			

SUMMARY ANALYSIS

CS/HB 279 provides for the creation of a "St. Johns River" specialty license plate. The annual use fee of \$25 per tag shall be distributed to the St. Johns River Alliance, Inc. to support activities contributing to education, outreach, and springs conservation. Up to 10 percent of the revenue may be used for promotion, marketing, and administrative costs.

Specialty license plates must be specifically authorized pursuant to s. 320.08053, F.S. This statute establishes requirements that organizations must meet to create a new specialty license plate, including a scientific survey performed by an independent sampling firm indicating that 30,000 motor vehicle owners would purchase the proposed plate at the increased cost, long and short term marketing plans addressing revenues and expenditures, and a \$60,000 application fee, among other requirements. Current statutes authorize more than 100 specialty license plates.

The fiscal impact of this bill is approximately \$60,000 to the Department of Highway Safety and Motor Vehicles (DHSMV) for implementation of the new specialty license plate. The fiscal impact will be offset by the application fee of \$60,000 paid to the DHSMV by the sponsoring organization.

The St. Johns River Alliance, Inc., has been approved by DHSMV and the Auditor General to pursue legislation for the "St Johns River" specialty license plate, and is not affected by the 2008 legislation limiting future specialty plates.

This act shall take effect July 1, 2009.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

Currently, 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 or organizations 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. Under s. 320.08053, F.S., an organization may seek Legislative authorization for a new specialty license plate by meeting a number of requirements.

An organization is first required to submit to the DHSMV the following:

- a request for the plate describing it in general terms;
- the results of a professional, independent, and scientific sample survey of Florida residents indicating that 30,000 vehicle owners intend to purchase the plate at the increased cost;
- an application fee of \$60,000 defraying the DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates; and
- a marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements must be satisfied at least 90 days prior to the convening of the regular session of the Legislature. Once the requirements are met, the DHSMV notifies the committees of the House of Representatives and Senate with jurisdiction over the issue, and the organization is free to find sponsors and pursue Legislative action.

In 2008 the Legislature passed SB 1992, which included a moratorium on the issuance of specialty plates by DHSMV.<sup>1</sup> The moratorium is effective from October 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."<sup>2</sup>

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<sup>1</sup> S. 45, 2008-176, Laws of Florida

<sup>2</sup> *Id.*

## Effect of Proposed Changes

The bill amends ss. 320.08056 and 320.08058, F.S., to authorize the Department to develop and issue a "St. Johns River" license plate upon payment of the appropriate license taxes and a \$25 special use fee.

Annual use fees collected from the sale of this license plate shall be distributed to the St. Johns River Alliance, Inc. They will administer the fees and use the proceeds as follows:

- the total amount used for administrative costs, promotion, and marketing costs may not exceed 10 percent;
- 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 shall be directed toward community outreach and access programs;
- any remaining funds shall be used to support activities contributing to education, outreach, and springs conservation.

The fiscal impact incurred by DHSMV as a result of this bill is approximately \$60,000. This impact is offset by the \$60,000 application fee St. Johns River Alliance, Inc. is required to pay as part of the application process. Revenue generated from the sale of this license plate is based on public interest and cannot be predicted.

The DHSMV has notified the Legislature that the St Johns River Alliance, Inc. has met the initial application and statutory requirements to pursue legislation for the "St Johns River" specialty license plate. In conformity with s. 320.08053(1)(b), F.S., the Auditor General has issued a report validating the Alliance's survey.<sup>3</sup> This report also found that the "St Johns River" plate falls within the exception from the moratorium on new specialty license plates created by the 2008 Legislature, as the Alliance submitted their materials before May 2, 2008.<sup>4</sup>

### B. SECTION DIRECTORY:

- Section 1 Amends s. 320.08056(4), F.S., providing for a \$25 annual use fee for the "St. Johns River" license plate.
- Section 2 Amends s. 320.08058(69), F.S., creating the "St. Johns River" specialty license plate; providing for plate design; and providing for the distribution and uses of the annual use fees.
- Section 3 Provides an Effective Date of July 1, 2009.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:  
See fiscal comments below.
2. Expenditures:  
See fiscal comments below.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

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<sup>3</sup> Report No. 2009-129, Auditor General, February 2009.

<sup>4</sup> *Id.*

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons who elect to purchase the specialty license plate will be required to pay an annual use fee of \$25 in addition to applicable taxes and administrative charges. It is impossible to determine how many people will purchase the plates because the sale of this license plate will be based on public interest. Therefore, the aggregate impact to the private sector cannot be determined.

D. FISCAL COMMENTS:

Implementation of CS/HB 279 will cost the DHSMV approximately \$60,000 in contract programming, development labor, and product purchasing costs for the creation of the "St. Johns River" license plate. This fiscal impact is offset by the statutory application fee of \$60,000, which has been submitted to the DHSMV by the St. Johns River Alliance, Inc., for the creation of this specialty license plate. If the specialty license plate is not approved by the Legislature, the application fee shall be refunded.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

### IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On March 4, 2009, the Roads, Bridges, and Ports Policy Committee reported the bill favorably with one amendment. The amendment adopted by the Committee reduces from 20 percent to 10 percent, the amount of the annual use fee revenue that may be used by the St. Johns River Alliance Inc. for administrative costs, promotion, and marketing costs.