

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 501 Choose Life License Plates

SPONSOR(S): Baxley

TIED BILLS: **IDEN./SIM. BILLS:** SB 196

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|---|-----------|---------|--|
| 1) Transportation & Highway Safety Subcommittee | 10 Y, 5 N | Brown | Brown |
| 2) Transportation & Economic Development Appropriations Subcommittee | | | |
| 3) Economic Affairs Committee | | | |

SUMMARY ANALYSIS

HB 501 amends statutory provisions regarding annual use fees collected by the sale of the "Choose Life" specialty license plate.

Currently, funds collected from the sale of each plate are distributed by the Department of Highway Safety and Motor Vehicles (DHSMV) to the county in which the plate was sold. The county is required to identify non-governmental, not-for-profit entities that provide adoption and healthcare services to area residents, and distribute the "Choose Life" license plate funds to those entities. However, not all counties have been able to find statutorily-compliant entities to which they can distribute these funds.

The bill provides that annual use fees from the sale of "Choose Life" specialty license plates is to be distributed directly from DHSMV to Choose Life, Inc., a Florida non-profit corporation. Choose Life, Inc., becomes the entity responsible for identifying eligible recipients and distributing funds to those recipients. The bill also modifies the permitted uses of such funds to allow expenditures related to the mother of a child intended to be placed for adoption for up to 60 days after the birth of the child.

The bill allows Choose Life, Inc., to spend up to 20 percent of the funds collected by sales of the specialty license plate on administration and promotion of the plate.

HB 501 does not appear to have a significant fiscal impact to state or local government. The bill has an effective date of July 1, 2011.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Section 320.08058(29), F.S., requires the Department of Highway Safety and Motor Vehicles (DHSMV) to make available a "Choose Life" specialty license plate. Motor vehicle owners who wish to purchase this plate must pay an additional \$20 in annual use fees.¹ The statute provides that the annual use fees generated by the specialty license plate must be distributed annually to each county, "in the ratio that the annual use fees collected by each county bears [sic] to the total fees collected for the plates" throughout the state. The practical result of this method of fee distribution is that each county should receive the revenue generated by "Choose Life" specialty license plates sold in that county. DHSMV reports that in fiscal year 2009-2010, sales of Choose Life specialty license plates generated \$751,580 statewide.²

The statute subsequently requires each county to distribute the fees to nongovernmental, not-for-profit agencies within the county that meet certain requirements in the license plate statute. The services provided by recipient private agencies must be limited to "counseling and meeting the physical needs of pregnant women who are committed to placing their children for adoption." The statute provides that funds may not be distributed to private agencies that are "involved or associated with abortion activities," nor to any agency that charges women for any services.

Section 320.08058(29)(b)1., F.S., further limits the use of funds received by these private non-profit agencies. At least 70 percent of the funds must provide for the "material needs" of pregnant women committed to placing their child up for adoption. This expressly includes clothing, housing, medical care, food, utilities, and transportation. The funds may also be expended on infants awaiting placement with adoptive parents. The remaining 30 percent of the funds received may be used for "adoption, counseling, training, or advertising," but may not be used for administrative expenses, legal expenses, or capital expenditures. The statute does not make any provision for administrative costs or marketing of the specialty license plate.

In order to assure compliance with the statute, private recipients of the fees must submit an annual attestation to the county. Unused fees that exceed 10 percent of the total received during a fiscal year must be returned to the county, which may then distribute the fees to "other qualified agencies."

A recent report by the Department's Office of Inspector General (OIG) addressed concerns with certain specialty license plates, including the Choose Life plate. According to this report, some counties are unable to find or establish private entities qualified to receive funds pursuant to the existing statute.³ The OIG report states that DHSMV is currently holding approximately \$300,000 collected by the Choose Life plate.⁴ The report suggests that legislative changes may be advisable, in order to ensure distribution of revenues that are currently unallocated.⁵

Proposed Changes

¹ Section 320.08056(4)(cc), F.S.

² Department of Highway Safety and Motor Vehicles, *Revenue Report: July 2009 through June 2010*, June 2010. Available online at: <http://www.flhsmv.gov/html/revpub/RevPubJuly2009June2010.pdf>

³ Department of Highway Safety and Motor Vehicles Office of Inspector General, *Specialty License Plates Advisory Memorandum 201011-02*, October 12, 2010.

⁴ *Id.*

⁵ *Id.*

HB 501 amends 320.08058, F.S., to provide that funds generated by the sale of the Choose Life specialty license plate are to be distributed from DHSMV directly to Choose Life, Inc., instead of the counties. DHSMV must report the sales-per-county figure to Choose Life, Inc., for informational purposes.

The bill makes modifications to the permitted uses of funds collected from sales of the plate. Choose Life, Inc., must distribute the funds to non-governmental not-for-profit agencies that “assist pregnant women who are making an adoption plan for their children.” The “70 percent” requirement is removed (but see below regarding administrative fees), and the bill expands the express uses of the funds to include providing for birth mothers for 60 days after delivery in addition to providing for infants awaiting adoption.

The bill states that a maximum of 20 percent of the total funds received annually may be used by Choose Life, Inc., for the administration and promotion of the Choose Life specialty license plate program.

Private agencies receiving funds from sales of the “Choose Life” specialty license plate must provide annual attestations to Choose Life, Inc., instead of the county. As is currently the case, if 10 percent of the total revenue received during a fiscal year goes unspent, it must be returned to Choose Life, Inc., which may then re-distribute the revenue to other qualified agencies.

The bill has an effective date of July 1, 2011, and provides that DHSMV and each county must transfer all currently held Choose Life specialty license plate funds to Choose Life, Inc., by October 1, 2011.

B. SECTION DIRECTORY:

Section 1 Amends s. 2 320.08058, F.S.; providing for Choose Life annual use fees to be distributed to Choose Life, Inc., rather than counties; providing for Choose Life, Inc., to redistribute a portion of such funds to nongovernmental, not-for-profit agencies that assist certain pregnant women; and authorizing Choose Life, Inc., to use a portion of the funds to administer and promote the Choose Life license plate program.

Section 2 Provides an effective date of July 1, 2011.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

Administrative expenses of DHSMV may be slightly reduced if the Choose Life specialty license plate fees are directed entirely to a single recipient. Under the bill, DHSMV would no longer be required to manage those fees which are unable to be distributed pursuant to current law.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

Local governments would no longer be required to identify local agencies to provide adoption services, and as a result could potentially reduce administrative costs.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Motor vehicle owners who choose this specialty license plate will continue to pay \$20 in additional fees. Choose Life, Inc., will receive fees in lieu of multiple counties; as a result, local private agencies could be impacted by Choose Life, Inc.'s decisions regarding the disbursement of annual use fees.

D. FISCAL COMMENTS:

None.

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/ COMMITTEE SUBSTITUTE CHANGES