

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 227 Specialty License Plates/Sun Sea Smiles

SPONSOR(S): Rogers

TIED BILLS: **IDEN./SIM. BILLS:** SB 278

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Highway & Waterway Safety Subcommittee	12 Y, 1 N	Whittaker	Smith
2) Transportation & Economic Development Appropriations Subcommittee	11 Y, 0 N	Cobb	Davis
3) Economic Affairs Committee	13 Y, 0 N, As CS	Whittaker	Pitts

SUMMARY ANALYSIS

The bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to create a new specialty license plate designated as the Sun Sea Smiles license plate, with an annual use fee of \$25 to be distributed as follows:

- Five percent shall be distributed to the Florida Caribbean Charitable Foundation, Inc., strictly for marketing of the Sun Sea Smiles license plate.
- Thirty percent shall be distributed to the Florida Caribbean Charitable Foundation, Inc., and of this amount, up to five percent may be used for administrative expenses, and the remainder shall be used as follows:
 - Sixty percent shall be used for a college scholarship program.
 - Fifteen percent shall be used to promote health and wellness among Florida residents of Caribbean descent.
 - Twenty-five percent shall be used to promote awareness of Caribbean culture within the state.
- Twenty percent shall be distributed to the American Friends of Jamaica, Inc., a charitable, not for profit organization under s. 501 (c)(3) of the Internal Revenue Code registered with the Department of Agriculture and Consumer Services and incorporated in New York, for use as grants to promote social and community development among Florida residents. Of this amount, up to five percent may be used for administrative and marketing expenses.
- Ten percent shall be distributed to Haitian Neighborhood Center Sant La, Inc. to promote social and community development. Of this amount, up to five percent may be used for administrative expenses.
- Ten percent shall be distributed to Fanm Ayisyen Nan Miyami, Inc., to promote social and community development. Of this amount, up to 10 percent may be used for administrative expenses.
- Twenty percent shall be distributed to Greater Caribbean American Cultural Coalition, Inc., to promote awareness of Caribbean culture within the state. Of this amount, up to five percent may be used for administrative expenses.
- Five percent shall be distributed to Little Haiti Optimist Foundation, Inc., to promote awareness of Caribbean culture and youth development within the state. Of this amount, up to five percent may be used for administrative expenses.

The new plate will display the word "Florida" at the top of the plate and the words "Sun Sea Smiles" at the bottom of the plate.

According to DHSMV, the bill will have a negative but insignificant fiscal impact to state expenditures. See fiscal comments.

An effective date of October 1, 2016 is provided in the bill.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Specialty License Plates in General

The first Florida specialty license plates were enacted in 1986 and included the creation of the Challenger plate and ten Florida collegiate plates. Today, there are over 120 specialty license plates available to any owner or lessee of a motor vehicle who is willing to pay the additional use fee for the privilege, typically \$25 annually.¹ The collected fees are distributed by the DHSMV to statutorily designated organizations in support of a particular cause or charity. Vehicles registered under the International Registration Plan, a commercial truck required to display two license plates, or truck tractors are not eligible for specialty license plates².

Only the Legislature may create new specialty license plates. If a specialty license plate is created by law, the following requirements must then be met:

- Within 60 days, the organization must submit an art design, in a medium prescribed by DHSMV.
- Within 120 days, DHSMV must establish a method to issue a specialty license plate voucher to allow for the pre-sale of the specialty plate.
- Within 24 months after the voucher is established, the organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin. If this requirement is not met, the plate is deauthorized and DHSMV must discontinue development of the plate and issuance of the vouchers.

DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid specialty plate registrations falls below 1,000 plates for at least 12 consecutive months. A warning letter is mailed to the sponsoring organization following the first month in which the total number of valid specialty plate registrations falls below 1,000 plates (does not apply to collegiate license plates).³

Organizations in receipt of specialty license plate revenue must adhere to certain accountability requirements found in statute. These requirements include an annual attestation document affirming, under penalty of perjury, that funds received have been spent in accordance with applicable statutes.⁴

A moratorium on the issuance of specialty license plates was imposed by lawmakers in 2008, originally set to expire in 2011; it has been extended to July 1, 2016.⁵

Effect of Proposed Changes

Sun Sea Smiles Specialty License Plate

¹ Florida Department of Highway Safety and Motor Vehicles, *Specialty License Plates Index*, <http://www.flhsmv.gov/dmv/specialtytags/> (last visited Sept. 15, 2015).

² s. 320.08056(2), F.S.

³ s. 320.08056 (8)(a), F.S.

⁴ s. 320.08062, F. S.

⁵ Ch. 2008-176, Laws of Fla., as amended by Ch. 2010-223 and Ch. 2014-216, Laws of Fla.

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Receiving Organizations: Florida Caribbean, Haitian, and Jamaican Organizations

The Florida Caribbean Charitable Foundation, Inc., is a civic and social organization, located in North Miami Beach and established in 2007.⁶

American Friends of Jamaica, Inc., founded in 1982, is a non-profit organization dedicated to supporting Jamaican charitable organizations and social initiatives targeted at improving the lives of Jamaicans through systematic development in the areas of education, healthcare, and economic development.⁷

The mission of Haitian Neighborhood Center Sant La, Inc., is to empower, strengthen, and stabilize South Florida’s Haitian community, through access for free services and resources, to ensure its successful integration.⁸

Fanm Ayisyen Nan Miyami, Inc., has a mission to empower Haitian women and their families socially, politically, and facilitate their adjustments to South Florida. The organization has provided counseling,

⁶ The Florida Caribbean Charitable Foundation, Inc., <http://www.manta.com/c/mt9ny6n/florida-caribbean-charitable-foundation-inc> (last visited Nov. 6, 2015)

⁷ The American Friends of Jamaica, *Our Mission & Vision*, <http://www.theamericanfriendsofjamaica.org/about/mission.html> (last visited Oct. 8, 2015).

⁸ Haitian Neighborhood Center Sant La, *Mission and Vision*,

http://santla.org/index.php?option=com_content&view=article&id=32:about-us&catid=16:sant-la-articles&Itemid=165 (last visited Oct. 8, 2015).

outreach, education, and access to care and advocacy service to low and moderate-income families and children for the last 16 years.⁹

The Greater Caribbean American Cultural Coalition, Inc., is an umbrella organization serving the Caribbean people and other members of the community, by bringing together the various Caribbean countries and islands, and their rich cultural heritage. The coalition's mission is to enrich the cultural environment of the Caribbean people and other members of the community by fostering multicultural understanding through an appreciation of Caribbean cultures.¹⁰

Little Haiti Optimist Foundation, Inc., is a non-profit organization established in 2010 by a group of business, community and civic leaders to provide programs to the youth of Little Haiti. The mission is to make a difference in the lives of youth by providing education, mentorship, athletics, arts and cultural programming.¹¹

B. SECTION DIRECTORY:

Section 1 Amends s. 320.08056, F.S., establishing an annual use fee of \$25 for the Sun Sea Smiles specialty license plate.

Section 2 Amends s. 320.08058, F.S., directing the Department of Highway Safety and Motor Vehicles to create a Sun Sea Smiles specialty license plate and provides for the distribution of the annual use fees collected.

Section 3 Provides an effective date of October 1, 2016.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

DHSMV estimates 244 programming hours would be required for implementation of a new specialty license plate, exclusive of planning and testing time. The 244 programming hours is estimated to have a fiscal impact of \$12,760 in FTE and contracted resources. (194 hours @ \$40/hour plus 50 hours @ \$100/hour).¹² This impact is insignificant and can be absorbed within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

⁹ Fanm Ayisyen nan Miyami, *About*, <http://www.fanm.org/index.php?page=About> (last visited Oct. 8, 2015).

¹⁰ Unifest, *About GCACC*, <http://unifestlive.com/about-gcacc/> (last visited Oct. 8, 2015).

¹¹ Little Haiti Optimist Club, *Welcome*, <http://www.littlehaitioptimist.org/> (last visited Oct. 8, 2015).

¹² Department of Highway Safety and Motor Vehicles, *Agency Analysis of 2016 House Bill 227*, p.5 (Sept. 15, 2015) on file with the Economic Affairs Committee.

Revenue generated from the sale of the Sun Sea Smiles specialty license plate would be distributed to the various organizations designated in statute.

D. FISCAL COMMENTS:

None.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction of the percentage of state tax shared with municipalities or counties.

2. Other:

None

B. RULE-MAKING AUTHORITY:

None

C. DRAFTING ISSUES OR OTHER COMMENTS:

None

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On December 3, 2015, The Economic Affairs Committee adopted one amendment to HB 227 and reported the bill favorably as a committee substitute. The amendment:

- Removes unnecessary notwithstanding language and removes the language that “the department shall retain all annual use fees from the sale of such plates until all startup costs for developing and issuing the plates have been recovered” because the department is currently able through statute to retain the first proceeds derived from the annual use fees collected to defray costs.

This analysis is drafted to the committee substitute as reported by the Economic Affairs Committee.