

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 Committee on Transportation

BILL: CS/SB 1414

INTRODUCER: Transportation Committee and Senator Rouson

SUBJECT: Specialty License Plates

DATE: February 6, 2018

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Jones	Miller	TR	Fav/CS
2.			ATD	
3.			AP	

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1414 allows dealer and fleet companies to purchase specialty license plates directly from the Department of Highway Safety and Motor Vehicles (DHSMV) to use on dealer and fleet vehicles upon approval by the specialty license plate's sponsoring organization.

The bill also directs the DHSMV to develop a Highwaymen specialty license plate, establishes a \$25 annual use fee for the plate, and provides the distribution and use of fees collected from the sale of the plate.

The DHSMV may incur minimal programming and implementation costs to implement the bill. However, the DHSMV is authorized to retain revenues from the first proceeds of specialty license plate sales to defray departmental expenditures related to the specialty license plate program.

The bill takes effect October 1, 2018.

II. Present Situation:

Specialty License Plates

Presently, there are over 120 specialty license plates available for purchase in Florida.¹ Specialty license plates are available to an owner or lessee of a motor vehicle who is willing to pay an annual use fee, ranging from \$15 to \$25, paid in addition to required license taxes and service fees.² The annual use 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.³

In order to establish a specialty license plate, s. 320.08053, F.S., requires the plate must first be adopted into statute. Upon becoming law:

- Within 60 days, the organization must submit an art design for the plate, in a medium prescribed by the DHSMV;
- Within 120 days, the DHSMV must establish a method to issue pre-sale vouchers for the approved specialty license plate; and
- Within 24 months after the pre-sale vouchers are established, the organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin.

If, at the end of the 24-month pre-sale period, the minimum sales requirement has not been met, the DHSMV will discontinue the plate and issuance of the pre-sale voucher. Upon discontinuation, a purchaser of a presale voucher may use the annual use fee as a credit towards any other specialty license plate or apply for a refund with the DHSMV.⁴

The annual use fees collected by an organization and any interest earned from the fees may be expended only for use in this state unless the annual use fee is derived from the sale of specified United States Armed Forces and veterans-related specialty plates.⁵ Additionally, organizations must adhere to certain accountability requirements, including an annual audit or attestation document affirming that funds received have been spent in accordance with applicable statutes.⁶

DHSMV Costs Defrayed

The DHSMV is authorized to retain sufficient annual use fees from the sale of specialty plates to defray its costs for inventory, distribution, and other direct costs associated with the program. The remainder of the proceeds collected are distributed as provided by law.⁷

Discontinuance of Specialty Plates

The DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid registrations falls below 1,000 plates for at least 12 consecutive months. A warning letter

¹ A list of Florida's specialty license plates is available on the DHSMV website at <http://www.flhsmv.gov/dmv/specialtytags/> (last visited Jan. 31, 2018).

² Section 320.08056(2), F.S.

³ Section 320.08058, F.S.

⁴ Section 320.08053(2)(b), F.S.

⁵ Section 320.08056(10)(a), F.S.

⁶ Section 320.08062, F.S.

⁷ Section 320.08056(7), F.S.

is mailed to the sponsoring organization following the first month in which the total number of valid specialty plate registrations is below 1,000 plates. Collegiate plates for Florida universities are exempt from the minimum plate requirement.⁸ In addition, DHSMV is authorized to discontinue any specialty license plate if the organization no longer exists, stops providing services that are authorized to be funded from the annual use fee proceeds, or pursuant to an organizational recipient's request.⁹

Specialty License Plates for Motor Vehicle Dealers and Fleets

A franchised motor vehicle dealer, independent motor vehicle dealer, marine boat trailer dealer, or mobile home dealer license plate is subject to an annual license tax of \$17.¹⁰ Such license plates are imprinted with the word "Dealer" at the bottom of the plate.¹¹ Dealers may, upon payment of the dealer plate license tax, secure one or more dealer license plates. These plates are valid while the motor vehicles are in the dealer's inventory and for sale, or while being operated in connection with the dealer's business, except when used as a for-hire vehicle.¹²

Fleet license plates are available for companies that own or lease a minimum number of nonapportioned motor vehicles used for business purposes.¹³ Such permanent plates are available upon approval by the DHSMV and payment of license taxes prescribed under s. 320.08, F.S. Fleet vehicle license plates have the word "Fleet" imprinted at the bottom of the plate.¹⁴

Currently, neither dealer license plates, nor fleet license plates are eligible to be specialty license plates.

Florida Highwaymen

The Florida Highwaymen are a group of 26 African-American artists who lived around the Fort Pierce area and who, in the 1950's through the 1980's, created artwork of Florida's undeveloped landscapes, which they sold on the side of roads and door-to-door to businesses throughout Florida.¹⁵ The name the "Florida Highwaymen" was given to the group because of their tactics of traveling along I-95 and A1A to sell their artwork from the trunks of their cars. The group

⁸ Section 320.08056(8)(a), F.S.

⁹ Section 320.08056(8)(b), F.S.

¹⁰ Section 320.08(12), F.S.

¹¹ Section 320.06(3), F.S.

¹² Section 320.13, F.S.

¹³ Section 320.0657; DHSMV, Division of Motorist Services, Procedure RS-55, *Fleet Registration Program* (Feb. 8, 2013), available at <http://www3.flhsmv.gov/dmv/Proc/RS/RS-55.pdf> (last visited Jan. 18, 2018), provides that the fleet company must have a minimum of 200 vehicles, or a minimum of 25 trailers or semitrailers used exclusively to haul agricultural products.

¹⁴ *Id.*

¹⁵ See Florida Highwaymen, *About the Florida Highwaymen*, http://www.floridahighwaymenpaintings.com/the_highwaymen (last visited Feb. 1, 2018).

produced an estimated 200,000 paintings, which they sold for as little as \$20 a piece.¹⁶ In 2004, the Florida Highwaymen were inducted into the Florida Artists Hall of Fame.¹⁷

St. Lucie Education Foundation, Inc.¹⁸

In 1984, the Florida Legislature authorized school districts to create local education foundations to raise private funds for programs to support students, teachers, and public schools in their district. In 1990, the St. Lucie County Education Foundation was organized as a direct support organization of the St. Lucie County School Board with a mission “to promote, encourage and recognize excellence in public education.” The Foundation is a non-profit organization that advances K-12 public education in St. Lucie County by increasing the capacity and resources of the district in partnership with key stakeholders.

III. Effect of Proposed Changes:

Sections 1-4 of the bill provide that a dealer or fleet company may, with the permission of the sponsoring organization of the specialty license plate, purchase specialty license plates directly through the DHSMV to be used on dealer or fleet vehicles. The dealer or fleet company that orders specialty license plates for its vehicles must pay the annual use fee of the specialty license plate, and any other applicable license taxes or fees. The specialty license plate will include the letters “DLR” for dealer license plates and “FLT” for fleet license plate embossed on the right side of the plate.

Sections 4 and 5 direct the DHSMV to develop a Highwaymen specialty license plate with a \$25 annual use fee. Proceeds from the sale of the plate will be distributed to the City of Fort Pierce, subject to a city resolution designating the city as the fiscal agent of the plate. The city may use up to 10 percent of proceeds from the sale of the plate for administrative costs and marketing of the plate. The city shall use the remainder of the proceeds as follows:

- Before completion of construction of the Highwaymen Museum and African-American Cultural Center:
 - A minimum of 15 percent is distributed to the St. Lucie Education Foundation, Inc., to fund art education and art projects in St. Lucie County public schools; and
 - The remainder to fund the construction of the Center.
- Upon completion of construction of the Highwaymen Museum and African-American Cultural Center:
 - A minimum of 10 percent is distributed to the St. Lucie Education Foundation, Inc., to fund art education and art projects in St. Lucie County public schools; and
 - The remainder to fund the day-to-day operations of the Center.

¹⁶ See Florida Department of State – Division of Cultural Affairs, *Alfred Hair and the Florida Highwaymen*, <http://dos.myflorida.com/cultural/programs/florida-artists-hall-of-fame/alfred-hair-and-the-florida-highwaymen/> (last visited Feb. 1, 2018).

¹⁷ See Florida Highwaymen, *The Florida Highwaymen Artists*, http://www.floridahighwaymenpaintings.com/highwaymen_artists (last visited Feb. 1, 2018).

¹⁸ See St. Lucie Education Foundation, *About Us*, <https://www.educationfoundationstlucie.org/p/3/about-us#.WnOUBkkUmUI> (last visited Feb. 1, 2018).

The plate must bear the colors and design approved by the DHSMV, and include the word “Florida” at the top of the plate and the word “Highwaymen” at the bottom of the plate.

Section 6 provides that the bill takes effect October 1, 2018.

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:

Individuals, as well as dealer and fleet companies, who choose to purchase a specialty license plate will pay an annual use fee in addition to appropriate license taxes and fees.

The bill may have a positive fiscal impact on organizations that receive a portion of the proceeds from the sale of a specialty license plate.

C. Government Sector Impact:

The DHSMV estimates programming and implementation to create the Highwaymen specialty license plate will cost \$7,680.¹⁹ The DHSMV may incur minimal programming and implementation costs to allow dealers and fleet companies to purchase specialty license plates for dealer and fleet vehicles. However, the DHSMV is authorized to retain revenues from the first proceeds of specialty license plate sales to defray departmental expenditures related to the specialty license plate program.²⁰

VI. Technical Deficiencies:

None.

¹⁹ DHSMV, *2018 Agency Legislative Bill Analyses - HB 671* (Jan. 12, 2018) (on file with the Senate Committee on Transportation).

²⁰ Section 320.08056(7), F.S.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 320.06, 320.0657, 320.08, 320.08056 and 320.08058.

IX. Additional Information:**A. Committee Substitute – Statement of Changes:**

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

CS by Transportation on February 6, 2018:

The CS removes provisions from the bill directing the DHSMV to create the following fraternity and sorority specialty license plates:

- Omega Psi Phi Fraternity specialty license plate;
- Delta Sigma Theta Sorority specialty license plate;
- Sigma Gamma Rho Sorority specialty license plate;
- Kappa Alpha Psi Fraternity specialty license plate;
- Alpha Kappa Alpha Sorority specialty license plate;
- Alpha Phi Alpha Fraternity specialty license plate;
- Zeta Phi Beta Sorority specialty license plate;
- Phi Beta Sigma Fraternity specialty license plate; and
- Iota Phi Theta Fraternity specialty license plate.

The CS also revises the distribution of the Highwaymen specialty license plate, and creates a process to allow dealer and fleet companies to purchase specialty license plates for use on dealer and fleet vehicles.

B. Amendments:

None.