

STORAGE NAME: h1631s1a.ft

DATE: April 18, 1997

**HOUSE OF REPRESENTATIVES
AS REVISED BY THE COMMITTEE ON
FINANCE AND TAXATION
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 1631

RELATING TO: Challenger License Plate/Distribution of Funds

SPONSOR(S): Committee on Transportation and Rep. Ball

STATUTE(S) AFFECTED: ss. 320.08056 & 320.08058, F.S.

COMPANION BILL(S): SB 250 (S)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) TRANSPORTATION YEAS 8 NAYS 0
- (2) FINANCE AND TAXATION YEAS 13 NAYS 0
- (3) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
- (4)
- (5)

I. SUMMARY:

This bill changes the percentage of Challenger license plate funds distributed to the Astronauts Memorial Foundation, Inc. and the Technological Research and Development Authority. Under the bill, 25 percent of the annual use fees collected that is currently distributed to the Astronauts Memorial Undergraduate Scholarship Trust Fund will be redirected to the Technological Research and Development Authority.

The bill also reduces the annual use fee for the purchase of 1,000 or more challenger license plates from \$15 to \$10 per plate.

Because the number of Challenger license plates that will be sold cannot be determined, the fiscal impact to the entities that currently receive funds from plate sales is indeterminate. However, assuming that the volume of plates sold remains the same as for the 1995-96 fiscal year, the Technological Research and Development Authority would receive additional revenue of approximately \$400,000 and the Astronauts Memorial Undergraduate Scholarship Trust Fund would lose approximately \$400,000 in revenue. The bill has no other fiscal impact to the state or local governments.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

Under section 320.08058, F.S., a Challenger license plate is authorized to commemorate the seven shuttle astronauts who died in 1986. The purchaser of a Challenger plate must pay an annual use fee of \$15 and a processing fee of \$2. These fees are in addition to regular registration fees charged pursuant to ss. 320.06 and 320.08, F.S. Annual use fees collected from the sale of the plates are distributed as follows:

Fifty percent goes to the Astronauts Memorial Foundation, Inc. (AMF) to fund the Center for Space Education (CSE) and the Education Technology Institute (ETI). Up to 20% of this amount may be used for administrative costs of operating the CSE.

Twenty-five percent goes to the Challenger Astronauts Memorial Undergraduate Scholarship Trust Fund.

Twenty-five percent goes to the Technological Research and Development Authority (TRDA) for space research grants to state universities and independent colleges and universities.

On July 1, 1997, the 50 percent distribution to the AMF is repealed and those funds are to be distributed to the Challenger Astronauts Memorial Undergraduate Scholarship Trust Fund. Therefore, under current law, 75 percent of license plate revenues would be used for this scholarship program after July 1, 1997.

B. EFFECT OF PROPOSED CHANGES:

This bill would change the current distribution of Challenger license plate revenues as follows:

Fifty percent of the fees collected from the sale of the plates are distributed to AMF, which may be used to operate the CSE and the ETI. Up to 20 percent of these funds may be used to pay the administrative costs of operating the CSE and ETI. Currently, these funds are first deposited in a trust fund in the Department of Education, then distributed to AMF. Under the bill, these funds would be distributed directly to AMF.

Fifty percent goes to the TRDA to be used for space-related research grants, the Teacher/Quest Scholarship program and space related economic development programs. In addition to distributing these funds to state universities and independent colleges and universities as provided in current law, the bill allows funds to be distributed to community colleges, public schools, and not-for-profit educational organizations.

The Challenger Astronauts Memorial Undergraduate Scholarship Trust Fund receives no revenues from the license plate.

Under the bill, up to 10% of the funds distributed to the AMF and TRDA may be used for continuing promotion and marketing of the license plate.

The bill also authorizes an annual use fee of \$10.00 per plate for any person who purchases 1,000 or more Challenger license plates. This fee is in addition to applicable license taxes required under s. 320.08 F.S., and fees paid for other specialty license plates.

The bill provides that the authorizing provisions for the Challenger specialty license plate expires on July 1, 2001.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

Not applicable.

2. Lower Taxes:

The bill reduces Challenger license plate fees for purchases of 1,000 plates or more from \$15 to \$10 per plate.

3. Personal Responsibility:

Not applicable.

4. Individual Freedom:

Not applicable.

5. Family Empowerment:

Not applicable.

D. SECTION-BY-SECTION RESEARCH:

Not applicable.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

None.

2. Recurring Effects:

Indeterminate; see D. Fiscal Comments.

3. Long Run Effects Other Than Normal Growth:

None.

4. Total Revenues and Expenditures:

Indeterminate; see D. Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

None.

2. Recurring Effects:

None.

3. Long Run Effects Other Than Normal Growth:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

Indeterminate; see D. Fiscal Comments.

2. Direct Private Sector Benefits:

Indeterminate; see D. Fiscal Comments.

3. Effects on Competition, Private Enterprise and Employment Markets:

None.

D. FISCAL COMMENTS:

The Technological Research and Development Authority and its grantees will benefit from the bill by receiving an additional 25 percent of Challenger plate annual use fees. The Astronauts Memorial Undergraduate Scholarship Trust Fund loses its 25 percent share of Challenger plate annual use fees under the bill. Because the number of Challenger license plates that will be sold cannot be determined, the fiscal impact to the entities that currently receive funds from plate sales is indeterminate. Assuming that the volume of plates sold will remain close to the volume for the 1995-96 fiscal year, the Technological Research and Development Authority would receive additional revenue of

approximately \$400,000 and the Astronauts Memorial Undergraduate Scholarship Trust Fund would lose approximately \$400,000 in revenue.

There has been a general trend of fewer Challenger plates being sold each year. For example, in the 1991-92 fiscal year over \$3 million in revenue was generated by plate sales. However, in the 1995-96 fiscal year, about \$1.6 million in revenues was generated.

Persons purchasing 1,000 or more Challenger plates will benefit from paying a lower annual use fee per plate. Because the number of such bulk purchasers is unknown, the fiscal impact of this change is indeterminate.

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. APPLICABILITY OF THE MANDATES PROVISION:

Not applicable. This bill does not require counties or municipalities to spend funds or to take action which requires the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

Not applicable. This bill does not reduce the authority of counties or municipalities to raise revenues.

C. REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:

Not applicable. This bill does not reduce the percentage of state tax shared with counties and municipalities.

V. COMMENTS:

None.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

This bill was considered by the Committee on Transportation on April 10, 1997 and two amendments were adopted:

Amendment 1: This amendment put the bulk purchase provisions of the bill in the section relating to specialty plate fees and made a technical correction.

Amendment 2: This clarifying amendment added conforming references to the Education Technology Institute.

The bill as amended was reported favorably as a committee substitute.

STORAGE NAME: h1631s1a.ft

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PAGE 6

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

Prepared by:

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