

STORAGE NAME: h0127z.tr
DATE: May 13, 1999

****FINAL ACTION****
****SEE FINAL ACTION STATUS SECTION****

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
TRANSPORTATION
FINAL ANALYSIS**

BILL #: HB 127
RELATING TO: United States Marine Corps License Plate
SPONSOR(S): Representatives Crady, Goode, Trovillion, and others
COMPANION BILL(S): SB 282 (s)

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

- (1) TRANSPORTATION YEAS 10 NAYS 0
- (2) FINANCE & TAXATION (W/D)
- (3)
- (4)
- (5)

I. FINAL ACTION STATUS:

On April 26, 1999, HB 127 was passed and subsequently became Chapter 99-295, Laws of Florida.

II. SUMMARY:

The bill requires the Department of Highway Safety and Motor Vehicles (DHS&MV) to issue a "United States Marine Corps" license plate. In addition to the usual specialty license plate fees, a \$15 annual use fee will be charged for this new specialty license plate.

Annual use fees for the license plate are to be distributed as follows:

- The first \$50,000 collected annually will be deposited in the State Homes for Veterans Trust Fund and used solely for the purpose of constructing, operating, and maintaining domiciliary and nursing homes for veterans subject to the requirements of chapter 216, F.S.
- Any additional fees collected annually are to be deposited in the Marine Corps Scholarship Foundation, Inc., successor to the USMV Tag/Scholarship Fund, Inc., which must use the fees to fund scholarships and assist Marine Corps Junior ROTC programs.

Current law provides for a requesting organization to meet specified application requirements prior to legislative authorization of a specialty license plate. The applicant for the United States Marine Corps license plate has complied with the application requirements.

Pursuant to s. 320.08053, F.S., the cost to review and develop specialty license plates has been established by the Department at approximately \$29,500. A \$30,000 application fee has been collected by DHS&MV to help defray administrative and license plate design costs. The bill has an indeterminate recurring revenue and expenditure impact to the state. These impacts are offset by DHS&MV charging an application fee and annually retaining the first proceeds to recover its costs.

III. SUBSTANTIVE ANALYSIS:

A. PRESENT SITUATION:

Specialty license plates must be specifically authorized by the Legislature. The State of Florida has a total of 45 types of specialty license plates. For calendar year 1998, specialty license plates revenues were approximately \$17.5 million. Proceeds from specialty license plate annual use fees have been used to fund an astronaut memorial, space technology research, scholarships, and university academic enhancements.

A United States Marine Corps license plate has not been authorized by the Legislature. On December 17, 1998, DHS&MV indicated the applicant for the United States Marine Corps license plate had complied with the statutorily prescribed application requirements.

Section 320.08053, F.S., establishes requirements that organizations or agencies must meet in order to create a new specialty license plate. Current law requires that specified information and an application fee be submitted to DHS&MV prior to requesting legislative approval for a specialty plate. Information required to be submitted includes:

- 1) The results of a scientific sample survey indicating that at least 15,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased cost.
- 2) A marketing plan and financial analysis of anticipated revenues and expenditures.

This section also contains a grandfather provision to allow organizations that were in the process of preparing an application prior to new requirements becoming effective on July 1, 1998, to meet the requirements that were in effect prior to the change. Applicants meeting the grandfather requirements must submit the following to DHS&MV:

- 1) 10,000 signatures from prospective buyers.
- 2) A marketing plan and financial analysis of anticipated revenues and expenditures.
- 3) An application fee not to exceed \$30,000 to defray DHS&MV's costs for reviewing the application and developing the specialty license plate.

Once a specialty license plate has been approved by the Legislature, s. 320.08056, F.S., establishes uniform requirements for all specialty license plates, including taxes, fees, and design characteristics.

Section 320.08058, F.S., specifies the individual requirements and distribution of annual use fees for approved specialty plates.

Section 320.08062, F.S., provides accountability requirements regarding specialty license plate proceeds, including audits of expenditures and a compliance review by DHS&MV.

B. EFFECT OF PROPOSED CHANGES:

The bill requires DHS&MV to issue a "United States Marine Corps" license plate. In addition to the usual specialty license plate fees, a \$15 annual use fee will be charged for this new specialty license plate.

Annual use fees for the license plate are to be distributed as follows:

- The first \$50,000 collected annually will be deposited in the State Homes for Veterans Trust Fund and used solely for the purpose of constructing, operating, and maintaining domiciliary and nursing homes for veterans subject to the requirements of chapter 216, F.S.

- Any additional fees collected annually are to be deposited in the Marine Corps Scholarship Foundation, Inc., successor to the USMV Tag/Scholarship Fund, Inc., which must use the fees to fund scholarships and assist Marine Corps Junior ROTC programs.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

(2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

N/A

(3) any entitlement to a government service or benefit?

N/A

b. If an agency or program is eliminated or reduced:

(1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

(2) what is the cost of such responsibility at the new level/agency?

N/A

(3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

a. Does the bill increase anyone's taxes?

N/A

b. Does the bill require or authorize an increase in any fees?

N/A

c. Does the bill reduce total taxes, both rates and revenues?

N/A

d. Does the bill reduce total fees, both rates and revenues?

N/A

e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

A \$30,000 application fee has already been paid by the requesting organization to cover start-up costs and current state law requires DHS&MV to deduct the license plate's pro-rata share of recurring costs for the specialty license plate program.

4. Individual Freedom:

a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

N/A

b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

a. If the bill purports to provide services to families or children:

(1) Who evaluates the family's needs?

N/A

(2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

ss. 320.08056 and 320.08058, F.S.

E. SECTION-BY-SECTION ANALYSIS:

N/A

IV. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

Revenues:

Current law provides that an application fee, not to exceed \$30,000 for those organizations who were in the process of preparing an application prior to July 1, 1998, be paid to DHS&MV to defray the Department's administrative costs of reviewing and developing the new specialty license plate. DHS&MV has collected \$30,000 from the applicant to defray these costs.

Expenditures:

DHS&MV estimates its administrative and design costs to be approximately \$29,500 per specialty license plate authorized. Any additional cost of issuing the license plate will be retained from the first proceeds derived from the annual use fees.

2. Recurring Effects:

Revenues:

Indeterminate. The number of plates that will be sold cannot be determined.

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

Indeterminate

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

Because the demand for the license plate cannot be determined, the estimated revenue is indeterminate.

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

N/A

D. FISCAL COMMENTS:

N/A

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

A. APPLICABILITY OF THE MANDATES PROVISION:

N/A

B. REDUCTION OF REVENUE RAISING AUTHORITY:

N/A

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

N/A

VI. COMMENTS:

N/A

VII. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VIII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:
Prepared by:

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John R. Johnston

FINAL ANALYSIS PREPARED BY THE COMMITTEE ON TRANSPORTATION:

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