

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based only on the provisions contained in the legislation as of the latest date listed below.)

BILL: SB 1538

SPONSOR: Senator Dawson-White

SUBJECT: License Plates

DATE: March 10, 1999

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Caridi</u>	<u>Meyer</u>	<u>TR</u>	<u>Favorable</u>
2.	_____	_____	<u>FR</u>	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

## I. Summary:

This bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to develop a Florida Memorial College license plate. Such plates would be available upon payment of appropriate license taxes, and an annual use fee of \$25. The \$25 annual use fee shall be distributed to the Florida Memorial College.

This bill substantially amends the following sections of the Florida Statutes: 320.08056 and 320.08058.

## II. Present Situation:

Florida Memorial College specialty license plates are not authorized by current law.

Section 320.08053, F.S., establishes requirements that organizations or agencies must meet in order to create a new specialty license plate. This section was amended by the 1998 Legislature to require the following information be submitted to DHSMV prior to requesting legislative approval for a specialty plate:

- 1) A \$60,000 application fee.
- 2) 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.
- 3) 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 have submitted the following information to DHSMV:

- 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 DHSMV's costs for reviewing the application and developing the specialty license plate.

### **III. Effect of Proposed Changes:**

Florida Memorial College specialty license plates would be available upon payment of appropriate license taxes and an annual use fee of \$15 dollars. The proceeds would be distributed to the Florida Memorial College.

The department is beginning to implement a new computer system referred to as the FRVIS 2000. This system will have to be programed to issue the plates and forms at a cost of \$7000. Necessary programming modifications for distribution of the Florida Memorial College specialty license plates can not be completed until the FRVIS 2000 software is implemented, which may be later than the date the act is to take effect.

### **IV. Constitutional Issues:**

#### **A. Municipality/County Mandates Restrictions:**

None.

#### **B. Public Records/Open Meetings Issues:**

None.

#### **C. Trust Funds Restrictions:**

Article III, section 19(f)(1) of the Florida Constitution provides that no trust fund of the state or other public body may be created by law without three-fifths vote of the membership of each house of the Legislature in a separate bill for that purpose only.

### **V. Economic Impact and Fiscal Note:**

#### **A. Tax/Fee Issues:**

The department would receive the annual proceeds of a \$2 processing fee imposed on the issuance of the Florida Memorial College specialty license plate. The amount of such proceeds cannot be determined because the number of specialty plates that will be purchased is unknown.

**B. Private Sector Impact:**

Persons who apply for the Florida Memorial College specialty license plate would have to pay the \$15 annual use fee.

**C. Government Sector Impact:**

In the first year, the department would receive the \$30,000 application fee to defray the administrative costs of reviewing and developing the license plate. The cost of the initial minimum purchase of plates is \$22,500 (10,000 plates at \$2.25 each). This cost would be incurred each year except the first year in which the department would also incur the \$7000 programing cost for a total expenditure of \$29,500.

The department would annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray the department's costs directly related to the Florida Memorial College license plate.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.