

STORAGE NAME: h0403a.ca

DATE: April 19, 2000

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
COMMUNITY AFFAIRS
ANALYSIS**

BILL #: HB 403

RELATING TO: Purple Heart License Plates

SPONSOR(S): Representative J. Miller and other

TIED BILL(S): None

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

- (1) COMMUNITY AFFAIRS (PRC) YEAS 7 NAYS 0
 - (2) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS (FRC)
 - (3)
 - (4)
 - (5)
-

I. SUMMARY:

This bill authorizes the Department of Highway Safety and Motor Vehicles to issue to a Florida resident who is the recipient of a Purple Heart, or the unremarried spouse of a Purple Heart recipient, a Purple Heart License plate at no cost to the applicant.

The costs associated with this bill are difficult to determine. Some loss of revenue to the Department of Transportation State Transportation Fund would occur.

See Part VI, **AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES** section, for the effect of the substantive amendment adopted by the Committee on Community Affairs and traveling with the bill. The amendment, as amended, relates to the first \$50,000 in general revenue generated from the sale of *each of the* license plates issued pursuant to section 320.089, Florida Statutes. The amendment also provides that a certain amount of additional license plate revenue from the Sea Turtle License Plate be dispersed annually through the marine turtle grants program. The remaining annual use proceeds are to be used by the Florida Marine Turtle Protection Program for sea turtle conservation activities. The amendment provides that the annual use fees of the Share the Road License Plates be distributed to Bike Florida, Inc., rather than the Florida Governor's Council on Physical Fitness and Amateur Sports, that up to 25 percent of these fees be used for marking and promotion of the plate. The amendment conforms the bill with the Senate version of the bill. The amendment to the amendment clarifies that the first \$50,000 in general revenue for each of the four plates for a total of \$200,000 is to be deposited into the Grants and Donations Trust fund.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|-----------------------------|---|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 3. <u>Individual Freedom</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 4. <u>Personal Responsibility</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |
| 5. <u>Family Empowerment</u> | Yes <input type="checkbox"/> | No <input type="checkbox"/> | N/A <input checked="" type="checkbox"/> |

For any principle that received a "no" above, please explain:

B. PRESENT SITUATION:

In 1992, the Florida Legislature amended section 320.089, Florida Statutes, to allow a Florida resident who is a Purple Heart medal recipient to be issued a Purple Heart license plate for their private use automobiles, truck, or recreational vehicle upon payment of the appropriate tax and fees, as set forth in sections 320.06 and 320.08, Florida Statutes. In 1999, the Florida Legislature made unremarried surviving spouses eligible for the license plate. Since 1992, the Department of Highway Safety and Motor Vehicles (DHSMV) has issued 24,531 Purple Heart license plates.

C. EFFECT OF PROPOSED CHANGES:

The bill authorizes the DHSMV to issue to a Florida resident who is the recipient of a Purple Heart, or the unremarried surviving spouse of a Purple Heart recipient, *at no cost to the applicant*, a Purple Heart license plate, a validation sticker reflecting the owner's birth month, and a validation sticker reflecting the year of expiration.

A \$2.50 service charge is retained by the tax collector for each initial application or renewal, pursuant to section 320.04, Florida Statutes. A \$.50 reflectorization fee for the license plate and the validation sticker is authorized under section 320.06, Florida Statutes. Registration must be renewed annually during the applicable renewal period as prescribed by the DHSMV.

D. SECTION-BY-SECTION ANALYSIS:

Section 1: Amends section 320.089, Florida Statutes, by adding a subsection which provides that one free Purple Heart license plate shall be issued to a Purple Heart recipient or the unremarried surviving spouse of a Purple Heart recipient. The bill also provides for the issuance of validation stickers for the owner's birth month and the year of expiration. A service charge and fee are authorized pursuant to sections 320.04 and 320.06, Florida Statutes. Registration must be renewed annually.

Section 2: Provides an effective date of July 1, 2000.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

The costs associated with this bill are difficult to determine. Some loss of revenue to the Florida Department of Transportation (FDOT) State Transportation Fund would occur.

2. Expenditures:

According to the DHSMV, non-recurring costs for the bill are estimated at \$5,000 to provide for data processing programming modifications.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

This bill has no direct effect on local government revenues.

2. Expenditures:

This bill has no direct effect on local government expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill has no direct effect on the public sector.

D. FISCAL COMMENTS:

The revenue loss from providing the license plate at no cost is difficult to ascertain because the DHSMV does not have data on how many of the 24,531 Purple Heart license plates are still in use or what the future demand for the license plate will be. Moreover, there is not an exact count of the number of Purple Heart recipients in Florida. The State Department Commander for the Military Order of the Purple Heart (a Congressionally chartered veterans organization exclusively for combat wounded veterans) estimates that there are 65,000 Purple Heart recipients in Florida. If each of those individuals, or their unremarried surviving spouse, were to receive a license plate at no cost, this would cost the FDOT State Transportation Fund a minimum of \$1 million annually. This figure assumes 40,000 Purple Heart recipients who do not have a Purple Heart license plate at the lowest registration fee of \$26.60. There is, however, no way of knowing if all those qualified for a license plate would, in fact, seek it.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

This bill does not require counties or municipalities to spend funds or take any action requiring the expenditure of funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

This bill does not reduce the authority of counties or municipalities to raise revenues in the aggregate, as such authority existed on February 1, 1989.

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

The bill does not reduce the percentage of a state tax shared with counties and municipalities as an aggregate, as such existed on February 1, 1989.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

B. RULE-MAKING AUTHORITY:

None.

C. OTHER COMMENTS:

A representative of the State Veterans Planning Group, Mr. Charley Price, has indicated in a letter to Representative J. Miller dated December 28, 1999, that the bill is not in the best interest of the majority of Florida's military veterans. Among the reasons he cites are the fact that the Purple Heart is sufficiently recognized by a specialty plate, there are more service-connected-disabled-veterans than Purple Heart recipients, and the belief that the funds from the license plate are needed to raise funds for the Nursing Home Trust Fund. Mr. Price has recommended that the bill be amended to include free plates for all other recipients of higher military awards and decorations. Alternatively, he recommends an amendment to the bill which would charge the holder of a Purple Heart license plate a \$15.00 fee that could be placed in the Nursing Home Trust Fund.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

One amendment was amended and adopted by the Committee on Community Affairs on April 19, 2000. The amendment, as amended, provides that, notwithstanding current law, beginning in fiscal year 2000-2001, the first \$50,000 in general revenue generated from the sale of *each of the* license plates issued pursuant to section 320.089, Florida Statutes, and stamped with the words "National Guard," "Pearl Harbor Survivor," "Combat-wounded veteran," or "U.S. Reserve" shall be deposited into the Grants and Donations Trust Fund, as described in section 296.38(2), Florida Statutes, to be used for the purposes established by law for that trust fund. The amendment also provides that additional license plate revenue from the Sea Turtle License Plate, in an amount not exceeding 30 percent of the total annual revenue, shall be dispersed

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annually through the marine turtle grants program as provided in section 370.12(1)(h), Florida Statutes, with the remaining annual use proceeds to be used by the Florida Marine Turtle Protection Program for sea turtle conservation activities; the amendment provides that the annual use fees of the Share the Road License Plates shall be distributed to Bike Florida, Inc., rather than the Florida Governor's Council on Physical Fitness and Amateur Sports, and that up to 25 percent of these fees shall be used for marking and promotion of the plate. The amendment conforms the bill with the Senate version of the bill. The amendment to the amendment clarified that the first \$50,000 in general revenue for each of the four plates for a total of \$200,000 was to be deposited into the Grants and Donations Trust fund.

VII. SIGNATURES:

COMMITTEE ON COMMUNITY AFFAIRS:

Prepared by:

Staff Director:

Kyle V. Mitchell

Joan Highsmith-Smith