

STORAGE NAME: h0441.tr.doc
DATE: December 7, 2001

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
TRANSPORTATION
ANALYSIS**

BILL #: HB 441
RELATING TO: Specialty License Plates
SPONSOR(S): Representative(s) Cantens

TIED BILL(S):

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

- (1) TRANSPORTATION
 - (2) TRANSPORTATION & ECONOMIC DEVELOPMENT APPROPRIATIONS
 - (3) READY INFRASTRUCTURE COUNCIL
 - (4)
 - (5)
-

I. SUMMARY:

The bill creates the Breast Cancer Research license plate. The plate will include a figure on the left side of the plate with a pink ribbon on the chest, and will display a pink banner containing the Florida Breast Cancer Coalition website. The background will be blue and the words "End Breast Cancer" will appear at the top of the plate. The word "Florida" will appear at the bottom of the plate. In addition to the usual specialty license plate fees, a \$25 annual use fee will be charged for this new specialty license plate.

All annual use fees will be distributed by DHSMV to the Florida Breast Cancer Coalition Research Foundation to fund a peer reviewed grant process. Grant funding must be made available for various kinds of breast cancer related research and innovative ideas.

In the first year that the plate is issued, no more than 25 percent of the fees collected may be used for administrative costs associated with the operation of the Florida Breast Cancer Coalition Research Foundation, and marketing and promotion of the research concept and license plate. In subsequent years, no more than 20 percent of the revenues may be used for such purposes.

DHSMV estimates that in the first year it will incur expenses of approximately \$59,460 for data processing program costs, personnel costs, and the costs of license plates. These costs are offset by the \$60,000 application fee submitted by the Florida Breast Cancer Coalition. Recurring costs are indeterminate because it is impossible to accurately estimate the number of plates DHSMV will be required to purchase to meet demand for the Florida Breast Cancer Research license plate, however, these costs are offset by fees collected with each specialty plate sales transaction. For a more detailed discussion of the fiscal impact, see the fiscal analysis and economic impact statement below.

II. SUBSTANTIVE ANALYSIS:

A. DOES THE BILL SUPPORT THE FOLLOWING PRINCIPLES:

- | | | | |
|-----------------------------------|------------------------------|----------------------------------------|-----------------------------------------|
| 1. <u>Less Government</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input type="checkbox"/> |
| 2. <u>Lower Taxes</u> | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> | N/A <input 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:

Less Government

The bill does not tend to support the principle of less government in that it creates a new publicly funded grant program to support breast cancer research.

Lower Taxes

The bill establishes a \$25 user fee for vehicle owners who choose to purchase the Florida Breast Cancer Research license plate. The \$25 user fee is also a new source of government funding for research, and in that respect may be viewed as tending to be in conflict with the principle of lower taxes.

B. PRESENT SITUATION:

The Florida specialty license plate program began in 1986 with legislation authorizing the Department of Highway Safety and Motor Vehicles (DHSMV) to issue a specialty license plate commemorating the Challenger space shuttle and for each university within the State University System. Specialty license plates must be specifically authorized by the Legislature. The State of Florida currently has 52 types of specialty license plates. For calendar year 2000, specialty license plates revenues were approximately \$20 million.

Proceeds from specialty license plate annual use fees have been used to fund an astronaut memorial, space technology research, scholarships, university academic enhancements and numerous other programs and projects. 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 DHSMV prior to requesting legislative approval for a specialty plate. Information required to be submitted includes:

- 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.
- A marketing plan and financial analysis of anticipated revenues and expenditures.

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.

On October 31, 2001, DHSMV reported that the Florida Breast Cancer Coalition has successfully completed its application for the Breast Cancer Research specialty license plate, and has complied with all statutorily prescribed requirements.

C. EFFECT OF PROPOSED CHANGES:

The bill requires DHSMV to develop and issue a Breast Cancer Research license plate. The plate will include a figure on the left side of the plate with a pink ribbon on the chest, and will display a pink banner containing the Florida Breast Cancer Coalition (FBCC) website. The background will be blue and the words "End Breast Cancer" will appear at the top of the plate. The word "Florida" will appear at the bottom of the plate. In addition to the usual specialty license plate fees, a \$25 annual use fee will be charged for this new specialty license plate.

All annual use fees will be distributed by DHSMV to the Florida Breast Cancer Coalition Research Foundation to fund a peer reviewed grant process. Grant funding must be made available for:

- Basic, clinical, and translational breast cancer research;
- Epidemiological studies of breast cancer;
- Research between possible links between breast cancer and the environment;
- Psychoimmunological research; and
- Innovative awards and idea grants.

In the first year that the plate is issued, no more than 25 percent of the fees collected may be used for administrative costs associated with the operation of the Florida Breast Cancer Coalition Research Foundation, and marketing and promotion of the research concept and license plate. In subsequent years, no more than 20 percent of the revenues may be used for such purposes.

D. SECTION-BY-SECTION ANALYSIS:

Section 1. Provides that the annual use fee for the Breast Cancer Research license plate shall be \$25.

Section 2. Provides for the design of the plate, including display of the Florida Breast Cancer Coalition website. Also provides that annual use fees will fund a peer reviewed grant program within the Florida Breast Cancer Coalition Research Foundation to fund various kinds of breast cancer related research. Limits use of the fees for funding administrative and marketing costs to 25 percent in the first year and 20 percent thereafter.

Section 3. Provides that the bill will take effect upon becoming law.

III. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE GOVERNMENT:

Non-Recurring or First Year Start-up Effects:

	Amount Year 1 <u>FY 2002-03</u>	Amount Year 2 <u>FY 2003-04</u>	Amount Year 3 <u>FY 2004-05</u>
<u>Revenues:</u>			
Highway Safety Op. TF (App. Fee):	\$ 60,000	\$ -0-	\$ -0-

Section 320.08053(1)(c), F.S., states that an application fee may not exceed \$60,000. This fee will be paid to DHSMV to defray the costs of reviewing the application and developing the specialty license plate.

Expenditures:

Gen. Rev. Fund (Data Processing):	\$ 7,560	\$ -0-	\$ -0-
--------------------------------------	----------	--------	--------

This bill would require 56 hours of contracted programming at \$135 per hour to allow for special alpha-numeric assignment.

Recurring or Annualized EffectsExpenditures:

Highway Safety Op. TF

Salaries/Benef.:	\$ 15,000	\$ 15,000	\$ 15,000
Purch. Of Plates:	\$ 36,900	\$ 36,900	\$ 36,900

The above cost reflects \$15,000 in personnel costs and \$36,900 in license plate costs. Specialty license plates cost DHSMV \$2.46 each under the current contract. A minimum order of 15,000 plates is required.

Total Recurring and Non-Recurring Effects:Revenue:

HS Op. TF (app. Fee):	\$ 60,000	\$ -0-	\$ -0-
--------------------------	-----------	--------	--------

Expenditures:

GR (Data Proc.):	\$ 7,560	\$ -0-	\$ -0-
------------------	----------	--------	--------

HS Op. TF (Salries/Bene.):	\$ 15,000	\$ 15,000	\$ 15,000
(Purch. Plates):	\$ 36,900	\$ 36,900	\$ 36,900

TOTAL:	\$ 59,460	\$ 51,900	\$ 51,900
---------------	------------------	------------------	------------------

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Anyone electing to purchase the Breast Cancer Research specialty plate would pay a \$25 annual use fee.

In addition, to the extent that the new specialty license plate generates revenue, the Florida Breast Cancer Coalition Research Foundation may use up to 25 percent of revenues from plate sales in the first year, and 20 percent in subsequent years to fund administrative costs. Since it is impossible to estimate demand for the plate, the amount of revenues that the Foundation is authorized to spend on its administrative costs is indeterminate.

D. FISCAL COMMENTS:

Under the current contract for license plates, DHSMV must purchase plates in lots of 15,000 units. First year and recurring costs to DHSMV for plate purchases listed above assume that no more than 15,000 plates will be required to meet demand annually. If demand for this specialty plate requires DHSMV to purchase additional plates, the recurring costs could be greater than those reflected in the above economic impact statement. However, DHSMV's recurring plate and personnel costs are offset by the collection of various fees with each sales transaction.

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

A. APPLICABILITY OF THE MANDATES PROVISION:

The bill does not require a city or county to expend funds or to take any action requiring the expenditure of any funds.

B. REDUCTION OF REVENUE RAISING AUTHORITY:

The bill does not reduce the revenue raising authority of any city or county.

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

The bill does not reduce the amount of state tax shared with a county or city.

V. COMMENTS:

A. CONSTITUTIONAL ISSUES:

None.

STORAGE NAME: h0441.tr.doc

DATE: December 7, 2001

PAGE: 6

B. RULE-MAKING AUTHORITY:

N/A

C. OTHER COMMENTS:

The Florida Breast Cancer Coalition, an affiliate of the National Breast Cancer Coalition, is a non-profit advocacy organization dedicated to fighting breast cancer. The organization's stated mission is to ensure: sufficient government and public funding for breast cancer research; quality health care for all without fear of discrimination; and an environment free of carcinogens.

The Breast Cancer Research specialty plate would be the first license plate in Florida to bear the web address of any private organization. It is unclear how the design of the plate would change, or what impact it would have on DHSMV, if the Florida Breast Cancer Coalition ceased to operate its website, if the address of the website changed, or if changes in technology altered the current system for naming web sites.

VI. AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:

N/A

VII. SIGNATURES:

COMMITTEE ON TRANSPORTATION:

Prepared by:

Staff Director:

William C. Garner

Phillip B. Miller