

# SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

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

BILL: SB 1698

SPONSOR: Senator Posey

SUBJECT: Specialty License Plates

DATE: April 2, 2003

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Davis</u>	<u>Meyer</u>	<u>TR</u>	<u>Favorable</u>
2.	<u>Vickers</u>	<u>Krasovsky</u>	<u>MS</u>	<u>Favorable</u>
3.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable</u>
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

## I. Summary:

This bill changes the name of the Challenger specialty license plate to the Challenger/Columbia license plate.

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

## II. Present Situation:

### *Specialty License Plates in General*

Section 320.08053, F.S., provides an organization seeking authorization to establish a specialty license plate must submit the following:

- A request for the particular license plate with a description of the proposed plate in general terms.
- The results of a scientific sample survey of Florida motor vehicle owners that indicates at least 15,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased costs.
- An application fee, not to exceed \$60,000, to defray the Department of Highway Safety and Motor Vehicles' (DHSMV) cost for reviewing the application and developing the specialty license plate, if authorized.

- A marketing strategy outlining both the short and long term marketing plans and a financial analysis outlining the anticipated revenue and the planned expenditures of the requested specialty license plate.

The required documentation and fees must be submitted at least 90 days before the convening of the next regular session of the Florida Legislature. If a specialty license plate is approved by law, the organization must submit a proposed art design for the specialty plate to the DHSMV no later than 60 days after the act becomes a law. If the specialty license plate is not approved by the Legislature, then the application fee will be refunded to the requesting organization.

Section 320.08056, F.S., provides the DHSMV is responsible for developing the specialty license plates and must begin production and distribution within one year after approval of the specialty license plate by the Legislature. Specialty license plates must bear the design required by law for the appropriate specialty plate, and the designs and colors must be approved by DHSMV. In addition, the specialty license plate must bear the imprint of numerals from 1 to 999, inclusive, capital letters “A” through “Z”, or a combination thereof. The word “Florida” must appear at either the top or the bottom of the plate, depending upon the design and may bear an appropriate slogan.

The Department is authorized to annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray each specialty plates pro rata share of the DHSMV’s costs directly related to issuing the specialty license plate.

The Department must discontinue the issuance of an approved specialty plate if less than eight thousands plates (including annual renewals) are issued by the end of the fifth year or during any subsequent 5-year period. The Department is authorized to discontinue the issuance and distribution of specialty plates if the organization no longer exists or if the organization has stopped providing services authorized to be funded.

The organization that requested the specialty license plate may not redesign the specialty license plate unless the inventory of those plates has been depleted. However, the organization may purchase the remaining inventory of the specialty license plates from the DHSMV at cost.

Annual use fees or any interest earned from those fees may not be used for commercial or for-profit activities, or for general administrative expenses (except as specifically authorized or to pay the cost of the audit or report required to ensure the proceeds are used as authorized

Section 320.08058, F.S., provides specific requirements for thirty-eight specialty license plates.

### ***Challenger Plate***

In 1987, the Legislature authorized the issuance of a Challenger license plate. Section 320.08056(4)(b), F.S., provides the annual use fee for this specialty license plate is \$25. Section 320.08058(2), F.S., provides the annual use fees from this license plate are to be used as follows: (1) Fifty percent of the annual use fee must be distributed to the Astronauts Memorial Foundation, Inc., to support the operations of the Center for Space Education and the Education Technology Institute; and (2) Fifty percent of the annual use fees must be distributed to the

Technological Research and Development Authority for the purpose of funding space-related research grants, the Teacher/Quest Scholarship Program, and space-related economic development programs. Up to 10 percent of the annual use fees in (1) and (2) above may be used for continuing promotion and marketing of the license plate.

Since it was first offered to the public, the Challenger license plate has generated total revenues of \$37,938,888. New sales and renewals of the plate in 2002 constituted \$1,383,700 of the total amount.

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

This bill changes the name of the Challenger specialty license plate to the Challenger/Columbia license plate, to honor not only the seven astronauts who died when the Challenger exploded on liftoff in 1986, but also the seven astronauts who died when the Columbia exploded on reentry in 2003.

The bill takes effect July 1, 2003.

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

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

None.

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

None.

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

None.

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

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

Persons who apply for the Challenger/Columbia specialty license plate would have to pay \$25 for the annual use fee, in addition to the taxes and fees required under s. 320.08, F.S., and a \$2 processing fee.

#### **B. Private Sector Impact:**

Persons electing to purchase the Challenger/Columbia specialty plates would pay a \$25 annual use fee and a \$2 processing fee.

#### **C. Government Sector Impact:**

None.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.

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This Senate staff analysis does not reflect the intent or official position of the bill's sponsor or the Florida Senate.

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