

# 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 1840

SPONSOR: Senator Diaz de la Portilla

SUBJECT: Specialty License Plates

DATE: April 14, 2003      REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Davis</u>	<u>Meyer</u>	<u>TR</u>	<u>Favorable</u>
2.	<u>Wilson</u>	<u>Wilson</u>	<u>HC</u>	<u>Favorable</u>
3.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable</u>
4.	_____	_____	<u>ATD</u>	_____
5.	_____	_____	<u>AP</u>	_____
6.	_____	_____	_____	_____

**I. Summary:**

The bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to issue a Stop Heart Disease specialty license plate. In addition to applicable motor vehicle registration taxes and fees, a \$25 annual use fee will be charged for this new specialty license plate. The annual use fees will be distributed to the Florida Heart Research Foundation, to be used for funding cardiovascular disease research, education, and prevention programs.

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

**II. Present Situation:**

**Specialty License Plates**

Section 320.08053, F.S., provides that 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 DHSMV’s 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 that 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 of Highway Safety and Motor Vehicles is authorized to annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray each specialty plate's pro rata share of the DHSMV's costs directly related to issuing the specialty license plate.

The Department of Highway Safety and Motor Vehicles 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 of Highway Safety and Motor Vehicles 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.

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 38 specialty license plates.

### **Cardiovascular Disease**

Cardiovascular diseases are diseases of the heart and blood vessels. According to the American Heart Association, cardiovascular disease is the number 1 killer of adults in the United States, responsible for about 960,000 deaths annually. Cardiovascular diseases claim more lives than the next seven leading causes of death combined, including cancer, accidents, influenza and pneumonia, and diabetes. One in five Americans has some form of cardiovascular disease. The cost of cardiovascular diseases in 2002 is estimated to be \$329.2 billion in direct costs, such as hospital visits, and indirect costs, such as lost productivity.

### **Florida Heart Research Foundation**

The Florida Heart Research Foundation is a Florida non profit corporation. The Foundation filed its articles of incorporation with the Department of State on January 27, 2003. The mission of the Foundation is to provide a stream of revenue for ongoing cardiovascular research, education and prevention programs throughout the State of Florida. The Foundation is affiliated with the Miami Heart Research Institute (formerly the Miami Heart Institute), which was founded in 1944 and was the first heart hospital and research center in the world. When the hospital was sold the divisions of research and education combined into the independent non profit organization known as the Miami Heart Research Institute. Today, the Research Institute functions as both a self-contained cardiovascular research center and as a collaborator and facilitator of research.

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

The bill amends ss. 320.08056 and 320.08058, F.S., directing the Department of Highway Safety and Motor Vehicles to issue a Stop Heart Disease specialty license plate. In addition to applicable motor vehicle registration taxes and fees required under s. 320.08, F.S., a \$25 annual use fee and \$2 processing fee will be charged for this new specialty license plate. The annual use fees will be distributed to the Florida Heart Research Foundation, to be used for funding cardiovascular disease research, education, and heart disease prevention programs through a peer review grant solicitation and award process. The first \$80,000 of the annual use fees are to be used to fund startup costs, including costs incurred in developing and issuing the plates. In the first year the plate is issued, no more than 25 percent of the fees collected may be used for administrative costs directly associated with the operation of the organization and for marketing the specialty license plate. In the second and subsequent years in which the plate is sold, no more than 20 percent of the fees collected may be used for administrative costs directly associated with the operation of the organization, and marketing and promotion of the specialty license plate.

The bill shall take effect July 1, 2003.

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

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

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

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

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

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

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

**V. Economic Impact and Fiscal Note:****A. Tax/Fee Issues:**

Persons who apply for the Stop Heart Disease 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. The \$25 use fee will be distributed to the Florida Heart Research Foundation, and the \$2 processing fee is deposited into the State Transportation Trust Fund of the Department of Transportation. The fiscal impact is indeterminate.

**B. Private Sector Impact:**

Persons who apply for the Stop Heart Disease specialty license plate would have to pay \$25 for the annual use fee.

**C. Government Sector Impact:**

Current law provides an application fee, not to exceed \$60,000, be paid to DHSMV to defray the administrative costs of reviewing and developing the new specialty license plate. The Department of Highway Safety and Motor Vehicles has indicated \$60,000 has been collected from the applicant to defray these costs. This fee will be refunded if the license plate is not approved by the Legislature.

The Department of Highway Safety and Motor Vehicles estimates administrative and design costs to be approximately \$60,000 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 as provided in s. 320.08056(7), F.S.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Amendments:**

None.