

# 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: CS/CS/CS/SB 310

SPONSOR: Finance and Taxation Committee, Children and Families Committee, Transportation Committee and Senator Smith

SUBJECT: License Plates

DATE: March 20, 2003 REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Meyer</u>	<u>Meyer</u>	<u>TR</u>	<u>Favorable/CS</u>
2.	<u>Dowds</u>	<u>Whiddon</u>	<u>CF</u>	<u>Favorable/CS</u>
3.	<u>Keating</u>	<u>Johansen</u>	<u>FT</u>	<u>Favorable/CS</u>
4.	<u>                    </u>	<u>                    </u>	<u>ATD</u>	<u>                    </u>
5.	<u>                    </u>	<u>                    </u>	<u>AP</u>	<u>                    </u>
6.	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>

## I. Summary:

Committee Substitute for CS for SB 310 directs the Department of Highway Safety and Motor Vehicles (DHSMV) to issue a Child Abuse Prevention and Intervention 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 revenue generated from this annual use fee is to be distributed to the Children's Home Society of Florida and the Florida Network of Children's Advocacy Centers, Inc. with the first \$90,000 of proceeds being equally distributed between the two organizations to pay for start up costs. Thereafter, 50 percent of the proceeds are to be distributed to the Children's Home Society of Florida and the other 50 percent to the Board of Directors of the Florida Network of Children's Advocacy Centers, Inc., who shall develop funding criteria and an allocation methodology that ensures an equitable distribution of those funds among network participant centers that meet the standards as set forth in s. 39.3035, F.S.

The committee substitute 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 indicate 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 DHSMV's cost for reviewing the application and developing the specialty license plate, if authorized; and
- 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 the Legislature, 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 shall 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 1 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 the 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 the plate 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 plate's 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 fewer 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 that are 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 thirty-eight specialty license plates.

#### *Child advocacy centers*

Child advocacy centers have been formed in communities across the state to coordinate the activities of the many agencies involved in child protective investigations in order to reduce the number of times a child must be interviewed and, in turn, the trauma to the child, to facilitate joint investigations, and to provide for prompt access to mental health and other appropriate

services. While the services offered by child advocacy centers vary based on the funding and needs of the community, each attempts to offer some combination of the following services:

- a neutral, child-friendly setting where all the agencies can interview and examine the child;
- medical evaluations of the child;
- coordination of multi-discipline team meetings of all of the agencies involved in a case;
- on-site victim advocacy; and
- mental health services.

Currently, there are 20 child advocacy centers operating in Florida. Funding for these centers varies in both sources and levels of funding. For FY 2001-2002, the budgets of the child advocacy centers ranged from \$34,857 to over \$1.4 million, and the total budget for all 20 centers was \$6,308,527. Sources of funding include, but are not limited to, state contracts such as with the Department of Health and the Department of Children and Families, funds from local governmental entities, contributions, and grants from private foundations. The Legislature has also appropriated funds for a small number of the child advocacy centers. In FY 2002-2003, the Legislature appropriated funding to four centers, one of which was vetoed by the Governor.

Twelve of these child advocacy centers are accredited by the National Children's Alliance as meeting the required standards and criteria for child advocacy centers, and in the calendar year 2001 served 15,559 children. The state chapter of the National Children's Alliance is the Florida Network of Children's Advocacy Centers. The Florida Network of Children's Advocacy Centers supports the development, growth, and continuation of child advocacy centers in Florida by providing technical assistance, training, and networking.

Minimum standards for child advocacy centers in Florida were established with the passage of ch. 98-403, L.O.F., which created s. 39.3035, F.S. This section requires child advocacy centers to meet the following standards in order to be full members of the Florida Network of Children's Advocacy Centers:

- be a private, not-for-profit incorporated agency or governmental entity;
- be a Child Protection Team (CPT) or have a written agreement that incorporates the participation and services of the CPT;
- have a neutral, child-focused facility;
- have staff that is supervised and approved by a local board of directors or governmental agency;
- have a multi-disciplinary case review team that minimally consists of representation from the State Attorney's office, the Department of Children and Families, CPT, mental health services, law enforcement, and the child advocacy center staff;
- track the cases seen through the child advocacy center with minimum requirements on the data to be collected identified;
- provide referrals for medical exams and mental health services;
- provide training in the community; and
- have interagency agreements for the multidisciplinary approach to handling child sexual abuse and serious physical child abuse.

Child advocacy centers in Florida are required to meet these standards and be full members of the Florida Network of Children's Advocacy Centers, Inc. in order to be eligible to receive state funds appropriated by the Legislature [s. 39.3035(3), F.S.].

#### *Children's Home Society of Florida*

The Children's Home Society of Florida was established in 1902 as a Jacksonville orphanage and is Florida's oldest non-profit provider of services for children and families. The Children's Home Society of Florida reports that their primary goal is to strengthen families and keep them together, with the exception of cases where a child might be endangered during the healing process. A wide range of services are offered by the Children's Home Society of Florida throughout the state including adoption services, pregnancy services, individual and family counseling, foster family care, early intervention services for children with developmental disabilities, emergency shelters for abused and neglected children, the Healthy Families program, and group homes for children who are abused or neglected or struggling with emotional or behavioral problems.

Currently, there are 14 Children's Home Society of Florida divisions across the state offering 18 main programs and services that are delivered in more than 200 facilities. For the FY 2000-2001, 85,815 children and youth were served by the Children's Home Society of Florida, as well as 15,862 adults. The Children's Home Society of Florida divisions received funding totaling \$83,463,000 for FY 2000-2001. The source of this funding included, but was not limited to, contributions, state contracts such as with the Department of Children and Families, United Way contributions, and fund raising.

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

CS/CS/SB 310 amends ss. 320.08056 and 320.08058, F.S., directing the Department of Highway Safety and Motor Vehicles (DHSMV) to issue a Child Abuse Prevention and Intervention 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 a \$2 processing fee will be charged for this new specialty license plate.

The revenue generated from this annual use fee is to be distributed to the Children's Home Society of Florida and the Florida Network of Children's Advocacy Centers with the first \$90,000 of proceeds being equally distributed between the two organizations to pay for start up costs. Thereafter, 50 percent of the proceeds are to be distributed to the Children's Home Society of Florida and the other 50 percent to the Board of Directors of the Florida Network of Children's Advocacy Centers Inc., who shall develop funding criteria and an allocation methodology that ensures an equitable distribution of those funds among network participant centers that meet the standards as set forth in s. 39.3035, F.S. The criteria and methodologies must take into account factors that include, but are not limited to, the center's accreditation status with respect to the National Children's Alliance, the number of clients served, and the population of the area being served by the children's advocacy center.

The committee substitute provides that 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 Child Abuse Prevention and Intervention 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 user fee shall be equally distributed to the Children's Home Society of Florida and the Board of Directors of the Florida Network of Children's Advocacy Centers, Inc. 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:**

The financial analysis submitted on behalf of the Children's Home Society of Florida and Florida Network of Children's Advocacy Centers, Inc. as required by s. 320.08053, F.S., estimates that 10,000 license plates will be sold the first year for a net revenue of \$250,000, or \$190,000 after the \$60,000 required fee for developing the new license plate is deducted. For the following 5 years, it is estimated that 5,000 license plates will be sold each year for net revenues of \$125,000. As provided by this bill, this revenue would be divided between the Children's Home Society of Florida and the Florida Network of Children's Advocacy Centers, Inc. to fund child abuse prevention and intervention programs offered by their respective divisions and centers. No more than 20 percent to 25 percent of the proceeds will be used for marketing efforts.

It should also be noted, however, that historically in the sale of specialty license plates, the percent of the residents who purchase these specialty plates has remained constant, and, in fact, actually declined. In FY 1995-1996, 15.32 percent of the license plates issued were specialty plates, but by FY 2000-2001, even though the number of specialty plates available had increased, only 8.95 percent of the license plates sold were specialty plates. This indicates that with the introduction of new specialty license plates there is not necessarily more residents purchasing specialty plates, but more likely a shift in the specialty license plates being purchased. As a result, the level of revenue actually realized from new specialty plates may not equal the amount anticipated.

**C. Government Sector Impact:**

Current law provides an application fee, not to exceed \$60,000, to be paid to the DHSMV to defray the administrative costs of reviewing and developing the new specialty license plate. The department has indicated that \$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. If approved by the Legislature, subsequent administrative costs of the DHSMV will be recouped by collecting \$.87 per specialty license plate sold. The department is authorized to recoup these costs pursuant to s. 320.08056(7), F.S.

**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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