

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 959 Motor Vehicle Registration  
**SPONSOR(S):** Proctor and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 610

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Military & Veteran Affairs Committee		Marino	Carter
2) Transportation & Economic Development Appropriations Committee			
3) State Administration Council			
4) _____			
5) _____			

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### SUMMARY ANALYSIS

This bill amends **s. 320.02, F.S.**, by requiring motor vehicle registration and renewal forms to provide for a voluntary contribution to the Florida National Guard Foundation. The proposed per applicant voluntary contribution check-off is \$2.

This bill exempts the voluntary contribution check-off from the provisions of **s. 320.02 (1), F.S.**, which would have required, 90 days before the convening of the next regular legislative session, the Florida National Guard Foundation to:

- Submit to the DHSMV a request for the voluntary contribution being sought with its general description;
- Pay an application fee of no more than \$10,000 to defray DHSMV's costs to review the organization's application;
- Submit a short-term and long-term marketing strategy; and
- Submit a financial analysis outlining the anticipated revenues and planned expenditures of the revenues derived from the voluntary contribution.

Projected first year revenue generated for the Florida National Guard Foundation is \$153,036.

This bill would take effect July 1, 2005.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

**Provide Limited Government:** This bill requires the Department of Highway Safety and Motor Vehicles to develop and add language that revises motor vehicle registration application forms.

**Empower Families:** The revenue from voluntary contributions generated by this bill will provide assistance and support to families of the Florida National Guard through the Florida National Guard Foundation.

#### B. EFFECT OF PROPOSED CHANGES:

##### **Present Situation:**

##### **Vehicle Registration**

State law requires all owners or persons in charge of a motor vehicle which is operated or driven in Florida to register the vehicle with the Department of Highway Safety and Motor Vehicles (DHSMV). The law requires this be done every year the vehicle will be operated in Florida. Further requirements regarding proof of motor vehicle insurance, notifying the DHSMV of a driver's address change, etc., are included in **s. 320.02, F.S.**

##### **Voluntary Contributions**

State law, **s. 320.023, F.S.**, allows, under certain circumstances, organizations to add a voluntary contribution check-off to motor vehicle registration application forms.

Under **s. 320.02 (1), F.S.**, the organization must, 90 days before the convening of the next regular legislative session, submit to the DHSMV an application for the voluntary contribution being sought with its general description, an application fee of no more than \$10,000 to defray DHSMV's costs to review the organization's application and develop the language regarding the check-off, a short-term and long-term marketing strategy, and a financial analysis outlining the anticipated revenues and planned expenditures of the revenues derived from the voluntary contribution.

Under the subsequent subsections of **s. 320.023, F.S.**, no voluntary contributions, or interest earned from those contributions, received by an organization may be used for commercial or for-profit activities, or for general or administrative expenses, except where allowed by law. Only organizations that operate under **c. 496, F.S.**, the Solicitation of Contributions Act, may seek to establish a voluntary contribution check-off. This chapter provides that organizations have a right to conduct solicitation activities, that the public has a right to full disclosure of the identity of the solicitors and of the purposes for which the contributions are solicited, and that the public be protected from fraud, deception, and misrepresentation regarding the solicitations.

If the application is approved by the DHSMV and the Legislature authorizes by appropriation an organization's voluntary contribution, then certain criteria must be met in order for the voluntary contribution check-off to remain on motor vehicle registration application forms. The DHSMV must discontinue the voluntary contribution if:

- Less than \$25,000 has been collected by the end of the fifth year;
- Less than \$25,000 is collected during any subsequent five-year period; or,

- The organization no longer exists, stops providing services funded by the voluntary contribution, or if the organization requests the check-off end.

The organization must also annually attest, under penalties of perjury, or show in an audit, if the organization is required pursuant to **s. 215.97, F.S.**, that the proceeds from the voluntary contributions were used in compliance with the law. The DHSMV also has the authority to examine all records pertaining to the use of funds from the voluntary contributions.

#### Groups in Statute

Currently, under **s. 320.02, F.S.**, some groups have been established to have voluntary contribution check-offs on the motor vehicle registration application forms. Voluntary contribution check-offs established under **s. 320.02, F.S.**, include:

<b>Organization</b>	<b>Per Registration Applicant Voluntary Contribution</b>	<b>Raised FY 2003/2004<sup>1</sup></b>
Nongame Wildlife Trust Fund	\$1	\$23,886
Highway Safety Operating TF for purchasing child safety seats	\$2	\$41,726
Election Campaign Financing TF	\$5	\$12,295
Transportation Disadvantaged TF	\$1	\$22,100
Prevent Blindness Florida	\$1	\$138,875
Florida Mothers Against Drunk Driving, Inc.	Not set in statute	\$42,492

#### Florida National Guard Foundation

The Florida National Guard Foundation was founded in 1983 as a 501(c)(3) tax-exempt public organization. The Foundation receives only private donations, and its Board of Directors is comprised of volunteer, active, and retired National Guard members.

In 2000, the Florida National Guard Foundation was designated a Direct Support Organization by the Florida Legislature. This places the Foundation under the authority of the Adjutant General of the Florida National Guard and allows it to use the resources, office space, and personnel of the Department of Military Affairs. According to the Foundation's website, one of the goals of the Foundation is to provide for the care and benefit of Guard members and families. The Foundation repeatedly assists families with financial difficulties, especially when a family member is called to active duty.

#### Florida Drivers Honor the Military

One of the ways Floridians honor the military is through the purchase of specialty license tags that display military emblems for each of the services. Proceeds from the extra fees go toward supplementing veterans' benefits in the state. According to the DHSMV, the number of military specialty license plates purchased and issued in 2004 was 76,518. This brought in a total of \$2,105,157 in revenue, which was distributed to the Florida Department of Veterans' Affairs for the purpose of constructing veterans' nursing homes and to the State Homes for Veterans Trust Fund.

<sup>1</sup> Steven Fielder, Florida Department of Highway Safety and Motor Vehicles, "Voluntary Check-offs," Email to Joe Marino, House Committee on Military and Veteran Affairs, March 11, 2005 (on file with the House Committee on Military and Veteran Affairs)

The specific breakdown<sup>2</sup> per specialty plate is as follows:

<b>Specialty License Tag</b>	<b>Number Purchased in 2004</b>	<b>Revenue Generated in 2004</b>
U.S. Air Force	3,442	\$51,630
U.S. Army	3,590	\$53,850
U.S. Coast Guard	1,264	\$18,960
U.S. Marine Corps	30,992	\$1,409,947
U.S. Navy	3,422	\$51,330
Paratroopers	2,464	\$49,280
Florida Salutes Veterans	31,344	\$470,160
Total	76,518	\$2,105,157

It should be noted the U.S. Air Force, U.S. Army, U.S. Coast Guard, and U.S. Navy specialty plates were established in 2003 and the data from 2004 reflects the first full calendar year of their availability and issuance to Florida drivers. It is reasonable to expect the number of these plates sold in future years to grow.

In addition to these specialty plates, the DHSMV issues specially stamped plates for Florida residents who are an active or retired member of the National Guard, a survivor of the attack on Pearl Harbor, a Purple Heart medal recipient, or an active or retired member of the U.S. Armed Forces Reserves. There are no additional fees when eligible drivers are applying for these stamped motor vehicle registration tags; however, the first \$100,000 in general revenue generated by the sale of these stamped tags is distributed to the Grants and Donations Trust Fund. Additionally, free plates are issued to veterans who use wheelchairs and other certain disabled veterans.

#### **Effect of Proposed Changes:**

This bill amends **s. 320.02, F.S.**, by requiring motor vehicle registration and renewal forms to provide for a voluntary contribution to the Florida National Guard Foundation. The proposed per applicant voluntary contribution check-off is \$2.

This bill exempts the voluntary contribution check-off from the provisions of **s. 320.02 (1), F.S.**, which would have required, 90 days before the convening of the next regular legislative session, the Florida National Guard Foundation to:

- Submit to the DHSMV a request for the voluntary contribution being sought with its general description;
- Pay an application fee of no more than \$10,000 to defray DHSMV's costs to review the organization's application;
- Submit a short-term and long-term marketing strategy; and
- Submit a financial analysis outlining the anticipated revenues and planned expenditures of the revenues derived from the voluntary contribution.

By exempting this voluntary contribution check-off from the provisions of **s. 320.02 (1), F.S.**, the Florida National Guard Foundation could immediately begin receiving the contributions, once the motor vehicle registration applications were re-printed. The organization would also not need to pay the application fee for the contribution request, nor submit a marketing strategy or financial analysis to the DHSMV.

This voluntary contribution check-off would remain accountable to the provisions in the remaining subsections of **s. 320.02, F.S.**, as described above in the Present Situation section of this analysis.

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<sup>2</sup> Karen Hatcher, Florida Department of Highway Safety and Motor Vehicles, "Military Plate Information" and "Tag Information," Emails to Joe Marino, House Committee on Military and Veteran Affairs, March 11, 2005 (on file with the House Committee on Military and Veteran Affairs)

This bill would take effect July 1, 2005.

C. SECTION DIRECTORY:

Section 1. Amends **s. 320.02, F.S.**, requiring motor vehicle registration and renewal forms to provide for a voluntary contribution to the Florida National Guard Foundation.

Section 2. Provides this act shall take effect July 1, 2005.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

Projected first year revenue generated for the Florida National Guard Foundation is **\$153,036**.

Since the Florida National Guard Foundation operates as part of a state agency (Department of Military Affairs), revenues from the voluntary contributions may be considered revenues to the state.

For the purposes of this estimate, the number of specialty military tags sold to Florida drivers in 2004 is used as the number of voluntary contribution check-offs in the first year since these drivers have already demonstrated a willingness to pay extra fees toward causes supporting Florida's military members and veterans.

- **76,518:** Number of military specialty license plates purchased and issued in 2004
- **\$2:** Voluntary contribution per applicant fee provided for in this bill
- **\$153,036:** Projected first year revenue generated for the Florida National Guard Foundation

2. Expenditures:

Since this bill exempts this voluntary contribution check-off from the provisions of **s. 320.02 (1), F.S.**, it may cost the DHSMV up to \$10,000 to develop this check-off. This is the cost of the application fee any other organization would normally pay to apply for a voluntary contribution check-off.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

There are no known or expected fiscal impacts on local government revenues.

2. Expenditures:

There are no known or expected fiscal impacts on local government expenditures.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The contribution provided for in this bill is voluntary, and at \$2 per motor vehicle registration applicant, the impact to the private sector is minimal.

D. FISCAL COMMENTS:

The estimate above is based solely on specialty license tags sold in 2004 due to the drivers who purchased them demonstrating a willingness to pay extra fees toward causes supporting Florida's military members and veterans. However, those drivers who have other military-related license tags,

such as the Purple Heart, Pearl Harbor survivors, etc., may be inclined to contribute to the Florida National Guard Foundation as well thereby increasing the revenues received by the state.

### III. COMMENTS

#### A. CONSTITUTIONAL ISSUES:

##### 1. Applicability of Municipality/County Mandates Provision:

This bill does not require counties or municipalities to spend funds or to take an action requiring the expenditure of funds. This bill does not reduce the percentage of a state tax shared with counties or municipalities. This bill does not reduce the authority that municipalities have to raise revenues.

##### 2. Other:

There do not appear to be any constitutional issues with this bill.

#### B. RULE-MAKING AUTHORITY:

There appear to be sufficient rules in Florida Statute to allow the DHSMV to develop and maintain the voluntary contribution check-off created in this bill.

#### C. DRAFTING ISSUES OR OTHER COMMENTS:

The Senate Companion Bill, SB 610, creates an identical voluntary contribution check-off; however, that bill exempts this voluntary contribution check-off from the entire **s. 320.023, F.S.** (this bill exempts this voluntary contribution check-off only from **paragraph (1)** of **s. 320.023, F.S.**) and its provisions such as those regarding full disclosure of use of the contributions and criteria to maintain the check-off on motor vehicle registration and renewal forms.

### IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

Not Applicable.