

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 31B Specialty License Plates
SPONSOR(S): Patterson and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 16B

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|----------------------------|--------|---------|----------------|
| 1) Finance & Tax Committee | | Levin | Diez-Arguelles |
| 2) Fiscal Council | | | |
| 3) _____ | | | |
| 4) _____ | | | |
| 5) _____ | | | |

SUMMARY ANALYSIS

HB 31B creates the "NASCAR" specialty license plate, and it establishes an annual use fee of \$25, to be paid by purchasers of the plate in addition to license taxes and fees. Annual use fees are distributed to the NASCAR Hall of Fame to be used exclusively for the construction and operation of the NASCAR Hall of Fame. The authorization of the NASCAR license plate is contingent upon the City of Daytona Beach being designated by the National Association for Stock Car Auto Racing, Inc., as the site for the official NASCAR Hall of Fame.

The bill provides for the distribution of annual use fees to the NASCAR Hall of Fame to be used exclusively for the construction and operation of the NASCAR Hall of Fame.

The creation of the NASCAR license plate is contingent upon an organization meeting the requirements of s. 320.08053, F.S., prior to approval of a license plate by the Department of Highway Safety and Motor Vehicles ("DHSMV").

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provide Limited Government

If the NASCAR license plate satisfies all the conditions for issuance, the bill appears to increase the responsibilities of the Department of Highway Safety and Motor Vehicles (DHSMV) to develop and provide for the manufacture of a new license plate, and it also requires county Tax Collectors to maintain an appropriate inventory and administer the new plate.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

The Florida Legislature created the first specialty license plates in 1986, one commemorating the seven astronauts who died when the space shuttle Challenger exploded after lift-off, and one for each of the nine universities then in the State University System. The Legislature has subsequently authorized ninety-six more specialty license plates.

Specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay an annual use fee for the privilege. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to an organization or organizations in support of a particular cause or charity and designated in statute. Under s. 320.08053, F.S., an organization may seek legislative authorization for a new specialty license plate by meeting a number of requirements.

An organization is first required to submit to the DHSMV:

- A request for the plate describing it in general terms;
- The results of a professional, independent, and scientific sample survey of Florida residents indicating that 15,000 vehicle owners intend to purchase the plate at the increased cost;
- An application fee of up to \$60,000 defraying DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates; and
- A marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements should be satisfied at least 90 days prior to the convening of the regular session of the Legislature. Once the requirements are met, DHSMV notifies the committees of the House of Representatives and Senate with jurisdiction over the issue, and the organization is free to find sponsors and pursue Legislative action. Alternatively, the Legislature may authorize creation of the license plate following an organization's compliance with s. 320.08053, F.S.

If a proposed specialty plate fails to be enacted by the Legislature, DHSMV returns the application fee and other required documents to the organization. If the legislation passes and becomes law, DHSMV notifies the organization, modifies its computer programming to accommodate the new plate, and requests the laminate manufacturer, 3M Company, to produce a prototype. PRIDE at Union Correctional Facility, the contracted manufacturer of license plates, laminates, embosses and roll-coats sample plates that must be submitted to FHP, the Governor, and the Cabinet for approval. Once approval is given, PRIDE begins full production of the plates and distributes them to the Tax Collectors' offices for sale to the public.

A particular specialty license plate must be discontinued if the number of valid specialty plate registrations falls below 1,000 for at least 12 consecutive months. To date, three plates have been discontinued for lack of sales and three plates have been discontinued because of their temporary nature.

The Legislature has authorized 106 specialty license plates to date. Sales of specialty license plates generated more than \$26 million in annual revenue use fees in FY 2003-2004, and more than \$29 million in FY 2004-2005. Since the program's inception in 1986, the DHSMV has collected annual use fees totaling more than \$280 million.

Effect of Proposed Changes

HB 31B creates the "NASCAR" specialty license plate, and establishes an annual use fee of \$25, to be paid by purchasers of the plate in addition to license taxes and fees. Annual use fees are to be distributed to the NASCAR Hall of Fame to be used exclusively for the construction and operation of the NASCAR Hall of Fame.

The bill is contingent upon the City of Daytona Beach being designated by the National Association for Stock Car Auto Racing, Inc. as the site for the official NASCAR Hall of Fame facility.

The creation of the NASCAR license plate is contingent upon an organization meeting the requirements of s. 320.08053, F.S., prior to approval of a license plate by the "DHSMV".

C. SECTION DIRECTORY:

Section 1. Amends s. 320.08056, F.S., providing an annual use fee of \$25.

Section 2. Amends s. 320.08058, F.S., creating the NASCAR specialty license plate and providing for the distribution of annual use fees collected from its sale.

Section 3. Provides an effective date 30 days after the city of Daytona Beach is designated as the official site of the NASCAR Hall of Fame facility.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

| | <u>FY 2005-06</u> | <u>FY 2006-07</u> | <u>FY 2007-08</u> |
|--------------------------|-------------------|-------------------|-------------------|
| 1. Revenues: | | | |
| HS Op. TF (App. Fee): | \$ 60,000 | \$ -0- | \$ -0- |
| 2. Expenditures: | | | |
| (Data Processing): | \$ 7,560 | \$ -0- | \$ -0- |

HS Op. TF

| | | | |
|-------------------------------|-------------------------|----------------------|----------------------|
| (Salaries/Bene.): | <u>\$ 15,000</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| (Purchase of License Plates): | <u>\$ 36,900</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |
| TOTAL: | <u>\$ 59,460</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Those persons electing to purchase a NASCAR plate would be required to pay a \$25 annual use fee in addition to the license taxes and fees that are due annually.

D. FISCAL COMMENTS:

None

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because this bill does not appear to: require cities or counties to spend funds or take actions requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None

B. RULE-MAKING AUTHORITY:

No exercise of rulemaking authority is required to implement the provisions of this bill.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The bill provides that the annual use fees must be distributed to the NASCAR Hall of Fame. However, the NASCAR Hall of Fame is not a legal entity and will not be able to receive distributions.

The sentence beginning on line 23 is redundant of Section 3.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES