

# 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.)

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Prepared By: Transportation and Economic Development Appropriations Committee

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BILL: CS/CS/SB 1450

INTRODUCER: Transportation and Economic Development Appropriations Committee, Transportation Committee and Senator Margolis

SUBJECT: Donate Organs-Pass It On License Plate

DATE: March 23, 2006

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Woods</u>	<u>Meyer</u>	<u>TR</u>	<u>Fav/CS</u>
2.	<u>Noble</u>	<u>Martin</u>	<u>TA</u>	<u>Fav/CS</u>
3.	_____	_____	_____	_____
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## I. Summary:

Committee Substitute for Senate Bill (CS/CS/SB) 1450 creates the “Donate Organs-Pass It On” specialty license plate, establishes the annual \$25 usage fee and directs the proceeds from the annual usage fee to the Transplant Foundation, Inc. (TFI). The bill provides that up to 10 percent of the proceeds of the usage fee be used for marketing and certain administrative costs. The remaining proceeds shall be used to provide patient services and medical research. The bill provides an effective date of July 1, 2006.

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

## II. Present Situation:

### Specialty License Plates

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.

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 organization in support of a particular cause or charity signified in the plate’s design and designated in statute. The Legislature may create a specialty license plate under its own initiative or it can do so at the request of an organization.

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 specific terms, including a sample plate conforming to the specifications set by DHSMV.
- The results of a scientific sample survey of Florida motor vehicle owners that indicates at least 30,000 motor vehicle owners intend to purchase the proposed specialty license plate at the increased costs. The Auditor General is required to validate the methodology, results, and any evaluation by DHSMV of the scientific sample survey prior to the submission of the specialty license plate for approval by the Legislature.
- 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 is refunded to the requesting organization. The word "Florida" must appear in the same location on each specialty license plate in such a size and location that is clearly identifiable on the license plate.

Section 320.08056, F.S., provides 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 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 DHSMV 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 DHSMV must discontinue the issuance of an approved specialty plate if the number of valid specialty license plates falls below 1,000 plates (including annual renewals) for at least 12 consecutive months. The DHSMV 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. To date, only three plates have ever been discontinued for lack of sales. These plates are the Girl Scouts plate, the Orlando Predators plate, and the Tampa Bay Storm plate.

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., lists the approved specialty license plates and specifies funding requirements.

Section 320.08062, F.S., requires all organizations receiving annual use fee proceeds from the DHSMV to be responsible for ensuring proceeds are used in accordance with ss. 320.08056 and 320.08058, F.S. Each organization is either subject to an audit or is required to annually attest, under penalties of perjury, that such proceeds were used correctly.

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

### **Transplant Foundation Incorporated**

Transplant Foundation, Inc., affiliated with the University of Miami School of Medicine, is a 501(c)(3) organization dedicated to providing services for transplant recipients and to increasing organ donations through community education and funding transplant research. TFI is registered with the Florida Department of Agriculture and Consumer Services as a non-profit organization soliciting contributions within the state ID # 59-2767754. TFI provides patient services, education, and conducts research in the field of organ donation.

The TFI is managed by a thirteen member Board of Directors, two staff consultants and the advisory counsel of doctors.

Serving as the liaison with the University of Miami's Transplant Program, TFI assists patients during both the pre-operative stages and the rehabilitative period by providing financial assistance to cover urgent needs such as transportation, medications, and temporary housing at the transplant center. TFI sponsors a variety of patient education programs and monthly support groups, and maintains a patient lounge on Jackson Memorial Hospital's transplant floor.

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

**Section 1.** Amends s. 320.08056, F. S. establishing a \$25 annual usage fee for the "Donate Organs-Pass It On" specialty license plate.

**Section 2.** Amends s. 320.08058, F. S. to create the "Donate Organs-Pass It On" specialty license plate and directs that the proceeds from plate sales be distributed to the Transplant Foundation, Inc. The bill provides that up to 10 percent of the proceeds of the usage fee shall be used for marketing and certain administrative costs. The remaining proceeds shall be used to provide statewide grants for patient services, including preoperative, rehabilitative, and housing assistance, organ donor education and awareness programs, and statewide medical research.

**Section 3.** Provides an effective date of July 1, 2006.

**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:

None.

## B. Private Sector Impact:

Persons who purchase “Donate Organs-Pass It On” specialty license plate, will be required to pay an annual use fee of \$25 in addition to applicable license taxes and administrative charges.

## C. Government Sector Impact:

The impact of contract programming, development labor, and product purchasing costs in creation of the “Donate Organs-Pass It On” license plate is offset by the statutory application fee of \$60,000, which has been submitted to DHSMV by the Transplant Foundation, Inc.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

## **VIII. Summary of Amendments:**

None.

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

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