

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 385 CS Specialty License Plates
SPONSOR(S): Jordan
TIED BILLS: **IDEN./SIM. BILLS:** SB 460

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Transportation Committee</u>	<u>10 Y, 0 N, w/CS</u>	<u>Thompson</u>	<u>Miller</u>
2) <u>Transportation & Economic Development Appropriations Committee</u>	<u></u>	<u></u>	<u></u>
3) <u>State Infrastructure Council</u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
5) <u></u>	<u></u>	<u></u>	<u></u>

SUMMARY ANALYSIS

Under current law the annual use fees for the Police Athletic League License Plates are distributed to the Florida Police Athletic League, Inc., to provide educational materials, athletic equipment, transportation, food, medical checkups, counseling, scholarships, and other direct expenses incurred by the league in conducting its youth programs.

HB 385 w/CS directs the Police Athletic League’s license plate annual use fees to be distributed to the State of Florida Association of Police Athletic/Activities Leagues, Inc. The purpose is to reflect an administrative change in the corporation name that receives the proceeds from the sale of Police Athletic League license plates. The bill authorizes the use of up to 15 percent of the proceeds for administrative costs and up to 10 percent for marketing and promotional expenses.

Under current law, the annual use fees for the motorcycle specialty license plates are distributed to The Abel Trust who retains a portion of the fees for administrative costs and distributes the remaining funds to the following organizations:

- Twenty-five percent to the Brain and Spinal Cord Injury Program Trust Fund,
- Twenty-five percent to Prevent Blindness Florida,
- Twenty-five percent to the Foundation for Vocational Rehabilitation to support the Personal Care Attendant Program, and
- Twenty-five percent to the Florida Association of Centers for Independent Living for the purpose of setting up direct-support organizations for each center, and for programs and activities serving disabled Floridians.

The bill redistributes the proceeds collected for each motorcycle specialty license plate as follows:

- Twelve and one-half percent to Prevent Blindness Florida,
- Twelve and one-half percent to the Blind Services Foundation of Florida., and
- Twenty-five percent to be used to leverage additional funding and new sources of revenue for the centers for independent living in this state by the Florida Association of Centers for Independent Living.
- The current percentages distributed to the Brain and Spinal Cord Injury Program and to the Foundation for Vocational Rehabilitation are not changed.

The bill will not have a fiscal impact on the Department of Highway Safety and Motor Vehicles. The bill will have a fiscal impact on the organizations receiving funds from the sale of motorcycle specialty license plates. HB 385 w/CS takes effect July 1, 2006.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0385a.TR.doc
DATE: 2/7/2006

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

The bill does not appear to implicate any of the House Principles.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

Specialty license plates are listed in s. 320.08058, F.S. 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. The legislature has enacted 106 specialty license plates to date, though only 100 are currently available for purchase. Section 320.08056, F.S., specifies annual use fees ranging from \$15 to \$25 for the various specialty plates, which are paid in addition to required license taxes and service charges.

Funds derived from these annual use fees are distributed to an organization or organizations in support of a particular cause or charity signified on the plate's design and designated in s. 320.08058, F.S. This section also provides for the uses of funds derived for each plate from its annual use fee. There is wide variation on the uses of these fees regarding administrative costs and marketing or promotion expenses. For example, the "Support Soccer" license plate¹ allows 25 percent of funds to be used for promotion and marketing and 5 percent to be used for administrative costs; while the "United We Stand" license plate² requires that 100 percent of funds be used for airport security grants.

The Police Athletic League license plate³ was created by the legislature in 1996 by chapter 96-163, Laws of Florida. This license plate ranks 24th in popularity for the number of license plates currently issued. The Police Athletic League license plate raised \$328,500 in calendar year 2004, with \$1.8 million raised from 1997 to 2004.

Currently the annual use fees from the Police Athletic League license plates are distributed to the Florida Police Athletic League, Inc., to provide educational materials, athletic equipment, transportation, food, medical checkups, counseling, scholarships, and other direct expenses incurred by the league in conducting its youth programs. The Police Athletic League, Inc. is not authorized to use any portion of the license plate proceeds for administrative, marketing or promotional costs.

The motorcycle specialty license plate⁴ was created by the legislature in 2003 by chapter 2003-280, Laws of Florida. This license plate ranks 41st in popularity for the number of license plates currently issued. The motorcycle specialty license plate raised \$98,820 in calendar year 2004, with \$246,945 raised from 2003 to 2004.

Currently the annual use fees for the motorcycle specialty license plates are distributed to The Abel Trust who retains a 10 percent of the proceeds for administrative costs and distributes the remaining funds to the following organizations:

- Twenty-five percent to the Brain and Spinal Cord Injury Program Trust Fund,
- Twenty-five percent to Prevent Blindness Florida,
- Twenty-five percent to the Foundation for Vocational Rehabilitation to support the Personal Care Attendant Program, and

¹ S. 320.08058 (54), F.S.,

² S. 320.08058 (33), F.S.,

³ S. 320.08058 (16), F.S.,

⁴ S. 320.08068, F.S.

- Twenty-five percent to the Florida Association of Centers for Independent Living for the purpose of setting up direct-support organizations for each center, and for programs and activities serving disabled Floridians.

Proposed Changes

HB 385 w/CS amends s. 320.08058, F.S., transferring distribution of the annual use fees of Police Athletic League license plates from the Florida Police Athletic League, Inc., to the State of Florida Association of Police Athletic/Activities Leagues, Inc. The purpose is to reflect an administrative change in the corporation that receives the proceeds from the sale of Police Athletic League license plates.

The bill authorizes the use of a portion of the Police Athletic League funds for administrative and promotional costs. The league may use a maximum of 15 percent of such fees for administrative costs and a maximum of 10 percent to market and promote the plate.

The bill also redistributes the proceeds collected for each motorcycle specialty license plate as follows:

- Twelve and one-half percent to Prevent Blindness Florida,
- Twelve and one-half percent to the Blind Services Foundation of Florida., and
- Twenty-five percent to be used to leverage additional funding and new sources of revenue for the centers for independent living in this state by the Florida Association of Centers for Independent Living.

The current percentages of license plate proceeds distributed to the Brain and Spinal Cord Injury Program and to the Foundation for Vocational Rehabilitation are not changed by the bill.

C. SECTION DIRECTORY:

Section 1. Amends s. 320.08058, F.S., providing distribution and allocation of annual use fees from the sale of the Police Athletic League license plate.

Section 2. Amends s. 320.08068, F.S., providing distribution and allocation of annual use fees from the sale of the Motorcycle Specialty license plate.

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

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

This bill does not appear to have a significant direct economic impact on the private sector. However, the entities that receive funding from motorcycle specialty license plates would be affected by changing how the proceeds are distributed. Also, the Blind Services Foundation of Florida, which does not currently receive funding from the sale of motorcycle specialty license plates, would benefit from receiving twelve and one-half percent of the proceeds.

D. FISCAL COMMENTS:

If the bill's provisions were effective in 2004, the Police Athletic League, Inc. would have been authorized to use \$49,275 for administrative costs and \$32,850 for marketing and promotion.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action 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:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

The purpose of the transfer of proceeds is to reflect an administrative change in the corporation that receives the proceeds from the sale of Police Athletic League license plates. The new corporation is on file with the Department of State, Division of Corporations, listed as the State of Florida Association of Police Athletic Leagues/Activities, Inc.

IV. AMENDMENTS/COMMITTEE SUBSTITUTE & COMBINED BILL CHANGES

On January 26, 2006 the Committee on Transportation amended HB 385 to redistribute the proceeds collected for motorcycle specialty license plates; and to modify how the Florida Association of Centers for Independent Living may use its share of license plate proceeds.

The committee then voted 10-0 to report the bill favorably with committee substitute.