

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 973 Specialty License Plates
SPONSOR(S): Boyd
TIED BILLS: **IDEN./SIM. BILLS:** SB 2592

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Infrastructure</u>	<u>7 Y, 1 N</u>	<u>Fox</u>	<u>Miller</u>
2) <u>Economic Expansion & Infrastructure Council</u>	<u></u>	<u></u>	<u></u>
3) <u>Policy & Budget Council</u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
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SUMMARY ANALYSIS

HB 973 provides for the creation and issuance of a "Protect Florida Springs" specialty license plate. The annual use fee of \$25 per tag shall be distributed to the Wildlife Foundation of Florida, Inc.

Specialty license plates must be specifically authorized by the Florida Statutes. Section 320.08053, F.S., establishes requirements that organizations must meet to create a new specialty license plate, including a scientific survey performed by an independent sampling firm indicating that 30,000 motor vehicle owners would purchase the proposed plate at the increased cost, long and short term marketing plans addressing revenues and expenditures, and a \$60,000 application fee, among other requirements. Currently, there are 104 specialty license plates (103 automobile and 1 motorcycle).

The fiscal impact of this bill is approximately \$60,000 to the Department of Highway Safety and Motor Vehicles (DHSMV) for implementation of the new specialty license plate will be offset by the application fee of \$60,000 paid to the DHSMV by the sponsoring organization.

The Wildlife Foundation of Florida, Inc. has met all of the application and statutory requirements to pursue legislation for the "Protect Florida Springs" specialty license plate. In addition, the Auditor General has reported in Report No. 2007-109, that this organization has met the survey requirements as required in the Florida Statutes.

This act shall take effect July 1, 2007.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. HOUSE PRINCIPLES ANALYSIS:

Provides Limited Government – The bill appears to increase government in that it requires DHSMV to develop and provide for the manufacture of a new license plate, and therefore requires county tax collectors offices to maintain an appropriate inventory and administer the new plate.

B. EFFECT OF PROPOSED CHANGES:

Present Situation

Currently, 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 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. Under s. 320.08053, F.S., an organization may seek Legislative authorization for a new specialty licensed plate by meeting a number of requirements.

An organization is first required to submit to the Department of Highway Safety and Motor Vehicles (DHSMV) the following:

- 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 30,000 vehicle owners intend to purchase the plate at the increased cost.
- An application fee of \$60,000 defraying the DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates.
- A marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements must 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.

Effect of Proposed Changes

This bill amends s. 320.08056 and 320.08058, F.S., authorizing the DHSMV to develop and issue a "Protect Florida Springs" license plate upon payment of the appropriate license taxes and a \$25 special use fee.

Annual use fees collected from the sale of this license plate shall be distributed to the Wildlife Foundation of Florida, Inc. They will administer the fees and will use the proceeds as follows:

- Up to 15% for the continuing promotion and marketing of the license plate.
- Up to 10% for administrative costs associated with education programs, conservation springs research, and grant administration of Wildlife Foundation of Florida, Inc.
- At least 55% shall be used for competitive grants in support of protecting Florida's springs. The highest priority will be given to community-based springs programs and projects specifically related to education, outreach, and springs protection.
- Up to 20% shall be distributed to Wildlife Trust of Florida, Inc. for competitive grants and support for the Wildlife Trust's Florida springs conservation and research activities.

The impact incurred as a result of this bill is approximately \$60,000. This impact is offset by the \$60,000 application fee the organization is required to pay. Revenue generated from the sale of this license plate is based on public interest and cannot be predicted.

The Wildlife Foundation of Florida, Inc. has met the application and statutory requirements to pursue legislation for the "Protect Florida Springs" specialty license plate. In addition, the Auditor General has reported in Report No. 2007-109, that this organization has met the survey requirements as required in the Florida Statutes.

B. SECTION DIRECTORY:

Section 1. Amends s. 320.08056 F.S. providing for a \$25 annual use fee for "Protect Florida Springs" specialty license plate.

Section 2. Amends s. 320.08058 F.S. creating the "Protect Florida Springs" specialty license plate: providing for plate design and providing for the distribution and uses of the annual use fees.

Section 3. Provides an effective date of July 1, 2007.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See FISCAL COMMENTS section below.

2. Expenditures:

See FISCAL COMMENTS section below.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons who elect to purchase this specialty license plate will be required to pay an annual use fee of \$25 in addition to applicable license taxes and administrative charges. The fee from the "Protect Florida Springs" license plate will be distributed to the Wildlife Foundation of Florida, Inc. for various grant programs and for marketing, promotional and administrative costs.

It is impossible to determine how many people will purchase the plates because the sale of this license plate will be based on public interest. Therefore, the aggregate impact of the private sector cannot be determined.

D. FISCAL COMMENTS:

Implementation of HB 973 will cost the DHSMV approximately \$60,000 in contract programming, development labor, and product purchasing costs for the creation of the "Protect Florida Springs" specialty license plate. This fiscal impact is offset by the statutory application fee of \$60,000, which has been submitted to the DHSMV by the sponsoring organization seeking creation of this specialty license plate.

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:

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

C. DRAFTING ISSUES OR OTHER COMMENTS:

Drafting Issues

The DHSMV recommends that this act take effect October 1, 2007 instead of July 1, 2007 to allow time for implementation. The sponsor has indicated that he will offer an amendment to change the effective date.

D. STATEMENT OF THE SPONSOR

No statement submitted.

IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES

This bill was considered by the House Infrastructure Committee on March 19, 2007. The committee adopted an amendment which made several changes. The amendment changed the language on how the annual use fees from the "Protect Florida Springs" plate are distributed; modified the advisory granting committee; and increased the annual use fees for the Florida Sheriffs Youth Ranch specialty license plate from \$20 to \$25. The bill was reported favorably with one amendment.