

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 1027 License Plates  
**SPONSOR(S):** Kreegel and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 1606

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REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) <u>Committee on Infrastructure</u>	<u>10 Y, 0 N</u>	<u>Cortese</u>	<u>Miller</u>
2) <u>Economic Expansion &amp; Infrastructure Council</u>	<u></u>	<u>Cortese</u>	<u>Tinker</u>
3) <u>Policy &amp; Budget Council</u>	<u></u>	<u></u>	<u></u>
4) <u></u>	<u></u>	<u></u>	<u></u>
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**SUMMARY ANALYSIS**

This bill annually redirects up to \$100,000 from the Department of Transportation to the State Homes for Veterans Trust Fund which is operated by the Florida Department of Veterans' Affairs (FDVA). These additional funds are to be used in support of the construction, operation, and maintenance of state veterans' domiciliary and nursing homes. The bill adds the Operation Iraqi Freedom and Operation Enduring Freedom special license plates to the group of plates that will be used to generate funds under this bill.

The bill also provides for a check-off provision on motor vehicle registration application and renewal forms to allow for a voluntary donation to the State Homes for Veterans Trust Fund. The law prohibits the use of state funds to pay the required \$10,000 application fee; and according to the proponents of the bill FDVA does not have any other revenue source to pay the fee.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. HOUSE PRINCIPLES ANALYSIS:

**Provide limited government-** This bill creates additional work for governmental organizations.

#### B. EFFECT OF PROPOSED CHANGES:

##### Current Situation

Special license plates or “stamped plates” are different than “specialty license plates” which are available to any owner or lessee of a motor vehicle who is willing to pay an annual 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.<sup>1</sup>

“Stamped plates” are issued by the Department of Highway Safety and Motor Vehicles (DHSMV) based on certain qualifying criteria. The Governor, members of Congress and the Legislature<sup>2</sup>, members of the National Guard and U. S. Armed Forces Reserve, Pearl Harbor survivors, combat wounded veterans awarded the Purple Heart, and veterans of service in Operation Iraqi Freedom and Operation Enduring Freedom qualify for special license plates, or “stamped plates”. License taxes for these special plates are the same as any other motor vehicle plate as prescribed in s. 320.08, F.S.

Currently, the first \$100,000 in revenue generated from the sale of license plates issued under this section which are stamped with the words "National Guard," "Pearl Harbor Survivor," "Combat-wounded veteran," or "U.S. Reserve" is deposited into the FDVA’s Grants and Donations Trust Fund. Any additional revenue is transferred to the Department of Transportation. According to the FDVA, the sale of stamped tags currently generates approximately \$450,000 annually.<sup>3</sup>

Currently, a contribution to state Veteran’s homes is not an option for a voluntary contribution on motor vehicle registration and registration renewal forms. Section 320.02, F.S., provides vehicle owners with an opportunity to make voluntary contributions to six organizations or causes when registering a vehicle or when renewing a vehicle registration:

- Transportation Disadvantaged Trust Fund,
- Prevent Blindness Florida,
- Florida Mothers Against Drunk Driving, Inc.,
- Southeastern Guide Dogs, Inc.,
- Stop Heart Disease, and
- Children’s Hearing Help Fund

Voluntary check-off contributions on vehicle registrations must be authorized by a statutory change. Florida Statutes require organizations to submit to DHSMV a request for the particular contribution being sought, an application fee not to exceed \$10,000, a short-term and long-term marketing plan, and an analysis outlining anticipated revenues and planned expenditures of such revenues. DHSMV must receive this information at least 90 days before convening of the next regular session. In addition, the

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<sup>1</sup> Section 320.08056 and Section 320.08058, F.S.

<sup>2</sup> Section 320.0807, F.S.

<sup>3</sup> FDVA 2008 Legislative Proposal Information Sheet

law specifically prohibits the use of state funds to pay the application fee. FDVA has not met these requirements.

### **Effect of Proposed Changes**

This bill amends s. 320.089, F.S., to delete a reference to the National Guard, Pearl Harbor Survivor, Combat Wounded Veteran, and U. S. Reserve special license plates. The effect of this deletion is to include the Operation Iraqi Freedom and Operation Enduring Freedom special license plates to the group of plates generating proceeds which will be subject to the bill's proposed redirection. It will also allow a second deposit of up to \$100,000 in revenue generated from the sale of plates to be deposited into the State Homes for Veterans Trust Fund and used solely to construct, operate, and maintain domiciliary and nursing homes for veterans.

Under this bill, there will be no change to the distribution of the first \$100,000 in general revenue to the FDVA's Grants and Donations Trust Fund. The bill redirects up to \$100,000 of additional proceeds from the sales of National Guard, U. S. Reserve, Pearl Harbor Survivor, Combat Wounded Veteran, Operation Iraqi Freedom, and Operation Enduring Freedom special "stamped" license plates from general revenue of the Department of Transportation to the State Homes for Veterans Trust Fund.

The bill also amends s. 320.02, F.S.; providing for a check-off provision on motor vehicle registration application and renewal forms to authorize a voluntary \$1 donation to the state veterans' homes. A check-off box will give applicants the option to contribute funds to this cause. According to proponents of this legislation, FDVA does not have a revenue source to pay the fee required in statute<sup>4</sup> because the law prohibits the use of state funds for this purpose. Revenue generated from this voluntary donation is based on public interest and cannot be predicted.

#### C. SECTION DIRECTORY:

**Section 1.** Section 320.089 (1)(b) is amended to delete a reference to the National Guard, Pearl Harbor Survivor, Combat Wounded Veteran, and U. S. Reserve special license plates. The effect of this deletion is to include the Operation Iraqi Freedom and Operation Enduring Freedom special license plates to the group of plates generating proceeds which will be subject to the bill's proposed redirection.

**Section 2.** Section 320.02 (16)(f) is amended to add a paragraph to include language permitting a registration and renewals of registration.

**Section 3.** Provides an effective date of July 1, 2008.

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

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

The Florida Department of Transportation's State Transportation Trust Fund would no longer receive up to \$100,000 in revenue annually generated by the sale of "stamped" plates.

Revenue generated by the voluntary contribution to the FDVA Trust Fund is based on public interest and is therefore indeterminate.

##### 2. Expenditures:

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<sup>4</sup> Section 320.023, F.S., sets out requirements for vehicle registration check-offs.

This bill will require programming modifications to the Florida Real Time Vehicle Information System of which the cost will be absorbed within DHSMV's existing resources.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None

2. Expenditures:

None

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Motorists who decide to donate to the State Homes for Veterans would pay an additional dollar for vehicle registrations or renewals. Revenue generated by this optional contribution is based on public interest and is therefore indeterminate.

**D. FISCAL COMMENTS:**

None

**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:**

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

DHSMV recommends that this act take effect October 1, 2008 instead of July 1, 2008 to allow time for implementation. The sponsor's staff has indicated that the sponsor is willing to offer an amendment to make this change.

**D. STATEMENT OF THE SPONSOR**

No statement submitted.

**IV. AMENDMENTS/COUNCIL SUBSTITUTE CHANGES**

On March 13, 2008, two amendments were adopted by the Infrastructure Committee. The first amendment added a statutory cross-reference to clarify FDVA's exemption from paying the \$10,000

voluntary check-off application fee. The second amendment changed the effective date to October 1, 2008. The bill was reported favorably with the amendments.