

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 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.

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 the department.
- 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 the department 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 the department'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 revenue from 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 department no later than 60 days after the act becomes a law. If the specialty license plate is not approved by the Legislature, the application fee is refunded to the requesting organization.

Section 320.08056, F.S., provides the department 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 department. 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. Finally, 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.

The department is authorized to annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray each specialty plate’s pro rata (proportionate) share of the department’s costs directly related to issuing the specialty license plate. A person wishing to purchase a specialty license plate must pay, in addition to the required license plate fee and license tax, a license plate annual use fee (from \$15 to \$25) and a processing fee of \$2.

The department must discontinue the issuance of an approved specialty plate if the number of valid specialty license plates in use falls below 1,000 plates for at least 12 consecutive months. The department is authorized to discontinue the issuance and distribution of specialty plates if the organization no longer exists, if the organization has stopped providing services authorized to be funded, or if the organization requests it. To date, only four plates have ever been discontinued for lack of sales. These plates are the Girl Scouts plate, the Orlando Predators plate, the Miami Hooters 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 department 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 department can examine all records pertaining to the use of specialty license plate revenues.

The Legislature has authorized 109 specialty license plates to date. Sales of specialty license plates generated over \$33 million in annual use fee revenues during the 2007 Fiscal Year (July 2006-June 2007).

PCMI Properties, Inc./Panama City Marine Institute

PCMI Properties, Inc., is organized exclusively for charitable and organizational purposes benefiting the Panama City Marine Institute. The Panama City Marine Institute is a registered non-profit organization whose mission is to redirect and motivate at-risk youth to accept responsibility for their actions, develop respect for themselves and others, and become productive members of the community. The Institute is part of the Associated Marine Institutes, Inc. (“AMI”) family of non profit educational institutes whose mission is to rehabilitate adjudicated kids to turn their lives around through responsibility, accountability and education. AMI tailors its programs to use the surrounding environment (such as, programs using horses and the marine environment) and is active in 8 states. Associated Marine Institutes of Florida has 27 locations and currently serves over 1000 children in the Florida Department of Juvenile Justice (“DJJ”) annually in day treatment intervention programs. Revenues received from sales

of the license plate would supplement state expenditures through DJJ and Associated Marine Institutes of Florida.

PCMI Properties, Inc., has not met the application and statutory requirements to pursue legislation for the “Horse Country” specialty license plate. Applicants are required to submit a scientific survey performed by an independent survey firm indicating that 30,000 motor vehicle owners would purchase the proposed plate at the increased cost. The department rejected the survey submitted by PCMI, for reasons beyond the control of PCMI.¹ A subsequent scientific sample survey has been submitted, but the department has not reviewed the survey as of this date. Section 320.08053(1), F.S., requires that applications submitted for specialty license plates must be completed no later than 90 days before the convening of the next regular session of the legislature. Additionally, because the department rejected the survey, it was not submitted to the Auditor General for validation that the organization has met all statutory requirements, as set out in s. 320.08053(1)(b), F.S.

III. Effect of Proposed Changes:

The bill authorizes the department to develop and issue a “Horse Country” license plate. Drivers can purchase this specialty plate upon payment of the appropriate license taxes and fees and a \$25 annual use fee.

Annual use fees shall be distributed to PCMI Properties, Inc. (“PCMI”), to fund its activities, programs, and projects within the state of Florida. PCMI may retain the first \$60,000 of revenues from the annual use fees to recover their documented startup costs for developing and establishing the plate. Afterwards, up to 25 percent of revenue may be used for promotion and marketing of the plate. Funds may also be used as necessary for any annual audit or compliance affidavit costs. The remaining revenue shall be used for programs involved in the rehabilitation of at-risk youth as directed by the Board of Trustees of PCMI.

Remaining funds may be used to provide educational materials, athletic equipment, transportation, food, medical services, counseling, scholarships, and other direct administrative and program expenses.

The funds may also be used as grants for expansion of youth rehabilitation programs in the state. Special consideration shall be given to programs using horses and other livestock in the efforts to redirect at-risk youth.

The bill shall take effect July 1, 2008.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

¹ Upon review of the independent survey, the department determined that a random sample survey was not conducted and that respondents from past surveys were used as part of the current survey.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Persons wishing to purchase a “Horse Country” plate can do so for an additional charge of \$25 (plus a \$2 processing fee) beyond the normal fees associated with buying a license plate.

The applicant has paid the \$60,000 application fee, which will be refunded if the plate is not approved by the Legislature. Revenue from an approved plate is based on public interest and cannot be predicted.

C. Government Sector Impact:

The department is responsible for developing and distributing the “Horse Country” license plate. The cost of this effort is approximately \$60,000. This impact will be offset by the \$60,000 application fee that the organization has already paid.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. Amendments:

Barcode # 528598 by Transportation:

The amendment clarified that the requirements of s. 320.08053, F.S., must be met prior to the issuance of the plate, and changed the effective date to October 1, 2008.

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