

**The Florida Senate**  
**BILL ANALYSIS AND FISCAL IMPACT STATEMENT**

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: The Professional Staff of the Finance and Tax Committee

BILL: SB 1606

INTRODUCER: Senator Baker and others

SUBJECT: Veterans Special License Plates

DATE: March 20, 2008

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Pardue	McElroy	MS	<b>Favorable</b>
2.	Paradise	Meyer	TR	<b>Favorable</b>
3.	ODonnell	Johansen	FT	<b>Favorable</b>
4.			TA	
5.				
6.				

**I. Summary:**

This bill annually redirects up to \$100,000 from the Department of Transportation to the State Homes for Veterans Trust Fund. Such 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 applicants registering or renewing registration of a motor vehicle to make a voluntary contribution of \$1 to the state homes for veterans.

This bill substantially amends the following sections of the Florida Statutes: 320.089 and 320.02.

**II. Present Situation:**

The Florida Department of Veterans' Affairs (FDVA) administers a system of veterans' homes including one domiciliary and five nursing homes. These facilities provide assisted living and skilled nursing home care to Florida military service veterans. The system has a maximum capacity of 600 nursing home beds and 150 domiciliary beds. Planning is underway for a sixth FDVA nursing home to be located in St. John's County that will provide an additional 120 beds.

These six facilities are supported by a combination of federal funds, general revenue and state trust fund appropriations, and fees charged to residents. Federal funds cover more than 28 percent of the cost of operating the homes. Total operating expenses for the facilities during FY

2006-2007 were \$44,207,148 according to the Florida Department of Veteran’s Affairs Annual Report July 1, 2006 – June 30, 2007.

There are two categories of license plates issued by the Department of Highway Safety and Motor Vehicles (DHSMV) that have similar names but separate purposes. They are “Specialty License Plates” and “Special License Plates or Stamped Plates.”

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 “Florida Salutes Veterans” license plate authorized in s. 320.08058(4), F.S., “United States Marine Corps” license plate authorized in s. 320.08058(28), F.S., “Military Services” license plate authorized in s. 320.08058(38), F.S., and the “Support Our Troops” license plate authorized in s. 320.08058(64), F.S., are military-themed examples. Proceeds (in part or full) from these plates are distributed to the State Homes for Veterans Trust Fund, and then support the construction, operation, and maintenance of state veterans domiciliary and nursing homes.

**State Homes for Veterans Trust Fund  
FY 2006-2007 Specialty License Fee Distributions**

Air Force	\$ 223,725
Army	\$ 259,875
Coast Guard	\$ 86,550
Florida Salutes Veterans	\$ 401,130
Navy	\$ 215,850
U. S. Paratrooper	\$ 91,620
U. S. Marine Corps	\$ 188,920*
Support Our Troops	\$ 0**

Source: Department of Highway Safety and Motor Vehicles except as otherwise noted.

\*Note – The U. S. Marine Corps specialty license plate fee proceeds distribution formula was revised during the 2007 Legislative Session effective July 1, 2007. This figure represents a projected distribution for FY 2007-2008 prepared by Senate committee staff and is not an actual distribution for FY 2006-2007.

\*\*Note – The Support Our Troops specialty license plate was newly authorized during the 2007 Legislative Session. An estimate of the distribution to the trust fund is not available at this time.

Special license plates or stamped plates are issued by the DHSMV based on certain qualifying criteria. The Governor, members of Congress and the Legislature, members of the National Guard and U. S. Armed Forces Reserve, Pearl Harbor survivors, combat wounded veterans awarded the Purple Heart, veterans of service in Operation Iraqi Freedom and Operation Enduring Freedom, and paratroopers qualify for special license plates as described in ch. 320, F.S. License taxes for these special plates are the same as any other motor vehicle plate. See ss. 320.0807, F.S., and 320.089, F.S.

Section 320.089, F.S., directs the first \$100,000 in general revenue raised each year from the sale of National Guard, U. S. Reserve, Pearl Harbor Survivor, and Combat Wounded Veteran special license plates to be distributed to the Grants and Donations Trust Fund as described in s. 296.38

(2), F.S., the Veterans' Nursing Home of Florida Act. The Florida Department of Transportation is the primary recipient of the remaining proceeds from these special plates.

The Department of Highway Safety and Motor Vehicle's motor vehicle registration form (and registration renewal form) includes language allowing voluntary contributions in support of a number of different organizations as provided in s. 320.02, F.S. Currently authorized voluntary contributions include:

- \$1 into the Nongame Wildlife Trust Fund;
- \$2 into the Highway Safety Operating Trust Fund, used to purchase child safety seats;
- \$5 into the Election Campaign Financing Trust Fund<sup>1</sup>;
- \$1 into the Transportation Disadvantaged Trust Fund<sup>2</sup>;
- \$1, distributed to Prevent Blindness Florida;
- an unspecified contribution, distributed to the Florida Mothers Against Drunk Driving, Inc., transferred by the department to the organization on a monthly basis;
- \$1, distributed to Southeastern Guide Dogs, Inc;
- \$1, in order to Stop Heart Disease. The proceeds are distributed quarterly to the Miami Heart Research Institute, Inc., doing business as the Florida Heart Research Institute; and,
- \$1, distributed to the Children's Hearing Help Fund.

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

The bill substantially amends s. 320.089, F.S. Under this bill, there will be no change to the distribution of the first \$100,000 in general revenue to the Grants and Donations Trust Fund. However, 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 license plates from general revenue from the Department of Transportation to the State Homes for Veterans Trust Fund. Such funds are to be used solely for the construction, operation, and maintenance of state domiciliary and nursing homes for veterans.

The bill deletes a reference to the National Guard, Pearl Harbor Survivor, Combat Wounded Veteran, and U. S. Reserve special license plates in s. 320.089(1)(b), F.S. 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.

The bill also amends s. 320.02, F.S., to permit applicants registering or renewing registration of a motor vehicle to make a voluntary contribution of \$1 to the state homes for veterans. Such contributions are to be distributed quarterly to the State Homes for Veterans Trust Fund and administered by the Department of Veterans' Affairs. This voluntary contribution did not apply for a checkoff as required by s. 320.023, F.S.

The bill provides for an effective date of July 1, 2008.

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<sup>1</sup> Expired, by operation of s. 19(f), Art. III of the State Constitution, effective November 4, 1996.

<sup>2</sup> Created in s. 427.0159, F.S. and expended as provided in that section.

**IV. Fiscal Impact Statement:****A. Tax/Fee Issues:**

None.

**B. Private Sector Impact:**

Persons registering or renewing registration for motor vehicles may voluntarily make an additional \$1 contribution to support state homes for veterans. The total anticipated proceeds for such contributions is unknown at this time as it is based on public interest.

**C. Government Sector Impact:**

The effect of this bill will be to reduce revenues to the Department of Transportation by up to \$100,000 annually and redirect that amount to the State Homes for Veterans Trust Fund.

**V. Technical Deficiencies:**

None.

**VI. Related Issues:**

DHSMV recommends amending the effective date in Section 3, from July 1<sup>st</sup> to October 1<sup>st</sup>, 2008.

**VII. 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:**

None.