

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 Transportation Committee

BILL: CS/SB 2206

INTRODUCER: Transportation Committee and Senator Baker

SUBJECT: Florida Tennis License Plate

DATE: March 18, 2008 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Paradise	Meyer	TR	Fav/CS
2.			CM	
3.			TA	
4.				
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

Senate Bill 2206 (“the bill”) requires the Department of Highway Safety and Motor Vehicles (“department”) to develop a “Florida Tennis” specialty license plate titled “Play Tennis.” The plate would be available to drivers wishing to pay an extra \$25 annual use fee. Funds would be distributed via grants to nonprofits, to operate youth tennis programs and build, renovate, and maintain public tennis courts. Up to 5% of plate revenue could be used for marketing. The “Florida Tennis” plate has met the statutory application requirements for specialty plate creation.

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 organization 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).

Florida Sports Foundation

The Florida Sports Foundation, Inc., is the official sports promotion and development organization for the State of Florida. The Foundation is a private, not-for-profit corporation located in Tallahassee and operating under contract with the Office of Tourism, Trade and Economic Development, under the Executive Office of the Governor. The Florida Sports Foundation is charged with the promotion and development of professional, amateur, and recreational sports and physical fitness opportunities that produce a thriving Florida sports industry and environment.

The Florida Sports Foundation currently receives proceeds from annual use fee revenue from professional sports team license plates as provided in s. 320.08058(9), F.S. These funds are used to promote the economic development of the sports industry, distribute licensing and royalty fees, promote awareness of the benefits of physical activity, and a number of other purposes. The Foundation also receives all the proceeds from the annual use fees from the "Florida Golf" license plates in s. 320.08058(35), F.S., and the "NASCAR" license plate as provided in s. 320.08058(60), F.S. The Foundation distributes these funds for a wide range of purposes, such as paying royalty fees, administering youth programs, marketing, and disbursal of grants to sports nonprofits and charitable organizations. The Foundation must submit an annual financial audit.

United States Tennis Association Florida Section (USTA Florida)

The United States Tennis Association is the national governing body of tennis and the largest tennis organization in the world. Established in 1881, the mission of the USTA is to “promote and develop the growth of tennis.” USTA Florida was established in 1949 as one of seventeen sections of the United States Tennis Association, and is the governing body of amateur tennis in Florida. USTA Florida, Inc., is a nonprofit corporation comprised of over 900 member organizations throughout the state, with almost 49,000 individual members. The organization sanctions over 850 amateur tournaments for adult and junior players.

The USTA Florida Section Foundation, Inc. (USTA Florida Foundation), is a nonprofit corporation created by the Board of Directors of USTA Florida in 2004. Its mission is to “improve the health and quality of life of Floridians through Tennis,” through: after school and physical education grants for at risk or special population children; grants for tennis instruction, travel, and equipment to those children and other underprivileged youth; and grants and scholarships to other charitable organizations offering tennis instruction and programs to Floridians.

III. Effect of Proposed Changes:

The bill requires the department to develop a “Florida Tennis” license plate titled “Play Tennis.” The USTA Florida Foundation may submit a revised sample plate for consideration by the department.

The department shall distribute the annual use fees to the Florida Sports Foundation, a direct-support organization of the Office of Tourism, Trade, and Economic Development. Fees will be distributed annually as follows:

- Up to 5 percent of the proceeds from the annual use fees may be used by the Florida Sports Foundation to administer the license plate program.
- USTA Florida shall receive the first \$60,000 in proceeds to reimburse it for start up costs.
- Up to 5 percent of the proceeds from the annual use fees may be used for promoting and marketing the license plate.
- The remaining proceeds shall be available for grants by the USTA Florida Foundation to: nonprofit organizations to operate youth tennis programs, for building and maintaining public tennis courts. All grant recipients shall provide to the USTA Florida Foundation an annual program and financial report regarding the use of grant funds, which will be made publicly available.

This act shall take effect July 1, 2008.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

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 “Florida Tennis” plate can do so for an additional charge of \$25 (plus \$2 processing fee) beyond the normal fees associated with buying a license plate.

The \$60,000 application fee has been paid, and 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 “Florida Tennis” license plate. The cost of this effort is approximately \$60,000. This impact will be offset by the \$60,000 application fee already paid.

VI. **Technical Deficiencies:**

None.

VII. **Related Issues:**

The department recommends amending the effective date in Section 3, from July 1st to October 1st, 2008, to allow time for implementation.

VIII. **Additional Information:**

A. **Committee Substitute – Statement of Substantial Changes:**

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

By Transportation on March 18, 2008.

The CS:

- Directs that the proceeds (up to 5 percent) that the Florida Sports Foundation can retain are now used to administer the plate (instead of for youth tennis programs).
- Authorizes the Florida Sports Foundation to now use up to 5 percent of proceeds to promote and market the plate. Previously, USTA Florida could use any portion of the remaining proceeds for marketing.

- Prevents USTA Florida from receiving additional money beyond the \$60,000 reimbursement for their costs in the plate development and approval process (previously they retained 15% of annual proceeds after the reimbursement).

B. Amendments:

None.

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