

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 and Economic Development Appropriations Committee

BILL: CS/SB 734

INTRODUCER: Transportation and Economic Development Appropriations Committee and Senator Fasano

SUBJECT: License Plates

DATE: April 8, 2008 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Paradise	Meyer	TR	Fav/1 amendment
2.	Carey	Noble	TA	Fav/CS
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____
6.	_____	_____	_____	_____

Please see Section VIII. for Additional Information:

A. COMMITTEE SUBSTITUTE..... Statement of Substantial Changes

B. AMENDMENTS..... Technical amendments were recommended

Amendments were recommended

Significant amendments were recommended

I. Summary:

The Committee Substitute for SB 734 (the bill) requires the Department of Highway Safety and Motor Vehicles (“department”) to develop a “Florida Tennis” specialty license plate titled “Play Tennis.”, a “Lighthouse Association” license plate titled “Visit our Lights”. These plates would be available to drivers wishing to pay an extra \$25 annual use fee.

The bill also requires the department to develop an “I Believe” specialty license plate, and a “In God We Trust “ specialty license plate, if the requirements of s. 320.08053, F.S. are met, prior to the issuance of the plates.. These plates would be available to drivers wishing to pay an extra \$25 annual use fee.

Funds from the “Florida Tennis” specialty license plate would be distributed via grants to nonprofit organizations, to operate youth tennis programs and build, renovate, and maintain public tennis courts. Up to 5 percent of plate revenue could be used for marketing. The “Florida Tennis” plate has met the statutory application requirements for specialty plate creation.

Funds from the “Lighthouse Association” license plate titled “Visit Our Lights.” specialty plate would be distributed to the Florida Lighthouse Association, Inc., for the preservation, restoration, and protection of the 29 remaining historic lighthouses in Florida. The “Lighthouse Association” license plate has met the statutory application requirements for a new specialty license plate.

Funds from the

Funds from the “I Believe” license plate would be distributed to Faith In Teaching, Inc., to fund programs, activities, and projects that promote faith-based education for youth in the state.

Funds from the “In God We Trust” license plate would be distributed to the In God We Trust Foundation, Inc., to fund educational scholarships for children of Florida residents who are members of the United States Armed forces, the National Guard and the United States Armed Forces Reserve and for the children of public safety employees who have died in the line of duty and are not covered by existing state law.

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).

Florida Sports Foundation

The Florida Sports Foundation, Inc., is the official sports promotion and development organization for the State of Florida.¹ 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 provide for 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.

Florida Lighthouse Association, Inc.

The Florida Lighthouse Association is a nonprofit group of citizen activists dedicated to the preservation of the remaining historic lighthouses that line our state's 1200 mile coastline. Once central to the economic growth and settlement of our nation, many of Florida's lighthouses face

¹ Section 288.1229, F.S.

uncertain futures. Although six lighthouses have been saved and opened to the public by private, nonprofit organizations, many lighthouses show signs of neglect and deterioration, and one - Cape St. George - collapsed in 2005. Florida Lighthouse has donated money for salvage and restoration of Cape St. George. The restored lighthouses include St. Augustine, Ponce de Leon Inlet, Jupiter Inlet, Cape Florida, Key West and Boca Grande, and are open to the public.

The Association's mission is to preserve, restore, protect and defend Florida's lighthouse towers, along with their material culture, buildings, artifacts and records to assure Florida's lighthouses and lighthouse keepers will be available for the enjoyment and understanding of future generations.

The Association is a registered nonprofit corporation with open membership formed in 1996. The backbone of the Florida Lighthouse Association's membership are citizens who live near lighthouses and are members of local lighthouse associations.

The department has found that the "Lighthouse Association" license plate has met the application requirements.

Faith in Teaching, Inc.

The Faith in Teaching, Inc. is a non-profit organization whose mission is to promote faith based education for youth within the state.

In God We Trust Foundation, Inc.

The In God We Trust Foundation, Inc., provides educational scholarships for the children of Florida residents who are members of the United States Armed Forces, the National Guard, and the United States Armed Forces Reserve and for the children of public safety employees who have died in the line of duty who are not covered by existing state law. The Foundation also distributes funds to other 501(c)(3) organizations that may apply for grants and scholarships and provides grants to public and private schools to promote the historical and religious significance of American and Florida history.

III. Effect of Proposed Changes:

The bill authorizes 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.

The bill authorizes the department to develop and issue a “Lighthouse Association” license plate titled “Visit Our Lights”. 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 the Florida Lighthouse Association, Inc., which may use up to 10 percent of the proceeds for the promotion and marketing of the plates. The remaining proceeds shall be used to fund the preservation, restoration, and protection of the 29 historic lighthouses remaining in the state.

The bill authorizes the department to develop and issue and “I Believe” license plate, if the organization meets the requirements of s.320.08053 prior to the plates being issued. Drivers can purchase this specialty plate upon payment of the appropriate license taxes and fees and a \$25 annual use fee. Faith in Teaching, Inc., may retain all revenue from the annual use fees until all startup costs for developing and establishing the plate have been recovered. Thereafter, a maximum of 10 percent of the annual use fee revenue may be used for administrative costs and a maximum of 10 percent for promotion and marketing the plate, and the remaining funds shall be used to fund programs, activities, and projects that promote faith-based education for youth in this state..

The bill authorizes the department to develop and issue a “In God We Trust” license plate, if the organization meets the requirements of s.320.08053 prior to the plates being issued. Drivers can purchase this specialty plate upon payment of the appropriate license taxes and fees and a \$25 annual use fee. Funding would go to the In God We Trust Foundation, Inc., to fund educational scholarships for the children of Florida residents who are members of the United States Armed Forces, the National Guard, and the United States Armed Forces Reserve and for the children of public safety employees who have died in the line of duty who are not covered by existing state law. Funds shall also be distributed to other 501(c)(3) organizations that may apply for grants and scholarships and to provide educational grants to public and private schools to promote the historical and religious significance of American and Florida history. The In God We Trust Foundation, Inc., shall distribute the license plate annual use fees in the following manner: In God We Trust Foundation, Inc., may retain all revenues from the sale of such plates until all startup costs for developing and establishing the plate have been recovered. Thereafter, 10 percent of the funds received by In God We Trust Foundation, Inc., shall be expended for administrative costs, promotion, and marketing of the license plate directly associated with the operations of In God We Trust Foundation, Inc., and all remaining funds shall be expended by the In God We Trust Foundation, Inc., for programs.

The bill shall take effect October 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” or a “Lighthouse Association” plate can do so for an additional charge of \$25 (plus \$2 processing fee) beyond the normal fees associated with buying a license plate. In addition, persons wishing to purchase an “I Believe” license plate, or a “In God We Trust” license plate may do so, providing the organizations meet the requirements of s. 320.08053, F.S. before the issuance of the plates, for an additional charge of \$25 (plus \$2 processing fee) beyond the normal fees associated with buying a license plate.

All of the organizations have 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 “Florida Tennis” license plate, and the “Lighthouse Association” license plate. The department is also responsible for issuing the “I Believe” and the “In God We Trust” license plate providing the requirements of s. 320.08053, F.S. are met prior to the issuance of the plates. The cost of this effort is approximately \$60,000 per plate. This impact will be offset by the \$60,000 application fees that both organizations have 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.)

The committee substitute authorizes the Department of Highway Safety and Motor Vehicles to develop and issue the “Florida Tennis” license plate in addition to the “Lighthouse Association” license plate.

The committee substitute also authorizes the Department of Highway Safety and Motor Vehicles to develop and issue the “I Believe” license plate and the “In God We Trust” license plate provided that the requirements of s. 320.08053, F.S. are met prior to the issuance of the plates.

The effective date was changed from July 1, 2008 to October 1, 2008.

- B. **Amendments:**

None.