

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: SB 1398
 INTRODUCER: Senator Fasano
 SUBJECT: Fraternal Order of Police License Plate
 DATE: March 20, 2009 REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|------------------|
| 1. | Hansson | Meyer | TR | Favorable |
| 2. | _____ | _____ | CJ | _____ |
| 3. | _____ | _____ | TA | _____ |
| 4. | _____ | _____ | _____ | _____ |
| 5. | _____ | _____ | _____ | _____ |
| 6. | _____ | _____ | _____ | _____ |

I. Summary:

This bill requires the Department of Highway Safety and Motor Vehicles (DHSMV) to develop a license plate titled “Fraternal Order of Police.” The plate would be available to drivers, who are members of the lodge in good standing or a member of a lodge member’s family, wishing to pay an extra \$25 annual use fee, distributed to the Florida State Lodge of the Fraternal Order of Police (organization), to fund projects, programs, or events related to the Florida State Lodge Memorial Foundation of the Lodge of Fraternal Order of Police memorial or to fund improvements, maintenance or other support for the memorial. The “Fraternal Order of Police” license plate has met the statutory application requirements for a new specialty license plate and falls within the exception from the moratorium on new specialty license plates created by the 2008 Legislature, as the organization submitted its materials before May 2, 2008.

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 DHSMV.
- 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 DHSMV 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 DHSMV'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 DHSMV 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.

In 2008, the Legislature passed SB 1992, which included a moratorium on the issuance of specialty plates by DHSMV. The moratorium is effective from July 1, 2008 to July 1, 2011, but contains an exception “for [any] specialty license plate proposal which has submitted a letter of intent to the Department of Highway Safety and Motor Vehicles prior to May 2, 2008.”¹

Section 320.08056, F.S., provides DHSMV 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 DHSMV. 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.

DHSMV 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 DHSMV'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.

¹ S. 45, 2008-176, Laws of Florida

DHSMV 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. DHSMV 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 DHSMV 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. DHSMV can examine all records pertaining to the use of specialty license plate revenues.

The Legislature has authorized 111 specialty license plates to date. Sales of specialty license plates generated over \$35 million in annual use fee revenues during the 2008 Fiscal Year (July 2007-June 2008).

Florida State Lodge of the Fraternal Order of Police

The Florida State Lodge of the Fraternal Order of Police is part of a national organization of sworn law enforcement officers. The organization is committed to improving the working conditions of law enforcement officers and the safety of those they serve through education, legislation, information, community involvement, and employee representation. The mission of the organization includes: promoting and fostering the impartial enforcement of law and order; improving the individual proficiency of its members in the performance of their duties; encouraging social, charitable, educational activities among all law enforcement officers; and to advocating and striving for uniform application of the Civil Service and merit system for all law enforcement officers.

Florida State Lodge Fraternal Order of Police has also erected a memorial, in Tallahassee, Florida, which contains the names of every law enforcement officer killed in the line of duty in Florida along with federal officers assigned to Florida who lost their lives in the line of duty.

DHSMV has found that the "Fraternal Order of Police" license plate has met the application requirements and falls within the exception from the moratorium on new specialty license plates created by the 2008 Legislature, as the Foundation submitted its materials before May 2, 2008.

III. Effect of Proposed Changes:

The bill authorizes DHSMV to develop and issue a Florida State Lodge of the Fraternal Order of Police, license plate titled "Fraternal Order of Police." The department may issue the plate only to an applicant who submits a notarized letter from the Florida State Lodge of the Fraternal Order of Police stating that the applicant is member of the lodge in good standing or a member of a lodge member's family. Eligible drivers can purchase this specialty plate upon payment of the appropriate license taxes and fees and a \$25 annual use fee.

Florida State Lodge of the Fraternal Order of Police may retain all of the revenue from the annual use fees until all startup costs for developing and establishing the plate have been recovered. Thereafter, annual use fees shall be distributed to Florida State Lodge Memorial Fund of the Fraternal Order of Police, which may use up to 25 percent of the of the proceeds to fund the administrative, promotion, and marketing costs of the license plate program. The remaining fees shall be used by the organization to fund projects, programs, or events related to the memorial or to fund improvements, maintenance, or other support for the memorial.

The bill shall take effect July 1, 2009.

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:

Eligible persons wishing to purchase a "Fraternal Order of Police" 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 Florida State Lodge of the Fraternal Order of Police has paid the \$60,000 application fee, which will be refunded if the plate is not approved by the Legislature.

C. Government Sector Impact:

DHSMV is responsible for developing and distributing the “Fraternal Order of Police” 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:

This bill restricts the purchase of the Fraternal Order of Police license plate, allowing sales only to those that submit a notarized letter from the Florida State Lodge of Fraternal Order of Police stating that the applicant is a member of the lodge in good standing or a member of a lodge member’s family. This restriction may limit the sale of the license plate, and thus, potential proceeds, and may prevent other interested, but ineligible parties from purchasing the plate.

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:

None.