

**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 2638

INTRODUCER: Transportation Committee and Senator Siplin

SUBJECT: License Plates/Hispanics Settled Florida in 1513

DATE: April 13, 2010

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

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Davis	Meyer	TR	Fav/CS
2.			HE	
3.			HI	
4.			RC	
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:**

The bill extends the moratorium on the issuance of specialty plates by the Department of Highway Safety and Motor Vehicles (DHSMV or department) for an additional three years. Specifically, the moratorium is effective from July 1, 2008 to July 1, 2014.

The bill replaces the required sample survey requirement with a pre-sale requirement. Within 120 days following the specialty license plate becoming law, the DHSMV must establish a method to issue a specialty license plate voucher to allow for the presale of the specialty license plate. The processing fee, the service charge and branch fee, and the annual use fee shall be charged for the voucher. All other applicable fees must be charged at the time of issuance of the license plates.

The bill provides within 24 months after the presale specialty license plate voucher is established, the approved specialty license plate organization must record with the department a minimum of 1,000 voucher sales before manufacture of the license plate may commence. If, at the conclusion of the 24-month presale period, the minimum sales requirements have not been met, the specialty plate is deauthorized and the department shall discontinue development of the plate and discontinue issuance of the presale vouchers. Upon deauthorization of the license plate,

a purchaser of the license plate voucher may use the annual use fee collected as a credit towards any other specialty license plate or apply for a refund on a form prescribed by the department.

This bill requires DHSMV to develop, upon the National Hispanic Corporate Achievers, Inc., (organization) meeting the requirements of s. 320.08053, F.S., including the payment of a \$60,000 fee and the pre-sale requirement, a license plate titled "Hispanics Settled Florida in 1513." The plate will be available to drivers wishing to pay an extra \$25 annual use fee, distributed to the National Hispanic Corporate Achievers, Inc., to fund scholarship grants to Hispanic students and community colleges in Florida and job-development programs, job fairs, and educational seminars. The "Hispanics Settled Florida in 1513" license plate has not met the statutory application requirements for a new specialty license plate and does not fall within the exception from the moratorium on new specialty license plates created by the 2008 Legislature. The organization submitted a letter of intent before May 2, 2008; however, a valid survey, marketing strategy, and application fee as required by s. 320.08053, F.S., prior to October 1, 2008, were not submitted by the organization as required by s. 45 of ch. 2008-176, L.O.F. DHSMV's cost of developing the license plate is approximately \$60,000. This bill will take effect July 1, 2010.

This bill amends s. 45, ch. 2008-176, L.O.F.

This bill substantially amends ss. 320.08053, 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 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" or "which was included in a bill filed during the 2008 Legislative Session."<sup>1</sup> There were 12 organizations which met the moratorium exceptions; however, only one organization's specialty license plate was enacted during the 2009 Session.<sup>2</sup>

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 \$5.

In an effort to manage the number of specialty license plates and to eliminate those less popular the Legislature during the 2004 Session enacted SB 2020 which provides 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

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<sup>1</sup> S. 45, 2008-176, Laws of Florida

<sup>2</sup> Organizations that have met the moratorium exceptions, but have not been legislatively authorized include: Coalition for Renewable Energy Solutions – "Go Green", East Coast Surfing Hall of Fame and Museum – "Let's Go Surfing", Florida Horse Park – "Discover Florida's Horses", Fraternal Order of Police – "Fraternal Order of Police", Guy Harvey Ocean Foundation – "Catch Me Release Me", Surfing Evolution and Preservation – "Endless Summer", St. Johns River Alliance – "St. Johns River", Florida Biodiversity Foundation – "Save Wild Florida", Sons of Confederate Veterans – "Confederate Heritage", Toomey Foundation for the Natural Sciences – "Preserving the Past", and Toomey Foundation for the Natural Sciences – "Trinity". The University of Miami - Center for Autism and Related Disabilities – "Autism Awareness" specialty license plate was created during the 2009 Session (see 2009-71, L.O.F.).

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, and the Tampa Bay Storm plate, and the Corrections Foundation plate.

Annual use fees, or any interest earned from those fees, may be used by the authorized organization for public or private purposes; however, the annual 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.

There are currently 113 specialty license plates authorized by the Legislature to date. Sales of specialty license plates generated over \$37 million in annual use fee revenues during the 2009 Fiscal Year (July 2008-June 2009).

#### **National Hispanic Corporate Achievers, Inc.**

National Hispanic Corporate Achievers, Inc., a not-for-profit organization, whose focus is to provide an educational forum for Hispanics in the Fortune 500 companies. National Hispanic Corporate Achievers, Inc., promotes the advancement of diversity and inclusion of Hispanic talent in corporate America. This mission includes hiring, promoting and retaining Hispanics, highlighting Hispanic leaders and role models, and sharing knowledge and best practices between corporations.<sup>3</sup>

DHSMV has found the “Hispanics Settled Florida in 1513” license plate has not met the application requirements and does not fall within the exception from the moratorium on new specialty license plates created by the 2008 Legislature. The organization submitted a letter of intent before May 2, 2008; however, a valid survey, marketing strategy, and application fee as required by s. 320.08053, F.S., prior to October 1, 2008, were not submitted by the organization as required by s. 45 of ch. 2008-176, L.O.F.

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

The bill extends the moratorium on the issuance of specialty plates by DHSMV for an additional three years. Specifically, the moratorium is effective from July 1, 2008 to July 1, 2014.

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<sup>3</sup> <http://www.hispanicachievers.org/index.asp> (last visited on April 10, 2010).

The bill replaces the required sample survey requirement with a pre-sale requirement. Within 120 days following the specialty license plate becoming law, the DHSMV must establish a method to issue a specialty license plate voucher to allow for the presale of the specialty license plate. The processing fee, the service charge and branch fee, and the annual use fee shall be charged for the voucher. All other applicable fees must be charged at the time of issuance of the license plates.

The bill provides within 24 months after the presale specialty license plate voucher is established, the approved specialty license plate organization must record with the department a minimum of 1,000 voucher sales before manufacture of the license plate may commence. If, at the conclusion of the 24-month presale period, the minimum sales requirements have not been met, the specialty plate is deauthorized and the department shall discontinue development of the plate and discontinue issuance of the presale vouchers. Upon deauthorization of the license plate, a purchaser of the license plate voucher may use the annual use fee collected as a credit towards any other specialty license plate or apply for a refund on a form prescribed by the department.

An organization meeting the requirements shall be deemed to have submitted a valid survey for purposes of s. 45 of chapter 2008-176, Laws of Florida, as amended. In addition, the bill provides if the specialty license plate requested by the organization does not meet the presale requirements, the application fee shall be refunded to the requesting organization.

The bill authorizes DHSMV, upon the National Hispanic Corporate Achievers, Inc., meeting the requirements of s. 320.08053, F.S., including the payment of a \$60,000 fee and the pre-sale requirement, to develop and issue a National Hispanic Corporate Achievers, Inc., license plate titled "Hispanics Settled Florida in 1513." Drivers can purchase this specialty plate upon payment of the appropriate license taxes and fees and a \$25 annual use fee.

The annual use fees shall be distributed to the National Hispanic Corporate Achievers, Inc., which may distribute up to 10 percent of the of the proceeds to the Valencia Community College Foundation and up to 10 percent of the proceeds to Anna G. Mendez University to fund scholarship grants to Hispanic students. At least 30 percent of the fees shall be distributed to the Florida Hispanic Foundation to fund scholarship grants to community colleges in Florida, as determined by the Foundation. The remaining proceeds shall be used by the Hispanic Corporate Achievers, Inc., to fund job-development programs, job fairs, and educational seminars in Florida.

#### **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 “Hispanic Settled Florida in 1513” plate can do so for an additional charge of \$25 (plus \$5 processing fee) beyond the normal fees associated with buying a license plate.

C. Government Sector Impact:

The DHSMV is responsible for developing and distributing the “Hispanic Settled Florida in 1513” specialty license plate. The cost of this effort is approximately \$60,000.

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.)

**CS by Transportation on April 13, 2010:**

- Extends the specialty license plate moratorium until July 1, 2014.
- Replaces the required sample survey requirement with a pre-sale requirement.
- Requires the DHSMV establish a method to issue vouchers allowing the presale of specialty license plates.
- Requires an organization approved to issue a specialty license plate to record with the department a minimum number of voucher sales in order to proceed with the development of the plate.
- Allows the application fee be refunded if the organization does not meet presale requirements.
- Allows the Hispanics Settled Florida in 1513 license plate to be approved upon the organization meeting all of the requirements, including the payment of a \$60,000 fee and the pre-sale requirement.

B. Amendments:

None.

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

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