

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 General Government Appropriations Committee

BILL: SB 304

INTRODUCER: Senators Jones, Lynn, and Thrasher

SUBJECT: St. Johns River License Plate

DATE: April 6, 2010

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------|----------------|-----------|------------------|
| 1. | McManus | Meyer | TR | Favorable |
| 2. | Kiger | Kiger | EP | Favorable |
| 3. | Pigott | DeLoach | GA | Favorable |
| 4. | | | RC | |
| 5. | | | | |
| 6. | | | | |

I. Summary:

This bill requires the Department of Highway Safety and Motor Vehicles (DHSMV) to develop a license plate titled “St. Johns River.” The plate will be available to drivers for an annual use fee of \$25. These funds will be distributed to the St. Johns River Alliance, Inc., (organization), to fund competitive grants for targeted community-based or county-based research or projects, for which state funding is limited or not currently available, and community outreach and access programs. The St. Johns River 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. The DHSMV’s cost of developing the license plate is approximately \$60,000, which is offset by the revenue from the application fee paid by the organization. This bill will take effect October 1, 2010.

This bill amends sections 320.08056 and 320.08058, Florida Statutes.

II. Present Situation:

Specialty License Plates

The Florida Legislature created the first specialty license plates in 1986. Specialty license plates are available for an annual use fee to any owner or lessee of a motor vehicle. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to a specified organization in support of the 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 320.08056, F.S., provides that the 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 the 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.

The 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 the 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.

Annual use fees and 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 the 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. The 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 2008-2009 fiscal year.

St. Johns River Alliance, Inc.

The St. Johns River Alliance, Inc., is a nonprofit organization that seeks to preserve, protect, promote, restore and celebrate the St. Johns River as an American Heritage River, based on its ecological, historic, economic, recreational and cultural significance. The organization is organized across 13 counties to protect the St. Johns River waterway and promote research.

The DHSMV has found that the St. Johns River 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 organization submitted its materials before May 2, 2008.

III. Effect of Proposed Changes:

The bill authorizes the DHSMV to develop and issue a St. Johns River Alliance, Inc., license plate titled "St. Johns River." Drivers can purchase this specialty plate upon payment of the appropriate license taxes and fees and a \$25 annual use fee.

The first \$60,000 of annual use fees shall reimburse the organization for administrative and startup costs. Thereafter, annual use fees shall be distributed to the St. Johns River Alliance, Inc., which may use up to ten percent of the of the proceeds for the administrative costs directly associated with education programs, conservation, research, and grant administration of the organization and up to ten percent of the proceeds for the promotion and marketing of the plates. At least 30 percent of the fees shall be available for competitive grants for targeted community-based or county-based research or projects for which state funding is limited or not currently available. The remaining 50 percent of the proceeds shall be directed toward community outreach and access programs. Any remaining funds shall be distributed with the approval of and accountability to the board of directors of the St. Johns River Alliance, Inc., and shall be used to support activities contributing to education, outreach, and springs conservation.

The competitive grants shall be administered and approved by the board of directors of the St. Johns River Alliance, Inc. A grant advisory committee shall be composed of six members chosen by the St. Johns River Alliance board members.

The bill shall take effect October 1, 2010.

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 St. Johns River plate can do so for a charge of \$25 (plus \$5 processing fee) in addition to the normal fees associated with buying a license plate.

The St. Johns River Alliance, Inc. has paid the \$60,000 application fee, which will be refunded if the plate is not approved by the Legislature.

C. Government Sector Impact:

The DHSMV is responsible for developing and distributing the St. Johns River 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:

None.

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.