

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 351

Specialty License Plates

SPONSOR(S): Patterson

TIED BILLS:

IDEN./SIM. BILLS: SB 736

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Roads, Bridges & Ports Policy Committee	12 Y, 1 N, As CS	Brown	Miller
2)	Economic Development & Community Affairs Policy Council			
3)				
4)				
5)				

SUMMARY ANALYSIS

CS/HB 351 provides for the creation of a “Catch Me, Release Me” specialty license plate. The annual use fee of \$25 per tag shall be distributed to the Guy Harvey Ocean Foundation, Inc., to fund marine-related scientific research and public awareness. Up to 10 percent of the proceeds collected are reserved to the Foundation for administrative costs and marketing of the plate.

Specialty license plates must be specifically authorized pursuant to s. 320.08053, F.S. This statute establishes requirements that organizations must meet to create a new specialty license plate, including a scientific survey performed by an independent sampling firm indicating that 30,000 motor vehicle owners would purchase the proposed plate at the increased cost, long and short term marketing plans addressing revenues and expenditures, and a \$60,000 application fee, among other requirements.

The fiscal impact of this bill is approximately \$60,000 to the Department of Highway Safety and Motor Vehicles (DHSMV) for implementation of the new specialty license plate. The fiscal impact will be offset by the application fee of \$60,000 paid to DHSMV by the sponsoring organization.

The Guy Harvey Ocean Foundation, Inc., has been approved by DHSMV and the Auditor General to pursue legislation for the “Catch Me, Release Me” specialty license plate, and is not affected by the 2008 legislation limiting future specialty plates.

The bill has an effective date of October 1, 2010.

HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Currently, 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 has authorized 114 specialty license plates. Sales of specialty license plates generated over \$37 million in annual use fee revenues during the 2009 Fiscal Year (July 2008-June 2009). Since the program's inception, the DHSMV has collected annual use fees for the plates totaling more than \$435.8 million. As of September 15, 2009, there were 1,472,826 of the state's 16.5 million registered vehicles displaying a valid specialty plate. This represents approximately 8.9% of all vehicle plates.

Under s. 320.08053, F.S., an organization may seek Legislative authorization for a new specialty license plate by meeting a number of requirements.

An organization is first required to submit the following to DHSMV:

- a request for the plate describing it in general terms;
- the results of a professional, independent, and scientific sample survey of Florida residents indicating that 30,000 vehicle owners intend to purchase the plate at the increased cost;
- an application fee of \$60,000 defraying DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates; and
- a marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements must be satisfied at least 90 days prior to the convening of the regular session of the Legislature. Once the requirements are met, DHSMV notifies the committees of the House of Representatives and Senate with jurisdiction over the issue, and the organization is free to find sponsors and pursue Legislative action.

In 2008 the Legislature passed SB 1992, which included a moratorium on the issuance of specialty plates by DHSMV.¹ The moratorium is effective from October 1, 2008 to July 1, 2011, but contains an

¹ S. 45, 2008-176, Laws of Florida

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.”²

Effect of Proposed Changes

The bill amends ss. 320.08056 and 320.08058, F.S., to authorize DHSMV to develop and issue a “Catch Me, Release Me” license plate upon payment of the appropriate license taxes and a \$25 special use fee. Annual use fees collected from the sale of this license plate shall be distributed to the Guy Harvey Ocean Foundation, Inc. They will administer the fees and use the proceeds as follows:

- the first \$60,000 in revenues may be retained to cover start-up costs;
- up to 10 percent of the proceeds may be used for administrative costs directly associated with the operations of the Guy Harvey Ocean Foundation, Inc., and promotion and marketing of the plate; and
- all remaining proceeds shall be used by the Guy Harvey Ocean Foundation, Inc., for substantive research and outreach initiatives.

CS/HB 351 specifically mentions particular types of research and outreach being pursued by the Guy Harvey Ocean Foundation, Inc.:

- research of free-ranging pelagic marine species that inhabit, use, or migrate through Florida waters,
- conservation initiatives, and
- education and public outreach programs targeting school-aged children in the state.

The fiscal impact incurred as a result of this bill is approximately \$60,000. This impact is offset by the \$60,000 application fee Guy Harvey Ocean Foundation, Inc. is required to pay as part of the application process. Revenue generated from the sale of this license plate is based on public interest and cannot be predicted.

The DHSMV has notified the Legislature that the Guy Harvey Ocean Foundation, Inc. has met the initial application and statutory requirements to pursue legislation for the “Catch Me, Release Me” specialty license plate. In conformity with s. 320.08053(1)(b), F.S., the Auditor General has issued a report validating the Foundation’s survey.³ This report also determines that the “Catch Me, Release Me” plate falls within exception from the moratorium on new specialty license plates created by the 2008 Legislature, as the Foundation submitted their materials before May 2, 2008.⁴

B. SECTION DIRECTORY:

Section 1 Amends s. 320.08056(4), F.S., providing for a \$25 annual use fee for the “Catch Me, Release Me” license plate.

Section 2 Amends s. 320.08058(65), F.S., creating the “Catch Me, Release Me” specialty license plate; providing for plate design; and providing for the distribution and uses of the annual use fees.

Section 3 Provides an Effective Date of October 1, 2010.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See Fiscal Comments, below.

² *Id.*

³ Report No. 2009-129, Auditor General, February 2009.

⁴ *Id.*

2. Expenditures:

See Fiscal Comments, below

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons who elect to purchase the specialty license plate will be required to pay an annual use fee of \$25 in addition to applicable taxes and administrative charges. It is impossible to determine how many people will purchase the plates because the sale of this license plate will be based on public interest. Therefore, the aggregate impact to the private sector cannot be determined.

D. FISCAL COMMENTS:

Implementation of CS/HB 351 will cost DHSMV approximately \$60,000 in contract programming, development labor, and product purchasing costs for the creation of the "Catch Me, Release Me" license plate. This fiscal impact is offset by the statutory application fee of \$60,000, which has been submitted to DHSMV by the Guy Harvey Ocean Foundation, Inc., for the creation of this specialty license plate. If the specialty license plate is not approved by the Legislature, the application fee may be refunded.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On January 13, 2010, the Roads, Bridges and Ports Policy Committee favorably adopted an amendment reducing the cap on administrative and marketing expenses from 25 percent to 10 percent. The bill as amended was reported favorably as a committee substitute.