

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 83 Specialty License Plates
SPONSOR(S): Roads, Bridges & Ports Policy Committee, Crisafulli and others
TIED BILLS: **IDEN./SIM. BILLS:** SB 170

| | REFERENCE | ACTION | ANALYST | STAFF DIRECTOR |
|----|---|------------------|----------------|-----------------------|
| 1) | Roads, Bridges & Ports Policy Committee | 12 Y, 0 N, As CS | Brown | Miller |
| 2) | Economic Development & Community Affairs Policy Council | 12 Y, 0 N | Brown | Tinker |
| 3) | | | | |
| 4) | | | | |
| 5) | | | | |

SUMMARY ANALYSIS

CS/HB 83 provides for the creation of an “Endless Summer” specialty license plate. The annual use fee of \$25 per tag shall be distributed to Surfing’s Evolution & Preservation Corporation. The bill provides that up to 10 percent of the proceeds collected may be used to fund promotion and advertising of the plate. Remaining funds shall be used to:

- fund the proposed Surfing’s Evolution & Preservation Project;
- fund the provision of lifeguards or the building of artificial reefs;
- provide funds to organizations that house the history and artifacts of surfing or promote the sport through exhibits, lectures, and events; and
- support programs and events that support beaches and oceans and promote education on beach safety, coastal pollution, and beach ecology.

Specialty license plates must be specifically authorized pursuant to Florida Statutes. Section 320.08053, F.S., 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.

Surfing’s Evolution & Preservation Corporation has been approved by DHSMV and the Auditor General to pursue legislation for the “Endless Summer” specialty license plate, and is not affected by the 2008 legislation limiting future specialty plates.

The bill is effective 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 may create a specialty license plate under its own initiative, or it can do so at the request of an organization. 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 to the DHSMV the following:

- 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 the 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 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

¹ S. 45, 2008-176, Laws of Florida

² *Id.*

Effect of Proposed Changes

The bill amends ss. 320.08056 and 320.08058, F.S., to authorize DHSMV to develop and issue an “Endless Summer” 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 Surfing’s Evolution & Preservation Corporation. Up to 10 percent of the proceeds may be used to fund promotion and advertising of the plate; the remaining proceeds shall:

- fund the proposed Surfing’s Evolution & Preservation Project;
- fund the provision of lifeguards or the building of artificial reefs;
- provide funds to organizations that house the history and artifacts of surfing or promote the sport through exhibits, lectures, and events; and
- support programs and events that support beaches and oceans and promote education on beach safety, coastal pollution, and beach ecology.

The fiscal impact incurred by DHSMV as a result of this bill is approximately \$60,000. This impact is offset by the \$60,000 application fee Surfing’s Evolution & Preservation Corporation 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 Surfing’s Evolution & Preservation Corporation has met the initial application and statutory requirements to pursue legislation for the “Endless Summer” specialty license plate. In conformity with s. 320.08053(1)(b), F.S., the Auditor General has issued a report validating the Corporation’s survey.³ This report also found that the “Endless Summer” plate falls within exception from the moratorium on new specialty license plates created by the 2008 Legislature, as the Corporation 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 “Endless Summer” license plate.
- Section 2 Amends s. 320.08058(69), F.S., creating the “Endless Summer” 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. Expenditures:
See fiscal comments below.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

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

⁴ *Id.*

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:

E. Implementation of CS/HB 83 will cost DHSMV approximately \$60,000 in contract programming, development labor, and product purchasing costs for the creation of the "Endless Summer" license plate. This fiscal impact is offset by the statutory application fee of \$60,000, which has been submitted to DHSMV by the Surfing's Evolution & Preservation Corporation for the creation of this specialty license plate. If the specialty license plate is not approved by the Legislature, the application fee shall 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 November 4, 2009, the Roads, Bridges, and Ports Policy Committee adopted an amendment providing ten percent cap on administrative and marketing fees. The bill was reported favorably as a committee substitute.