

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 17 Motor Vehicle License Plates

**SPONSOR(S):** Jenne and others

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 310

| REFERENCE   | ACTION    | ANALYST | STAFF DIRECTOR or<br>BUDGET/POLICY CHIEF |
|---|-----------|---------|--|
| 1) Transportation & Highway Safety<br>Subcommittee                      | 15 Y, 0 N | Johnson | Kruse                                    |
| 2) Transportation & Economic Development<br>Appropriations Subcommittee |           |         |  |
| 3) Economic Affairs Committee   |           |         |  |

### SUMMARY ANALYSIS

The bill creates new special use license plates for recipients of the Distinguished Service Cross, Navy Cross, Air Force Cross, and Silver Star, which are among the nation's highest military decorations for valor.

The bill provides that recipients of any of these four awards may, upon application to the Department of Highway Safety and Motor Vehicles, receive a license plate with the words "Silver Star," "Distinguished Service Cross," "Navy Cross," or "Air Force Cross," followed by the license plate serial number. The bill provides that upon application and proof of qualifications, the department shall issue the plate without payment of the license tax imposed by s. 320.08, F.S.

The fiscal impact is indeterminate negative, but likely insignificant to both state trust funds and general revenue. It is not known how many recipients of these awards reside in Florida and would submit an application for the license plate.

The bill has an effective date of July 1, 2011.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

##### *Medal of Honor; Special Use License Plate*

The Medal of Honor is the highest military decoration awarded by the United States government, awarded to members of the United States Armed Forces who distinguish themselves through "conspicuous gallantry and intrepidity at the risk of his or her life above and beyond the call of duty while engaged in an action against an enemy of the United States."<sup>1</sup> The Medal of Honor is bestowed upon an individual by the passing of a Joint Resolution of Congress and is then personally presented to the recipient or, in the case of posthumous awards, to next of kin, by the President of the United States, on behalf of the Congress, representing and recognizing the gratitude of the American people.

Section 320.0893, F.S., provides that a resident of Florida who was awarded the Medal of Honor while serving as a member of the United States Armed Forces may be issued a license plate on which is stamped the words "Medal of Honor" followed by the serial number. Upon submission of the application and proof that the applicant meets the qualifications the plate is issued without payment of the license tax imposed by s. 320.08, F.S.

##### *Motor vehicle license plates; issuance; annual license taxes*

The Department of Highway Safety and Motor Vehicles (DHSMV) administers the issuance of motor vehicle license plates as a part of the tag and registration requirements specified in ch. 320, F.S. License plates are issued for a 10-year period and are replaced upon renewal at the end of the 10-year period.<sup>2</sup> The license plate fee for both an original issuance and replacement is \$28.00.<sup>3</sup> An advance replacement fee of \$2.80 is applied to the annual vehicle registration and is credited towards the next replacement.

Section 320.08, F.S., requires the payment of an annual license tax that varies by motor vehicle type and weight; for a standard passenger vehicle weighing between 2,500 and 3,500 pounds, the annual tax is \$30.50.

Current law provides for several types of license plates in addition to plates issued for governmental or business purposes, DHSMV offers four basic types of plates to the general public:

- Standard plates: The standard license plate currently comes in three configurations, which include the county name designation, the state motto designation, and the state slogan designation.
- Specialty license plates: Specialty license plates are used to generate revenue for colleges, universities and other organizations. Organizations seeking to participate in the specialty plate program are required to make application with DHSMV, pay an application fee, and obtain authority from the Florida Legislature.<sup>4</sup> The recipient must pay applicable taxes pursuant to ss. 320.08, F.S., and 320.06(1)(b), F.S., and an additional charitable contribution as provided in section 320.08056(a) – (zzz), F.S., in order to receive a specialty license plate. The creation of new specialty license plates by DHSMV is prohibited until July 1, 2014.<sup>5</sup>

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<sup>1</sup> 10 U.S.C. s. 3741.

<sup>2</sup> Section 320.06, F.S.

<sup>3</sup> An initial issuance requires a fee of \$225, pursuant to s. 320.072, F.S.

<sup>4</sup> See generally s. 320.08056, F.S.

<sup>5</sup> The moratorium on new specialty license plates is created by s. 45, Chapter 2008-176, Laws of Florida, as amended by s. 21, Chapter 2010-223, Laws of Florida.

- **Personalized Prestige License Plates:** Personalized license plates are available to motorists who wish to personalize a license plate. Personalized license plates allow motorists to define the alpha numeric design (up to seven characters) on a standard plate that must be approved by the DHSMV. The cost for a personalized prestige license plate (in addition to the applicable tax in s. 320.08, F.S.) is \$15, pursuant to s. 320.0805, F.S.
- **Special Use License Plates:** Certain members of the general public may be eligible to apply for special use license plates if they are able to document their eligibility pursuant to various sections of ch. 320, F.S. This category of plates primarily includes special military license plates as well as plates for the handicapped. Examples include the Purple Heart, National Guard, U.S. Armed Forces, Pearl Harbor, Iraqi Freedom, and Enduring Freedom plates,<sup>6</sup> Disabled Veteran plates,<sup>7</sup> and Paralyzed Veterans of America plates.<sup>8</sup>

#### *Distinguished Service Cross, Navy Cross, Air Force Cross*

The Distinguished Service Cross is the second highest military decoration that can be awarded to a member of the United States Army for extreme gallantry and risk of life in actual combat with an armed enemy force.<sup>9</sup> Actions that merit the Distinguished Service Cross must be of such a high degree to be above those required for all other U.S. combat decorations but not meeting the criteria for the Medal of Honor.

The Navy Cross is the highest medal that can be awarded by the United States Department of the Navy<sup>10</sup> and along with the Distinguished Service Cross (U.S. Army) and the Air Force Cross, the second highest award given for valor. It is awarded to members of the United States Navy, United States Marine Corps, and United States Coast Guard.

The Air Force Cross is the second highest military decoration that can be awarded to a member of the United States Air Force.<sup>11</sup> The Air Force Cross is awarded for extraordinary heroism not justifying the award of the Medal of Honor. It may be awarded to any person who, while serving in any capacity with the U.S. Air Force, distinguishes him or herself by extraordinary heroism in combat.

#### *Silver Star Award*

The Silver Star is the third-highest military decoration that can be awarded to a member of any branch of the United States armed forces for valor in the face of the enemy.<sup>12</sup> The Silver Star is awarded for gallantry in action against an enemy of the United States not justifying one of the two higher awards – the service crosses or the Medal of Honor.

#### Proposed Changes

The bill provides that recipients of any of these awards may, upon application to DHSMV, receive a license plate with the name of the award, followed by the license plate serial number. The bill provides that upon application and proof of qualifications, DHSMV shall issue the plate without payment of the annual license tax imposed by s. 320.08, F.S. The qualifications are that the person is a United States citizen and Florida resident who has been awarded the Silver Star, Distinguished Service Cross, Navy Cross, or Air Force Cross.

<sup>6</sup> Section 320.089, F.S. Some of these plates require payment of the annual license tax in s. 320.08, F.S., while others are exempt from the tax.

<sup>7</sup> Section 320.084, F.S. The statute provides that an eligible person may receive one free Disabled Veteran license plate, although other taxes apply.

<sup>8</sup> Section 320.0845, F.S. This plate requires payment of the annual license tax in s. 320.08, F.S.

<sup>9</sup> 10 U.S.C. s. 3742.

<sup>10</sup> 10 U.S.C. s. 6242.

<sup>11</sup> 10 U.S.C. s. 8742.

<sup>12</sup> 10 U.S.C. s. 3746.

**B. SECTION DIRECTORY:**

- Section 1 Creates s. 320.0892, F.S., relating to motor vehicle license plates for recipients of the Silver Star, Distinguished Service Cross, Navy Cross, or Air Force Cross.
- Section 2 Provides an effective date.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

The fiscal impact is indeterminate negative, but likely insignificant to both state trust funds and general revenue.

For a standard size private use vehicle, net weight of 2,500 pounds or more, but less than 3,500 pounds, the annual tax is \$30.50, of which \$8 is deposited into the General Revenue Fund and the balance in the State Transportation Trust Fund. It is unclear how many Florida residents are recipients of these military decorations and would be eligible to apply for this license plate. Therefore, the revenue lost by the waiver of the license taxes under s. 320.08, F.S., is indeterminate to both the General Revenue Fund and the State Transportation Trust Fund.

2. Expenditures:

DHSMV estimates that the cost to produce the plates will be minimal and can be absorbed within existing resources.<sup>13</sup>

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

Silver Star, Distinguished Service Cross, Navy Cross, and Air Force Cross recipients wishing to indicate such status on their motor vehicle license plate would be entitled to receive a plate without paying the standard license tax required by s. 320.08, F.S.

**D. FISCAL COMMENTS:**

None.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to require counties or municipalities to spend funds or take action requiring the expenditures of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of state tax shared with counties or municipalities.

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<sup>13</sup> Department of Highway Safety and Motor Vehicles, *2012 Agency Bill Analysis: HB 17*.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

None.