

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 265 Florida Wildflower License Plate

**SPONSOR(S):** Wood

**TIED BILLS:** **IDEN./SIM. BILLS:** SB 632

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Highway Safety Subcommittee	12 Y, 0 N	Thompson	Miller
2) Transportation & Economic Development Appropriations Subcommittee	11 Y, 0 N	Rayman	Davis
3) Economic Affairs Committee	16 Y, 0 N	Thompson	Creamer

### SUMMARY ANALYSIS

The Florida Wildflower specialty license plate was created by the Legislature in 1999. Persons wishing to register a vehicle with the plate must pay a \$15 annual use fee in addition to the normal fees required when registering a vehicle. The annual use fees are distributed to the Florida Wildflower Foundation, Inc. (FWF), and must be used to establish native Florida wildflower research, educational, and grant programs. The funds are available to municipal, county, and community-based groups in the state. The FWF is authorized to use up to 15 percent of the proceeds for administrative and marketing costs.

HB 265 increases the amount of the annual use fee for the Florida Wildflower license plate from \$15 to \$25, and increases the maximum percentage of proceeds that the FWF is authorized to use for administrative and marketing costs from 15 percent to 20 percent.

The bill will have a positive fiscal impact on the FWF; and the municipal, county, and community-based groups that benefit from Florida Wildflower specialty license plate annual use fees. The bill has a minimal impact on the Department of Highway Safety and Motor Vehicles (DHSMV) workload, who can absorb the cost within existing resources.

The bill provides an effective date of July 1, 2013.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Specialty License Plates**

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 121 specialty license plates. Sales of specialty license plates generated over \$31 million in total net revenues during the Fiscal Year 2011-2012.<sup>1</sup>

An organization that seeks to establish a new specialty license plate for which an annual use fee is to be charged is required to submit the following to DHSMV:

- A request for the plate describing it in specific terms;
- An application fee of not more than \$60,000 to defray DHSMV's cost for reviewing the application and developing the new plate; and
- A marketing strategy.<sup>2</sup>

These requirements must be satisfied at least 90 days prior to the convening of the next regular session of the Legislature. When a plate is approved by law, the following timeframes must be met:

- As soon as practicable, but not later than 60 days after approval, the approved organization must submit the proposed art design to DHSMV.
- Within 120 days after approval, DHSMV is required to establish a presale specialty license plate voucher, which includes the current specialty license plate processing fee,<sup>3</sup> service charge and branch fee,<sup>4</sup> and annual use fee.<sup>5</sup>
- Within 24 months after the presale voucher is established, the approved organization must record a minimum of 1,000 voucher sales with DHSMV before the plate is authorized to be manufactured. If the minimum sales requirements are not met, the plate is deauthorized<sup>6</sup> and DHSMV is required to discontinue development of the plate and issuance of the presale vouchers.<sup>7</sup>

If a plate is not approved or the voucher presales requirement is not met, the application fee is refunded.

Currently, DHSMV is prohibited by law from issuing any new specialty license plates until after July 1, 2014.<sup>8</sup>

#### **Florida Wildflower License Plates**

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<sup>1</sup> Florida Department of Highway Safety and Motor Vehicles, *Specialty License Plate Administrative Fees*, available at <http://www.flhsmv.gov/specialtytags/slp.html#3> (last visited March 14, 2013).

<sup>2</sup> Section 320.08053(1), F.S.

<sup>3</sup> Section 320.08056(3)(b), F.S.

<sup>4</sup> Section 320.04, F.S.

<sup>5</sup> Section 320.08056(4), F.S.

<sup>6</sup> Section 320.08053(3)(b), F.S., provides that upon deauthorization of a 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 DHSMV.

<sup>7</sup> Section 320.08053(3), F.S.

<sup>8</sup> *Id.*, Note., A., provides that "[e]xcept for a 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, and which has submitted a valid survey, marketing strategy, and application fee as required by s. 320.08053, Florida Statutes, prior to October 1, 2008, or which was included in a bill filed during the 2008 Legislative Session, the Department of Highway Safety and Motor Vehicles may not issue any new specialty license plates pursuant to ss. 320.08056 and 320.08058, Florida Statutes, between July 1, 2008, and July 1, 2014."

The Florida Wildflower specialty license plate was created by the Legislature in 1999.<sup>9</sup> Persons wishing to register a vehicle with the plate must pay a \$15 annual use fee<sup>10</sup> in addition to the normal fees required when registering a vehicle. The annual use fees are distributed to the Florida Wildflower Foundation, Inc., (FWF)<sup>11</sup> and must be used to establish native Florida wildflower research, educational, and grant programs. The funds are available to municipal, county, and community-based groups in the state.<sup>12</sup> The FWF is directed to develop procedures of operation, research contracts, education and marketing programs, and wildflower planting grants for Florida native wildflowers, plants, and grasses<sup>13</sup> and is authorized to use up to 15 percent of the proceeds for administrative and marketing costs.<sup>14</sup>

### **Florida Wildflower Foundation, Inc.**

The mission of the FWF is “to enrich lives with Florida’s native wildflowers”.<sup>15</sup> The FWF funds research, education, and planting projects statewide. Since the year 2000, more than \$2.4 million in tag donations have supported projects that build awareness and knowledge of native wildflowers and plants and their roles in Florida’s ecosystems. The FWF works with organizations including the Florida Native Plant Society,<sup>16</sup> Florida Association of Native Nurseries,<sup>17</sup> Florida Federation of Garden Clubs,<sup>18</sup> and the University of Florida Master Gardener Program.<sup>19</sup>

### **Proposed Changes**

The bill increases the annual use fee that is collected from sales of the Florida Wildflower license plate from \$15 to \$25; and increases the maximum percentage of proceeds that the FWF is authorized to use for administrative and marketing costs from 15 percent to 20 percent.

#### **B. SECTION DIRECTORY:**

Section 1 Amends s. 320.08056, F.S., relating to specialty license plates annual use fees.

Section 2 Amends s. 320.08058, F.S., relating to specialty license plates.

Section 3 Provides an effective date of July 1, 2013.

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

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

#### **1. Revenues:**

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<sup>9</sup> Chapter 99-294, L.O.F.; codified in s. 320.08058(27), F.S.

<sup>10</sup> Section 320.08056(4)(aa), F.S.

<sup>11</sup> The Florida Wildflower Foundation, Inc., is a nonprofit corporation under s. 501(c)(3) of the Internal Revenue Code. If the foundation ceases to be an active nonprofit corporation under s. 501(c)(3) of the Internal Revenue Code, the proceeds from the annual use fee are to be deposited in the General Inspection Trust Fund within the Department of Agriculture and Consumer Services to be used and administered as specified.

<sup>12</sup> Section 320.08058(27)(b), F.S.

<sup>13</sup> Section 320.08058(27)(b)3., F.S.

<sup>14</sup> Section 320.08058(27)(b)2., F.S.

<sup>15</sup> Florida Wildflower Foundation, available at <http://flawildflowers.org/about.php> (last visited March 21, 2013).

<sup>16</sup> The Florida Native Plant Society, available at <http://www.fnps.org/> (last visited March 21, 2013).

<sup>17</sup> Florida Association of Native Nurseries, available at <http://www.afnn.org/> (last visited March 21, 2013).

<sup>18</sup> Florida Federation of Garden Clubs, Inc., available at <http://www.ffgc.org/> (last visited March 21, 2013).

<sup>19</sup> Florida Master Gardener Program, available at

[http://solutionsforyourlife.ufl.edu/hot\\_topics/lawn\\_and\\_garden/master\\_gardener\\_program.html](http://solutionsforyourlife.ufl.edu/hot_topics/lawn_and_garden/master_gardener_program.html) (last visited March 21, 2013).

None.

2. Expenditures:

Minimal. DHSMV states it can accommodate two hours of programming costs within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

See Fiscal Comments.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Indeterminate. See Fiscal Comments.

D. FISCAL COMMENTS:

The bill will have a positive fiscal impact on the FWF; and the municipal, county, and community-based groups that benefit from Florida Wildflower specialty license plate proceeds. However, the amount distributed from the annual use fee varies based on the number of license plates sold or renewed each year. In Fiscal Year 2011-12, 15,497 Florida Wildflower license plates were issued generating \$232,455, of which, \$34,868 was expended for administrative and marketing costs.<sup>20</sup> Based on this sales data, increasing the annual use fee that is distributed to the FWF from \$15 to \$25 could generate an additional \$154,970 for Fiscal Year 2013-14. Increasing the maximum percentage of proceeds that the FWF is authorized to use for administrative and marketing costs from 15 percent to 20 percent would allow an additional \$42,617 to be used for such costs for Fiscal Year 2013-14.

### 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.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

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<sup>20</sup> Department of Highway Safety and Motor Vehicles Agency Bill Analysis, *HB 265 – Florida Wildflower License Plate*, January 30, 2013 (on file with the House Transportation & Highway Safety Subcommittee).