

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 Committee on Appropriations

BILL: PCS/CS/CS/SB 274 (164746)

INTRODUCER: Appropriations Committee (Recommended by the Appropriations Subcommittee on Transportation, Tourism, and Economic Development Appropriations); Rules Committee; Transportation Committee; and Senator Dean and others

SUBJECT: Freemasonry License Plates

DATE: April 21, 2013 **REVISED:** _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Everette	Eichin	TR	Fav/CS
2.	Everette	Phelps	RC	Fav/CS
3.	Carey	Martin	ATD	Fav/CS
4.	Carey	Hansen	AP	Pre-meeting
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

PCS/CS/CS/SB 274 requires the Department of Highway Safety and Motor Vehicles (DHSMV, department) to establish a method to issue a specialty license plate voucher to allow for the presale of the Freemasonry specialty license plate and provides for a \$25 annual use fee for the plate. The specialty license plate organization must record, within 24 months, a minimum of 1,000 voucher sales before the department can begin manufacturing the specialty license plate.

The proceeds will be distributed to the Masonic Home Endowment Fund, Inc., for the operation of the Masonic Home of Florida which is dedicated to the care of Masons and their families.

The bill has no fiscal impact as the sponsoring organization must meet the pre-sale requirements prior to the department manufacturing the plate. The department will recover any development costs from the fee associated with the sale of 1,000 plates.

This bill substantially amends sections 320.08056 and 320.08058, Florida Statutes.

II. Present Situation:

Specialty License Plates

Specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay an annual use fee, in addition to other registration fees, for the privilege using that plate. Specialty license plate annual use fees range from \$15 to \$25, and are distributed to an organization 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.

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).

The sponsoring organization wishing to receive a specialty license plate is required to comply with the requirements of s. 320.08053, F.S., which include submitting the following information to the department at least 90 days prior to the convening of the next regular session of the Legislature:

- A description of the proposed specialty license, including a sample plate that conforms to specifications set by the department;
- Payment of a \$60,000 processing fee which defrays the department's cost of reviewing the application and developing the specialty license plate; and
- A marketing strategy outlining short-term and long-term marketing plans and a projected financial analysis outlining the anticipated and planned revenues from the sale of the license plate.

If the specialty license plate is approved by law, the sponsoring organization must pre-sell a minimum of 1,000 vouchers within 24 months before the department can begin manufacturing the specialty license plate. If the specialty license plate is not approved by the Legislature, or if the pre-sell requirements are not met, the department shall refund the application fee to the requesting organization.

Currently, there is a moratorium on the issuance of new specialty license plates. Section 45, ch. 2008-176, L.O.F., as amended by s. 21, ch. 2010-223, L.O.F., 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, F. S., 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, F.S., between July 1, 2008, and July 1, 2014."

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.

Statutory Approval Process

There is a moratorium on the issuance of new specialty license plates which expires on July 1, 2014.¹

Under s. 320.08503, F.S., an organization seeking authorization of a new specialty license plate is required to submit to the Department of Highway Safety and Motor Vehicles, at least 90 days prior to the Session at which they seek authorization, the following:

- A description of the proposed specialty plate;
- Payment of a \$60,000 processing fee, and
- A marketing strategy and a financial analysis outlining the anticipated and planned revenues from the sale of the license plate.

If approved, the entity must pre-sell a minimum of 1,000 vouchers within 24 months before the department will begin manufacturing the plate. If the specialty license plate is not authorized by the Legislature, or if the pre-sell requirements are not met, the department refunds the application fee.

Freemasonry License Plate

Thirty nine states offer the Freemasonry license plate for a cost ranging from \$20 to \$40²

The Masonic Home Endowment Fund, Inc., is a 501(c)(3), public charity organization. The Masonic Home Endowment Fund, Inc., was founded around 1987 in the Jacksonville, Florida area.³ The Grand Lodge of Florida⁴ is just one company under the auspices of the Masonic Home Endowment Fund, Inc. The Grand Lodge of Florida is a retirement living facility for senior masons and their spouses/widows. The facility has two-levels of care; round the clock care and assisted living with geriatric physicians and specialists on the premises.

III. Effect of Proposed Changes:

Section 1 amends s. 302.08056, F.S., to authorize the department to develop and issue the Freemasonry specialty license plate with an annual use fee of \$25.

Section 2 amends s. 302.08058, F.S., to create the Freemasonry specialty license plate, notwithstanding the moratorium on new specialty license plates⁵, and the provisions of s. 302.08053(1), F.S., requiring a description of the plate, an application of \$60,000, and a

¹ Section 45 of Chapter 2008-176, Laws of Florida.

² <http://www.daylightlodge.org/licenseplates.htm> (last visited on 3/17/2013)

³ <http://www.lincc.us/PubApps/showVals.php?ein=592740213> (last visited on 3/18/2013)

⁴ <http://masonichomeofflorida.org/aboutus.html> (last visited on 3/18/2013)

⁵ Section 45, ch. 2008-176, L.O.F., as amended by s. 21, 2010-223, L.O.F.

marketing strategy on the anticipated revenues and planned expenditures of the plate. The bill requires the pre-sale of 1,000 vouchers for the Freemasonry plate before the department can begin manufacturing the plate. The annual use fees from the sale of the Freemasonry specialty license will be distributed to the Masonic Home Endowment Fund, Inc., which may use up to 10 percent of the proceeds to promote and market the plate. The remainder of the proceeds must be used for the operation of the Masonic Home of Florida.

Section 3 provides an effective date of October 1, 2013.

Other Potential Implications:

The specialty plate does not qualify to be exempted from the requirements of the moratorium.

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 who purchase the Freemasonry specialty license plate will pay a \$25 annual use fee in addition to normal registration fees.

Proceeds from the sale of the Freemasonry specialty license plate will be distributed to the Masonic Home Endowment Fund, Inc.

C. Government Sector Impact:

The department's Information Systems Administration Office will require approximately 88 hours of work to develop, design, manufacture, and distribute the specialty license plate, and to implement the provisions of this bill. These costs will be absorbed by the department.

The bill has no fiscal impact as the sponsoring organization must meet the pre-sale requirements prior to the department manufacturing the plate. The department will

recover any development costs from the normal fee associated with the sale of 1,000 plates.

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.)

Recommended CS/CS/CS by the Appropriations Subcommittee on Transportation, Tourism and Economic Development on April 17, 2013:

The CS/CS/CS maintains the requirement that the specialty plate sponsoring organization meet the pre-sale requirements in current law, which also provides for the recovery of any costs borne by the department in the development of the plate.

CS/CS by Rules Committee on April 9, 2013:

The CS/CS clarifies that the department shall retain all annual use fees from the sale of the Freemasonry specialty license plate until all startup costs for developing and issuing the plates have been recovered.

CS by Transportation Committee on March 21, 2013:

The CS added provisions authorizing the department, notwithstanding provisions of s. 320.08053, F.S., to develop and issue a Freemasonry specialty license plate. However, once all of the requirements are met, the department will distribute the \$25 use fees to Masonic Home Endowment Fund, Inc.

The CS also changed the effective date to October 1, 2013.

- B. **Amendments:**

None.