

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 Transportation

BILL: CS/SB 274

INTRODUCER: Transportation Committee and Senator Dean

SUBJECT: Freemasonry License Plates

DATE: March 21, 2013 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Everette	Eichin	TR	Fav/CS
2.			RC	
3.			ATD	
4.			AP	
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:

CS/SB 274 requires the Department of Highway Safety and Motor Vehicles (DHSMV, department) to develop the Freemasonry specialty license plate. The bill also provides:

- an annual use fee of \$25 for the plate; and
- that the department shall retain the proceeds of the Freemasonry specialty license plate use fees until the \$60,000 processing fee and the minimum 1,000 presale voucher requirements are met, thereafter distributing the use fees received from the sale of the license plate to the Masonic Home Endowment Fund, Inc.

This bill substantially amends ss. 320.08056 and 320.08058, of the 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 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 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, or 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:

- describing the proposed specialty license, and submit a sample plate that conforms to the specifications set by the department;
- paying the \$60,000 processing fee which defrays the department's cost for reviewing the application and developing the specialty license plate, if authorized; and
- providing 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 requested specialty license plate.

The approved specialty license plate organization must presell a minimum of 1,000 vouchers within 24 months before the department can begin manufacturing the specialty license plate. If, at the end of the 24-month presale period, the minimum sales requirements have not been met, the department will de-authorize the specialty plate, discontinue development, and discontinue issuance of the presale voucher.

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."

DHSMV is authorized to annually retain the first proceeds derived from the annual use fees collected in an amount sufficient to defray each specialty plate's pro rata (proportionate) share of DHSMV's costs directly related to issuing the specialty license plate. 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.

Freemasonry license plate

Thirty nine states offer the Freemasonry license plate for a cost from \$20 to \$40, depending on the state.¹

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.² The Grand Lodge of Florida³ 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:

The bill authorizes the department to develop and issue the Freemasonry specialty license plate. Drivers can purchase the specialty plate upon payment of the appropriate license taxes and fees and a \$25 annual use fee.

The bill also authorizes the department, notwithstanding the provisions of s. 320.08053, F.S., to distribute the use fees from the sale of the license plate. Thereafter, once the \$60,000 processing fee and the minimum 1,000 presell vouchers are met, the \$25 use fee 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 by the Masonic Home of Florida., to invest and reinvest and use the interest for its operations.

The bill has an effective date of October 1, 2013.

Other Potential Implications:

The 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.

¹ <http://www.daylightlodge.org/licenseplates.htm> (last visited on 3/17/2013)

² <http://www.lincc.us/PubApps/showVals.php?ein=592740213> (last visited on 3/18/2013)

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

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, non-recurring, in order to develop, design, manufacture, distribute the specialty license plate, and implement the provisions of this bill.

According to the department, the sponsoring organization has not yet fulfilled all requirements of s. 320.08053, F.S., which includes a \$60,000 application fee which is used by the department to offset startup costs.

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.)**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.

This Senate Bill Analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
