

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/CS/CS/HB 487 Specialty License Plates/Freemasonry

SPONSOR(S): Economic Affairs Committee; Transportation & Economic Development Appropriations Subcommittee; Transportation & Highway Safety Subcommittee; Stone and others

TIED BILLS: **IDEN./SIM. BILLS:** SB 274

| REFERENCE | ACTION | ANALYST | STAFF DIRECTOR or BUDGET/POLICY CHIEF |
|--|------------------|---------|---------------------------------------|
| 1) Transportation & Highway Safety Subcommittee | 14 Y, 0 N, As CS | Kiner | Miller |
| 2) Transportation & Economic Development Appropriations Subcommittee | 11 Y, 0 N, As CS | Rayman | Davis |
| 3) Economic Affairs Committee | 14 Y, 0 N, As CS | Kiner | Creamer |

SUMMARY ANALYSIS

CS/CS/CS/HB 487 creates a Freemasonry specialty license plate, establishes the annual use fee for the plate, and provides for the distribution of the annual use fees received from the sale of the license plate. The bill requires the Department of Highway Safety and Motor Vehicles (DHSMV) to create the license plate notwithstanding the statutory moratorium on the creation of new specialty license plates, provided the Masonic Home Endowment Fund, Inc., submits the proposed art design to DHSMV no later than 60 days after the bill becomes law, and records a minimum of 1,000 pre-sale vouchers by the conclusion of the 24-month presale period.

The annual use fee for the plate is \$25, and the annual use fees collected will be distributed to the Masonic Home Endowment Fund, Inc. Under the bill, a maximum of ten percent of the distributed annual use fees may be used to promote and market the plate. The Masonic Home Endowment Fund, Inc., must invest the remainder for the operation of the Masonic Home of Florida for the care of Masons and their families.

The bill has an insignificant fiscal impact which DHSMV can absorb within existing resources.

The bill is effective October 1, 2013.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current 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 has authorized over 100 specialty license plates. Sales of specialty license plates generated over \$31 million in total net revenues during the Fiscal Year 2011-2012.¹

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.²

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,³ service charge and branch fee,⁴ and annual use fee;⁵
- 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 deauthorized⁶ and DHSMV is required to discontinue development of the plate and issuance of the presale vouchers.⁷ Upon deauthorization of the plate, a person who has purchased a presale voucher may use the annual use fee he or she has paid as a credit towards any other specialty license plate, or may apply for a refund.

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

Currently, DHSMV is prohibited by law from issuing any new specialty license plates until after July 1, 2014.⁸

¹ 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 4/17/13).

² Section 320.08053(1), F.S.

³ Section 320.08056(3)(b), F.S.

⁴ Section 320.04, F.S.

⁵ Section 320.08056(4), F.S.

⁶ 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.

⁷ Section 320.08053(3), F.S.

⁸ *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

Effect of Proposed Change

The bill amends ss. 320.08056, F.S., and 320.08058, F.S., to create a Freemasonry specialty license plate, establishes the annual use fee for the plate, and provides for the distribution of the annual use fees received from the sale of the specialty license plate. The bill requires DHSMV to create the license plate notwithstanding the statutory moratorium on the creation of new specialty license plates, provided the Masonic Home Endowment Fund, Inc., submits the proposed art design to DHSMV no later than 60 days after the bill becomes law, and records a minimum of 1,000 pre-sale vouchers by the conclusion of the 24-month presale period.

The annual use fee for the plate is \$25, and the fees collected will be distributed to the Masonic Home Endowment Fund, Inc. Under the bill, a maximum of ten percent of the distributed fees may be used to promote and market the plate. The Masonic Home Endowment Fund, Inc., must invest the remainder for the operation of the Masonic Home of Florida for care of Masons and their families.

The bill requires that the word "Florida" appear at the top of the plate, and the words "In God We Trust" appear at the bottom.

The bill has an insignificant fiscal impact which DHSMV can absorb within existing resources.

The bill is effective October 1, 2013.

B. SECTION DIRECTORY:

- Section 1: Amends s. 320.08056, F.S., by providing for a Freemasonry specialty license plate annual use fee of \$25;
- Section 2: Amends s. 320.08058, F.S., by authorizing the Department to develop and issue a Freemasonry specialty license plate;
- Section 3: Provides an effective date of July 1, 2013.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:
See Fiscal Comments.
2. Expenditures:
See Fiscal Comments.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:
None.
2. Expenditures:
None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The annual use fee for the Freemasonry specialty license plate is \$25. It is unknown how many vehicle owners will voluntarily purchase the Freemasonry specialty license plate.

D. FISCAL COMMENTS:

DHSMV anticipates expending \$60,000 from the Highway Safety Operating Trust Fund in order to create the specialty license plate and make it available for purchase by the public.

Information Systems will require approximately 88 programming hours in order to develop/design, manufacture, and distribute the specialty license plate to implement the provisions of this bill.

III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

None.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

On Wednesday, March 20, 2013, the Transportation & Highway Safety Subcommittee adopted one amendment to HB 487, and subsequently reported the bill favorably as a Committee Substitute.. The amendment revised the bill in the following manner:

- required DHSMV to create the Freemasonry specialty license plate, notwithstanding the statutory moratorium on the creation of new specialty license plates; and
- authorized DHSMV to retain revenues from the sale of the Freemasonry specialty license plate until all startup costs for developing and issuing the plates have been recovered. This authorization is in lieu of requiring the Masonic Home Endowment Fund, Inc., to submit a \$60,000 application fee to be used by DHSMV to cover startup costs.

On Thursday, April 4, 2013, the Transportation & Economic Development Appropriations Subcommittee adopted one amendment to CS/HB 487. The amendment revised the bill in the following manner:

- replaced “all revenues” with “all annual use fees” to clarify what revenues can be retained by DHSMV.

On Tuesday, April 17, 2013, the Economic Affairs Committee adopted one amendment to CS/CS/HB 487, and subsequently reported the bill favorably as a Committee Substitute. The amendment revised the bill in the following manner:

- removed language authorizing DHSMV to retain revenues from the sale of the Freemasonry specialty license plate until all startup costs for developing and issuing the plates have been recovered. This authorization was in lieu of requiring the Masonic Home Endowment Fund, Inc., to submit a \$60,000 application fee to be used by DHSMV to cover startup costs.

The bill analysis is drafted to CS/CS/CS/HB 487.