

**HOUSE OF REPRESENTATIVES  
FINAL BILL ANALYSIS**

<b>BILL #:</b>	CS/CS/CS/HB 487	<b>FINAL HOUSE FLOOR ACTION:</b>	
<b>SPONSOR(S):</b>	Economic Affairs Committee; Transportation & Economic Development Appropriations Subcommittee; Transportation & Highway Safety Subcommittee; Stone; Workman and others	117 Y's	0 N's
<b>COMPANION BILLS:</b>	(CS/CS/CS/SB 274)	<b>GOVERNOR'S ACTION:</b>	Approved

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**SUMMARY ANALYSIS**

CS/CS/CS/HB 487 passed the House on April 25, 2013, and subsequently passed the Senate on April 30, 2013. The bill 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.

Because the number of vehicle owners that will voluntarily purchase the Freemasonry specialty license plate is unknown, the bill's fiscal impact to the private sector is indeterminate. Administratively, the bill may have an insignificant, negative fiscal impact to the Highway Safety Operating Trust Fund, which DHSMV can absorb within existing resources.

The bill was approved by the Governor on May 30, 2013, ch. 2013-85, L.O.F., and will become effective on October 1, 2013.

## I. SUBSTANTIVE INFORMATION

### A. EFFECT OF 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.<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> 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.<sup>8</sup>

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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 5/6/13).

<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

## Effect of Changes

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.

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

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

#### 1. Revenues:

None.

#### 2. Expenditures:

The bill's provisions may have an insignificant, negative fiscal impact to the Highway Safety Operating Trust Fund, which DHSMV would be able to absorb within existing resources.

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

#### 1. Revenues:

None.

#### 2. Expenditures:

None.

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

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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 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:

None.