

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 Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: CS/SB 632

INTRODUCER: Transportation Committee and Senator Soto

SUBJECT: Florida Wildflower License Plates

DATE: April 10, 2013 REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Everette	Eichin	TR	Fav/CS
2.	Everette	Phelps	RC	Favorable
3.	Carey	Martin	ATD	Favorable
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 632 revises the annual use fee for the Florida Wildflower specialty license plate, increasing the fee from \$15 to \$25. The bill also increases the percentage of annual use fee proceeds which may be used for administrative and marketing costs from fifteen to twenty percent.

The bill also revises the revenue distribution to the Florida Veterans Foundation, Inc., derived from the annual use fees from the sale of Florida Salutes Veterans specialty license plates, from ten to twenty percent of the annual proceeds. The annual distribution to the Florida Veterans Foundation, Inc., is continued by eliminating the expiration date in current law.

The bill has a negative revenue impact to the State Homes for Veterans Trust Fund administered by the Department of Veterans' Affairs of an estimated \$59,077.

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

II. Present Situation:

Florida Wildflowers

The Florida Wildflower specialty license plate was created by the 2000 Legislature¹. Persons wishing to purchase the specialty plate must pay a \$15 annual use fee in addition to the other fees required when registering a vehicle. Revenues from the license plate fee are distributed to the Florida Wildflower Foundation, Inc., a nonprofit corporation under s. 501(c)(3) of the Internal Revenue Code.

The proceeds from the annual license plate fee must be used by the Florida Wildflower Foundation, Inc., to establish native Florida wildflower research programs, wildflower educational programs, and wildflower grant programs for municipal, county, and community-based groups in the state.

The Florida Wildflower Foundation, Inc., is required to develop operating procedures, research contracts, education and marketing programs, and wildflower planting grants for Florida native wildflowers, plants, and grasses. A maximum of 15 percent of the proceeds from the sale of these specialty plates may be used for administrative and marketing costs.

If the Florida Wildflower Foundation, Inc., ceases to be an active nonprofit corporation under s. 501(c)(3) of the Internal Revenue Code, the proceeds from the annual license plate fee must be deposited into the General Inspection Trust Fund within the Department of Agriculture and Consumer Services, and any funds held by the Florida Wildflower Foundation, Inc., must be promptly transferred to the General Inspection Trust Fund.

In Fiscal Year 2011-2012, there were 15,497 Florida Wildflower specialty plates issued generating \$232,455.

Florida Salutes Veterans

The Florida Salutes Veterans specialty license plate was created by the 1989 Legislature. Persons wishing to purchase the specialty plate must pay a \$15 annual use fee in addition to the other fees required when registering a vehicle. Revenues from the license plate fee are deposited in the State Homes for Veterans Trust Fund to be used solely for the purposes of constructing, operating, and maintaining domiciliary and nursing homes for veterans, and promotion and marketing of the specialty plate.

Current law authorizes the distribution of 10 percent of the proceeds collected from the Florida Salutes Veterans specialty license plate sales to a direct-support organization created under s. 292.055, F.S., for a period not to exceed 48 months after the date the direct-support organization is incorporated. All remaining fees are deposited in the State Homes for Veterans Trust Fund administered by the Department of Veterans' Affairs.

¹ <http://www.wildflowertag.com/funds.htm> (last visited on 3/18/2000)

In Fiscal Year 2011-2012, there were 19,699 vehicles registered using the Florida Salutes Veterans plate, with a total net revenue of \$295,485 accruing from use of the plate.²

The Florida Veterans Foundation, Inc.

In 2008, the Legislature established the Florida Veterans Foundation (foundation) as a direct support organization to the Florida Department of Veterans' Affairs. As a direct support organization, the foundation is incorporated as a non-profit corporation under ch. 617, F.S., to provide assistance, funding and support for the Florida Department of Veterans' Affairs in carrying out its mission of veterans' advocacy.

According to the audited financial statements for the year ending June 30, 2012, the foundation received \$35,748 in Fiscal Year 2010-2011, and \$33,957 in Fiscal Year 2011-2012 from the Florida Salutes Veterans specialty license plate annual use fee.³ In accordance with the provisions of s. 320.08058(4)(b)(1), F.S., the distribution to the foundation expired June 30, 2012.

III. Effect of Proposed Changes:

Section 1 amends s. 320.08053, F.S., to provide for an increase in the annual use fee from \$15 to \$25 for the Florida Wildflower specialty license plate.

Section 2 amends s. 320.08058(27), F.S., to increase from fifteen to twenty percent the percentage of annual proceeds from the sale of the Florida Wildflower license plate that the Florida Wildflower Foundation, Inc., may use for administrative and marketing costs.

This section also amends s. 320.08058(4)(b)(1), F.S., to increase the percentage of annual proceeds from sale of the Florida Salutes Veterans license plate which may be distributed to the Florida Veterans Foundation, Inc., from ten to twenty percent, and to allow for continued distribution of revenues to the foundation by eliminating the expiration date. As a result, the percentage of the revenue for the Florida Salutes Veterans license plate that is distributed to the State Homes for Veterans Trust Fund is reduced by ten percent.

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

Other Potential Implications:

The department recommends that the effective date be changed to October 1, 2013 to allow programming and administrative time to implement its provisions.

²The Department of Highway Safety and Motor Vehicles Bill Analysis on file with the Appropriations Subcommittee on Transportation, Tourism and Economic Development.
(last visited 3/19/2013)

³<http://www.floridaveteransfoundation.org/org/>
(last visited on 4/10/2013)

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 Florida Wildflower specialty license plate will pay an additional \$10 for a total of \$25 for the annual use fee. In Fiscal Year 2011-2012, there were 15,497 Florida Wildflower specialty license plates issued generating \$232,455. Based on this information, increasing the annual use fee to \$25 would generate an additional \$154,970.

The Florida Veterans Foundation, Inc., will continue to receive annual distributions from the proceeds of the sale of the Florida Salutes Veterans specialty license plate, and the annual allowable distribution to the foundation is increased from ten to twenty percent. As a result, the percentage of the revenue for the Florida Salutes Veterans license plate that is distributed to the State Homes for Veterans Trust Fund is reduced by ten percent. In Fiscal Year 2011-2012, there were 19,699 Florida Salutes Veterans specialty license plates issued generating \$295,485. Assuming the sales of this plate remain constant, directing 20 percent of the annual use fees to the direct support organization would provide an estimated \$59,097 in new revenues.

C. Government Sector Impact:

The Florida Veteran's Foundation, Inc., has not received any proceeds from the sale of the license plates since June 30, 2012. Reinstating the 10 percent transfer to the foundation will decrease revenues to the State Homes for Veterans Trust Fund by an estimated \$30,000 based on prior year distributions.

In addition, assuming the sales of this plate remain constant, directing 20 percent of the annual use fees to the direct support organization, would decrease the receipts in the State Homes for Veterans Trust Fund by an estimated \$59,077 in total.

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 adds provisions increasing the percentage of annual use fees accruing from sales of the Florida Salutes Veterans license plate that are distributed to the Florida Veterans' Foundation, Inc., from ten to twenty percent, and allowing for continued distribution of the fees to the foundation by eliminating the expiration date.

- B. **Amendments:**

None.