

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: CS/CS/SB 132

INTRODUCER: Transportation Committee; Rules Committee; and Senator Latvala and others

SUBJECT: Specialty License Plates

DATE: April 9, 2014

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|-----------------|----------------|-----------|--------------------|
| 1. | <u>Everette</u> | <u>Eichin</u> | <u>TR</u> | Favorable |
| 2. | <u>Everette</u> | <u>Phelps</u> | <u>RC</u> | Fav/CS |
| 3. | <u>Everette</u> | <u>Eichin</u> | <u>TR</u> | Fav/CS |
| 4. | <u>Carey</u> | <u>Kynoch</u> | <u>AP</u> | Pre-meeting |

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/CS/SB 132 creates a Fallen Law Enforcement Officers and a Florida Sheriffs Association specialty license plate, establishes a \$25 annual use fee for each, and provides for the distribution of revenue from the annual use fees. The bill authorizes the Department of Highway Safety and Motor Vehicles (DHSMV) to develop the specialty license plates, if approved, and subjects the new plates to the presale requirements of ch. 320, F.S.

The bill extends the presale period for both the St. Johns River specialty license plate and the Hispanic Achievers specialty license plate by shifting both into a presale voucher phase beginning July 1, 2014 to provide a 24 month period for the organizations to meet the minimum presale requirement of 1,000 presale vouchers by June 30, 2016.

The bill revises the distribution of annual use fees collected from the sale of the Challenger/Columbia specialty license plate to include the Space Mirror Memorial located at Kennedy Space Center.

The bill will have an insignificant impact to the DHSMV related to programming cost required by the bill. These expenditures can be absorbed within existing resources.

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 range from \$15 to \$25 and are paid in addition to required license taxes and service fees authorized in ch. 320, F.S. Annual use 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.

Pre Development Requirements

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:¹

- 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 presale 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 presale requirements are not met, the department is required to refund the application fee to the requesting organization.

The department collects annual use fees from the sale of the specialty license plates and from these proceeds the department retains a sufficient amount to defray its costs for inventory, distribution, and other direct costs associated with the specialty license plate program. The remainder of the proceeds collected are distributed as provided by law.²

Discontinuance of Specialty Plate

The department must discontinue the issuance of an approved specialty license plate if the number of valid specialty plate registrations falls below 1,000 plates for at least 12 consecutive months. A warning letter must be mailed to the sponsoring organization following the first month in which the total number of valid specialty plate registrations is below 1,000 plates.

¹ A March 2011 decision from the United States District Court for the Middle District of Florida declared that the approval process established in s. 320.0853, F.S., "is unconstitutional to the extent it grants the Florida Legislature discretion to decline approval of an application for a specialty license plate based on the sponsor's viewpoint." *Sons of Confederate Veterans, Florida Division, Inc., John W. Adams v. Jeffrey H. Atwater, Ray Sansom, Andy Gardiner, Richard Glorioso, Michael Davis, Electra Theodorides-Bustle*, 2011, Case No. 6:09-cv-134-Orl-28KRS (U.S.D.C. M.D. Fla. 2011)

² [Section 320.08056\(7\), F.S.](#)

Collegiate specialty plates authorized in s. 320.08058 (3) and (13), F.S., are excluded from the minimum sale requirements.³

Moratorium

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.”

Fallen Law Enforcement Officers

On average, one law enforcement officer is killed in the line of duty somewhere in the United States every 57 hours. Since the first known line-of-duty death in 1791, more than 19,000 U.S. law enforcement officers have made the ultimate sacrifice.⁴

Police and Kids Foundation, Inc.

The Police and Kids Foundation, Inc.,⁵ is a non-profit 501(c)(3) charity, established to meet the needs of children in need of assistance, and to create a yearly scholarship for at least one senior student at Pinellas Park High School Criminal Justice Academy. With the assistance of local police officers, the Police and Kids Foundation, Inc., provides assistance of food, infant supplies, clothing, and any other measures necessary to stabilize a situation and improve a child’s life in and around the Tampa Bay community.

Florida Sheriffs Association

The Florida Sheriffs Association is composed of the 67 sheriffs in the 67 counties of the state. The Association is a 501 (c) (3) nonprofit organization with a mission of fostering effectiveness of the Office of Sheriff through leadership, innovative practices, legislative initiatives, education and training of its members.⁶

Challenger/Columbia

Astronauts Memorial Foundation, Inc., honors and memorializes those astronauts who sacrificed his and her lives for the nation and the space program by sponsoring the national Space Mirror Memorial, and by implementing innovative educational technology programs.⁷ The Space Mirror Memorial is a blend of art and science providing a tribute to astronauts. The Space Mirror is 42.5 feet high and 50 feet wide and constructed of mirror-finished granite, consisting of 90 granite

³ [Section 320.08056\(8\)\(a\), F.S.](#)

⁴ <http://www.nleomf.org/facts/> (last visited 2/19/2014)

⁵ <http://www.policeandkids.com/about/> (last visited 2/19/2014)

⁶ http://www.flsheriffs.org/about_us/mission_and_values/ (last visited 2/19/2014)

⁷ <http://www.astronautsmemorial.org/home.html> (last visited 2/19/2014)

panels. In February 2000, the Astronauts Memorial Foundation unveiled the 6 foot by 6 foot granite wall that showcase photos and biographies of fallen U.S. astronauts.⁸

Section 320.08058, F.S., requires that the annual use fees from the sales of the Challenger/Columbia license plate be distributed to the Astronauts Memorial Foundation, Inc., to support the operations of the Center for Space Education and Education Technology Institute. Funds are used for operations of preservice and inservice technology training of the state's instructional personnel consistent with state training programs approved by the Department of Education. Up to 20 percent of the funds received by the Center for Space Education and the Education Technology Institute may be used for administrative costs.

St Johns River License Plate

The St. Johns River Alliance, Inc., is a 501 (c) (3) not-for-profit organization formed in 2003 and governed by a regional 34 member board of directors that includes elected officials, agencies, citizens and businesses. The board members represent 310 miles of Florida's north-flowing river.

Under s. 320.08058, F.S., the St. Johns River Alliance, Inc., is authorized to retain the first \$60,000 of the annual use fees from the St. Johns River License specialty license plate as reimbursement for administrative and startup costs incurred in the development and approval process of obtaining the specialty license plate, and thereafter:

- Up to 10 percent of the annual use fee revenue may be used for administrative costs for education programs, conservation, research, and grant administration of the organization;
- Up to 10 percent may be used for promotion and marketing of the plate;
- At least 30 percent of the fees shall be available for competitive grants for targeted community-based or county-based research projects;
- The remaining 50 percent shall be used for community outreach and access programs.

Any remaining funds shall be distributed with the approval of the board of directors of the St. Johns River Alliance, Inc., and used to support activities contributing to education, outreach and springs conservation. The St. Johns River specialty plate became available for issuance in October, 2010. According to the DHSMV, there are 587 active registrations for the St. Johns River specialty plate.

Hispanic Achievers License Plate

The National Hispanic Corporate Achievers, Inc., a nonprofit corporation under s. 501(c)(3) of the Internal Revenue Code, to fund grants to nonprofit organizations to operate programs and provide scholarships and for marketing the Hispanic Achievers license plate. National Hispanic Corporate Achievers, Inc., must establish a Hispanic Achievers Grant Council that will provide recommendations for statewide grants from available Hispanic Achievers license plate proceeds to nonprofit organizations for programs and scholarships for Hispanic and minority Floridians. National Hispanic Corporate Achievers, Inc., also must establish a Hispanic Achievers License Plate Fund which will be used by the grant council; all funds received from the sale of the plate must be used in this state.

⁸ Id.

The Hispanic Achievers specialty license was approved by the Legislature in 2010 with the passage of CS/HB 971 which established the cost of the plate to be \$25 and provided for proceeds from the annual use fees to be distributed to The National Hispanic Corporate Achievers, Inc. The Hispanic Achievers specialty plate was exempt from the pre-sale requirements in s. 320.08053, F.S. To date, the Hispanic Achievers license plate has sold a total of 369 plates.

III. Effect of Proposed Changes:

Section 1 amends s. 320.08056, F.S., to establish the annual fees for the Fallen Law Enforcement Officers specialty license plate and the Florida Sheriffs Association specialty license plate to be \$25.

Section 2 amends s. 320.08058, F.S., to revise the distribution of annual use fees from the sale of the Challenger/Columbia license plate currently being distributed to the Astronauts Memorial Foundation, Inc. The bill allows funds received by the foundation to be used in support of the Space Mirror Memorial located at the Kennedy Space Center for programs and infrastructure that inform, inspire, and educate the public on the benefits of human space flight. Distributions to the Education Technology Institute are removed.

Section 320.08058(70)(b)4., F.S., is created to shift the St. Johns River specialty license plate into a presale voucher phase, to allow 24 months to record a minimum of 1,000 sales. The minimum sales requirement includes existing active plates and vouchers sold subsequent to July 1, 2014. During the voucher period, new plates may not be issued, but existing plates may be renewed. If at the end of the 24-month presale period the 1,000 sales requirement is met, the department shall resume normal distribution of the St. Johns River specialty license plate. If the minimum sales requirement is not met, the department is required to discontinue the plate. The bill repeals this section of law on June 30, 2016.

Section 320.08058(71)(d), F.S., is created to shift the Hispanic Achievers specialty license plate into a presale voucher phase, to allow 24 months to record a minimum of 1,000 sales. The minimum sales requirement includes existing active plates and vouchers sold subsequent to July 1, 2014. During the voucher period, new plates may not be issued, but existing plates may be renewed. If at the end of the 24-month presale period the 1,000 sales requirement is met, the department shall resume normal distribution of the Hispanic Achievers license plate. If the minimum sales requirement is not met, the department is required to discontinue the plate. The bill repeals this section of law on June 30, 2016.

Section 320.08058(83), F.S., creates the Fallen Law Enforcement Officers specialty license plate, notwithstanding the existing moratorium on the issuance of new specialty plates and the pre-development requirements⁹, and authorizes the DHSMV to develop the plate. The word "Florida" must appear at the top of the plate, and the words "A Hero Remembered Never Dies" must appear at the bottom of the plate. Annual use fees will be distributed to the Police and Kids Foundation, Inc., who may use a maximum of 10 percent of the proceeds to promote and market

⁹ Section 45 of ch. 2008-176, L.O.F., as amended by section 21 of ch. 2010-223, L.O.F.

the license plate. The remaining annual use fees may be used to invest and reinvest, with the interest earnings used for the operations of the Police and Kids Foundation, Inc. The Fallen Law Enforcement Officers specialty license plate will be subject to the presale requirements established in s. 320.08053(3), F.S.

Section 320.08058(84) establishes the Florida Sheriffs Association specialty license plate notwithstanding the moratorium on the issuance of new specialty plates and the pre-development requirements.¹⁰ The Florida Sheriffs Association specialty license plate license plates will be subject to the presale requirements established in s. 320.08053(3), F.S.

In developing the Sheriffs Association specialty license plate, the department must approve the colors and design; the word “Florida” must appear at the top of the plate, with the sheriff’s star on the left side of the plate and the words “Florida Sheriffs Association” must appear at the bottom of the plate. The annual use fees shall be distributed to the Florida Sheriffs Association, who may retain the first \$60,000 as direct reimbursement for administrative costs incurred in the development and approval process. Thereafter, up to 10 percent of the annual use fee revenue may be used for administrative and marketing costs, and remainder must be used for continuing education for the sheriff’s office members.

Section 3 provides that, except as otherwise provided, this act has an effective date of October 1, 2014.

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:

Under CS/SB 132, persons who purchase the Fallen Law Enforcement Officers, Florida Sheriffs Association, St. Johns River, or the Hispanic Achievers specialty license plate will pay the \$25 annual use fee. The Police and Kids Foundation, Inc., St. Johns River

¹⁰ See supra note 10.

Alliance, the Florida Sheriffs Association, and the National Hispanic Corporate Achievers, Inc., will receive revenue from each voucher purchase, after retention of funds by the department. It is unknown how many vehicle owners will voluntarily purchase the plates.

C. Government Sector Impact:

The DHSMV is authorized to retain revenues from the first proceeds of specialty license plate sales to defray departmental expenditures related to the specialty license plate program.

The department's Information Systems Administration Office will require approximately 140 hours of non-recurring programming in order to develop, design, manufacture, distribute the specialty license plates, and implement the provisions of this bill. The cost of \$5,600 will be absorbed within existing resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following of the Florida Statutes: 320.08056 and 320.08058.

IX. Additional Information:

A. Committee Substitute – Statement of Substantial Changes:
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS/CS by Transportation on March 20, 2014:

The CS allows a presell 24-month extension for the Hispanic Achievers specialty license plate to meet statutory requirements beginning July 1, 2014 and repealing June 30, 2016.

CS by Rules on February 19, 2014:

The CS creates an additional specialty license plate, the Florida Sheriffs Association plate, at a cost of \$25 and requires that all statutory provisions are met prior to the issuance of the plates, including submission of:

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

The bill also allows a presell 24-month extension for the St. Johns River Alliance, Inc., to meet statutory requirements beginning July 1, 2014 and repealing June 30, 2016.

Further, the bill revises the distribution of annual use fees collected from the sale of the Challenger/Columbia specialty license plate.

B. Amendments:

None.

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