

**HOUSE OF REPRESENTATIVES
FINAL BILL ANALYSIS**

BILL #:	CS/HB 65	FINAL HOUSE FLOOR ACTION:	
SPONSOR(S):	Economic Affairs Committee; Hooper and others	114 Y's	0 N's
COMPANION BILLS:	CS/CS/SB 132	GOVERNOR'S ACTION:	Approved

SUMMARY ANALYSIS

CS/HB 65 passed the House on April 28, 2014, as CS/CS/SB 132. The bill creates a Fallen Law Enforcement Officers specialty license plate, a Florida Sheriffs Association specialty license plate, a Keiser University specialty license plate, and a Moffitt Cancer Center specialty license plate. The bill establishes the annual use fee of \$25 for each plate, and provides for the distribution of the annual use fees received from the sale of each plate.

The bill requires the Department of Highway Safety & Motor Vehicles (DHSMV) to develop the new plates, notwithstanding the statutory moratorium on the creation of new specialty license plates, provided the respective sponsoring organizations meet the requirements established in s. 320.08053, F.S. Specifically, each sponsoring organization must submit the proposed art design of the respective specialty license plate to DHSMV no later than 60 days after the bill becomes law and record a minimum of 1,000 pre-sale vouchers within 24 months after the pre-sale specialty license plate voucher is established.

The bill also revises the distribution of annual use funds for the existing Challenger/Columbia specialty license plate. As a result of this bill, the annual use funds for the Challenger/Columbia plate may be used to support the Space Mirror Memorial at the Kennedy Space Center.

In addition, the bill extends the presale period for the St. Johns River specialty license plate and the Hispanic Achievers specialty license plate by shifting each plate into a 24 month presale voucher phase beginning July 1, 2014. Accordingly, the respective supporting organizations must meet the minimum presale requirement of 1,000 presale vouchers by June 30, 2016.

The bill has an insignificant negative fiscal impact on DHSMV's workload as a result of the programming hours needed to implement the bill.

The bill was approved by the Governor on June 20, 2014, ch. 2014-168, L.O.F., and will become effective on October 1, 2014, except as otherwise provided.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Current Situation

Specialty License Plates

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 in support of a particular cause or charity signified in the plate's design and designated in statute. Sales of specialty license plates generated more than \$31 million in total gross revenues during the Fiscal Year 2013.¹

The Legislature may create a specialty license plate under its own initiative or it can do so at the request of an organization. As of 2013, the Legislature has authorized 122 specialty license plates. A sponsoring organization wishing to receive a specialty license plate is required to comply with the requirements of s. 320.08053, F.S., which include the following processes:

- Section 320.08053(1), F.S., requires the sponsoring organization to:
 - submit a description of the proposed specialty license plate to DHSMV;
 - pay an application fee, not to exceed \$60,000; and
 - submit a marketing strategy outlining short-term and long-term marketing plans and a financial analysis outlining anticipated revenues and expenditures;
- Section 320.08053(2), F.S. requires the sponsoring organization, if the proposed specialty license plate is approved by law, to submit the proposed art design for the specialty license plate to DHSMV; and
- Section 320.08053(3), F.S. requires the sponsoring organization, prior to the manufacture of the proposed specialty license plate, to record with the DHSMV a minimum of 1,000 voucher sales within 24 months after the specialty license plate voucher is established.²

In 2009, the constitutionality of s. 320.08053, F.S., was challenged in the U.S. District Court for the Middle District of Florida. The court declared the 2009 version of s. 320.08053, F.S., invalid;³ however, in 2010 the Legislature made changes to that section of the statute.

Discontinuance of Specialty Plate

The DHSMV 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.⁴ 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.⁵ Collegiate specialty plates authorized in s. 320.08058 (3) and (13), F.S., are excluded from the minimum sale requirements.⁶

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, except for a specialty license plate proposal which has been submitted in a letter of intent to DHSMV prior to May 2, 2008, and which has submitted a valid survey, marketing strategy, and application fee as required by s. 320.08053, F.

¹ DHSMV, Monthly Revenue Collections Report, available at: <http://services.flhsmv.gov/specialtyplates/> (last viewed June 20, 2014).

² Section 320.08053(3), F.S., provides that if the minimum sales requirement has not been met at the end of the 24-month pre-sale period, the DHSMV will de-authorize the specialty license plate, discontinue development, and discontinue issuance of the pre-sale voucher

³ Case No. 6:09-cv-134-orl-28krs.

⁴ s. 320.08056(8)(a), F.S.

⁵ Id.

⁶ Id.

S., prior to October 1, 2008, or which was included in a bill filed during the 2008 Legislative Session, DHSMV 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

According to the Federal Bureau of Investigation, 96 law enforcement officers died in the line of duty in 2012.⁷ On average, one law enforcement officer is killed in the line of duty somewhere in the United States every 57 hours.⁸ Since the first known line-of-duty death in 1791, more than 19,000 U.S. law enforcement officers have made the ultimate sacrifice.⁹

The Police and Kids Foundation, Inc. (Foundation), is a non-profit 501(c)(3) charity, set up to generate funding to assist children in and around the Tampa Bay community.¹⁰ Local police officers provide assistance of food, infant supplies, clothing, and any other measures necessary to stabilize and improve a child's life.¹¹

Florida Sheriffs Association

The Florida Sheriffs Association (Association) is composed of the 67 sheriffs in the 67 counties of the state. The Association is a 501(c)(3) not-for-profit corporation with a mission of fostering effectiveness of the Office of Sheriff through leadership, innovative practices, legislative initiatives, education and training of its members.¹²

Keiser University

Keiser University is a regionally accredited private career university that provides educational programs at the undergraduate and graduate levels for a student body in traditional, nontraditional and online delivery formats.¹³ The main campus is located in Fort Lauderdale, with campuses located throughout the State of Florida and internationally.¹⁴ The Keiser Mills Foundation is a domestic corporation created in 2012 in the State of Delaware as a non-profit or religious organization¹⁵. According to representatives of Keiser University¹⁶, the purpose of the Keiser Mills Foundation is to provide scholarships to domestic and international students seeking to broaden and advance their education, community service, and leadership skills through study and work experiences in the United States and internationally.

Moffitt Cancer Center

The H. Lee Moffitt Cancer Center and Research Institute (Moffitt Center) is a not-for-profit institution formed in 1986 to contribute to the prevention and cure of cancer.¹⁷ The Moffitt Center is part of an elite group of Nation Cancer Institute Comprehensive Cancer Centers, and it includes the Southeast's largest Blood and Marrow Transplant Program, outpatient treatment programs that record more than

⁷ U.S. Department of Justice, Federal Bureau of Investigation, Criminal Justice Information Services Division, Law Enforcement Officers Killed & Assaulted, 2012 Report, available at: <http://www.fbi.gov/about-us/cjis/ucr/leoka/2012> (last viewed June 20, 2014).

⁸ National Law Enforcement Officers Memorial Fund, Fats & Figures, available at: <http://www.nleomf.org/facts/> (last viewed June 20, 2014).

⁹ Id.

¹⁰ Police and Kids Foundation, Inc., available at: <http://www.policeandkids.com/about/> (last viewed June 20, 2014).

¹¹ Id.

¹² Florida Sheriff's Association, available at: http://www.flsheriffs.org/about_us/mission_and_values/ (last viewed June 20, 2014).

¹³ Keiser University, available at: <http://www.keiseruniversity.edu/mission-statement/> (last viewed June 20, 2014).

¹⁴ Id.

¹⁵ Information on Delaware corporations can be viewed at: <https://delecorp.delaware.gov/tin/controller> (last viewed June 20, 2014).

¹⁶ Email from Kelly C. Mallette dated May 8, 2014, is on file with the House Transportation & Highway Safety Subcommittee.

¹⁷ The H. Lee Moffitt Cancer Center & Research Institute, available at: <http://moffitt.org/the-moffitt-experience/about-us> (last viewed June 20, 2014).

328,300 visits a year, the Moffitt Research Center, and the Moffitt Cancer Center Screening and Prevention.¹⁸

Challenger/Columbia

Section 320.08058(2), F.S., requires that the annual use fees from the sales of the Challenger/Columbia specialty 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 technology training of the state's instructional personnel consistent with state training programs approved by the Department of Education.¹⁹ 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.²⁰

The Astronauts Memorial Foundation, Inc., honors and memorializes those astronauts who sacrificed their lives for the nation and the space program by sponsoring the national Space Mirror Memorial, and by implementing innovative educational technology programs.²¹ The Space Mirror Memorial is a blend of art and science providing a tribute to astronauts.²² In February 2000, the Astronauts Memorial Foundation unveiled the 6 foot by 6 foot granite wall that showcases photos and biographies of fallen U.S. astronauts.²³

St. Johns River License Plate

Under s. 320.08058(70), F.S., the St. Johns River Alliance, Inc. (Alliance), 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; and
- 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 Alliance and used to support activities contributing to education, outreach and springs conservation.²⁴ The St. Johns River specialty plate became available for issuance in October, 2010.²⁵ According to DHSMV, there are 587 active registrations for the St. Johns River specialty plate.

The Alliance, is a 501(c)(3) nonprofit organization formed in 2003 and governed by a regional 34 member board of directors that includes elected officials, agencies, citizens and businesses.²⁶ The board members represent 310 miles of Florida's north-flowing river.²⁷

Hispanic Achievers License Plate

The National Hispanic Corporate Achievers, Inc. (Achievers), is a 501(c)(3) nonprofit organization formed to fund grants to nonprofit organizations to operate programs and provide scholarships, and to

¹⁸ The H. Lee Moffitt Cancer Center & Research Institute, available at: <http://moffitt.org/the-moffitt-experience/about-us> (last viewed June 20, 2014).

¹⁹ s. 320.08058(2)(b), F.S.

²⁰ Id.

²¹ The Astronauts Memorial Foundation, available at: <http://www.astronautsmemorial.org/home.html> (last viewed June 20, 2014).

²² Id.

²³ Id.

²⁴ s. 320.08058(70)(b)3., F.S.

²⁵ DHSMV website, available at: <http://fhp.state.fl.us/dmv/specialtytags/environmental/StJohnsRiver.html> (last viewed June 20, 2014).

²⁶ The St. Johns River Alliance, available at: <http://www.stjohnsriveralliance.com/> (last viewed June 20, 2014).

²⁷ Id.

market the Hispanic Achievers specialty license plate.²⁸ Through the Hispanic Achievers Grant Council, the Achievers provide recommendations for statewide grants from available Hispanic Achievers specialty license plate proceeds for programs and scholarships for Hispanic and minority Floridians.²⁹ The Hispanic Achievers Grant Council deposits all funds received from the sale of the plate in the Hispanic Achievers License Plate Fund, to be used by the grant council only for programs or scholarships in this state.³⁰

The Hispanic Achievers specialty license plate was approved by the Legislature in 2010, and is codified in ss. 320.08056(4)(sss) & 320.08058 (71), F.S. The cost of the plate is \$25.³¹ The Hispanic Achievers specialty license plate was exempt from the pre-sale requirements in s. 320.08053, F.S. According to DHSMV, the Hispanic Achievers license plate has sold a total of 369 plates.

Effect of the Bill

Fallen Law Enforcement Officers

The bill creates ss. 320.08056(4)(eeee) and 320.08058(83), F.S., to authorize DHSMV to develop the Fallen Law Enforcement Officers specialty license plate, notwithstanding the moratorium on the issuance of new specialty plates in s. 45 of ch. 2008-176, L.O.F., as amended by s. 21 of ch. 2010-223, L.O.F., and the pre-development requirements in s. 320.08053(1), F.S. 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 the license plate; the remaining annual use fees must be invested and reinvested, 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.

Florida Sheriffs Association

The bill creates ss. 320.08056(4)(ffff) and 320.08058(84), F.S., to authorize DHSMV to develop the Florida Sheriffs Association specialty license plate, notwithstanding the moratorium on the issuance of new specialty plates in s. 45 of ch. 2008-176, L.O.F., as amended by s. 21 of ch. 2010-223, L.O.F., and the pre-development requirements in s. 320.08053(1), F.S. 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, which will 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; the remainder must be used for continuing education for the sheriff’s office members. The Florida Sheriffs Association specialty license plate will be subject to the presale requirements established in s. 320.08053(3), F.S.

Keiser University

The bill creates ss. 320.08056(4)(gggg) and 320.08058(85), F.S., to authorize DHSMV to develop the Keiser University specialty license plate, notwithstanding the moratorium on the issuance of new specialty plates in s. 45 of ch. 2008-176, L.O.F., as amended by s. 21 of ch. 2010-223, L.O.F., and the pre-development requirements in s. 320.08053(1), F.S. The word “Florida” must appear at the top of the plate, and the words “Keiser University” must appear at the bottom of the plate. DHSMV shall retain all annual use fees from the sale of the plate until all startup costs for developing and issuing the plate have been recovered. Thereafter, the annual use fees from the sale of the plate shall be distributed to the Keiser Mills Foundation, which may use up to 10 percent of such fees for administrative costs and marketing of the plate. The balance of the fees shall be used by the Keiser Mills Foundation to provide

²⁸ The National Hispanic Corporate Achievers, available at: <http://hispanicachievers.org/index.html> (last viewed June 20, 2014).

²⁹ Id.

³⁰ Id.

³¹ DHSMV website, available at: http://fhp.state.fl.us/dmv/specialtytags/miscellaneous/Hispanic_Achievers.html (last viewed June 20, 2014).

annual college scholarships for students attending Keiser University. The Keiser University specialty license plate will be subject to the presale requirements established in s. 320.08053(3), F.S.

Moffitt Cancer Center

The bill creates ss. 32008056(4)(hhhh) and 320.08058(86), F.S., to authorize DHSMV to develop the Moffitt Cancer Center specialty license plate, notwithstanding the moratorium on the issuance of new specialty plates in s. 45 of ch. 2008-176, L.O.F., as amended by s. 21 of ch. 2010-223, L.O.F., and the pre-development requirements in s. 320.08053(1), F.S. The word "Florida" must appear at the top of the plate, and the words "Moffitt Cancer Center" must appear at the bottom of the plate. DHSMV shall retain all annual use fees from the sale of such plates until the startup costs for developing and issuing the plates have been recovered. Thereafter, the annual use fees shall be distributed to H. Lee Moffitt Cancer Center and Research Institute, which may use up to 10 percent of the proceeds for administrative costs and for the marketing of the plate. The balance of the fees shall be used by the institute to support its research, education, treatment, prevention and detection, teaching, and research activities. The Moffitt Cancer Center specialty license plate will be subject to the presale requirements established in s. 320.08053(3), F.S.

Challenger/Columbia License Plate

The bill amends s. 320.08058, F.S., to revise the distribution of annual use fees from the sale of the Challenger/Columbia specialty license plate currently being distributed to the Astronauts Memorial Foundation, Inc. The bill allows funds received by the Astronauts Memorial Foundation, Inc., 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.

St. Johns River License Plate

The bill creates s. 320.08058(70)(b)4., F.S., 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 requirement for 1,000 sales is met, DHSMV shall resume normal distribution of the St. Johns River specialty license plate. If the minimum sales requirement is not met, DHSMV is required to discontinue the plate. The bill repeals this section of law on June 30, 2016.

Hispanic Achievers License Plate

The bill creates s. 320.08058(71)(d), F.S., 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 requirement for 1,000 sales is met, DHSMV shall resume normal distribution of the Hispanic Achievers license plate. If the minimum sales requirement is not met, DHSMV is required to discontinue the plate. The bill repeals this section of law on June 30, 2016.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

DHSMV is authorized by s. 320.08056(7), F.S., to retain revenues from the first proceeds of specialty license plate sales to defray each specialty license plate's pro rata share of the departmental costs directly related to the specialty license plate program. These costs include inventory costs, distribution costs, direct costs to the department, costs associated with reviewing each organization's compliance with audit and attestation requirements, and any increased costs of manufacturing the specialty license plate.

2. Expenditures:

DHSMV's Information Systems Administration Office will incur non-recurring costs for programming in order to develop, design, manufacture, distribute the specialty license plates, and implement the provisions of this bill. This cost will be absorbed within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons who purchase the specialty license plates in this bill will pay the \$25 annual use fee, in addition to the appropriate license taxes and fees. The respective supporting organizations will receive revenue from each plate purchase. It is unknown how many vehicle owners will voluntarily purchase the plates.

D. FISCAL COMMENTS:

None.