

**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.)

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Prepared By: The Professional Staff of the Committee on Transportation

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BILL: SB 1390

INTRODUCER: Senator Brandes

SUBJECT: Issuance of Specialty License Plates

DATE: January 19, 2016

REVISED: 01/19/16

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	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Jones	Eichin	TR	<b>Pre-meeting</b>
2.			ATD	
3.			AP	

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**I. Summary:**

SB 1390 increases the minimum sales requirement for specialty license plates from 1,000 plates to 4,000. New specialty plates will be required to sell 4,000 presale vouchers before they will be manufactured. Effective July 1, 2018, existing specialty plates that fall below 4,000 valid registrations for at least 12 consecutive months will be discontinued.

The bill takes effect July 1, 2016.

**II. Present Situation:**

Presently, there are over 120 specialty license plates available for purchase, and two in the pre-sale phase. Specialty license plates are available to an owner or lessee of a motor vehicle who is willing to pay an annual use fee, ranging from \$15 to \$25, paid in addition to required license taxes and service fees.<sup>1</sup> The annual use 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.<sup>2</sup>

In order to establish a specialty license plate, the plate must first be adopted into statute by the Legislature. Upon becoming law:

- Within 60 days, the organization must submit an art design for the plate, in a medium prescribed by the Department of Highway Safety and Motor Vehicles (DHSMV);
- Within 120 days, the DHSMV must establish a method to issue pre-sale vouchers for the approved specialty license plate; and
- Within 24 months after the pre-sale vouchers are established, the plate must obtain a minimum of 1,000 voucher sales before manufacturing may begin.

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<sup>1</sup> Section 320.08056, F.S.

<sup>2</sup> Section 320.08058, F.S.

If, at the end of the 24-month pre-sale period, the minimum sales requirement has not been met, the department will de-authorize the specialty plate, discontinue development, and discontinue issuance of the presale voucher. Upon deauthorization of the plate, a purchaser of a presale voucher may use the annual use fee as a credit towards any other specialty license plate or apply for a refund with the DHSMV.<sup>3</sup>

**DHSMV Costs Defrayed**

The DHSMV retains sufficient annual use fees, from the sale of the specialty license plates, to defray its costs for inventory, distribution, and other direct costs associated with the specialty plate program. The remainder of the proceeds collected are distributed as provided by law.<sup>4</sup>

**Minimum Sales Requirement for Existing Specialty Plates**

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. A warning letter is mailed to the sponsoring organization following the first month in which the total number of valid specialty plate registrations is below 1,000 plates. Collegiate plates are exempt from the minimum sales requirement.<sup>5</sup>

As of January 1, 2016, 28 specialty plates required to maintain minimum sales were below 4,000 valid registrations.<sup>6</sup> Those plates are:

<b>Specialty License Plates Below 4,000 Valid Registrations and Current Registrations</b>			
A State Of Vision	2,194	Lauren’s Kids	3,128
Agriculture Education	1,398	Miami Marlins	2,476
American Legion	791	Moffitt Cancer Center	674
American Red Cross	973	NASCAR	3,211
Big Brother Big Sister	554	Orlando Magic	3,372
Donate Organs	2,318	Parents Make a Difference	1,652
Fallen Law Enforcement	1,360	Play Tennis	3,144
Family Values	2,057	Protect Our Oceans	3,829
Florida Panthers	2,052	Scouting Teaches Values	2,509
Florida Sheriff’s Association	1,003	Special Olympics	3,346
Florida Sheriff’s Youth Ranches	3,944	St. John’s River	617
Fraternal Order of Police	2,895	Support Homeownership for All	3,827
Hispanic Achievers	375	Trees are Cool	3,830
Kids Deserve Justice	1,436	Visit our Lights	3,830

According to the DHSMV, of the plates below 4,000 registrations, the *American Legion*, *Big Brother Big Sister*, *Fallen Law Enforcement*, *Florida Sheriff’s Association*, *Lauren’s Kids*, and *Moffitt Cancer Center* specialty plates were recently created and continue to show good public

<sup>3</sup> Section 320.08053(2)(b), F.S.

<sup>4</sup> Section 320.08056(7), F.S.

<sup>5</sup> Section 320.08056(8)(a), F.S.

<sup>6</sup> Email from the DHSMV, *Draft SB 1390 Agency Legislative Bill Analysis* (Jan. 15, 2016) (on file with the Senate Committee on Transportation)

interest and growth. Additionally, the *Hispanic Achievers* and *St. John's River* plate are still in presale and have not been manufactured.

### III. Effect of Proposed Changes:

SB 1390 increases the minimum sales requirement for specialty license plates from 1,000 to 4,000 plates. Specialty license plates that enter the presale period after July 1, 2016, are required to sell at least 4,000 presale vouchers in order to be manufactured. Effective July 1, 2018, any existing specialty plate that falls below 4,000 valid registrations for at least 12 consecutive months will be de-authorized.

There are currently 28 specialty license plates that are below 4,000 valid registrations.<sup>7</sup> If the plates remain under 4,000 valid registrations for the 12 consecutive months preceding July 1, 2019, they will be de-authorized. Collegiate plates representing state and independent universities domiciled in Florida are exempt from minimum sale requirements.

The bill takes effect July 1, 2016

### 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:

The bill will have a negative impact on organizations whose specialty plate does not meet the increased minimum sales requirement and is subsequently discontinued.

However, increasing the minimum sales requirement will reduce the amount of different specialty plates, which could increase sales for existing organizations.

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<sup>7</sup> *Id.*

C. **Government Sector Impact:**

Depending on the amount of plates that will be deactivated starting in July 1, 2019, the DHSMV may incur minimal programming costs associated with deactivating specialty license plates.

VI. **Technical Deficiencies:**

None.

VII. **Related Issues:**

None.

VIII. **Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 320.08053 and 320.08056.

IX. **Additional Information:**

A. **Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

None.

B. **Amendments:**

None.