

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 567 Specialty License Plates

**SPONSOR(S):** Miller

**TIED BILLS:**           **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Highway & Waterway Safety Subcommittee	10 Y, 0 N, As CS	Whittaker	Smith
2) Economic Affairs Committee	14 Y, 0 N	Whittaker	Pitts

### SUMMARY ANALYSIS

The bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to create two new specialty license plates designated as the "Orlando City Soccer Club" and the "Jacksonville Armada Football Club" license plates, establishes an annual use fee of \$25 for the plates, and provides for the distribution of the annual use fees in accordance with other Florida Professional Sports Team specialty license plates.

The annual use fees from the Florida Professional Sports Teams license plates are annually distributed as follows:

- Fifty Five percent of the proceeds from the Florida Professional Sports Team plate must be deposited into the Professional Sports Development Trust Fund within the Department of Economic Opportunity (DEO). These funds must be used solely to attract and support major sports events in this state.
- The remaining proceeds of the Florida Professional Sports Team license plate must be allocated to Enterprise Florida, Inc. These funds must be deposited into the Professional Sports Development Trust Fund within the DEO. These funds must be used by Enterprise Florida, Inc., to:
  - promote the economic development of the sports industry;
  - distribute licensing and royalty fees to participating professional sports teams;
  - promote education programs in Florida schools that provide an awareness of the benefits of physical activity and nutrition standards;
  - partner with the Department of Education and the Department of Health to develop a program that recognizes schools whose students demonstrate excellent physical fitness or fitness improvement;
  - institute a grant program for communities bidding on minor sporting events that create an economic impact for the state;
  - distribute funds to Florida-based charities designated by Enterprise Florida, Inc., and the participating professional sports teams; and
  - fulfill the sports promotion responsibilities of the DEO.

The proceeds from the Professional Sports Development Trust Fund may also be used for operational expenses of Enterprise Florida, Inc., and financial support of the Sunshine State Games.

Florida Professional Sports Team license plates must bear the colors and design approved by DHSMV and must include the official league or team logo, or both, as appropriate for each team. The word "Florida" must appear at the top of the plate.

According to DHSMV, the bill will have a negative, but insignificant fiscal impact to state expenditures.

The bill provides an effective date of October 1, 2016.

### FULL ANALYSIS

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h0567c.EAC

DATE: 1/28/2016

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### **Present Situation**

##### **Specialty License Plates in General**

The first Florida specialty license plates were enacted in 1986 and included the creation of the Challenger plate and ten Florida collegiate plates. Today, there are over 120 specialty license plates available to any owner or lessee of a motor vehicle who is willing to pay the additional use fee for the privilege, typically \$25 annually.<sup>1</sup> The collected fees are distributed by the DHSMV to statutorily designated organizations in support of a particular cause or charity. Vehicles registered under the International Registration Plan, a commercial truck required to display two license plates, or truck tractors are not eligible for specialty license plates.<sup>2</sup>

Only the Legislature may create new specialty license plates. If a specialty license plate is created by law, the following requirements must then be met:

- Within 60 days, the organization must submit an art design, in a medium prescribed by DHSMV.<sup>3</sup>
- Within 120 days, DHSMV must establish a method to issue a specialty license plate voucher to allow for the pre-sale of the specialty plate.<sup>4</sup>
- Within 24 months after the voucher is established, the organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin. If this requirement is not met, the plate is deauthorized and DHSMV must discontinue development of the plate and issuance of the vouchers.<sup>5</sup>

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 falls below 1,000 plates (does not apply to collegiate license plates).<sup>6</sup>

Organizations in receipt of specialty license plate revenue must adhere to certain accountability requirements found in statute. These requirements include an annual attestation document affirming, under penalty of perjury, that funds received have been spent in accordance with applicable statutes.<sup>7</sup>

A moratorium on the issuance of specialty license plates was imposed by lawmakers in 2008, originally set to expire in 2011. The moratorium has subsequently been extended to July 1, 2016.<sup>8</sup>

##### **Florida Professional Sports Teams Specialty License Plates**

Section 320.08058(9), F.S., provides that Florida Professional Sports Team license plates must bear the colors and design approved by the department and must include the official league or team logo, or both, as appropriate for each team. The word "Florida" must appear at the top of the plate.

The annual use fees from the Florida Professional Sports Teams license plates are to be annually distributed as follows:

- Fifty five percent of the proceeds from the Florida Professional Sports Team plate must be deposited into the Professional Sports Development Trust Fund within the DEO. These funds must be used solely to attract and support major sports events in this state.

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<sup>1</sup> Florida Department of Highway Safety and Motor Vehicles, *Specialty License Plates Index*, <http://www.flhsmv.gov/dmv/specialtytags/> (last visited January 15, 2016).

<sup>2</sup> s. 320.08056(2), F.S.

<sup>3</sup> s. 320.08053(1), F.S.

<sup>4</sup> s. 320.08053(2)(a), F.S.

<sup>5</sup> s. 320.08053(2)(b), F.S.

<sup>6</sup> s. 320.08056 (8)(a), F.S.

<sup>7</sup> s. 320.08062, F. S.

<sup>8</sup> Ch. 2008-176, Laws of Fla., as amended by Ch. 2010-223 and Ch. 2014-216, Laws of Fla.

- The remaining proceeds of the Florida Professional Sports Team license plate must be allocated to Enterprise Florida, Inc. These funds must be deposited into the Professional Sports Development Trust Fund within the DEO. These funds must be used by Enterprise Florida, Inc., to:
  - promote the economic development of the sports industry;
  - distribute licensing and royalty fees to participating professional sports teams;
  - promote education programs in Florida schools that provide an awareness of the benefits of physical activity and nutrition standards;
  - partner with the Department of Education and the Department of Health to develop a program that recognizes schools whose students demonstrate excellent physical fitness or fitness improvement;
  - institute a grant program for communities bidding on minor sporting events that create an economic impact for the state;
  - distribute funds to Florida-based charities designated by Enterprise Florida, Inc., and the participating professional sports teams; and
  - fulfill the sports promotion responsibilities of the DEO.

The proceeds from the Professional Sports Development Trust Fund may also be used for operational expenses of Enterprise Florida, Inc., and financial support of the Sunshine State Games.

Currently, there are nine Florida Professional Sports Teams specialty license plates available for purchase and they are:

Florida Panthers	Jacksonville Jaguars	Miami Dolphins
Miami Heat	Miami Marlins	Orlando Magic
Tampa Bay Buccaneers	Tampa Bay Lightning	Tampa Bay Rays

## **Proposed Changes**

### **Orlando City Soccer Club and Jacksonville Armada Football Club License Plates**

The bill directs DHSMV to create two new specialty license plates designated as the “Orlando City Soccer Club” and “Jacksonville Armada Football Club” license plates, establishes an annual use fee of \$25 for the plates, and provides for the distribution of the annual use fees in accordance with other Florida Professional Sports Team specialty license plates.

#### **B. SECTION DIRECTORY:**

- Section 1** Amends s. 320.08056, F.S., establishing an annual use fee of \$25 for the Orlando City Soccer Club and Jacksonville Armada Football Club specialty license plates.
- Section 2** Amends s. 320.08058, F.S., directing DHSMV to develop an Orlando City Soccer Club and Jacksonville Armada Football Club specialty license plate.
- Section 3** Provides an effective date of October 1, 2016.

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

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

1. Revenues:

None

2. Expenditures:

There is a negative but indeterminate cost to DHSMV for the programming of new specialty license plates. These costs can be absorbed within existing resources.

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

1. Revenues:

None

2. Expenditures:

None

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

Revenue generated from the sale of specialty license plates are distributed to various organizations as provided in statute.

**D. FISCAL COMMENTS:**

None

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

The bill does not require a municipality or county to expend funds or to take any action requiring the expenditure of funds. The bill does not reduce the authority that municipalities or counties have to raise revenues in the aggregate. The bill does not require a reduction of the percentage of state tax shared with municipalities or counties.

2. Other:

None

**B. RULE-MAKING AUTHORITY:**

None

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On January 20, 2016, the Highway and Waterway Safety Subcommittee adopted a strike all amendment to HB 567 and reported the bill favorably as a committee substitute. The strike all amendment:

- Removes unnecessary notwithstanding language.
- Directs DHSMV to create a Jacksonville Armada Football Club specialty license plate.
- Changes the effective date to October 1, 2016.

This analysis is drafted to the committee substitute as reported by the Highway and Waterway Safety Subcommittee.