

**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: CS/SB 1022

INTRODUCER: Transportation Committee and Senator Stewart

SUBJECT: License Plates

DATE: March 23, 2017

REVISED: \_\_\_\_\_

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Jones	Miller	TR	<b>Fav/CS</b>
2.			MS	
3.			AP	

**Please see Section IX. for Additional Information:**

COMMITTEE SUBSTITUTE - Substantial Changes

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**I. Summary:**

CS/SB 1022 provides for the creation of a Bronze Star special license plate. The plate is available to recipients of the Bronze Star Medal upon application, proof of receipt of the medal, and payment of the required license tax.

The bill makes changes to s. 320.089, F.S., to provide clarity, and requires the license plate for former prisoners of war be stamped with the likeness of the Prisoner of War Medal.

Additionally, the bill directs the Department of Highway Safety and Motor Vehicles (DHSMV) to develop an American Eagle specialty license plate, establishes a \$25 annual use fee for the plate, and provides the distribution and use of fees collected from the sale of the plate.

DHSMV will incur programming and production costs to implement the bill.

The bill takes effect October 1, 2017.

**II. Present Situation:**

Current law provides for several types of license plates. In addition to plates issued for governmental or business purposes, DHSMV offers four basic types of plates to the general public:

- Standard plates;

- Specialty license plates;
- Personalized prestige license plates; and
- Special use license plates.

### **Special License Plates**

Certain members of the general public may be eligible to apply for special use license plates if they are able to document their eligibility pursuant to various sections of ch. 320, F.S. Special use license plates primarily include special military license plates as well as plates for the disabled.

Currently, there are 21 special military license plates authorized in s. 320.089, F.S., available to military service members or veterans.<sup>1</sup>

Special military license plates authorized under s. 320.089, F.S., are stamped with words consistent with the type of special plate issued. For example, a special plate issued to a current or former member of the Florida National Guard is stamped with the words “National Guard.” Additionally, a likeness of the related campaign medal or badge appears on the plate.<sup>2</sup>

Applicants for special military license plates under s. 320.089, F.S., are required to pay the annual license tax in s. 320.08, F.S., with the exception of certain disabled veterans who qualify for the Pearl Harbor, Purple Heart, or Prisoner of War plate, to whom such plates are issued at no cost.<sup>3</sup> With the exception of Woman Veteran plates, the first \$100,000 of revenue generated annually from the sale of special use military plates is deposited into the Grants and Donations Trust Fund under the Veterans’ Nursing Homes of Florida Act, as described in s. 296.38(2), F.S. Additional revenue is deposited into the State Homes for Veterans Trust Fund and used to construct, operate, and maintain domiciliary and nursing homes for veterans.<sup>4</sup>

### ***Bronze Star Medal***

The Bronze Star Medal was established on February 4, 1944, to recognize those who served after December 6, 1941, in any capacity in or with the Armed Forces of the United States or a friendly foreign nation. The Bronze Star Medal is awarded to a person who distinguished himself or herself by heroic or meritorious service, not involving participation in aerial flight, in connection with military operations against an armed enemy; or while engaged in military operations involving conflict with an opposing armed force in which the United States is not a belligerent party. Recipients of the Bronze Star Medal must be receiving imminent danger pay while serving

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<sup>1</sup> The 21 military special plates currently offered in s. 320.089, F.S., include plates available for the following types of service: Veteran or Woman Veteran of the U.S. Armed Forces, World War II, Korean War, or Vietnam War Veteran, Navy Submariner, Active or retired National Guard member or U.S. Reservists, Pearl Harbor survivor, recipient of the Combat Infantry Badge, Combat Medical Badge, Combat Action Badge, Combat Action Ribbon, Air Force Combat Action Medal, Distinguished Flying Cross, or Purple Heart, former Prisoner of War, and service members or veterans of Operation Desert Shield, Desert Storm, Enduring Freedom, and Iraqi Freedom.

<sup>2</sup> For plate samples, see Department of Highway Safety and Motor Vehicles, *Military License Plates*, available at <http://www.flhsmv.gov/specialtytags/miltags.html> (last visited Mar. 16, 2017).

<sup>3</sup> Section 320.089(1)(c) and (2)(a), F.S.

<sup>4</sup> Section 320.089(1)(b), F.S.

in a geographic area authorized for special pay.<sup>5</sup> In order of precedence, the Department of Defense (DoD) places the Bronze Star Medal seventh amongst DoD wide military decorations and awards following the Distinguished Flying Cross and preceding the Purple Heart.<sup>6</sup>

### Specialty License Plates

Presently, there are over 120 specialty license plates available for purchase in Florida.<sup>7</sup> 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>8</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>9</sup>

In order to establish a specialty license plate, s. 320.08053, F.S., requires the plate must first be adopted into statute. Upon becoming law:

- Within 60 days, the organization must submit an art design for the plate, in a medium prescribed by the 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 organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin.

If, at the end of the 24-month pre-sale period, the minimum sales requirement has not been met, the DHSMV will discontinue the plate and issuance of the pre-sale voucher. Upon discontinuation, 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>10</sup>

The annual use fees collected by an organization and any interest earned from the fees may be expended only for use in this state unless the annual use fee is derived from the sale of specified United States Armed Forces and veterans-related specialty plates.<sup>11</sup> Additionally, organizations must adhere to certain accountability requirements, including an annual audit or attestation document affirming that funds received have been spent in accordance with applicable statutes.<sup>12</sup>

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<sup>5</sup> Department of the Army, *Military Awards*, Army Regulation 600-8-22 (June 25, 2015).

<sup>6</sup> Department of Defense, *Manual of Military Decorations and Awards: DoD Service Awards – Campaign, Expeditionary, and Service Medals*, Manual No. 1348.33, Vol. 2 (May 15, 2015). The order of precedence for military awards varies by branch of service.

<sup>7</sup> A list of Florida's specialty license plates is available on the DHSMV website at <http://www.flhsmv.gov/dmv/specialtytags/> (last visited Feb. 14, 2017).

<sup>8</sup> Section 320.08056, F.S.

<sup>9</sup> Section 320.08058, F.S.

<sup>10</sup> Section 320.08053(2)(b), F.S.

<sup>11</sup> Section 320.08056(10)(a), F.S.

<sup>12</sup> Section 320.08062, F.S.

### *DHSMV Costs Defrayed*

The DHSMV retains sufficient annual use fees, from the sale of the specialty plates, 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.<sup>13</sup>

### *Discontinuance of 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 plate requirement.<sup>14</sup> The specialty license plate must also be discontinued if the organization no longer exists, stops providing services that are authorized to be funded from the annual use fee proceeds, or pursuant to an organizational recipient's request.<sup>15</sup>

### *American Eagle Foundation<sup>16</sup>*

The American Eagle Foundation is a nonprofit organization headquartered in Tennessee. Its mission "is to care for and protect the USA's living symbol of freedom, the Bald Eagle, and other birds of prey through the four pillars of Education, Re-population, Conservation and Rehabilitation." According to its website, the Foundation accomplishes this by educational outreach, having performed over 25,000 "free-flight" birds of prey education programs, caring for over 70 non-releasable raptors and other birds, including the largest collection of non-releasable Bald Eagles, and rehabilitating injured Bald Eagles and other birds of prey.

## **III. Effect of Proposed Changes:**

### **Special License Plates**

The bill creates a special military license plate for recipients of the Bronze Star Medal. The plate will be stamped with the words "Bronze Star" and a likeness of the Bronze Star Medal. To receive a Bronze Star special military license plate, the individual must submit an application for the plate to the DHSMV, provide proof that he or she is a Bronze Star Medal recipient, and pay the appropriate license tax as provided in s. 320.08, F.S. Revenue generated from the sale of the Bronze Star plate is deposited in the Grants and Donations Trust Fund and the State Home for Veterans Trust Fund, both of which are administered by the FDVA.

The bill makes changes to s. 320.089, F.S., to provide clarity, and to specify that the special military license plate for former prisoners of war must also include a likeness of the Prisoner of War Medal.<sup>17</sup> Currently, the license plate must only be stamped with the words "Ex-POW."

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<sup>13</sup> Section 320.08056(7), F.S.

<sup>14</sup> Section 320.08056(8)(a), F.S.

<sup>15</sup> Section 320.08056(8)(b), F.S.

<sup>16</sup> See American Eagle Foundation website, <https://www.eagles.org/about-aeef/> (last visited Mar. 11, 2017).

<sup>17</sup> For information about the Prisoner of War Medal, see U.S. Air Force, *Fact Sheets: Prisoner of War Medal* (Aug. 4, 2010), available at <http://www.afpc.af.mil/About-Us/Fact-Sheets/Display/Article/421934/prisoner-of-war-medal> (last visited Mar 13, 2017).

### **Specialty License Plate**

The bill directs the DHSMV to create an American Eagle license plate. The plate has an annual use fee of \$25, which will be distributed to the American Eagle Foundation for deposit in the foundation's national endowment fund, which may use up to 15 percent of proceeds from the plate for administrative costs and to market the plate. The remaining proceeds from the plate must be used by the foundation to fund public education programs, rescue and care programs, and other conservation efforts in Florida that benefit bald eagles. The plate must bear the colors and design approved by the DHSMV and will have the word "Florida" across the top of the plate and the words "God Bless America" at the bottom of the plate.

The bill takes effect October 1, 2017.

#### **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:

Individuals who choose to purchase the American Eagle specialty license plate will pay a \$25 annual fee in addition to appropriate license taxes and fees. The American Eagle Foundation will receive revenue from each American Eagle plate purchase.

Individuals who choose to receive the Bronze Star license plate or the redesigned ex-Pow license plate to replace their license plate prior to the end of the 10-year replacement cycle of their current plate will be required to pay \$28.<sup>18</sup>

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<sup>18</sup> Section 320.0607(3), F.S.

**C. Government Sector Impact:**

The DHSMV will incur programming and production costs to create the Bronze Star and American Eagle license plates, and to redesign the Ex-POW plate to include the likeness of the Prisoner of War Medal. The DHSMV is authorized to retain revenues from the first proceeds of the American Eagle specialty license plate to defray departmental expenditures related to the plate.<sup>19</sup>

To the extent that people purchase the Bronze Star plate, the bill may have a positive impact on the State Homes for Veterans Trust Fund and the Grants and Donations Trust Fund administered by the FDVA.

**VI. Technical Deficiencies:**

None.

**VII. Related Issues:**

None.

**VIII. Statutes Affected:**

This bill substantially amends the following sections of the Florida Statutes: 320.08056, 320.08058, and 320.089.

**IX. 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 on March 22, 2017:**

The CS removes language relating to a distribution change for revenues from the Woman Veteran license plate. The FDVA determined that current law reflects an appropriate depository for such funds.<sup>20</sup>

The CS also adds that the American Eagle Foundation may use up to 15 percent of proceeds received from the sale of the American Eagle plate for administrative costs and marketing of the plate.

**B. Amendments:**

None.

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

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<sup>19</sup> Section 320.08056(7), F.S.

<sup>20</sup> FDVA, 2017 Agency Legislative Bill Analysis: SB 1022 (Feb. 20, 2017) (on file with the Senate Committee on Transportation).