

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 Appropriations Subcommittee on Transportation, Tourism, and Economic Development

BILL: SB 752

INTRODUCER: Senator Mayfield

SUBJECT: Specialty License Plates/Childhood Cancer Awareness

DATE: January 3, 2017

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|--------------|-----------------|------------|--------------------|
| 1. | <u>Jones</u> | <u>Miller</u> | <u>TR</u> | <u>Favorable</u> |
| 2. | <u>Wells</u> | <u>Hrdlicka</u> | <u>ATD</u> | <u>Pre-meeting</u> |
| 3. | _____ | _____ | <u>AP</u> | _____ |

I. Summary:

SB 752 directs the Department of Highway Safety and Motor Vehicles (DHSMV) to develop a Childhood Cancer Awareness specialty license plate, establishes a \$25 annual use fee for the plate, and provides for the distribution and use of fees collected from the sale of the plate.

The DHSMV estimates programming and implementation for a standard specialty license plate costs \$7,680. The DHSMV is authorized to retain revenues from the first proceeds of sales to defray departmental costs.

The bill takes effect October 1, 2018.

II. Present Situation:

Specialty License Plates

Presently, there are over 120 specialty license plates available for purchase in Florida.¹ 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.² 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.³

¹ A list of Florida's specialty license plates is available on the DHSMV website at <http://www.flhsmv.gov/dmv/specialtytags/> (last visited Nov. 3, 2017).

² Section 320.08056, F.S.

³ Section 320.08058, F.S.

In order to establish a specialty license plate and after the plate is approved by law, s. 320.08053, F.S., requires the following actions within certain timelines:

- 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 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 of the plate may begin.

If the minimum sales requirement has not been met by the end of the 24-month pre-sale period, the DHSMV will discontinue the plate and issuance of pre-sale vouchers. 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.⁴

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.⁵ 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.⁶

DHSMV Costs Defrayed

The DHSMV may retain a sufficient portion of annual use fees collected from the sale of specialty license plates to defray its costs for inventory, distribution, and other direct costs associated with the specialty license plate program. The remainder of the proceeds are distributed as provided by law.⁷

Discontinuance of Specialty Plates

The DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid 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 license plate registrations is below 1,000 plates. Collegiate plates for Florida universities are exempt from the minimum specialty license plate requirement.⁸ In addition, the DHSMV is authorized to discontinue any specialty license plate 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.⁹

⁴ Section 320.08053(2)(b), F.S.

⁵ Section 320.08056(10)(a), F.S.

⁶ Section 320.08062, F.S.

⁷ Section 320.08056(7), F.S.

⁸ Section 320.08056(8)(a), F.S.

⁹ Section 320.08056(8)(b), F.S.

No Kid Should Know Cancer, Inc.¹⁰

According to corporate filings with the Department of State, No Kid Should Know Cancer, Inc., is a not-for-profit organization in Melbourne, Florida, which is organized to bring awareness to childhood cancer and help families who have been affected by childhood cancer financially and spiritually. Additionally, the organization sponsors, hosts, and participates in events that benefit clinical trials and improved treatment plans.

III. Effect of Proposed Changes:

The bill directs the DHSMV to create a Childhood Cancer Awareness specialty license plate, with an annual fee of \$25 to be distributed to No Kid Should Know Cancer, Inc. The organization may use up to 10 percent of the fees for administrative costs and marketing of the plate, and the remainder of the fees must be used by the organization to:

- Provide gift cards to families who have a child recently diagnosed with cancer to help with food, tolls, and gas;
- Hold events that raise awareness about childhood cancer; and
- Support clinical trials to provide better treatment plans for children diagnosed with cancer.

The plate must bear the colors and design approved by the DHSMV, with the word “Florida” at the top of the plate and the words “Cure Childhood Cancer” at the bottom of the plate.

The bill takes effect October 1, 2018.

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.

¹⁰ See Florida Department of State – Division of Corporations, *No Kid Should Know Cancer Inc., Articles of Incorporation* (Mar. 10, 2017), available at <http://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2017%5C0310%5C10507351.tif&documentNumber=N17000002637> (last visited Dec. 15, 2017).

B. Private Sector Impact:

Individuals who choose to purchase a Childhood Cancer Awareness specialty license plate will pay a \$25 annual use fee in addition to appropriate license taxes and fees. No Kid Should Know Cancer, Inc., will receive revenue from each plate purchased.

C. Government Sector Impact:

The DHSMV estimates programming and implementation of a standard specialty license plate costs \$7,680.¹¹ 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.¹²

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

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

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.

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

¹¹ See DHSMV, *2018 Agency Legislative Bill Analysis: SB 468* (Nov. 9, 2017) (on file with the Senate Committee on Transportation).

¹² Section 320.08056(7), F.S.