

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 1225 Specialty License Plates

**SPONSOR(S):** Thompson

**TIED BILLS:** HB 1227 **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Infrastructure Subcommittee	13 Y, 0 N	Johnson	Vickers
2) Transportation & Tourism Appropriations Subcommittee			
3) State Affairs Committee			

### SUMMARY ANALYSIS

There are over 120 specialty license plates available to any owner or lessee of a motor vehicle who is willing to pay the additional annual use fee for such plate. The collected fees are distributed by the Department of Highway Safety and Motor Vehicles (DHSMV) to statutorily designated organizations in support of a particular cause or charity.

The bill creates the Kappa Alpha Psi Fraternity and Alpha Kappa Alpha Sorority specialty license plates and provides for the design and the use of the annual use fees associated with these license plates.

House Bill 1227 (2019), which this bill is linked to, provides for annual use fees of \$25 for the Kappa Alpha Psi Fraternity and the Alpha Kappa Alpha Sorority specialty license plates.

According to DHSMV, the bill will have a negative, but insignificant fiscal impact associated with programming costs. These costs can be absorbed within existing resources.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Present Situation**

###### Specialty License Plates

The first Florida specialty license plates were enacted in 1986 and included the creation of the Challenger plate and 10 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 Department of Highway Safety and Motor Vehicles (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.
- Within 120 days, DHSMV must establish a method to issue a specialty license plate voucher to allow for the pre-sale of the specialty license plate.
- 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.

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>3</sup>

Organizations receiving 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>4</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>5</sup>

House Bill 1227 (2019), which this bill is linked to, provides annual use fees of \$25 for the Kappa Alpha Psi Fraternity and Alpha Kappa Alpha Sorority license plates.

##### **Effect of Proposed Changes**

###### Kappa Alpha Psi Fraternity Specialty License Plate

Kappa Alpha Psi Fraternity is a college fraternity chartered and incorporated originally under the laws of the State of Indiana as Kappa Alpha Nu on May 15, 1911. Its name changed to Kappa Alpha Psi effective April 15, 1915.<sup>6</sup>

---

<sup>1</sup> Florida Department of Highway Safety and Motor Vehicles, *Specialty License Plates*, <http://www.flhsmv.gov/specialtytags/slp.html> (Last visited January 24, 2019).

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

<sup>3</sup> S. 320.08056 (8)(a), F.S.

<sup>4</sup> S. 320.08062, F. S.

<sup>5</sup> S. 320.08056(10)(a), F.S.

The Southern Province of Kappa Alpha Psi Foundation, Inc., is an active corporation with the Department of State's Division of Corporations.

The bill amends s. 320.08058, F.S., creating the Kappa Alpha Psi Fraternity specialty license plate. The plate must bear DHSMV approved colors and design with "Florida" at the top of the plate and "Kappa Alpha Psi" at the bottom of the plate.

The annual use fees are distributed to the Southern Province of Kappa Alpha Psi Foundation, Inc., to be used as follows:

- Five percent must be used solely for the marketing of the Kappa Alpha Psi Fraternity license plate.
- Ninety-five percent must be used for college scholarships for Florida residents attending historically black colleges and universities in the state.

#### Alpha Kappa Alpha Sorority License Plate

Alpha Kappa Alpha Sorority began on the campus of Howard University in 1908.<sup>7</sup> Alpha Kappa Alpha's mission is to cultivate and encourage high scholastic and ethical standards, to promote unity and friendship among college women, to study and help alleviate problems concerning girls and women in order to improve their social stature, to maintain a progressive interest in college life, and to be of "Service to All Mankind".<sup>8</sup>

In 1989, Alpha Kappa Alpha Sorority, Inc., founded the Alpha Kappa Alpha Educational Advancement Foundation, Inc., to promote lifelong learning. This mission is accomplished by securing charitable contributions, gifts and endowed funds to award scholarships, fellowships, and grants.<sup>9</sup>

The Alpha Kappa Alpha Educational Foundation, Inc., is not registered as a corporation with the Department of State's Division of Corporations. However, the foundation is registered with the Department of Agriculture and Consumer Services.

The bill amends s. 320.08058, F.S., creating the Alpha Kappa Alpha Sorority specialty license plate. The plate must bear DHSMV approved colors and design with "Florida" at the top of the plate and "Alpha Kappa Alpha" at the bottom of the plate.

The annual use fees are distributed to the Alpha Kappa Alpha Educational Advancement Foundation, Inc., to be used as follows:

- Five percent must be used solely for the marketing of the Alpha Kappa Alpha license plate.
- Ninety-five percent must be used for college scholarships for Florida residents attending historically black colleges and universities in the state.

#### B. SECTION DIRECTORY:

Section 1 amends s. 320.08058, F.S., relating to specialty license plates.

Section 2 provides an effective date of October 1, 2019, but only if HB 1227 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

---

<sup>6</sup> Kappa Alpha Psi, *A Brief History*, <https://kappaalphapsi.org/a-brief-history/> (Last visited March 4, 2019)

<sup>7</sup> Alpha Kappa Alpha Sorority, Inc., *About*, <http://www.aka1908.com/about> (Last visited March 4, 2019)

<sup>8</sup> Alpha Kappa Alpha Sorority, Inc., *Mission*, <http://www.aka1908.com/about/mission> (last visited March 4, 2019)

<sup>9</sup> Alpha Kappa Alpha Educational Advancement Foundation, Inc. <https://akaeaf.org/> (Last visited March 13, 2019).

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

According to DHSMV, specialty license plates require system programming to implement. Depending on the number of distributions tied to the plate, the amount of programming may vary as will the resources needed to complete the changes. The average specialty/special license plate requires approximately 200-250 hours of programming, at a rate of \$35 to \$40 per hour.<sup>10</sup> This results in programming costs of between \$14,000 and \$20,000.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The Southern Province of Kappa Alpha Psi Foundation, Inc., and the Alpha Kappa Alpha Educational Advancement Foundation, Inc., may see additional revenues associated with the sale of the specialty license plates.

D. FISCAL COMMENTS:

None.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to impact county or municipal governments.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

---

<sup>10</sup> Email from Kevin Jacobs, Deputy Director of Legislative Affairs, Department of Highway Safety and Motor Vehicles, RE: HBs 273/275 and 122/201, (January 24, 2019).

#### IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES