

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 1227 Specialty License Plate Fees

**SPONSOR(S):** Thompson

**TIED BILLS:** HB 1225 **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.

HB 1225 (2019), which this bill is linked to, provides for the creation of the Kappa Alpha Psi Fraternity and the Alpha Kappa Alpha Sorority specialty license plates.

The bill provides for annual use fees of \$25 for the Kappa Alpha Psi Fraternity and the Alpha Kappa Alpha Sorority specialty license plates.

The bill does not have a fiscal impact on state or local governments.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### 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>

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>3</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>4</sup>

##### Kappa Alpha Psi Fraternity

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>5</sup>

##### Alpha Kappa Alpha Sorority

Alpha Kappa Alpha Sorority began on the campus of Howard University in 1908.<sup>6</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>7</sup>

##### House Bill 1225 (2019)

House Bill 1225 (2019), which this bill is linked to, creates the Kappa Alpha Psi Fraternity and Alpha Kappa Alpha Sorority specialty license plate and provides for the design of the plate and the use of the annual use fees associated with the plates. The annual use fees are distributed to the Southern Province of Kappa Alpha Psi, Inc., and the Alpha Kappa Alpha Educational Advancement Foundation, Inc., who must use 5 percent of the fees for marketing the license plate. Ninety-five percent of the proceeds must be use for college scholarships for Florida Residents attending historically black colleges and universities in Florida.

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<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. 320.08062, F. S.

<sup>4</sup> S. 320.08056(10)(a), F.S.

<sup>5</sup> Kappa Alpha Psi, *A Brief History*, <https://kappaalphapsi.org/a-brief-history/> (Last visited March 4, 2019)

<sup>6</sup> Alpha Kappa Alpha Sorority, Inc., *About*, <http://www.aka1908.com/about> (Last visited March 4, 2019)

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

## **Effect of Proposed Changes**

The bill amends s. 320.08056, F.S., providing for \$25 annual use fees for the Kappa Alpha Psi Fraternity and the Alpha Kappa Alpha Sorority specialty license plates.

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

Section 1 amends s. 320.08056, F.S., relating to specialty license plates.

Section 2 provides an effective date of October 1, 2019, but only if HB 1225 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**

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

#### **1. Revenues:**

None.

#### **2. Expenditures:**

None.

### **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 plate.

### **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:**

Article VII, s. 19 of the Florida Constitution requires the imposition, authorization, or raising of a state tax or fee be contained in a separate bill that contains no other subject and be approved by two-

thirds of the membership of each house of the Legislature. As such, Art. VII, s. 19 of the Florida Constitution may apply if the fee provisions in the bill are interpreted to be new fees.

**B. RULE-MAKING AUTHORITY:**

None.

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

None.

**IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**