

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/CS/HB 415 Driver License, Identification Card, and Motor Vehicle Registration Applications

**SPONSOR(S):** State Affairs Committee, Transportation & Infrastructure Subcommittee, Aloupis and others

**TIED BILLS:** **IDEN./SIM. BILLS:** CS/CS/SB 252

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Infrastructure Subcommittee	13 Y, 0 N, As CS	Roth	Vickers
2) Transportation & Tourism Appropriations Subcommittee	11 Y, 0 N	Hicks	Davis
3) State Affairs Committee	23 Y, 0 N, As CS	Roth	Williamson

### SUMMARY ANALYSIS

An organization that seeks authorization to establish a voluntary contribution on a motor vehicle registration application must submit the following to the Department of Highway Safety and Motor Vehicles (DHSMV):

- A request for the particular voluntary contribution being sought, describing the proposed voluntary contribution in general terms;
- An application fee, not to exceed \$10,000, to defray DHSMV's cost for reviewing the application and developing the voluntary contribution checkoff on the registration form; and
- A marketing strategy outlining short-term and long-term marketing plans for the requested voluntary contribution and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the voluntary contribution.

DHSMV must submit the above to the Legislature for approval. If the voluntary contribution is not approved, the application fee must be returned to the organization. If the voluntary contribution is approved, DHSMV must add the voluntary contribution to the motor vehicle application form when the form is reprinted.

The bill requires the application form for motor vehicle registration and renewal to include language permitting a voluntary contribution of \$1 or more per applicant to the Live Like Bella Childhood Cancer Foundation. The bill provides that all contributions must be distributed by DHSMV to the Live Like Bella Childhood Cancer Foundation.

The bill removes the voluntary contribution of \$1 or more for the Auto Club Group Traffic Safety Foundation, Inc., from the motor vehicle registration, driver license, and identification card applications.

The bill will have an insignificant negative fiscal impact on DHSMV and does not appear to have a fiscal impact on local governments.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

###### Establishing a Voluntary Contribution

The application form for motor vehicle registration and renewal of registration provides a voluntary contributions section that allows applicants to make a donation by checking a box on the form.<sup>1</sup> An organization that seeks authorization to establish a voluntary contribution on a motor vehicle registration application must submit the following to DHSMV:

- A request for the particular voluntary contribution being sought, describing the proposed voluntary contribution in general terms;
- An application fee, not to exceed \$10,000 to defray DHSMV's cost for reviewing the application and developing the voluntary contribution checkoff on the registration form; and
- A marketing strategy outlining short-term and long-term marketing plans for the requested voluntary contribution and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the voluntary contribution.<sup>2</sup>

The organization must submit the above information to DHSMV at least 90 days before the first day of the next regular session of the Legislature.<sup>3</sup> If the voluntary contribution is not approved by the Legislature, the application fee must be refunded to the organization.<sup>4</sup> DHSMV must include any voluntary contributions approved by the Legislature on the motor vehicle application form when the form is reprinted by the DHSMV.<sup>5</sup>

DHSMV must discontinue the voluntary contribution if:

- Less than \$25,000 has been contributed by the end of the fifth year; or
- Less than \$25,000 is contributed during any subsequent 5-year period.<sup>6</sup>

DHSMV is authorized to discontinue the voluntary contribution and distribution of proceeds if the organization no longer exists, if the organization has stopped providing services that are authorized to be funded from the voluntary contributions, or pursuant to an organizational recipient's request.<sup>7</sup> A voluntary contribution, or any interest earned from those contributions, may not be used for commercial or for-profit activities or for general or administrative expenses.<sup>8</sup> All organizations that receive annual use fee proceeds from DHSMV are responsible for ensuring that proceeds are used in accordance with law.<sup>9</sup>

There are currently 21 charitable organizations included for voluntary contribution on the motor vehicle registration form.<sup>10</sup>

###### Live Like Bella Childhood Cancer Foundation

Live Like Bella Childhood Cancer Foundation (Foundation) is a non-profit organization created in memory of Bella Rodriguez-Torres who inspired people throughout the world during her six-year fight

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<sup>1</sup> Section 320.02(16), F.S.

<sup>2</sup> Section 320.023(1), F.S.

<sup>3</sup> Section 320.023(1), F.S.

<sup>4</sup> Section 320.023(2), F.S.

<sup>5</sup> Section 320.023(3), F.S.

<sup>6</sup> Section 320.023(4)(a), F.S.

<sup>7</sup> Section 320.023(4)(b), F.S.

<sup>8</sup> Section 320.023(5), F.S.

<sup>9</sup> Section 320.023(5)(a), F.S.

<sup>10</sup> Section 320.02(16)(a)-(u), F.S.

against cancer. Bella was born in Miami, Florida in December 2002 and passed away at the age of 10 in May 2013. The Foundation provides assistance and support to children and families affected by childhood cancer. The Foundation also funds innovative research with the hope that childhood cancer will become a treatable and curable disease. As of 2018, the Foundation has funded 13 research trials and assisted families in 46 states and 12 countries.<sup>11</sup>

#### Auto Club Group Traffic Safety Foundation, Inc.

Effective October 1, 2011, Tampa-based AAA Auto Club South and Michigan-based, The Auto Club Group, affiliated and combined operations.<sup>12</sup> The enterprise is known as The AAA – Auto Club Group and provides membership, travel, insurance, and financial services to members in 11 states, including Florida, and two United States territories.<sup>13</sup>

The Auto Club Group Traffic Safety Foundation, Inc., was founded in 2010, as a nonprofit corporation under s. 501(c)(3) of the Internal Revenue Code,<sup>14</sup> as a unit of the AAA – The Auto Club Group. In 2013, a \$1 voluntary contribution checkoff for the Auto Club Group Traffic Safety Foundation, Inc., was authorized for the application forms for an original, renewal, or replacement driver license or identification card and motor vehicle registration. Funds received by the foundation were to be used to improve traffic safety culture in communities through effective outreach, education, and activities in the state designed to save lives, reduce injuries, and prevent crashes.<sup>15, 16</sup>

The AAA – The Auto Club Group is winding down the operations of the Auto Club Group Traffic Safety Foundation, Inc., and plans to dissolve the entity with an effective date no later than January 1, 2020. The foundation requested DHSMV remove the voluntary checkoff for the foundation from the forms.<sup>17</sup>

### **Effect of Proposed Changes**

The bill requires the application form for motor vehicle registration and renewal to include language permitting a voluntary contribution of \$1 or more per applicant to the Live Like Bella Childhood Cancer Foundation. Contributions must be distributed by DHSMV to the Live Like Bella Childhood Cancer Foundation. The bill exempts the Live Like Bella Childhood Cancer Foundation from the application process and the \$10,000 application fee to establish a voluntary contribution on the motor vehicle registration application.

The bill removes the voluntary contribution to the Auto Club Group Traffic Safety Foundation, Inc., on the motor vehicle registration, driver license, and identification card applications.

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

**Section 1:** Amends s. 320.02, F.S., relating to registration required; application for registration; forms.

**Section 2:** Amends s. 322.08, F.S., relating to application for license; requirements for license and identification card forms.

**Section 3:** Provides an effective date of July 1, 2019.

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<sup>11</sup> Live Like Bella Childhood Cancer Foundation, available at <http://livelikebella.org/> (last visited February 8, 2019).

<sup>12</sup> Travel Weekly, *AAA clubs in Tampa and Detroit area merge*, October 7, 2011, available at <https://www.travelweekly.com/Travel-News/Travel-Agent-Issues/AAA-clubs-in-Tampa-and-Detroit-area-merge> (last visited March 5, 2019).

<sup>13</sup> LinkedIn, The Auto Club Group, *About Us*, available at <https://www.linkedin.com/company/the-auto-club-group> (last visited March 5, 2019).

<sup>14</sup> Florida Department of State, Division of Corporations, Sunbiz, *Auto Club Group Traffic Safety Foundation, Inc.*, Document No. N10000003249, available at <http://search.sunbiz.org/Inquiry/CorporationSearch/ByName> (last visited March 5, 2019).

<sup>15</sup> Chapter 2013-160, ss. 28 and 47, Laws of Fla. Sections 320.02(16)(t) and 322.08(8)(r), F.S.

<sup>16</sup> Section 322.08(8)(r), F.S.

<sup>17</sup> Karen Morgan (AAA-The Auto Club Group), letter to Paula Stanfield (DHSMV Division of Motorist Services), January 10, 2019 (on file with the Transportation & Infrastructure Subcommittee).

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

The bill waives the \$10,000 application fee normally required by s. 320.023, F.S.

#### 2. Expenditures:

DHSMV estimates that 660 hours will be required for programming and implementation. These hours are estimated to have a fiscal impact to the department of \$36,480 in FTE and contracted resources.<sup>18</sup> However, associated 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:

Donations to the voluntary contribution will go to the Live Like Bella Childhood Cancer Foundation, which provides assistance and support to children and families affected by childhood cancer, and funds innovative research.

### D. FISCAL COMMENTS:

None.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

#### 1. Applicability of Municipality/County Mandates Provision:

Not Applicable. This bill does not appear to affect county or municipal governments.

#### 2. Other:

None.

### B. RULE-MAKING AUTHORITY:

None.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

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<sup>18</sup> Email from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: voluntary contribution info, (February 12, 2019).

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On March 6, 2019, the Transportation & Infrastructure Subcommittee adopted a strike-all amendment and reported the bill favorably as a committee substitute. The strike-all amendment:

- Repealed the requirement that the DHSMV application form for motor vehicle registration and renewal of registration include language permitting a voluntary contribution to the Auto Club Group Traffic Safety Foundation, Inc.
- Modified the notwithstanding language for the voluntary contribution to the Live Like Bella Childhood Cancer Foundation to only include s. 320.023(1) and (2), F.S., which relate to the application process for organizations seeking to establish a voluntary checkoff.
- Changed the effective date from October 1, 2019 to July 1, 2019.

On April 10, 2019, the State Affairs Committee adopted an amendment and reported the bill favorably as a committee substitute. The amendment repealed the requirement that the DHSMV application form for a driver license or identification card include language permitting a voluntary contribution to the Auto Club Group Traffic Safety Foundation, Inc.

This analysis is written to the committee substitute as approved by the State Affairs Committee.