

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 Committee on Infrastructure and Security

BILL: CS/SB 1456

INTRODUCER: Infrastructure and Security Committee and Senator Powell

SUBJECT: Specialty License Plate Fees/Highwaymen

DATE: February 5, 2020

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Knight</u>	<u>Miller</u>	<u>IS</u>	<u>Fav/CS</u>
2.	_____	_____	<u>ATD</u>	_____
3.	_____	_____	<u>AP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 1456 provides for an annual use fee of \$25 for the Highwaymen specialty license plate.

CS/SB 1454 (2020), which this CS is linked to, creates the Highwaymen specialty license plate and provides for the design of the plate and the use of the annual fees associated with the specialty license plate.

According to the Department of Highway Safety and Motor Vehicles (DHSMV), the CS will have a negative, but insignificant fiscal impact associated with programming costs. These costs can be absorbed within existing resources.

The CS has an effective date on the same date that CS/SB 1454 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

II. Present Situation:

Specialty License Plates

Presently, there are over 120 specialty license plates available for purchase in Florida¹. 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 on the plate's design and designated in statute.³

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, then 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 is authorized to retain a sufficient portion of annual use fees collected from the sale of 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.⁷

¹ A list of Florida's specialty license plates is available on the DHSMV website at <http://www.flhsmv.gov/dmv/specialtytags/> (last visited January 24, 2020).

² Section 320.08056, F.S.

³ Section 320.08058, F.S.

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.

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

Highwaymen

From the early 1950s through the 1980s, a group of 26 African-American artists known as the "Florida Highwaymen" used vivid and bright colors to display the beautiful untouched Florida landscape. The Florida Highwaymen painted wind-bent palm trees, serene sunsets, churning oceans and bright red Poinciana trees. They painted from their garages and back yards on inexpensive Uson board and then on the weekends would travel and sell their Highwaymen paintings to hotels, offices, businesses and individuals who appreciated the artwork for approximately \$25 apiece. Currently, the market for an original work of art by a Florida Highwayman can bring \$5,000 or more. Some of the Highwaymen who are still living have resumed painting to meet the continuing demand for their work.¹⁰

Education Foundation

In 1990, the St. Lucie County Education Foundation¹¹ was organized as a direct support organization of the St. Lucie County School Board to raise private funds for programs to support students, teachers and public schools. The St. Lucie County Education Foundation is a non-profit organization that advances K-12 public education in St. Lucie County by increasing the capacity and resources of the district in partnership with key stakeholders.¹²

III. Effect of Proposed Changes:

The CS provides for an annual use fee of \$25 for the Highwaymen specialty license plate.

The CS has an effective date on the same date that CS/SB 1454 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

⁸ Section 320.08056(8)(a), F.S.

⁹ Section 320.08056(8)(b), F.S.

¹⁰ Florida Highwaymen Paintings, available at <http://www.floridahighwaymenpaintings.com/> (last visited January 24, 2020).

¹¹ Florida Department of State, Division of Corporations, Sunbiz, St. Lucie County Education Foundation, Inc., <http://search.sunbiz.org/Inquiry/CorporationSearch/ByName> (last visited January 24, 2020).

¹² Education Foundation, *About Us*, available at <https://www.educationfoundationstlucie.org/p/3/about-us#.WjFxDGhSyUk> (last visited January 24, 2020).

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

D. State Tax or Fee Increases:

Under the 2018 amendment to the Florida Constitution, Article VII, Section 19 requires “a supermajority vote” of 2/3 of the membership of each house to pass legislation which will impose or authorize a new state tax or fee.¹³ A “fee” is defined as “any charge or payment required by law, including any fee for service, fee or cost for licenses, and charge for service.”¹⁴

The \$25 annual use fee for the Highwaymen specialty license plate may be a new state fee for purposes of requiring a supermajority vote and a separate CS containing no other subject.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

Individuals who choose to purchase a Highwayman specialty license plate will pay an additional use fee of \$25 in addition to required vehicle license taxes and fees.

B. Private Sector Impact:

Revenue from the sale of the Highwaymen specialty license plate will benefit the St. Lucie Education Foundation, Inc., and the construction and operation of the Highwaymen Museum and African American Cultural Center.

¹³ FLA. CONST. art. VII, s. 19(a).

¹⁴ FLA. CONST. art. VII, s. 19(d)(1).

C. **Government Sector Impact:**

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.¹⁵

VI. **Technical Deficiencies:**

None.

VII. **Related Issues:**

None.

VIII. **Statutes Affected:**

This CS substantially amends the following section of the Florida Statutes: 320.08056

IX. **Additional Information:**

A. **Committee Substitute – Statement of Changes:**

(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Infrastructure and Security on February 3, 2020:

- Incorporates the linked bill number of SB 1454.

B. **Amendments:**

None.

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

¹⁵ Section 320.08056(7), F.S.