

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: SB 314

INTRODUCER: Senator Stewart

SUBJECT: Specialty License Plates/Toastmasters

DATE: January 31, 2020

REVISED: _____

| | ANALYST | STAFF DIRECTOR | REFERENCE | ACTION |
|----|---------------|----------------|------------|--------------------|
| 1. | <u>Knight</u> | <u>Miller</u> | <u>IS</u> | <u>Pre-meeting</u> |
| 2. | _____ | _____ | <u>ATD</u> | _____ |
| 3. | _____ | _____ | <u>AP</u> | _____ |

I. Summary:

SB 314 creates the Toastmasters specialty license plate and provides for the design of the plate and the use of the annual fees associated with the specialty license plate.

SB 316 (2020), which this bill is linked to, provides for an annual use fee of \$25 for the Toastmasters specialty license plate.

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

The bill has an effective date of October 1, 2020, but only if SB 316 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes 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

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 27, 2020).

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, 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

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

Toastmasters International

Toastmasters began as a series of speaking clubs organized by Ralph C. Smedley during his time working for the YMCA (Young Men's Christian Association). Smedley was director of

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.

education at the YMCA and he saw a need for the men in the community to learn how to speak, conduct meetings, plan programs and work on committees. He decided to organize a club where they could learn these skills in a social environment. He named this group the Toastmasters Club; “toastmaster” was a popular term that referred to a person who gave toasts at banquets and other occasions.¹⁰

Since 1924, Toastmasters International has helped people from diverse backgrounds become more confident speakers, communicators, and leaders. Toastmasters International is a non-profit educational organization that teaches public speaking and leadership skills through a worldwide network of clubs. The organization’s membership exceeds 358,000 in 142 countries.¹¹

Toastmasters International is not listed in the Department of State Division of Corporations sunbiz.org database as a Florida business entity.

Ralph C. Smedley Memorial Fund

In 1965 the Ralph C. Smedley Memorial Fund was established to honor and uphold Ralph C. Smedley’s legacy and to open doors for the many millions of potential Toastmaster yet to come. Though the historic fund had humble beginnings with a local impact, the reinvigorated Smedley Fund retains its same purpose—the advancement of communication and leadership education through the research, development, and distribution of educational programs and materials.¹²

III. Effect of Proposed Changes:

The bill directs the DHSMV to develop the Toastmasters specialty license plate bearing the colors and design approved by the DHSMV. The new license plates will display the word “Florida” at the top of the plate and “www.Toastmasters.org” at the bottom of the plate.

The bill directs the annual fees to be distributed to the Ralph C. Smedley Memorial Fund of Toastmasters International.

The bill directs the annual use fees to be distributed as follows:

- 25 percent may be used to develop charitable and education programs for the indigent, homeless, visually and hearing disabled, incarcerated, and youth populations that are unable to afford or to participate in Toastmasters programs:
 - Up to five percent may be used for administrative and marketing costs of the license plate.
- 75 percent will be proportionally redistributed to the divisions of Districts 47, 48, 77, and 84 of Toastmasters International:
 - Up to five percent may be used for administrative and marketing costs of the license plate.

¹⁰Toastmasters International. *The Toastmasters Journey*, available at <https://www.toastmasters.org/about/history> (last visited January 29, 2020).

¹¹Toastmasters International. *All About Toastmasters*, available at <https://www.toastmasters.org/about/all-about-toastmasters> (last visited January 29, 2020).

¹²Toastmasters International. *Ralph C. Smedley Memorial Fund*, available at <https://www.toastmasters.org/about/smedley-fund> (last visited January 27, 2020).

- The remainder of funds will be used for educators, nonprofits, governmental organizations, scholarships, materials, and computers and other equipment for the purpose of implementing the charitable and educational programs for the indigent, homeless, visually and hearing disabled, incarcerated, and youth populations that are unable to afford or to participate in Toastmasters programs.

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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:

None.

E. Other Constitutional Issues:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

Revenue from the sale of the Toastmasters specialty license plate will benefit Toastmasters International and those who are eligible to participate in their programs.

C. Government Sector Impact:

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.¹³ 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.¹⁴

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

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

¹³ Department of Highway Safety and Motor Vehicles, *Senate Bill 314 Legislative Bill Analysis*. (January 27, 2020).

¹⁴ Section 320.08056(7), F.S.