

HOUSE OF REPRESENTATIVES STAFF FINAL BILL ANALYSIS

BILL #: CS/HB 387 License Plate Fees

SPONSOR(S): Transportation & Infrastructure Subcommittee, Hogan Johnson and others

TIED BILLS: HB 385, HB 1135 **IDEN./SIM. BILLS:**

FINAL HOUSE FLOOR ACTION: 115 Y's 0 N's **GOVERNOR'S ACTION:** Approved

SUMMARY ANALYSIS

CS/HB 387 passed the House on March 4, 2020, as amended, and subsequently passed the Senate on March 12, 2020.

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 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 a uniform annual use fee for specialty license plates. Specifically, the bill provides that unless the amount of an annual use fee is otherwise specified for a particular specialty license plate, the annual use fee of \$25 will be charged for any specialty license plate that is required to be developed.

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

The bill was approved by the Governor on September 18, 2020, ch. 2020-176, L.O.F., and will become effective on October 1, 2020.

I. SUBSTANTIVE INFORMATION

A. EFFECT OF CHANGES:

Present Situation

Legislation Imposing or Raising State Fees or Taxes

The Florida Constitution provides that no state tax or fee may be imposed, authorized, or raised by the Legislature except through legislation approved by two-thirds of the membership of each house of the Legislature.¹ For purposes of this requirement, a “fee” is any charge or payment required by law, including any fee or charge for services and fees or costs for licenses and to “raise” a fee or tax means to:²

- Increase or authorize an increase in the rate of a state tax or fee imposed on a percentage or per mill basis;
- Increase or authorize an increase in the amount of a state tax or fee imposed on a flat or fixed amount basis; or
- Decrease or eliminate a state tax or fee exemption or credit.

A bill that imposes, authorizes, or raises any state fee or tax may only contain the fee or tax provision(s) and may not contain any other subject.³

The constitutional provision does not authorize any state tax or fee to be imposed if it is otherwise prohibited by the constitution and does not apply to any tax or fee authorized or imposed by a county, municipality, school board, or special district.⁴

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.⁵ The 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. A vehicle registered under the International Registration Plan, a commercial truck required to display two license plates, or a truck tractor is not eligible for specialty license plates.⁶

Organizations in receipt of 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.⁷ 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.⁸

Effect of the Bill

The bill creates a uniform annual use fee for specialty license plates. Specifically, the bill provides that unless the amount of an annual use fee is otherwise specified for a particular specialty license plate, an annual use fee of \$25 will be charged.

¹ Fla. Const. art. VII, s. 19(a)-(b).

² Fla. Const. art. VII, s. 19(d).

³ Fla. Const. art. VII, s. 19(e).

⁴ Fla. Const. art. VII s. 19(c).

⁵ The annual use fees for specific specialty license plates are provided in s. 320.08056(4), F.S.

⁶ Section 320.08056(2), F.S.

⁷ Section 320.08062, F. S.

⁸ Section 320.08056(10)(a), F.S.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill will have a negative, but insignificant, fiscal impact on DHSMV associated with programming costs. These 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:

Recipient organizations may see an increase in revenues associated with the sale of specialty license plates.

D. FISCAL COMMENTS:

None.