

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 956

INTRODUCER: Infrastructure and Security Committee and Senator Perry

SUBJECT: Specialty License Plates/Solar Power

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 956 creates the Solar Power license plate and provides for the design of the plate and the use of the annual fees associated with the specialty license plate.

CS/SB 958 (2020), which this CS is linked to, provides for an annual use fee of \$25 for the Solar Power 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 cost. These cost can be absorbed within existing resources.

The CS has an effective date of October 1, 2020, but only if CS/SB 958 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

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

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.

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.

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

Florida Solar Energy Research and Education Foundation

The Florida Solar Energy Research and Education Foundation was created in 1991.¹⁰ The foundation was established to further the development and use of solar energy. Under a grant from the Florida Department of Community Affairs Energy Office, the Foundation began to develop strategic alliances with sectors influencing the use of solar energy, such as home builder, utility, financial, and institutional.

Florida Solar Energy Center

The mission of the Florida Solar Energy Center (center) is to research and develop energy technologies that enhance Florida's and the nation's economy and environment and educate the public, students and practitioners on the results of the research. The Florida Solar Energy Center is administered by the University of Central Florida.¹¹ The center was created by the Florida Legislature in 1976 to serve as the state's energy research institute.¹² The main responsibilities of the center are to:

- Develop and adopt standards for solar energy systems manufactured or sold in this state; and
- Establish criteria for testing performance of solar energy systems.

The center may receive a testing fee for any testing performed.

All solar energy systems manufactured or sold in the state must meet the standards established by the center and must display accepted results of an approved performance test in a manner prescribed by the center.¹³

III. Effect of Proposed Changes:

The CS directs the DHSMV to develop the Solar Power 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 "Powered by the Sun" at the bottom of the plate.

The CS directs the annual fees to be distributed to the Florida Solar Energy Research and Education Foundation.

⁸ Section 320.08056(8)(a), F.S.

⁹ Section 320.08056(8)(b), F.S.

¹⁰ Florida Department of State, Division of Corporations, Sunbiz, Florida Solar Energy Research and Education Foundation, Inc. <http://search.sunbiz.org/Inquiry/CorporationSearch/ByName> (last visited January 29, 2020).

¹¹ FSEC Energy Research Center. *About Us*, available at <https://energyresearch.ucf.edu/about-us/> (last visited January 31, 2020).

¹² Ch. 76-246, Law of Fla.

¹³ Section 377.705(4), F.S.

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

- The Florida Solar Energy Research and Education Foundation may retain all revenue from the annual use fees until all startup cost for developing and establishing the plate have been recovered;
- Up to ten percent may be used for promotion and administrative and marketing cost of the license plate; and
- The remainder of funds will be used as follows:
 - Provide funds to the Florida Solar Energy Center for developing and administering solar energy industry workforce training programs;
 - Provide funds to federal veteran support facilities for solar demonstration projects that will lower energy costs to the veteran support facilities; and
 - Provide funds to non-for-profit, educational, or charitable organizations for projects or promotional campaigns that further the goal of the growth of the use of solar energy in this state.

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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 Solar Power specialty license plate will benefit the Florida Solar Energy Research and Education Foundation, the Florida Solar Energy Center, federal veteran support facilities, and not-for-profit, educational, or charitable organizations that further the growth of the use of solar energy in this state.

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.¹⁴ 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: 320.08058

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 958.

B. Amendments:

None.

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

¹⁴ Department of Highway Safety and Motor Vehicles, *Senate Bill 956 Legislative Bill Analysis*. (January 28, 2020).

¹⁵ Section 320.08056(7), F.S.