

**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 891 Specialty License Plate Presales

**SPONSOR(S):** Yarborough

**TIED BILLS:** IDEN./SIM. **BILLS:** SB 364

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Tourism, Infrastructure & Energy Subcommittee	15 Y, 0 N	Johnson	Keating
2) Commerce Committee			

**SUMMARY ANALYSIS**

Currently, 123 specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay the additional annual use fee for such plate. The collected 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. Prior to manufacturer of a new specialty license plate, DHSMV must receive at least 3,000 presale vouchers within 24 months. The presale requirement increases to 4,000 for an out-of-state college or university specialty license plate. There are currently 36 specialty license plates in presale, including three out-of-state college or university plates.

The bill decreases the required number of presale vouchers for an out-of-state college or university specialty license plate from 4,000 to 3,000.

The bill also extends the 24-month presale period for each specialty license plate by an additional 24 months if, as of the effective date of the bill, the plate is in its presale period but has not recorded at least 3,000 voucher sales.

The bill does not appear to have a fiscal impact on state or local governments.

The bill is effective upon becoming a law.

# FULL ANALYSIS

## I. SUBSTANTIVE ANALYSIS

### A. EFFECT OF PROPOSED CHANGES:

#### Current Situation

The first Florida specialty license plates were created by law in 1986 and included the creation of the Challenger plate and ten Florida collegiate plates. Today, there are 159 legislatively authorized specialty license plates, with 123 available for sale and an additional 36 in presale.<sup>1</sup> Specialty license plates are 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.<sup>2</sup> Current law provides that if the Legislature<sup>3</sup> has approved 150 or more specialty license plates, the Department of Highway Safety and Motor Vehicles (DHSMV) may not issue any new specialty license plates until a sufficient number of plates are discontinued<sup>4</sup> so that the number of plates being issued does not exceed 150.<sup>5</sup>

#### Establishment of Specialty License Plates

Within 120 days after an act approving a specialty license plate becomes law, DHSMV must establish a method to issue a voucher allowing for the presale of the plate. A \$5 processing fee,<sup>6</sup> a service charge and branch fee,<sup>7</sup> and an annual use fee for the specialty license plate are charged for the voucher. All other applicable fees are charged at the time the license plate is issued.<sup>8</sup>

Within 24 months after establishing a presale specialty license plate voucher, a minimum of 3,000 voucher sales of the plate must be recorded with DHSMV before the license plate may be manufactured. However, the minimum sales threshold for out-of-state college or university license plates is 4,000 voucher sales. If the minimum sales requirement is not met at the conclusion of the 24-month presale period, the specialty license plate is deauthorized, and DHSMV discontinues the plate's development and the issuance of presale vouchers. Upon deauthorization of the license plate or if the plate has met the presale requirement but has not been issued, a purchaser of the license plate voucher may use the annual use fee paid as a credit towards any other specialty license plate or may apply for a refund.<sup>9</sup>

As of September 26, 2021, three out-of-state college or university specialty license plates are available for presale. The presale period for these plates began on October 16, 2020, and ends on October 15, 2022.<sup>10</sup>

License Plate Name	Presale Transactions	Number Need to Meet 4,000 Plate Presale Requirement
University of Alabama	1,169	2,831
Auburn University	1,066	2,934
University of Georgia	377	3,623

#### Effect of the Bill

<sup>1</sup> Department of Highway Safety and Motor Vehicles (DHSMV), Agency Analysis of 2022 Senate Bill 364, p.2. (Oct. 15, 2021)

<sup>2</sup> Section 320.08056(3)(d), F.S., provides that, except if specifically provided in s. 320.08056(4), F.S., the annual use fee for a specialty license plate is \$25.

<sup>3</sup> Creation of a specialty license plate requires an act of the Legislature.

<sup>4</sup> Specialty license plates may be discontinued pursuant to s. 320.08056(8), F.S.

<sup>5</sup> S. 320.08053(3)(b), F.S.

<sup>6</sup> The processing fee is prescribed in s. 320.08056, F.S.

<sup>7</sup> Service charges and branch fees are prescribed in s. 320.04, F.S.

<sup>8</sup> S. 320.08053(2)(a), F.S.

<sup>9</sup> S. 320.08053(2)(b), F.S.

<sup>10</sup> DHSMV *supra* note 1 at 3.

The bill decreases the number of presale vouchers required prior to manufacture of an out-of-state college or university specialty license plate from 4,000 to 3,000. This will reduce the presale requirement for the three specialty license plates listed above.

The bill also directs DHSMV to extend the 24-month presale period for each specialty license plate by an additional 24 months if, as of the effective date of the bill, the plate is in its presale period but has not recorded at least 3,000 voucher sales. This will extend the presale period for 36 specialty license plates.<sup>11</sup>

The bill directs the Division of Law Revision to replace the phrase “the effective date of this act” with the date the act becomes a law.

The bill is effective upon becoming a law.

**B. SECTION DIRECTORY:**

**Section 1** Amends s. 320.08053, F.S., relating to the establishment of specialty license plates.

**Section 2** Provides a directive to the Division of Law Revision.

**Section 3** Provides an effective date.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None.

2. Expenditures:

None.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

**C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:**

The extension of time for the presale of certain specialty license plates may allow more specialty license plates to meet the presale threshold, thus improving the opportunity for the recipient organization to receive revenues associated with plate sales.

**D. FISCAL COMMENTS:**

None.

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<sup>11</sup> The specialty license plates in presale include: Ducks Unlimited, Auburn University, Beat Childhood Cancer, Florida 4-H, Florida State Beekeepers Association, Rotary, Highwaymen, Dan Marino Campus, Orlando City Soccer Club, Daughters of the American Revolution, Gadsden Flag, America the Beautiful, Explore Off Road Florida, American Eagle, Guardian Ad Litem, Jumbo Shrimp, Thank a Lineman, Best Buddies, University of Georgia, Florida Bay Forever, Bonefish and Tarpon Trust, Florida Stands with Israel, Give Kids the World, Marine Corps League, K9s United, Florida Native, University of Alabama, Divine Nine, Honor Flight, Biscayne Bay, Protect Marine Wildlife, 30A.Com/Scenic Walton, and Support Healthcare Heroes.

### **III. COMMENTS**

#### **A. CONSTITUTIONAL ISSUES:**

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

Not applicable. This bill does not appear to impact county or municipal governments.

##### **2. Other:**

None.

#### **B. RULE-MAKING AUTHORITY:**

This bill does not require or authorize rulemaking.

#### **C. DRAFTING ISSUES OR OTHER COMMENTS:**

As drafted, the bill applies to specialty license plates created in 2020 and 2021. The additional 24-month presale period does not appear to apply to any specialty license plates that may be created in 2022.

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

Not applicable.