

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 Transportation

BILL: SB 634

INTRODUCER: Senator Yarborough

SUBJECT: Specialty License Plates/Cure Diabetes

DATE: March 24, 2023

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Jones	Vickers	TR	Pre-meeting
2.			ATD	
3.			FP	

I. Summary:

SB 634 authorizes the Department of Highway Safety and Motor Vehicles (DHSMV) to create a Cure Diabetes specialty license plate. The annual use fee for the plate is \$25, which will be distributed between the following organizations, as selected by the purchaser of the plate, to fund research to cure Type 1 diabetes:

- The Diabetes Research Institute Foundation;
- The Northern Florida Chapter of the Juvenile Diabetes Research Foundation;
- The Southern Florida Chapter of the Juvenile Diabetes Research Foundation; or
- The University of Florida Diabetes Institute.

If the purchaser of the plate does not select one of the organizations provided, the funds will be distributed equally among such organizations.

The DHSMV estimates programming and implementation of the plate will cost \$7,680.

The bill takes effect October 1, 2023.

II. Present Situation:

Diabetes Research Organizations

The Diabetes Research Institute Foundation

The Diabetes Research Institute Foundation is a Florida not for profit corporation with a mission to provide the funding necessary to cure diabetes through research. The Diabetes Research Institute is a “designated Center of Excellence at the University of Miami Miller School of

Medicine, providing informative education and training programs for many types of health care professionals and industry representatives.”¹

Juvenile Diabetes Research Foundation

The Juvenile Diabetes Research Foundation (JDRF) is an international, non-profit organization dedicated to raising funds to support and promote diabetes research. JDRF “is the leading global organization funding type 1 diabetes (T1D) research,” with a mission of “improving lives today and tomorrow by accelerating life-changing breakthroughs to cure, prevent and treat T1D and its complications.”²

The Foundation has a Northern and Southern Florida Chapter. The local chapters serve as the hub of Foundation information and events held in the area.³

The University of Florida Diabetes Institute

The University of Florida (UF) Diabetes Institute was founded in 2015 and serves as the umbrella organization for diabetes research, treatment, and education coordinated at UF and UF Health. “Researchers and physicians affiliated with the Diabetes Institute are working to prevent, diagnose and treat diabetes in a wide array of areas, including immunology, genetics, endocrinology, metabolism, pediatrics and social sciences.”⁴ The UF Diabetes Institute is the primary coordinating center for the JDRF Network for Pancreatic Organ Donors with Diseases.

Specialty License Plates

As of January 2023, there are 144 specialty license plates authorized by the Legislature. Of these plates, 109 are available for immediate purchase and 35 are in the presale process.⁵ 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.⁶ The annual use fees are distributed to organizations in support of a particular cause or charity signified on the plate’s design and designated in statute.⁷

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:

¹ Diabetes Research Institute Foundation, *About Us*, <https://diabetesresearch.org/about-DRI/> (last visited March 12, 2023).

² Juvenile Diabetes Research Foundation, *About Us*, https://www.jdrf.org/about/?_ga=2.216079830.1597347397.1666008274-1688791745.1661161232 (last visited March 12, 2023).

³ See JDRF Northern Florida Chapter, <https://www.jdrf.org/northernflorida/> and JDRF Southern Florida Chapter, <https://www.jdrf.org/southernflorida/> (last visited March 12, 2023).

⁴ University of Florida Diabetes Institute, *About the UF Diabetes Institute*, <https://diabetes.ufl.edu/about-us/> (last visited March 12, 2023).

⁵ DHSMV Presentation to the Senate Transportation Committee, *Specialty License Plates* (January 24, 2023), slideshow available at https://www.flsenate.gov/Committees/Show/TR/MeetingPacket/5615/10046_MeetingPacket_5615_3.pdf (last visited March 10, 2023).

⁶ Section 320.08056(3)(d), F.S., provides that except if specifically provided in s. 320.08056(4), the annual use fee for a specialty license plate is \$25.

⁷ Section 320.08058, F.S.

- 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 presale vouchers for the specialty license plate; and
- Within 24 months after the presale vouchers are established, the organization must obtain a minimum of 3,000 voucher sales before manufacturing of the plate may begin.⁸

If the minimum sales requirement has not been met by the end of the 24-month presale period, then the DHSMV will discontinue the plate and issuance of presale 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.⁹

New specialty license plates that have been approved by law but are awaiting issuance will be issued in the order they appear in s. 320.08058, F.S., provided that presale requirements have been met. If the next listed specialty license plate has not met the presale requirement, the DHSMV will proceed in the order provided in s. 320.08058, F.S., to identify the next qualified specialty license plate that has met the presale requirement.¹⁰

If the Legislature has approved 135 or more specialty license plates, the DHSMV may not make any new specialty license plates available for design or issuance until a sufficient number of plates are discontinued so that the number of plates being issued does not exceed 135.¹¹

Use of Specialty License Plate Fees

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.¹² 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.¹³

The annual use fees collected by an organization and the interest earned from those fees may not be used for commercial or for-profit activities, or general or administrative expenses, unless authorized by s. 320.08058, F.S.¹⁴ Additionally, the annual use fees and interest earned from those fees may not be used for the purpose of marketing to, or lobbying, entertaining, or rewarding, any employee of a governmental agency that is responsible for the sale and distribution of specialty license plates, or any elected member or employee of the Legislature.¹⁵

⁸ Chapter 2022-189, Laws of Fla., extended the presale requirement by an additional 24 months for an approved specialty license plate organization that, as of June 15, 2022, is in the presale period but had not recorded at least 3,000 voucher sales.

⁹ Section 320.08053(2)(b), F.S.

¹⁰ Section 320.08053(3)(a), F.S.

¹¹ Section 320.08053(3)(b), F.S.

¹² Section 320.08056(10)(a), F.S.

¹³ Section 320.08062, F.S.; Such fees may be used to pay for the cost of this required audit or report. See s. 320.08056(10)(a), F.S.

¹⁴ Section 320.08056(10)(a), F.S.

¹⁵ Section 320.08056(11), 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.¹⁶ 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.¹⁷

However, effective July 1, 2023, the requirement increases so that the DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid registrations falls below 3,000 or in the case of an out-of-state college or university license plate, 4,000, for at least 12 consecutive months. The DHSMV must mail a warning letter to the sponsoring organization following the first month in which the total number of valid specialty plate registrations is below 3,000, or in the case of an out-of-state college or university license plate, 4,000. This does not apply to in-state collegiate license plates established under s. 320.08058(3), F.S., license plates of institutions in and entities of the State University System, specialty license plates that have statutory eligibility limitations for purchase, specialty license plates for which annual use fees are distributed by a foundation for student and teacher leadership programs and teacher recruitment and retention, or Florida professional sports team license plates established under s. 320.08058(9), F.S.¹⁸

III. Effect of Proposed Changes:

The bill amends, s. 320.08058, F.S., to authorize the DHSMV to create a Cure Diabetes specialty license plate. The annual use fee for the plate is \$25, which will be distributed between to one of the following organizations, as selected by the purchaser of the plate, to fund research to cure Type 1 diabetes:

- The Diabetes Research Institute Foundation;
- The Northern Florida Chapter of the Juvenile Diabetes Research Foundation;
- The Southern Florida Chapter of the Juvenile Diabetes Research Foundation; or
- The University of Florida Diabetes Institute.

If the purchaser of the plate does not select one of the organizations provided, the funds will be distributed equally among such organizations.

The plate must bear the colors and design approved by the department, with the word "Florida" at the top of the plate and the words "Cure Diabetes" at the bottom of the plate.

The plate will be added to the DHSMV presale voucher process, but will not be produced unless the presale requirement of 3,000 vouchers is met and the 135 plate cap has not been reached.

¹⁶ Section 320.08056(8)(a), F.S.

¹⁷ Section 320.08056(8)(b), F.S.

¹⁸ Chapter 2020-181, s. 7, Laws of Fla.

The bill takes effect October 1, 2023.

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 Identified.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

If the specialty license plate is produced, the recipient organizations will receive annual use fees associated with sales of the plate.

C. Government Sector Impact:

The DHSMV estimates programming and implementation of the plate will cost \$7,680.¹⁹

VI. Technical Deficiencies:

None.

VII. Related Issues:

Currently, all specialty license plates have a fixed distribution mechanism. The proposed selection process provided in the bill may be difficult to implement. Providing distribution to the four organizations evenly will provide consistency.

¹⁹ DHSMV, 2023 Agency Legislative Bill Analysis - SB 634 (February 9, 2023).

The bill does not authorize the recipient organizations to use any of the funds for administrative or marketing costs. The DHSMV recommends adding language to allow the organizations to use up to 10 percent of the proceeds received to do so.²⁰

VIII. Statutes Affected:

This bill substantially amends section 320.08058 of the Florida Statutes.

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.

²⁰ *Id.*