

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 Appropriations Committee on Transportation, Tourism, and Economic Development

BILL: CS/SB 996

INTRODUCER: Transportation Committee and Senator Berman

SUBJECT: Driver License, Identification Card, and Motor Vehicle Registration Applications

DATE: April 12, 2023

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Jones</u>	<u>Vickers</u>	<u>TR</u>	<u>Fav/CS</u>
2.	<u>Wells</u>	<u>Jerrett</u>	<u>ATD</u>	<u>Favorable</u>
3.	_____	_____	<u>FP</u>	_____

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 996 requires the Department of Highway Safety and Motor Vehicles (DHSMV) to include on the application and renewal forms of a motor vehicle registration, driver license, and identification card an option to make a voluntary contribution of \$1 to Best Buddies International. Such contributions will be distributed monthly from the DHSMV to the not-for-profit organization.

The bill will have an indeterminate impact on the DHSMV, which will incur programming and implementation costs related to the bill. However, an organization must submit an application fee to defray the DHSMV's costs for reviewing the application and developing the voluntary checkoff.

The bill takes effect October 1, 2023.

II. Present Situation:

Voluntary Contributions

The application form for motor vehicle registration and renewal of registration¹ and for an original, renewal, or replacement driver's license or identification card provides a voluntary

¹ As used in this document, the phrase "motor vehicle registration application" refers to the application form for motor vehicle registration and renewal of registration.

contributions section that allows applicants to make a donation by checking a box on the form.² According to the DHSMV, there are currently 27 organizations on the motor vehicle registration form and 20 organizations on the driver license application form that an applicant has the opportunity to contribute to.³

Sections 320.023 and 322.081, F.S., establish the requirements for organizations seeking to establish a voluntary contribution on such forms. Requirements include:

- A request for the particular voluntary contribution being sought, describing the proposed voluntary contribution in general terms;
- An application fee,⁴ not to exceed \$10,000 to defray the DHSMV's cost for reviewing the application and developing the voluntary contribution checkoff, if authorized;
- A marketing strategy outlining short-term and long-term marketing plans for the requested voluntary contribution; and
- A financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the voluntary contribution.

This information must be submitted to the DHSMV at least 90 days before the next regular session of the Legislature convenes.⁵ If the voluntary contribution is not approved by the Legislature, the application fee is refunded to the requesting organization.⁶ If the voluntary contribution is approved by the Legislature, the DHSMV must include it when the DHSMV reprints such forms.⁷

The DHSMV must discontinue the voluntary contribution if:

- Less than \$25,000 has been contributed by the end of the fifth year.
- Less than \$25,000 is contributed during any subsequent five-year period.⁸

The DHSMV may discontinue the voluntary contribution and distribution of associated proceeds if the organization no longer exists, has stopped providing services authorized to be funded from the voluntary contributions, or pursuant to an organizational recipient's request. Organizations must immediately notify the DHSMV to stop warrants for voluntary contributions if any of these conditions exist, and must meet the applicable audit or attestation requirements for any period of operation during the fiscal year.⁹

A voluntary contribution collected and distributed, or any interest earned from those contributions, may not be used for commercial or for-profit activities or for general or administrative expenses, except as authorized by law. The law provides that:¹⁰

- All organizations receiving annual use fee proceeds from the DHSMV are responsible for ensuring proceeds are used in accordance with law.

² Sections 320.02(16) and 322.08(8), F.S., provide applicants with 21 options for voluntary contributions.

³ DHSMV, *2023 Agency Legislative Bill Analysis: SB 996* (March 20, 2023).

⁴ State funds may not be used to pay the application fee. See ss. 320.023(1)(b) and 322.081(1)(b), F.S.

⁵ Sections 320.023(1) and 322.081(1), F.S.

⁶ Sections 320.023(2) and 322.081(2), F.S.

⁷ Sections 320.023(3) and 322.081(3), F.S.

⁸ Sections 320.023(4)(a) and 322.081(4)(a), F.S.

⁹ Sections 320.023(4)(b) and 322.081(4)(b), F.S.

¹⁰ Sections 320.023(5) and 322.081(5), F.S.

- Any organization not subject to audit pursuant to the Florida Single Audit Act, must annually attest, under penalties of perjury, that such proceeds were used in compliance with law.
- Any voluntary contributions authorized by law are deposited into and distributed from the Motor Vehicle License Clearing Trust Fund to the specified recipients.
- Any organization subject to audit pursuant to the Florida Single Audit Act must submit an audit report in accordance with rules promulgated by the Auditor General. The annual attestation shall be submitted to the DHSMV within nine months after the end of the organization's fiscal year.

Within 90 days after receiving an organization's audit or attestation, the DHSMV must determine if recipients have not complied with the above requirements. If the DHSMV determines an organization has not complied or has failed to use the revenues in accordance with law, the DHSMV must discontinue the distribution of the revenues to the organization until determining the organization is in compliance. If an organization fails to comply within 12 months after the voluntary contributions are withheld, the proceeds are deposited into the Highway Safety Operating Trust Fund to offset departmental costs.¹¹

The DHSMV is authorized to examine all records pertaining to the use of funds from the voluntary contributions by the organizations.¹²

All organizations seeking to establish a voluntary contribution on a motor vehicle registration application or a driver license and identification card application that are required to operate under the Solicitation of Contributions Act,¹³ must do so before these funds may be distributed.¹⁴

Best Buddies International

Best Buddies International is a 501(c)(3) nonprofit organization "dedicated to establishing a global volunteer movement that creates opportunities for one-to-one friendships, integrated employment, leadership development, and inclusive living for individuals with intellectual and developmental disabilities."¹⁵ Best Buddies has chapters throughout Florida and estimates it has had an impact on 10,854 participants in Florida.¹⁶

Best Buddies International, Inc., is registered with the Department of State as a foreign not for profit corporation.¹⁷ The organization is also registered with the Department of Agriculture and Consumer Services as a charitable organization in order to solicit contributions in Florida.¹⁸

¹¹ Sections 320.023(6) and 322.081(6), F.S.

¹² Sections 320.023(7) and 322.081(7), F.S.

¹³ Chapter 496, F.S.

¹⁴ Sections 320.023(8) and 322.081(8), F.S.

¹⁵ Best Buddies, *What We Do: Mission*, <https://www.bestbuddies.org/what-we-do/mission-vision-goals/> (last visited March 22, 2023).

¹⁶ See Best Buddies of Florida, *Our Impact* (December 2021), <https://www.bestbuddies.org/florida/impact> (last visited March 22, 2023).

¹⁷ Florida Department of State - Division of Corporations, *Best Buddies International, Inc.*, Sunbiz.org.

¹⁸ Florida Department of Agriculture, *Check-A-Charity: Best Buddies International, Inc.* (Registration Number: CH2971), available at <https://csapp.fdacs.gov/CSPublicApp/CheckACharity/CheckACharity.aspx> (last visited March 22, 2023).

Best Buddies International's application to establish a voluntary contribution has been approved by the DHSMV.¹⁹

III. Effect of Proposed Changes:

The bill amends ss. 320.02 and 322.08, F.S., to require the DHSMV to include on the application and renewal forms of a motor vehicle registration, driver license, and identification card an option to make a voluntary contribution of \$1 to Best Buddies International. Such contributions will be distributed monthly from the DHSMV to the not-for-profit organization.

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:

The bill may have an indeterminate positive fiscal impact on Best Buddies International, which may receive increased contributions due to the bill.

¹⁹ Email from Rachel Fleury-Charles, Legislative Liaison, DHSMV, *RE: Bill Analysis Request HB 965* (February 21, 2022).

C. Government Sector Impact:

The bill will have an indeterminate impact on the DHSMV, which will incur programming and implementation costs related to the bill. However, an organization must submit an application fee to defray the DHSMV's costs for reviewing the application and developing the voluntary checkoff, if the checkoff is approved by the Legislature.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Statutes Affected:

This bill substantially amends the following sections of the Florida Statutes: 320.02 and 322.08.

IX. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Transportation on March 27, 2023:

The CS changes the effective date of the bill from July 1 to October 1, 2023.

- B. **Amendments:**

None.