

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 Fiscal Policy

BILL: CS/SB 434

INTRODUCER: Transportation Committee and Senator Harrell

SUBJECT: Specialty License Plates/Margaritaville

DATE: February 13, 2024

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Shutes</u>	<u>Vickers</u>	<u>TR</u>	Fav/CS
2.	<u>Wells</u>	<u>Jerrett</u>	<u>ATD</u>	Favorable
3.	<u>Shutes</u>	<u>Yeatman</u>	<u>FP</u>	Pre-meeting

Please see Section IX. for Additional Information:

COMMITTEE SUBSTITUTE - Substantial Changes

I. Summary:

CS/SB 434 authorizes the Department of Highway Safety and Motor Vehicles (DHSMV) to create a new Margaritaville specialty license plate. The annual use fee for the plate is \$25.

Proceeds of the sale of the Margaritaville specialty license plate will be distributed to the SFC Charitable Foundation, Inc. (Singing for Change), to provide grants to nonprofit organizations in communities impacted by natural or manmade disasters. These grants provide for recovery, rebuilding, and future sustainability in those communities, and to promote and inspire local grassroots leadership that will work to improve the quality of life in those communities and the state.

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

The bill takes effect October 1, 2024.

II. Present Situation:

Singing for Change

Singing for Change was founded by Jimmy Buffett in 1995 and is a Florida not-for-profit corporation registered with the Florida Department of State.¹ The organization's statement of purpose is "inspire personal growth, community integration, and the enhanced awareness that collectively, people can bring about positive change."²

According to the organization's website, Singing for Change supports small nonprofits that help individuals become more self-sufficient and create positive change in their communities. The organization focuses on low income communities or people living in poverty.³

Specialty License Plates

As of December 2023, there are 144 specialty license plates authorized by the Legislature. Of these plates, 109 are available for immediate purchase and 31 are in the presale process.⁴ 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.⁵ 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.⁶

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 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.⁷

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.⁸

¹ Florida Department of State: Division of Corporations, *SFC Charitable Foundation, INC.*, Sunbiz.org, Document number N94000005329 (December 8, 2023).

² *Id.*

³ Singing for Change, *About Us*, [About Us | Singing For Change](#) (last visited December 8, 2023).

⁴ 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 October 10, 2023).

⁵ 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.

⁶ Section 320.08058, F.S.

⁷ 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.

⁸ Section 320.08053(2)(b), F.S.

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.⁹

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 135.¹⁰

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.¹¹ 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.¹²

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.¹³ 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.¹⁴

Discontinuance of Specialty Plates

Prior to June 30, 2023, the DHSMV was required to 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 was mailed to the sponsoring organization following the first month in which the total number of valid specialty license plate registrations fell below 1,000 plates. Collegiate plates for Florida universities were exempt from the minimum specialty license plate requirement.¹⁵ In addition, the DHSMV was authorized to discontinue any specialty license plate if the organization ceased to exist, stopped providing services that are funded from the annual use fee proceeds, or pursuant to an organizational recipient's request.¹⁶

However, effective July 1, 2023, the requirement increased 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

⁹ Section 320.08053(3)(a), F.S.

¹⁰ Section 320.08053(3)(b), F.S.

¹¹ Section 320.08056(10)(a), F.S.

¹² 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.

¹³ Section 320.08056(10)(a), F.S.

¹⁴ Section 320.08056(11), F.S.

¹⁵ Section 320.08056(8)(a), F.S.

¹⁶ Section 320.08056(8)(b), F.S.

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.¹⁷

III. Effect of Proposed Changes:

The bill amends s. 320.08058, F.S., to authorize DHSMV to create a new Margaritaville specialty license plate. The annual use fee for the plate is \$25. 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 “Margaritaville” at the bottom of the plate.

Proceeds from the sale of the plate will be distributed to SFC Charitable Foundation, Inc. The organization may use up to 10 percent of the proceeds to promote and market the plate. The remaining funds shall be used to provide grants to nonprofit organizations in communities impacted by natural or manmade disasters for recovery, rebuilding, and future sustainability in those communities. Additionally, funds may be used to promote and inspire local grassroots leadership that will work to improve the quality of life in those communities and the state.

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.

The bill takes effect October 1, 2024.

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.

¹⁷ Chapter 2020-181, s. 7, Laws of Fla.

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 SFC Charitable Foundation, Inc. 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 \$7,680.¹⁸

VI. **Technical Deficiencies:**

None.

VII. **Related Issues:**

None.

VIII. **Statutes Affected:**

This bill substantially amends the following section of the Florida Statutes: 320.08058.

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 January 10, 2024:

The committee substitute removes obsolete language and limits the permissible amount for administrative costs and marketing to 10 percent of annual use fees from the sale of the plate.

B. Amendments:

None.

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

¹⁸ DHSMV, *2024 Legislative Bill Analysis: SB 434* (November 13, 2023) at p. 6.