

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 911 Specialty License Plates
SPONSOR(S): Transportation & Modals Subcommittee, Skidmore, and others
TIED BILLS: **IDEN./SIM. BILLS:** CS/SB 858

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Modals Subcommittee	17 Y, 0 N, As CS	Walker	Hinshelwood
2) Infrastructure Strategies Committee			

SUMMARY ANALYSIS

As of December 2023, there are 114 specialty license plates available for sale and an additional 31 in presale. Specialty license plates are available to the owner or lessee of any motor vehicle who is willing to pay an annual use fee, in addition to the required license tax and fees. 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.

The bill authorizes two new specialty license plates, a Recycle Florida license plate and a Boating Capital of the World license plate. The annual use fee for both plates is \$25. The plates must bear DHSMV-approved colors and designs, with “Florida” appearing at the top of each of the plates and “Recycle Florida” and “Boating Capital of the World” respectively appearing at the bottom of the plates. The annual use fees from the sale of the plates are distributed to the Recycle Florida Today Foundation, Inc. and Captain Sandy Yawn, Inc, respectively.

The bill will have a negative, but insignificant, fiscal impact to state expenditures associated with DHSMV’s programming costs for the specialty license plates.

The bill has an effective date of October 1, 2024.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

Specialty License Plates

As of December 2023, there are 114 specialty license plates available for sale and an additional 31 in presale.¹ Specialty license plates are available to the owner or lessee of any motor vehicle who is willing to pay an annual use fee, in addition to the required license tax and fees.² The annual use fees range from \$15-\$25,³ and are distributed directly to the sponsoring organization or other entity as designated in statute.⁴

In order to establish a specialty license plate, an organization must first receive approval by law. Once this approval has been granted, the organization has 60 days to submit the proposed art design for the specialty license plate to DHSMV.⁵ Within 120 days of the specialty license plate becoming law, DHSMV must establish a method to issue presale vouchers for the specialty license plate. The applicant for a specialty license plate pays a \$5 processing fee⁶, a \$2.50 service charge, a \$.50 branch fee⁷, and the annual use fee.⁸ All other applicable fees are paid at the time of issuance of the specialty license plate.⁹

After the presale vouchers are established, the organization has 24 months to obtain a minimum of 3,000 voucher sales before manufacturing of the plate can begin.¹⁰ If the minimum sales requirement has not been met by the end of the 24-month presale period, the specialty license plate is deauthorized and DHSMV must discontinue the development of the plate and issuance of the 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.¹¹

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 they have met all statutory requirements, including the presale requirement. If the next listed specialty license plate has not met the presale requirement, 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. DHSMV must cycle through the list in statutory order.¹²

The number of specialty license plates issued cannot exceed 135. If the Legislature approves more than 135 specialty license plates, DHSMV cannot issue any new specialty license plates until a sufficient number of plates are discontinued in order to not exceed the limit.¹³

¹ Department of Highway Safety and Motor Vehicles, Agency Analysis of 2024 Senate Bill 858, p. 2 (Dec. 20, 2023).

² S. 320.08056(2)(a), F.S.

³ S. 320.08056(3)(d), F.S., states that the annual use fee for any specialty license plate is \$25, except if otherwise specified in s. 320.08056(4), F.S.

⁴ S. 320.08058, F.S.

⁵ S. 320.08053(1), F.S.

⁶ The processing fee is prescribed in s. 320.08056, F.S.

⁷ The service charge and branch fee are prescribed in s. 320.04, F.S.

⁸ The annual use fee is prescribed in s. 320.08056, F.S.

⁹ S. 320.08053(2)(a), F.S.

¹⁰ 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.

¹¹ S. 320.08053(2)(b), F.S.

¹² S. 320.08053(3)(a), F.S.

¹³ S. 320.08053(3)(b), F.S.

Except for collegiate license plates authorized by s. 320.08058(3), F.S., DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid specialty license plate registrants falls below 3,000 plates for 12 consecutive months. A warning letter is mailed to the sponsoring organization following the first month in which the total number of valid specialty plate registrations falls below 3,000. For out-of-state college or university plates, this number is 4,000.¹⁴ This requirement 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.¹⁵

DHSMV may discontinue the issuance of a specialty license plate and distribution of associated annual use fee proceeds 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.¹⁶

On January 1 of each year, DHSMV must discontinue the specialty license plate with the fewest number of plates in circulation, including specialty license plates exempt from the sales requirement. A warning letter is mailed to the organizations in the lowest ten percent of valid, active specialty license plate registrations as of December 1 of each year.¹⁷

Use of Specialty License Plate Fees

The annual use fees collected by an organization and any 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.¹⁸ Further, 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 an 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.¹⁹

Annual use fees collected by an organization and any interest earned from those fees may be expended only in Florida, unless the annual use fees are derived from the sale of United States Armed Forces or veterans-related specialty license plates.²⁰ Additionally, organizations receiving annual use fees must submit an annual audit or attestation document to DHSMV that proceeds were used in compliance with the applicable specialty license plate statutes.²¹

Recycle Florida Today Foundation, Inc.

Recycle Florida Today Foundation is a Florida not-for-profit corporation registered with the Florida Department of State (DOS) and the Florida Department of Agriculture and Consumer Services (DACs).²² The organization's statement of purpose is "to serve and support the professional development and related educational objectives of source reduction and waste prevention, reuse, recycling, composting and sustainability professionals through education, grants, research, and certifications."²³ The organization was founded in 1990, and consists of a network of approximately 200

¹⁴ S. 320.08056(8)(a), F.S.

¹⁵ *Id.*

¹⁶ S. 320.08056(8)(b), F.S.

¹⁷ S. 320.08056(8)(f), F.S.

¹⁸ S. 320.08056(10)(a), F.S.

¹⁹ S. 320.08056(11), F.S.

²⁰ S. 320.08056 (10)(a), F.S.

²¹ S. 320.08062, F.S. Annual use fees may be used to pay for the cost of this required audit or report. See s. 320.08056(10)(a), F.S.

²² See Florida Department of Agriculture and Consumer Services, *Check-A-Charity: Recycle Florida Today Foundation, Inc.*, <https://csapp.fdacs.gov/CSPublicApp/CheckACharity/CheckACharity.aspx> (last visited Jan. 23, 2024). See also Florida Department of State, *Division of Corporations*,

<https://search.sunbiz.org/Inquiry/CorporationSearch/SearchResultDetail?inquirytype=EntityName&directionType=Initial&searchNameOrder=RECYCLEFLORIDATODAY%20N415170&aggregateId=domnp-n41517-79e1bdd2-b6c8-4a69-8d51-ae28e316089b&searchTerm=Recycle%20florida%20today%2C%20inc&listNameOrder=RECYCLEFLORIDATODAY%20N415170> (last visited Jan. 23, 2024).

²³ *Id.*

members from governments, businesses, institutions and organizations focused on sustainable source and waste prevention, and legislative advocacy for those engaged in the business of recycling.²⁴

Captain Sandy Yawn, Inc.

Captain Sandy Yawn, Inc., also known as Captain Sandy's Charities, is a Florida not-for-profit registered with the DACS and DOS.²⁵ The organization focuses on promoting awareness and funding of maritime employment opportunities, environmental education, behavioral health assistance, and developmental disability services.²⁶ The organization was founded in 2019 by Captain Sandy Yawn, a renowned superyacht captain with over 30 years of international maritime experience.²⁷

Effect of the Bill

The bill authorizes two new specialty license plates, a Recycle Florida license plate and a Boating Capital of the World license plate. The annual use fee for both plates is \$25. The plates must bear DHSMV-approved colors and designs, with "Florida" appearing at the top of each of the plates and "Recycle Florida" and "Boating Capital of the World" respectively appearing at the bottom of the plates. The annual use fees from the sale of the plates must be distributed to the Recycle Florida Today Foundation, Inc. and Captain Sandy Yawn, Inc., respectively. Recycle Florida Today Foundation, Inc., and Captain Sandy Yawn, Inc. each may use up to 10 percent of such fees for administrative costs and marketing of the plate.

The balance of the annual use fees distributed to the Recycle Florida Today Foundation, Inc., may be used to:

- Increase public awareness about the importance of recycling, resource conservation, and environmental stewardship;
- Promote robust, comprehensive, and sustainable recycling programs; and
- Support the professional development of persons employed in fields relating to, recycling, conservation, and sustainability.

The balance of the annual use fees distributed to Captain Sandy Yawn, Inc. may be used to:

- Increase public awareness of employment opportunities in the maritime industry;
- Fund maritime workforce instruction and training;
- Promote professional development and job placement in all sectors of maritime employment; and
- Support the advancement of education of trainees in the maritime industry, both at sea and on land.

This license plates will be added to DHSMV's presale voucher process, but the plates will only be placed into production once each plate meets the 3,000 minimum sales threshold²⁸ and if the 135 plate cap is not reached.²⁹

The bill has an effective date of October 1, 2024.

B. SECTION DIRECTORY:

²⁴ Recycle Florida Today, *Our History*, <https://recyclefloridatoday.org/our-history/#:~:text=Founded%20in%201990%2C%20four%20women,formed%20Recycle%20Florida%20Today%2C%20Inc.> (last visited Jan. 23, 2024).

²⁵ See Florida Department of Agriculture and Consumer Services, *Check-A-Charity: Captain Sandy Yawn, Inc.*, <https://csapp.fdacs.gov/CSPublicApp/CheckACharity/CheckACharity.aspx> (last visited Jan. 23, 2024). See also Florida Department of State, Division of Corporations, Articles of Incorporation, <https://search.sunbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2019%5C0626%5C00195476.Tif&documentNumber=N19000006425> (last visited Jan. 23, 2024).

²⁶ Captain Sandy Yawn, *Donate to Captain Sandy's Charities*, <https://captainsandyawn.com/charities/> (last visited Jan. 23, 2024).

²⁷ Captain Sandy Yawn, *About Captain Sandy Yawn*, <https://captainsandyawn.com/about/> (last visited Jan. 23, 2024).

²⁸ S. 320.08053(2)(b), F.S.

²⁹ S. 320.08053(3)(b), F.S.

Section 1 Amends s. 320.08058, F.S., relating to specialty license plates.

Section 2 Provides an effective date.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

DSHMV will need to update its procedures, forms, and website to incorporate the additional license plates. Additionally, programming will be required for DHSMV to accept presale vouchers for the license plates. According to DHSMV, each specialty license plate with one distribution will require approximately 216 hours of programming. This programming can be done using existing resources.³⁰

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

The Recycle Florida Today Foundation, Inc. and the Captain Sandy Yawn, Inc. may see an increase in revenues associated with the sale of their respective specialty license plates.

D. FISCAL COMMENTS:

None.

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:

The bill does not require or authorize rulemaking.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

³⁰ DHSMV, *supra* note 1 at pp. 5-6.
STORAGE NAME: h0911a.TMS
DATE: 1/26/2024

IV. AMENDMENTS/COMMITTEE SUBSTITUTE CHANGES

On January 25, 2024, the Transportation & Modals Subcommittee considered one amendment, which was adopted, and reported favorably as a committee substitute. The amendment:

- Aligns the names of the recipient entities with their legal names;
- Clarifies the intent regarding the types of professional fields that may be supported by annual use fees of the Recycle Florida plate;
- Allows each entity to use up to 10 percent of the annual use fees from the sales of their respective license plates for administrative costs and marketing of the plate; and
- Makes other clarifying and technical changes.

The analysis is drafted to the committee substitute as approved by the Transportation & Modals Subcommittee.