FLORIDA HOUSE OF REPRESENTATIVES BILL ANALYSIS

This bill	analysis was prepared by nonpa	rtisan committee staff an	d does not constitute an official statement	of legislative intent.				
BILL #: <u>HB 2</u>	<u>67</u>	C	COMPANION BILL: None					
TITLE: Motorcycle Specialty License Plates			LINKED BILLS: None					
SPONSOR(S): Basabe			RELATED BILLS: None					
Committee F	References							
Government Operations			State Affairs					
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SUMMARY	Y							
Effect of the	<u>Bill:</u>							
The bill creates a motorcycle version of the Endless Summer specialty license plate.								
<u>Fiscal or Eco</u>	nomic Impact:							
	ave a negative, but insigni specialty license plate.	ficant, fiscal impact	to state expenditures associated v	with programming				
JUMP TO	<u>SUMMARY</u>	<u>ANALYSIS</u>	RELEVANT INFORMATION	BILL HISTORY				

ANALYSIS

EFFECT OF THE BILL:

The bill creates a motorcycle <u>specialty license plate</u> option for the <u>Endless Summer specialty license plate</u>. Any image approved by the Department of Highway Safety and Motor Vehicles must be placed on the far-left side of the plate for display on a motorcycle, and the number of valid specialty license plates issued for display on a motor vehicle or on a motorcycle must be added together to determine whether the specialty license plate must be discontinued. (Section <u>1</u>)

Proceeds from the sale of the Endless Summer motorcycle specialty license plate are distributed to the Surfing's Evolution & Preservation Corporation to be used in the same manner as the proceeds from the sale of the existing Endless Summer specialty license plates for motor vehicles. (Section <u>1</u>)

The bill has an effective date of October 1, 2025. (Section 2)

FISCAL OR ECONOMIC IMPACT:

STATE GOVERNMENT:

The Department of Highway Safety and Motor Vehicles (DHSMV) will need to update its procedures, forms, and website to incorporate a motorcycle specialty license plate option for the Endless Summer Specialty license plate. This programming can likely be done using existing resources.

PRIVATE SECTOR:

Once the Endless Summer motorcycle specialty license plate is available, the Surfing's Evolution & Preservation Corporation may see an increase in revenues associated with the sale of the plate.

RELEVANT INFORMATION

SUBJECT OVERVIEW:

Specialty License Plates

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.¹ Reduced dimension specialty license plates are also available to the owner or lessee of any motorcycle upon request and payment of 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 As of January 2025, there are 114 specialty license plates available for sale and an additional 22 in presale.⁵

To establish a specialty license plate, an organization must first receive approval in law. Once approval has been granted, the organization has 60 days to submit the proposed art design for the specialty license plate to the Department of Highway Safety and Motor Vehicles (DHSMV).⁶ Within 120 days of the specialty license plate becoming law, DHSMV must establish a method to issue presale vouchers for the specialty license plate. If a person wants a presale voucher, he or she pays a \$5 processing fee,⁷ a \$2.50 service charge, a \$.50 branch fee,⁸ and the specialty license plate's annual use fee.⁹ The applicant for a motorcycle specialty license plate pays a license plate fee,¹⁰ a \$2 processing fee,¹¹ and an annual use fee.¹² All other applicable fees are paid at the time of issuance of the specialty license plate.¹³

After the presale vouchers are established, the organization has 24 months to obtain 3,000 voucher sales before the plate is manufactured.¹⁴ If the sales requirement has not been met by the end of the 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 presale voucher may use the annual use fee paid as a credit towards any other specialty license plate or may apply for a refund.¹⁵

New specialty license plates that have been approved by law but are awaiting issuance are issued in the order they appear in statute ,¹⁶ provided that they have met all statutory requirements, including the presale requirement.¹⁷ If the next specialty license plate listed in statute has not met the presale requirement, DHSMV moves down the list to the next qualified specialty license plate to identify the next qualified specialty license plate that has met the presale requirement.¹⁸

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.¹⁹

⁷ The processing fee is prescribed in <u>s. 320.08056(3), F.S.</u>

- ¹² S. <u>320.08068(4)</u>, F.S.
- ¹³ S. <u>320.08053(2)(a), F.S.</u>
- ¹⁴ S. <u>320.08053(2)(b), F.S.</u>
- ¹⁵ Id.
- ¹⁶ S. <u>320.08058, F.S.</u>

- ¹⁸ S. <u>320.08053(3)(a), F.S.</u>
- ¹⁹ S. <u>320.08053(3)(b), F.S.</u>

¹ S. <u>320.08056(2)(a), F.S.</u>

² S. <u>320.08068, F.S.</u>

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

⁴ S. <u>320.08058, F.S.</u>

⁵ Department of Highway Safety and Motor Vehicles, <u>Agency Analysis of 2025 House Bill 49</u>, pp. 4-6 (Feb. 7, 2025).

⁶ S. <u>320.08053(1), F.S.</u>

⁸ The service charge and branch fee are prescribed in <u>s. 320.04, F.S.</u>

⁹ The annual use fee us prescribed in <u>s. 320.08056, F.S.</u>

¹⁰ The license plate fee is required in <u>s. 320.06(1)(b), F.S.</u>

¹¹ S. <u>320.08068(3), F.S.</u>

¹⁷ S. <u>320.08053(3)(a), F.S.</u>

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. After the first month in which the number of specialty license plate registration falls below 3,000 (or 4,000 for out-of-state or university plates), a warning letter is mailed to the sponsoring organization.²⁰ This discontinuation requirement does not apply to:

- In-state collegiate specialty license plates;
- Specialty 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 specialty license plates²¹

DHSMV may discontinue a specialty license plate and distribution of associated annual use fee 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.²²

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 10 percent of valid, active specialty license plate registrations as of December 1 of each year.²³

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 the specialty license plates specific enabling statute.²⁴ 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.²⁵

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.²⁶ 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.²⁷

Endless Summer Specialty License Plate

The Endless Summer specialty license for motor vehicles is created in Florida law and provides that the word "Florida" must appear at the top of the plate, and the words "Endless Summer" must appear at the bottom of the plate.²⁸ The colors and design of the plate were approved by DHSMV²⁹ and the annual fees of the plate are distributed to Surfing's Evolution & Preservation Corporation³⁰, a Florida not-for-profit corporation,³¹ to fund its activities, programs, and projects aimed at preserving the sport of surfing. Specifically, the corporation:

- ²⁴ <u>S. 320.08056 (10)(a), F.S.</u>
- ²⁵ <u>S. 320.08056 (11), F.S.</u>

²⁰ S. <u>320.08056(8)(a), F.S.</u>

²¹ Id.

²² S. <u>320.08056(8)(b), F.S.</u>

²³ S. <u>320.08056(8)(f), F.S.</u>

²⁶ <u>S. 320.08056(10)(a), F.S.</u>

²⁷ S. <u>320.08062, F.S.</u> Annual use fees may be used to pay for the cost of this required audit or report. *See* <u>s. 320.08056(10)(a)</u>, <u>F.S.</u>

²⁸ S. <u>320.08058(66)(a), F.S.</u>

²⁹ DHSMV, *Florida License Plates* (last visited Feb. 18, 2025).

³⁰ In 2010, the corporation's name was amended to Surfing's Evolution & Preservation Foundation, Inc. *See* Department of State's Division of Corporations, *Amendment and Name Change* (last visited Mar. 3, 2025).

³¹ Department of State's Division of Corporations, <u>Articles of Incorporation for Surfing's Evolution & Preservation Foundation</u>, <u>Inc.</u> (last visited Feb. 18, 2025). The corporation is organized for the purpose of ensuring the preservation of surfing, the

- May use up to 10 percent of the annual use fee revenue for marketing and promotion of the plate and administrative costs directly associated with its programs and the specialty license plate.
- Must use the remaining funds to:
 - Fund the proposed Surfing's Evolution & Preservation Experience project.
 - Provide funds for the provision of lifeguards or the building of artificial reefs.
 - Provide funds to organizations that house the history and artifacts of surfing or promote the sport through exhibits, lectures, and events.
 - Support programs and events of other organizations that support beaches and oceans and promote education on beach safety, coastal pollution, and beach ecology.³²

BILL HISTORY

COMMITTEE REFERENCE	ACTION	DATE	STAFF DIRECTOR/ POLICY CHIEF	ANALYSIS PREPARED BY
Government Operations	14 Y, O N	3/6/2025	Toliver	Walker
<u>Subcommittee</u>				
State Affairs Committee				

beaches and the environment, and for the purposes of educating the general public regarding the same, as well as beach safety, coastal pollution and beach ecology. The corporation also supports lifeguards and the development of artificial reefs. ³² S. <u>320.08058(66)(b), F.S.</u>