

HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 67 Specialty License Plates
SPONSOR(S): Rizo
TIED BILLS: IDEN./SIM. BILLS: SB 166

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Tourism, Infrastructure & Energy Subcommittee		Johnson	Keating
2) Commerce Committee			

SUMMARY ANALYSIS

Currently, 123 specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay the additional annual use fee for such plate. 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 creates the Inter Miami CF specialty license plate with an annual use fee of \$25. The plate must bear DHSMV-approved colors and designs with “Florida” appearing at the top of the plate and “Inter Miami CF” appearing at the bottom of the plate. The annual use fees are distributed to the Inter Miami CF Foundation Corporation.

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

The bill has an effective date of October 1, 2022.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Current Situation

The first Florida specialty license plates were enacted in 1986 and included the creation of the Challenger plate and ten Florida collegiate plates. Today, there are 159 legislatively authorized specialty license plates, with 123 available for sale and an additional 36 in presale.¹ Specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay the additional use fee for the privilege, typically \$25 annually.² Current law provides that if the Legislature³ has approved 150 or more specialty license plates, the Department of Highway Safety and Motor Vehicles (DHSMV) may not issue any new specialty license plates until a sufficient number of plates are discontinued⁴ so that the number of plates being issued does not exceed 150.⁵

Establishment of Specialty License Plates

If a specialty license plate requested by an organization is approved by law, the organization submits its proposed art design to DHSMV as soon as practicable, but no later than 60 days after the act approving the plate becomes a law.⁶

Within 120 days after the act approving the specialty license plate becomes law, DHSMV must establish a method to issue a voucher allowing for the presale of the plate. A \$5 processing fee,⁷ a service charge and branch fee,⁸ and an annual use fee for the specialty license plate are charged for the voucher. All other applicable fees are charged at the time the license plate is issued.⁹

Within 24 months after establishing a presale specialty license plate voucher, a minimum of 3,000 voucher sales of the plate must be recorded with DHSMV¹⁰ before the license plate may be manufactured. If the minimum sales requirement is not met at the conclusion of the 24-month presale period, the specialty license plate is deauthorized and DHSMV discontinues the plate's development and the issuance of 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.,¹² if all statutory requirements, including the presale requirement, have been met. If the next awaiting specialty license plate has not met its presale requirement, DHSMV proceeds 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.¹³

If the Legislature has approved 150 or more specialty license plates, DHSMV may not issue any new specialty license plates until a sufficient number of plates are discontinued so that the number of plates

¹ Department of Highway Safety and Motor Vehicles (DHSMV), Agency Analysis of 2022 House Bill 67, p.2 (Oct. 15, 2021)

² Section 320.08056(3)(d), F.S., provides that, except if specifically provided in s. 320.08056(4), F.S., the annual use fee for a specialty license plate is \$25.

³ Creation of a specialty license plate requires an act of the Legislature.

⁴ Specialty license plates may be discontinued pursuant to s. 320.08056(8), F.S.

⁵ S. 320.08053(3)(b), F.S.

⁶ S. 320.08053(1), F.S.

⁷ The processing fee is prescribed in s. 320.08056, F.S.

⁸ Service charges and branch fees are prescribed in s. 320.04, F.S.

⁹ S. 320.08053(2)(a), F.S.

¹⁰ In the case of an out-of-state college or university license plate, the license plate must register 4,000 voucher sales.

¹¹ S. 320.08053(2)(b), F.S.

¹² S. 320.08058, F.S., creates each specialty license plate.

¹³ S. 320.08053(3)(a), F.S.

being issued is no more than 150. The 150 plate limit applies to all specialty license plates, including those above the minimum sales threshold and those exempt from the minimum sales threshold.¹⁴

Specialty License Plate Issuance and Fees

DHSMV is responsible for developing authorized specialty license plates.¹⁵ DHSMV must issue a specialty license plate to the owner or lessee of any motor vehicle, except a vehicle registered under the International Registration Plan, a commercial truck required to display two license plates, or a truck tractor, upon request and payment of the appropriate license tax and fees.¹⁶ Specific specialty license plates are authorized for dealer and fleet vehicles.¹⁷ A specialty license plate for motorcycles is created separately in s. 320.08068, F.S.

Each request for a specialty license plate must be made annually to DHSMV or its authorized agent¹⁸ accompanied by the following tax and fees: the vehicle's required license tax,¹⁹ a processing fee of \$5,²⁰ a license plate fee,²¹ and a license plate annual use fee as required for the specialty license plate.²²

Florida Professional Sports Team Specialty License Plates

Current law establishes the Florida Professional Sports Team license plate for Major League Baseball, National Basketball Association, National Football League, Arena Football League, National Hockey League, and Major League Soccer teams that are domiciled in Florida. However, any Florida Professional Sports Team license plate created or established after January 1, 1997, must be specifically authorized by the Legislature. These license plates must bear DHSMV-approved colors and design and must include the official league or team logo, or both. The word "Florida" must appear at the top of the plate.²³

The annual use fees from the sale of these plates are distributed as follows:

- Fifty-five percent of the proceeds are deposited into the Professional Sports Development Trust Fund within the Department of Economic Opportunity (DEO) to be used solely to attract and support major sports events in Florida.²⁴
- The remaining proceeds are allocated to Enterprise Florida, Inc., and must be deposited into the Professional Sports Development Trust Fund within DEO. These funds must be used by Enterprise Florida, Inc., to:
 - Promote the economic development of the sports industry;
 - Distribute licensing and royalty fees to participating professional sports teams;
 - Promote education programs in Florida schools that provide an awareness of the benefits of physical activity and nutrition standards;
 - Partner with the Department of Education and the Department of Health to develop a program that recognizes schools whose students demonstrate excellent physical fitness or fitness improvement;
 - Institute a grant program for communities bidding on minor sporting events that create an economic impact for the state;
 - Distribute funds to Florida-based charities designated by Enterprise Florida, Inc., and the participating professional sports teams; and

¹⁴ S. 320.08053(3)(b), F.S.

¹⁵ S. 320.08056(1), F.S.

¹⁶ S. 320.08056(2), F.S.

¹⁷ See ss. 320.06(3)(a), 320.0657(2)(a), 320.08(12) and 320.08056(2)(b) and (c), F.S.

¹⁸ DHSMV's authorized agents are the county tax collectors.

¹⁹ Motor vehicle license taxes are set forth in s. 320.08, F.S.

²⁰ The \$5 processing fee is deposited into the Highway Safety Operating Trust Fund.

²¹ Section 320.06(1)(b), F.S., provides for a \$2.80 annual license plate replacement fee.

²² S. 320.08056(3), F.S.

²³ S. 320.08058(9)(a), F.S.

²⁴ As used in s. 320.08058(9)(b)1., F.S., the term "major sports events" means, but is not limited to, championship or all-star contests of Major League Baseball, the National Basketball Association, the National Football League, the National Hockey League, Major League Soccer, the men's and women's National Collegiate Athletic Association Final Four basketball championship, or a horseracing or dogracing Breeders' Cup.

- Fulfill the sports promotion responsibilities of DEO.²⁵

The proceeds from the Professional Sports Development Trust Fund may also be used for operational expenses of Enterprise Florida, Inc., and financial support of the Sunshine State Games.²⁶

Inter Miami CF Foundation

Inter Miami CF, Major League Soccer's 25th Club, began play in March 2018.²⁷

According to its website, the Inter Miami CF Foundation, a 501(c)(3) nonprofit corporation, is dedicated to having a measurable impact on the community in South Florida and beyond by seeking to level the playing field for at-risk kids. It intends to use soccer as a catalyst for positive change. The Foundation states that it is dedicated to strategically planning and executing "sports-based development and direct-service community programs, initiatives, and events."²⁸

According to the Department of State, Inter Miami CF Foundation is an active Florida not-for-profit corporation that has been active since February 12, 2020.²⁹

Effect of the Bill

The bill creates the Inter Miami CF license plate, with an annual use fee of \$25.³⁰ The plate must bear DHSMV-approved colors and designs, with "Florida" appearing at the top of the plate and "Inter Miami CF" appearing at the bottom of the plate.

The annual use fees from the sale of the plate are distributed to the Inter Miami CF Foundation. Up to 10 percent of the fees from the sale of the plate may be used to promote and market the plate. The Foundation must use the remainder of the fees to plan and execute sports-based development and direct service community programs and events.

This license plate will be added to DHSMV's presale voucher process, but the plate will only be placed into production once it meets the 3,000 minimum sales threshold and if the 150 plate cap is not reached.³¹

The bill has an effective date of October 1, 2022.

B. SECTION DIRECTORY:

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.

²⁵ S. 320.08058(9)(b)1. and 2., F.S.

²⁶ S. 320.08058(9)(b)4., F.S.

²⁷ Inter Miami CF Website, <https://www.intermiamicf.com/club/about> (last visited Sep. 2, 2021).

²⁸ Inter Miami CF Foundation, <https://inter-miami-cf-foundation-store.myshopify.com/> (last visited Sep. 2, 2021).

²⁹ Inter Miami CF Foundation Corporation, *Articles of Incorporation*,

<https://search.s.unbiz.org/Inquiry/CorporationSearch/ConvertTiffToPDF?storagePath=COR%5C2020%5C0214%5C40715676.Tif&documentNumber=P20000013003> (last visited Oct. 18, 2021)

³⁰ The \$25 annual use fee is provided for in existing s. 320.08056(3)(d), F.S.

³¹ DHSMV, *supra* note 1. p. 4.

2. Expenditures:

DHSMV will need to update its procedures, forms, and website to incorporate this additional license plate. Additionally, programming will be required for DOT to accept presale vouchers for the license plate. According to DHSMV, a specialty license plate with one distribution will require between 200 and 250 hours of programming.³² This programming can be done using existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Once the license plate goes into production, the Inter Miami CF Foundation may see an increase in revenues associated with the sale of this license plate.

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:

Section 320.08056(10)(a), F.S., requires that the annual use fees from specialty license plates be used in this state. DHSMV recommends that the bill be amended to clarify that the funds must be used in this state.³³

The bill provides that the annual use fees from the sale of Inter Miami CF license plates be distributed to the Inter Miami CF Foundation. This distribution of annual use fees is inconsistent with the statutorily specified distribution from professional sports team specialty license plates, which are deposited into the Professional Sports Development Trust Fund within DEO to attract and support major sporting events, promote the sports industry, and promote programs to develop physical fitness.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

Not applicable.

³² *Id.* at 4-5

³³ DHSMV, *supra* note 1, p. 6.