

## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 199 Specialty License Plates

**SPONSOR(S):** Transportation & Infrastructure Subcommittee, Hogan Johnson, Delores and others

**TIED BILLS:** HB 201 **IDEN./SIM. BILLS:** SB 480

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
1) Transportation & Infrastructure Subcommittee	13 Y, 0 N, As CS	Roth	Vickers
2) Transportation & Tourism Appropriations Subcommittee			
3) State Affairs Committee			

### SUMMARY ANALYSIS

There are over 120 specialty license plates 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 Highwaymen specialty license plate and provides for the design of the plate and the use of the annual use fees associated with the specialty license plate.

House Bill 201 (2019), which this bill is linked to, provides for an annual use fee of \$25 for the Highwaymen specialty license plate.

According to DHSMV, the bill will have a negative, but insignificant fiscal impact to state expenditures.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

###### Specialty License Plates in General

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 over 120 specialty license plates 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.<sup>1</sup> 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. A vehicle registered under the International Registration Plan, a commercial truck required to display two license plates, or a truck tractor are not eligible for specialty license plates.<sup>2</sup>

Only the Legislature may create new specialty license plates. If a specialty license plate is created by law, the following requirements must then be met:

- Within 60 days, the organization must submit an art design, in a medium prescribed by DHSMV.<sup>3</sup>
- Within 120 days, DHSMV must establish a method to issue a specialty license plate voucher to allow for the pre-sale of the specialty plate.<sup>4</sup>
- Within 24 months after the voucher is established, the organization must obtain a minimum of 1,000 voucher sales before manufacturing may begin. If this requirement is not met, the plate is deauthorized and DHSMV must discontinue development of the plate and issuance of the vouchers.<sup>5</sup>

DHSMV must discontinue the issuance of an approved specialty license plate if the number of valid specialty plate registrations falls below 1,000 plates for at least 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 1,000 plates (this provision does not apply to collegiate license plates).<sup>6</sup>

Organizations in receipt of specialty license plate revenue must adhere to certain accountability requirements found in statute. These requirements include an annual attestation document affirming, under penalty of perjury, that funds received have been spent in accordance with applicable statutes.<sup>7</sup> 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.<sup>8</sup>

###### Highwaymen

From the early 1950s through the 1980s, a group of 26 African-American artists known as the "Florida Highwaymen" used vivid and bright colors to display the beautiful untouched Florida landscape. The Florida Highwaymen painted wind-bent palm trees, serene sunsets, churning oceans and bright red Poinciana trees. They painted from their garages and back yards on inexpensive Upson board and

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<sup>1</sup> Florida Department of Highway Safety and Motor Vehicles, *Specialty License Plates Images*, <http://www.flhsmv.gov/dmv/specialtytags/> (last visited January 24, 2019).

<sup>2</sup> Section 320.08056(2), F.S.

<sup>3</sup> Section 320.08053(1), F.S.

<sup>4</sup> Section 320.08053(2)(a), F.S.

<sup>5</sup> Section 320.08053(2)(b), F.S.

<sup>6</sup> Section 320.08056 (8)(a), F.S.

<sup>7</sup> Section 320.08062, F. S.

<sup>8</sup> Section 320.08056(10)(a), F.S.

then on the weekends would travel and sell their Highwaymen paintings to hotels, offices, businesses and individuals who appreciated the artwork for approximately \$25 apiece. Currently, the market for an original work of art by a Florida Highwayman can bring \$5,000 or more. Some of the Highwaymen who are still living have resumed painting to meet the continuing demand for their work.<sup>9</sup>

### Education Foundations

In 1984, the Florida Legislature authorized school districts to create local education foundations to raise private funds for programs to support students, teachers and public schools in their respective districts. In 1990, the St. Lucie County Education Foundation was organized as a direct support organization of the St. Lucie County School Board. The St. Lucie County Education Foundation is a non-profit organization that advances K-12 public education in St. Lucie County by increasing the capacity and resources of the district in partnership with key stakeholders.<sup>10</sup>

### House Bill 201

House Bill 201 (2019), which this bill is linked to, provides for an annual use fee of \$25 for the Highwaymen specialty license plate.

### **Proposed Changes**

The bill directs DHSMV to develop the Highwaymen specialty license plate bearing the colors and design approved by DHSMV. The new license plates will display the word “Florida” at the top of the plate and “Highwaymen” at the bottom of the plate.

The bill directs the annual use fees to be distributed to the City of Fort Pierce, subject to a city resolution designating the city as the fiscal agent of the license plate. The city may use up to 10 percent of the fees for administrative costs and marketing of the plate and shall use the remainder of the fees as specified below.

Before completion of construction of the Highwaymen Museum and African-American Cultural Center, the city shall distribute at least 15 percent to the St. Lucie Education Foundation, Inc., to fund art education and art projects in public schools within St. Lucie County. The remainder of the fees shall be used by the city to fund the construction of the Highwaymen Museum and African-American Cultural Center.

Upon completion of construction of the Highwaymen Museum and African-American Cultural Center, the city shall distribute at least 10 percent to the St. Lucie Education Foundation, Inc., to fund art education and art projects in public schools within St. Lucie County. The remainder of the fees shall be used by the city to fund the day-to-day operations of the Highwaymen Museum and African-American Cultural Center.

## **B. SECTION DIRECTORY:**

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

**Section 2:** Provides an effective date of October 1, 2019, but only if HB 201 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

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<sup>9</sup> Florida Highwaymen Paintings, available at <http://www.floridahighwaymenpaintings.com/> (last visited January 24, 2019).

<sup>10</sup> Education Foundation, *About Us*, available at <https://www.educationfoundationstlucie.org/p/3/about-us#.WjFxDGhSyUk> (last visited January 24, 2019).

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

According to DHSMV, specialty and special license plates require system programming to implement. Depending on the number of distributions tied to the plate, the amount of programming may vary as will the resources needed to complete the changes. The average specialty/special license plate requires approximately 200-250 hours of programming. The pay rate for a programmer is \$35-40 per hour. Therefore, the cost to DHSMV could be \$10,000. As a result, there will be a negative, but insignificant fiscal impact to DHSMV.<sup>11</sup>

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

### C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Revenue from the sale of the Highwaymen specialty license plate will benefit the St. Lucie Education Foundation, Inc., and the construction and operation of the Highwaymen Museum and African American Cultural Center.

### D. FISCAL COMMENTS:

None.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable. The bill does not appear to affect county or municipal governments.

2. Other:

None.

### B. RULE-MAKING AUTHORITY:

None.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

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<sup>11</sup> Email from Kevin Jacobs, Deputy Legislative Affairs Director, Department of Highway Safety and Motor Vehicles, RE: HBs 273/275 and 199/201 (January 24, 2019).

#### **IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES**

On February 7, 2019, the Transportation & Infrastructure Subcommittee adopted an amendment and reported the bill favorably as a committee substitute. The amendment:

- Directs the annual use fees to be distributed to the City of Fort Pierce, subject to a city resolution designating the city as the fiscal agent of the license plate.
- Authorizes the City of Fort Pierce to use up to 10 percent of the fees for administrative costs and marketing of the plate.
- Authorizes the City of Fort Pierce to distribute the remainder of fees to the St. Lucie Education Foundation, Inc. and for the construction and maintenance of the Highwaymen Museum and African-American Cultural Center.

This analysis is written to the committee substitute as reported favorably by the Transportation & Infrastructure Subcommittee.