HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: PCS for HB 387 License Plate Fees
SPONSOR(S): Transportation & Infrastructure Subcommittee
TIED BILLS: HB 1135 **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR or BUDGET/POLICY CHIEF
Orig. Comm.: Transportation & Infrastructure Subcommittee		Johnson	Vickers

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.

HB 1135 (2020), which this bill is linked to, creates various specialty license plates and provides for the design of each plate and the use of the annual use fees associated with each plate.

This bill provides that unless the amount of the annual use fee is otherwise specified for a particular specialty license plate, the annual use fee of $25 will be charged for any specialty license plate that is required to be developed. The bill also establishes an annual use fee of $50 for the Auburn University, the University of Georgia, and the University of Alabama specialty license plates.

The bill will have a negative, but insignificant, fiscal impact on DHSMV associated with programming costs. These costs can be absorbed within existing resources.

This bill authorizes a new state fee, requiring a two-thirds vote of the membership of the House. *See* Section III.A.2. of the analysis.

FULL ANALYSIS

I. SUBSTANTIVE ANALYSIS

A. EFFECT OF PROPOSED CHANGES:

Present Situation

Legislation Imposing or Raising State Fees or Taxes

The Florida Constitution provides that no state tax or fee may be imposed, authorized, or raised by the Legislature except through legislation approved by two-thirds of the membership of each house of the Legislature.[1] For purposes of this requirement, a "fee" is any charge or payment required by law, including any fee or charge for services and fees or costs for licenses and to "raise" a fee or tax means to:[2]

- Increase or authorize an increase in the rate of a state tax or fee imposed on a percentage or per mill basis;
- Increase or authorize an increase in the amount of a state tax or fee imposed on a flat or fixed amount basis; or
- Decrease or eliminate a state tax or fee exemption or credit.

A bill that imposes, authorizes, or raises any state fee or tax may only contain the fee or tax provision(s) and may not contain any other subject.[3]

The constitutional provision does not authorize any state tax or fee to be imposed if it is otherwise prohibited by the constitution and does not apply to any tax or fee authorized or imposed by a county, municipality, school board, or special district.[4]

Specialty License Plates

The first Florida specialty license plates were enacted in 1986 and included the creation of the Challenger plate and 10 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.[5] 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.[6]

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.[7] 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.[8]

HB 1135 (2020), which this bill is linked to, creates 17 specialty license plates and provides for their design and the use of their annual use fees.

[1] Fla. Const. art. VII, s. 19(a)-(b). The amendment appeared on the 2018 ballot as Amendment 5.
[2] Fla. Const. art. VII, s. 19(d).
[3] Fla. Const. art. VII, s. 19(e).
[4] Fla. Const. art. VII s. 19(c).
[5] The annual use fees for specific specialty license plates are provided in s. 320.08056(4), F.S.
[6] Section 320.08056(2), F.S.
[7] Section 320.08062, F. S.
[8] Section 320.08056(10)(a), F.S.

Proposed Changes

The bill amends s. 320.08056, F.S., providing that unless the amount of an annual use fee is otherwise specified for a particular specialty license plate, then an annual use fee of $25 for any specialty license plate that is required to be developed pursuant to s. 320.08058, F.S., will be charged.

The bill also establishes an annual use fee of $50 for the Auburn University, University of Georgia, and the University of Alabama specialty license plates.

B. SECTION DIRECTORY:

Section 1 amends s. 320.08056, F.S., relating to specialty license plates.

Section 2 provides that this act takes effect on the same date that HB 1135 or similar legislation takes effect, if such legislation is adopted in the same legislative session or an extension thereof and becomes a law.

II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

The bill will have a negative, but insignificant, fiscal impact on DHSMV associated with programming costs. These costs can be absorbed within existing resources.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Recipient organizations may see an increase in revenues associated with the sale of specialty license plates.

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:

Article VII, s. 19 of the Florida Constitution requires the imposition, authorization, or raising of a state tax or fee be contained in a separate bill that contains no other subject and be approved by two-thirds of the membership of each house of the Legislature. As such, the bill appears to implicate Art.

VII, s. 19 of the Florida Constitution because the bill authorizes a $25 fee for specialty license plates and a $50 fee for specialty license plates for out-of-state universities.

B. RULE-MAKING AUTHORITY:

None.

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

IV. AMENDMENTS/ COMMITTEE SUBSTITUTE CHANGES

None.