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# **ECONOMIC DEVELOPMENT & COMMUNITY AFFAIRS POLICY COUNCIL**

## **Meeting Packet**

**Wednesday, March 3, 2010  
10:45 P.M. – 12:00 P.M.  
404 HOB**

**LARRY CRETUL**  
Speaker

**DAVE MURZIN**  
Chair

**Council Meeting Notice**  
**HOUSE OF REPRESENTATIVES**

**Economic Development & Community Affairs Policy Council**

**Start Date and Time:** Wednesday, March 03, 2010 10:45 am  
**End Date and Time:** Wednesday, March 03, 2010 12:00 pm  
**Location:** 404 HOB  
**Duration:** 1.25 hrs

**Consideration of the following bill(s):**

HB 5 State Road Designations by Grimsley  
CS/HB 29 Road Designations by Transportation & Economic Development Appropriations Committee, Bemby  
CS/HB 83 Specialty License Plates by Roads, Bridges & Ports Policy Committee, Crisafulli  
CS/HB 263 Department of Highway Safety and Motor Vehicles by Transportation & Economic Development Appropriations Committee, Llorente  
CS/HB 289 Specialty License Plates by Roads, Bridges & Ports Policy Committee, Brandenburg  
HJR 313 Disabled Veterans' Property Tax Discount by Holder  
HB 321 Road Designations by Boyd  
CS/HB 351 Specialty License Plates by Roads, Bridges & Ports Policy Committee, Patterson  
CS/HB 399 Motor Vehicles by Roads, Bridges & Ports Policy Committee, Kelly  
HB 643 State Road Designations by Bush  
HB 915 Transportation Corporations by Horner  
HB 7017 Pub. Rec./Credit History Information and Credit Scores/OFR by Insurance, Business & Financial Affairs Policy Committee, Workman  
HB 7021 Government-Sponsored Health Insurance by Governmental Affairs Policy Committee, Holder

**Presentation**

Economic Development Incentives and Regulatory Relief, Plant City Mayor Rick Lott

Pursuant to rule 7.13, the deadline for amendments to bills on the agenda by non-appointed members shall be 6:00 pm, Tuesday, March 2, 2010.

By request of the Chair, all Council members are asked to have amendments to bills on the agenda submitted to staff by 6:00 pm, Tuesday, March 2, 2010.

**NOTICE FINALIZED on 03/01/2010 15:11 by ADEYEMO.MARTHA**



HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 5 State Road Designations

SPONSOR(S): Grimsley

TIED BILLS: IDEN./SIM. BILLS: SB 88

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Roads, Bridges & Ports Policy Committee	10 Y, 0 N	Johnson	Miller
2)	Transportation & Economic Development Appropriations Committee	14 Y, 0 N	Fennell	Creamer
3)	Economic Development & Community Affairs Policy Council		Johnson	Tinker
4)				
5)				

SUMMARY ANALYSIS

Section 334.071, F.S., provides for legislative designations of transportation facilities for honorary or memorial purposes, or to distinguish a particular facility. The legislative designations do not "officially" change the current names of the facilities, nor does the statute require local governments and private entities to change street signs, mailing addresses, or 911 emergency telephone-number system listings.

The bill designates the portion of U.S. Highway 27 between the Florida-Georgia border in Gadsden County and Biscayne Bay in Miami-Dade County as the "Purple Heart Highway."

The bill also directs the Department of Transportation to erect suitable markers designating the "Purple Heart Highway."

This cost is insignificant and can be absorbed within the Department of Transportation's existing budget.

The bill does not create any constitutional or other legal issues. It takes effect July 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

Section 334.071, F.S., provides for legislative designations of transportation facilities for honorary or memorial purposes, or to distinguish a particular facility. The legislative designations do not "officially" change the current names of the facilities, nor does the statute require local governments and private entities to change street signs, mailing addresses, or 911 emergency telephone-number system listings.

The statute requires the Department of Transportation (DOT) to place a marker at each termini or intersection of an identified road or bridge, and to erect other markers it deems appropriate for the transportation facility. The statute also provides that a city or county must pass a resolution in support of a particular designation before road markers are erected. Additionally, if the designated road segment extends through multiple cities or counties, a resolution must be passed by each affected local government.

The "Purple Heart Highway" was previously designated on U.S. Highway 27 in Highlands County<sup>1</sup> and DOT has placed markers designating this highway.

##### Effect of Proposed Change

The bill designates the portion of U.S. Highway 27 between the Florida-Georgia border in Gadsden County and Biscayne Bay in Miami-Dade County as the "Purple Heart Highway." The counties on U.S. Highway 27 are: Alachua, Broward, Columbia, Gadsden, Glades, Hendry, Highlands, Jefferson, Lafayette, Lake, Leon, Levy, Madison, Marion, Miami-Dade, Palm Beach, Polk, Sumter, Suwannee, and Taylor.

The bill also directs DOT to erect suitable markers designating the Purple Heart Highway.

The bill takes effect on July 1, 2010.

#### B. SECTION DIRECTORY:

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<sup>1</sup> Ch. 2005-292, L.O.F.

Section 1 Designates U.S. Highway 27 as "Purple Heart Highway;" requires DOT to erect suitable markers.

Section 2 Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

This cost is insignificant and can be absorbed within the Department of Transportation's existing budget.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

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

None

### D. FISCAL COMMENTS:

None

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to require the counties or cities to spend funds or take an action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None

### B. RULE-MAKING AUTHORITY:

Not applicable

### C. DRAFTING ISSUES OR OTHER COMMENTS:

According to the Military Order of the Purple Heart, resolutions approving the designation have been passed in 17 of the 20 counties that U.S. Highway 27 passes through. The counties that have yet to pass resolutions are Columbia, Levy, and Palm Beach.

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

None

1                                   A bill to be entitled  
 2           An act relating to state road designations; designating  
 3           Purple Heart Highway; directing the Department of  
 4           Transportation to erect suitable markers; providing an  
 5           effective date.

6  
 7   Be It Enacted by the Legislature of the State of Florida:  
 8

9           Section 1. Purple Heart Highway designated; Department of  
 10 Transportation to erect suitable markers.--

11           (1) That portion of U.S. Highway 27 between the Florida-  
 12 Georgia border in Gadsden County and Biscayne Bay in Miami-Dade  
 13 County is designated as "Purple Heart Highway."

14           (2) The Department of Transportation is directed to erect  
 15 suitable markers designating Purple Heart Highway as described  
 16 in subsection (1).

17           Section 2. This act shall take effect July 1, 2010.





**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** CS/HB 29 Road Designations  
**SPONSOR(S):** Transportation & Economic Development Appropriations Committee; Bemby  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 1698

	<b>REFERENCE</b>	<b>ACTION</b>	<b>ANALYST</b>	<b>STAFF DIRECTOR</b>
1)	Roads, Bridges & Ports Policy Committee	12 Y, 0 N	Johnson	Miller
2)	Transportation & Economic Development Appropriations Committee	14 Y, 0 N, As CS	Fennell	Creamer
3)	Economic Development & Community Affairs Policy Council		Johnson <i>SJS</i>	Tinker <i>TBT</i>
4)				
5)				

**SUMMARY ANALYSIS**

Section 334.071, F.S., provides for legislative designations of transportation facilities for honorary or memorial purposes, or to distinguish a particular facility. The legislative designations do not "officially" change the current names of the facilities, nor does the statute require local governments and private entities to change street signs, mailing addresses, or 911 emergency telephone-number system listings.

The bill designates that portion of U.S. Highway 90 within the boundaries of the Town of Greenville in Madison County as the "Ray Charles Memorial Parkway", that portion of State Road 51 between U.S. Highway 19 at Tennille and the Dixie County line in Taylor County is designated as "Deputy Victor 'Skip' J. McDonald Memorial Highway", that portion of U.S. Highway 19 between Slaughter Road and Harrison Blue Road in Taylor County as "Trooper Charles Eugene Campbell Memorial Highway", that portion of Bird Road, S.W. 40<sup>th</sup> Street, between S.W. 89<sup>th</sup> Avenue and S.W. 92<sup>nd</sup> Avenue in Miami-Dade County as "Frank Pasquarella Way" and that portion of Bird Road, S.W. 40<sup>th</sup> Street, between S.W. 87<sup>th</sup> Avenue and S.W. 89<sup>th</sup> Avenue in Miami-Dade County as "Bob Arbetter's Way."

The bill also directs the Department of Transportation (DOT) to erect suitable markers for each designated road.

This cost is insignificant and can be absorbed within the Department of Transportation's existing budget.

The bill does not create any constitutional or other legal issues. It takes effect July 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

Section 334.071, F.S., provides for legislative designations of transportation facilities for honorary or memorial purposes, or to distinguish a particular facility. The legislative designations do not "officially" change the current names of the facilities, nor does the statute require local governments and private entities to change street signs, mailing addresses, or 911 emergency telephone-number system listings.

The statute requires the Department of Transportation (DOT) to place a marker at each termini or intersection of an identified road or bridge, and to erect other markers it deems appropriate for the transportation facility. The statute also provides that a city or county must pass a resolution in support of a particular designation before road markers are erected. Additionally, if the designated road segment extends through multiple cities or counties, a resolution must be passed by each affected local government.

##### Effect of Proposed Change

The bill designates that portion of U.S. Highway 90 within the boundaries of the Town of Greenville in Madison County as the "Ray Charles Memorial Parkway", that portion of State Road 51 between U.S. Highway 19 at Tennille and the Dixie County line in Taylor County is designated as "Deputy Victor 'Skip' J. McDonald Memorial Highway", that portion of U.S. Highway 19 between Slaughter Road and Harrison Blue Road in Taylor County as "Trooper Charles Eugene Campbell Memorial Highway", that portion of Bird Road, S.W. 40<sup>th</sup> Street, between S.W. 89<sup>th</sup> Avenue and S.W. 92<sup>nd</sup> Avenue in Miami-Dade County as "Frank Pasquarella Way" and that portion of Bird Road, S.W. 40<sup>th</sup> Street, between S.W. 87<sup>th</sup> Avenue and S.W. 89<sup>th</sup> Avenue in Miami-Dade County as "Bob Arbetter's Way."

The bill also directs the Department of Transportation (DOT) to erect suitable markers for each designated road.

The bill takes effect on July 1, 2010.

#### B. SECTION DIRECTORY:

- Section 1 Designates the "Ray Charles Memorial Parkway;" requires DOT to erect suitable markers.
- Section 2 Designates the "Deputy Victor 'Skip' J. McDonald Memorial Highway", requires DOT to erect suitable markers.
- Section 3 Designates the "Trooper Charles Eugene Campbell Memorial Highway" requires DOT to erect suitable markers.
- Section 4 Designates the "Frank Pasquarella Way" requires DOT to erect suitable markers.
- Section 5 Designates the "Bob Arbetter's Way" requires DOT to erect suitable markers.
- Section 6 Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

#### 1. Revenues:

None

#### 2. Expenditures:

This cost is insignificant and can be absorbed within the Department of Transportation's existing budget.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

#### 1. Revenues:

None

#### 2. Expenditures:

None

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

None

### D. FISCAL COMMENTS:

None

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

#### 1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to require the counties or cities to spend funds or take an action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

#### 2. Other:

None

**B. RULE-MAKING AUTHORITY:**

None

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

Both Madison County and the Town of Greenville have adopted resolutions supporting the designation of the "Ray Charles Memorial Parkway." According to the resolutions, Ray Charles grew up in the Greenville area from a few months after his birth in 1930 until the 1940's.<sup>1</sup>

**IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES**

On January 12, 2010, the Transportation & Economic Development Appropriations Committee adopted two amendments and reported the bill favorably.

- Amendment 1 designates a portion of State Road 51 in Taylor County as the "Deputy Victor J. Skip McDonald Memorial Highway" and designates a portion of U.S. Highway 19 in Taylor County as the "Trooper Charles Eugene Campbell Memorial Highway."
- Amendment 2 designates a portion of Bird Road, S.W. 40<sup>th</sup> Street, in Miami-Dade County as "Frank Pasquarella Way" and a portion of Bird Road, S.W. 40<sup>th</sup> Street, in Miami-Dade County as "Bob Arbetter's Way."

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<sup>1</sup> Town of Greenville Resolution No. 030909 and Madison County Resolution 2009-04-01A.

1                   A bill to be entitled  
 2           An act relating to road designations; designating Ray  
 3           Charles Memorial Parkway in Madison County; designating  
 4           Deputy Victor J. "Skip" McDonald Memorial Highway and  
 5           Trooper Charles Eugene Campbell Memorial Highway in Taylor  
 6           County; designating Frank Pasquarella Way and Bob  
 7           Arbetter's Way in Miami-Dade County; directing the  
 8           Department of Transportation to erect suitable markers;  
 9           providing an effective date.

10  
 11 Be It Enacted by the Legislature of the State of Florida:

12  
 13           Section 1. Ray Charles Memorial Parkway designated;  
 14 Department of Transportation to erect suitable markers.-

15           (1) That portion of U.S. Highway 90 within the boundaries  
 16 of the Town of Greenville in Madison County is designated as  
 17 "Ray Charles Memorial Parkway."

18           (2) The Department of Transportation is directed to erect  
 19 suitable markers designating Ray Charles Memorial Parkway as  
 20 described in subsection (1).

21           Section 2. Deputy Victor J. "Skip" McDonald Memorial  
 22 Highway designated; Department of Transportation to erect  
 23 suitable markers.-

24           (1) That portion of State Road 51 between U.S. Highway 19  
 25 at Tennille and the Dixie County line in Taylor County is  
 26 designated as "Deputy Victor J. 'Skip' McDonald Memorial  
 27 Highway."

28       (2) The Department of Transportation is directed to erect  
 29 suitable markers designating Deputy Victor J. "Skip" McDonald  
 30 Memorial Highway as described in subsection (1).

31       Section 3. Trooper Charles Eugene Campbell Memorial  
 32 Highway designated; Department of Transportation to erect  
 33 suitable markers.-

34       (1) That portion of U.S. Highway 19 between Slaughter Road  
 35 and Harrison Blue Road in Taylor County is designated as  
 36 "Trooper Charles Eugene Campbell Memorial Highway."

37       (2) The Department of Transportation is directed to erect  
 38 suitable markers designating Trooper Charles Eugene Campbell  
 39 Memorial Highway as described in subsection (1).

40       Section 4. Frank Pasquarella Way designated; Department of  
 41 Transportation to erect suitable markers.-

42       (1) That portion of Bird Road, S.W. 40th Street, between  
 43 S.W. 89th Avenue and S.W. 92nd Avenue in Miami-Dade County is  
 44 designated as "Frank Pasquarella Way."

45       (2) The Department of Transportation is directed to erect  
 46 suitable markers designating Frank Pasquarella Way as described  
 47 in subsection (1).

48       Section 5. Bob Arbetter's Way designated; Department of  
 49 Transportation to erect suitable markers.-

50       (1) That portion of Bird Road, S.W. 40th Street, between  
 51 S.W. 87th Avenue and S.W. 89th Avenue in Miami-Dade County is  
 52 designated as "Bob Arbetter's Way."

53       (2) The Department of Transportation is directed to erect  
 54 suitable markers designating Bob Arbetter's Way as described in  
 55 subsection (1).

CS/HB 29

2010

56

Section 6. This act shall take effect July 1, 2010.



COUNCIL/COMMITTEE AMENDMENT  
Bill No. CS/HB 29 (2010)

Amendment No. 1

COUNCIL/COMMITTEE ACTION

ADOPTED \_\_\_\_\_ (Y/N)  
ADOPTED AS AMENDED \_\_\_\_\_ (Y/N)  
ADOPTED W/O OBJECTION \_\_\_\_\_ (Y/N)  
FAILED TO ADOPT \_\_\_\_\_ (Y/N)  
WITHDRAWN \_\_\_\_\_ (Y/N)  
OTHER \_\_\_\_\_

1 Council/Committee hearing bill: Economic Development &  
2 Community Affairs Policy Council  
3 Representative(s) Schultz offered the following:  
4

**Amendment (with title amendment)**

6 Between lines 55-56, insert:

7 Section 6. Trooper Ronald Gordon Smith Memorial Bridge  
8 designated; Department of Transportation to erect suitable  
9 markers.-

10 (1) The bridge on U.S. Highway 19/98 in Citrus County at  
11 the Cross Florida Barge Canal is designated as the "Trooper  
12 Ronald Gordon Smith Memorial Bridge."

13 (2) The Department of Transportation is directed to erect  
14 suitable markers designating the Trooper Ronald Gordon Smith  
15 Memorial Bridge as described in subsection (1).

16  
17  
18 -----  
19 **T I T L E A M E N D M E N T**

COUNCIL/COMMITTEE AMENDMENT

Bill No. CS/HB 29 (2010)

Amendment No.

20        Remove line 7 and insert:  
21        Arbetter's Way in Miami-Dade County; designating the Trooper  
22        Ronald Gordon Smith Memorial Bridge in Citrus County; directing  
23        the

COUNCIL/COMMITTEE AMENDMENT

Bill No. CS/HB 29 (2010)

Amendment No. **2**

COUNCIL/COMMITTEE ACTION

ADOPTED \_\_\_\_\_ (Y/N)  
ADOPTED AS AMENDED \_\_\_\_\_ (Y/N)  
ADOPTED W/O OBJECTION \_\_\_\_\_ (Y/N)  
FAILED TO ADOPT \_\_\_\_\_ (Y/N)  
WITHDRAWN \_\_\_\_\_ (Y/N)  
OTHER \_\_\_\_\_

1 Council/Committee hearing bill: Economic Development &  
2 Community Affairs Policy Council  
3 Representative(s) Bembry offered the following:  
4

**Amendment (with title amendment)**

6 Between lines 55 and 56, insert:

7 Section 6. Chad Allen Reed, Sr., Memorial Highway  
8 designated; Department of Transportation to erect suitable  
9 markers.--

10 (1) That portion of US 19/27A/98, SR 55 between NE 170th  
11 Street and the Taylor County Line in Dixie County is designated  
12 as the "Chad Allen Reed, Sr., Memorial Highway."

13 (2) The Department of Transportation is directed to erect  
14 suitable markers designating Chad Allen Reed, Sr., Memorial  
15 Highway as described in subsection (1).

16  
17  
18 -----  
19 **T I T L E A M E N D M E N T**

COUNCIL/COMMITTEE AMENDMENT

Bill No. CS/HB 29 (2010)

Amendment No.

- 20 Remove line 7 and insert:  
21 Arbetter's Way in Miami-Dade County; designating Chad Allen  
22 Reed, Sr., Memorial Highway; directing the



**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** CS/HB 83 Specialty License Plates  
**SPONSOR(S):** Roads, Bridges & Ports Policy Committee, Crisafulli and others  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 170

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Roads, Bridges & Ports Policy Committee	12 Y, 0 N, As CS	Brown	Miller
2)	Economic Development & Community Affairs Policy Council		Brown <i>RB</i>	Tinker <i>TBT</i>
3)				
4)				
5)				

**SUMMARY ANALYSIS**

CS/HB 83 provides for the creation of an “Endless Summer” specialty license plate. The annual use fee of \$25 per tag shall be distributed to Surfing’s Evolution & Preservation Corporation. The bill provides that up to 10 percent of the proceeds collected may be used to fund promotion and advertising of the plate. Remaining funds shall be used to:

- fund the proposed Surfing’s Evolution & Preservation Project;
- fund 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; and
- support programs and events that support beaches and oceans and promote education on beach safety, coastal pollution, and beach ecology.

Specialty license plates must be specifically authorized pursuant to Florida Statutes. Section 320.08053, F.S., establishes requirements that organizations must meet to create a new specialty license plate, including a scientific survey performed by an independent sampling firm indicating that 30,000 motor vehicle owners would purchase the proposed plate at the increased cost, long and short term marketing plans addressing revenues and expenditures, and a \$60,000 application fee, among other requirements.

The fiscal impact of this bill is approximately \$60,000 to the Department of Highway Safety and Motor Vehicles (DHSMV) for implementation of the new specialty license plate. The fiscal impact will be offset by the application fee of \$60,000 paid to DHSMV by the sponsoring organization.

Surfing’s Evolution & Preservation Corporation has been approved by DHSMV and the Auditor General to pursue legislation for the “Endless Summer” specialty license plate, and is not affected by the 2008 legislation limiting future specialty plates.

The bill is effective October 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

Currently, specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay an annual use fee for the privilege. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to an organization or organizations in support of a particular cause or charity signified in the plate's design and designated in statute. The Legislature may create a specialty license plate under its own initiative, or it can do so at the request of an organization. Under s. 320.08053, F.S., an organization may seek Legislative authorization for a new specialty license plate by meeting a number of requirements.

An organization is first required to submit to the DHSMV the following:

- a request for the plate describing it in general terms;
- the results of a professional, independent, and scientific sample survey of Florida residents indicating that 30,000 vehicle owners intend to purchase the plate at the increased cost;
- an application fee of \$60,000 defraying the DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates; and
- a marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements must be satisfied at least 90 days prior to the convening of the regular session of the Legislature. Once the requirements are met, DHSMV notifies the committees of the House of Representatives and Senate with jurisdiction over the issue, and the organization is free to find sponsors and pursue Legislative action.

In 2008 the Legislature passed SB 1992, which included a moratorium on the issuance of specialty plates by DHSMV.<sup>1</sup> The moratorium is effective from October 1, 2008 to July 1, 2011, but contains an exception "for [any] specialty license plate proposal which has submitted a letter of intent to the Department of Highway Safety and Motor Vehicles prior to May 2, 2008."<sup>2</sup>

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<sup>1</sup> S. 45, 2008-176, Laws of Florida

<sup>2</sup> *Id.*

## Effect of Proposed Changes

The bill amends ss. 320.08056 and 320.08058, F.S., to authorize DHSMV to develop and issue an "Endless Summer" license plate upon payment of the appropriate license taxes and a \$25 special use fee.

Annual use fees collected from the sale of this license plate shall be distributed to the Surfing's Evolution & Preservation Corporation. Up to 10 percent of the proceeds may be used to fund promotion and advertising of the plate; the remaining proceeds shall:

- fund the proposed Surfing's Evolution & Preservation Project;
- fund 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; and
- support programs and events that support beaches and oceans and promote education on beach safety, coastal pollution, and beach ecology.

The fiscal impact incurred by DHSMV as a result of this bill is approximately \$60,000. This impact is offset by the \$60,000 application fee Surfing's Evolution & Preservation Corporation is required to pay as part of the application process. Revenue generated from the sale of this license plate is based on public interest and cannot be predicted.

The DHSMV has notified the Legislature that Surfing's Evolution & Preservation Corporation has met the initial application and statutory requirements to pursue legislation for the "Endless Summer" specialty license plate. In conformity with s. 320.08053(1)(b), F.S., the Auditor General has issued a report validating the Corporation's survey.<sup>3</sup> This report also found that the "Endless Summer" plate falls within exception from the moratorium on new specialty license plates created by the 2008 Legislature, as the Corporation submitted their materials before May 2, 2008.<sup>4</sup>

### B. SECTION DIRECTORY:

- Section 1 Amends s. 320.08056(4), F.S., providing for a \$25 annual use fee for the "Endless Summer" license plate.
- Section 2 Amends s. 320.08058(69), F.S., creating the "Endless Summer" specialty license plate; providing for plate design; and providing for the distribution and uses of the annual use fees.
- Section 3 Provides an Effective Date of October 1, 2010.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:  
See fiscal comments below.
2. Expenditures:  
See fiscal comments below.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

<sup>3</sup> Report No. 2009-129, Auditor General, February 2009.

<sup>4</sup> *Id.*



1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons who elect to purchase the specialty license plate will be required to pay an annual use fee of \$25 in addition to applicable taxes and administrative charges. It is impossible to determine how many people will purchase the plates because the sale of this license plate will be based on public interest. Therefore, the aggregate impact to the private sector cannot be determined.

D. FISCAL COMMENTS:

- E. Implementation of CS/HB 83 will cost DHSMV approximately \$60,000 in contract programming, development labor, and product purchasing costs for the creation of the "Endless Summer" license plate. This fiscal impact is offset by the statutory application fee of \$60,000, which has been submitted to DHSMV by the Surfing's Evolution & Preservation Corporation for the creation of this specialty license plate. If the specialty license plate is not approved by the Legislature, the application fee shall be refunded.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On November 4, 2009, the Roads, Bridges, and Ports Policy Committee adopted an amendment providing ten percent cap on administrative and marketing fees. The bill was reported favorably as a committee substitute.

1 A bill to be entitled  
 2 An act relating to specialty license plates; amending ss.  
 3 320.08056 and 320.08058, F.S.; creating an Endless Summer  
 4 license plate; establishing an annual use fee for the  
 5 plate; providing for the distribution of use fees received  
 6 from the sale of such plates; providing an effective date.

7  
 8 Be It Enacted by the Legislature of the State of Florida:

9  
 10 Section 1. Paragraph (rrr) is added to subsection (4) of  
 11 section 320.08056, Florida Statutes, to read:

12 320.08056 Specialty license plates.--  
 13 (4) The following license plate annual use fees shall be  
 14 collected for the appropriate specialty license plates:  
 15 (rrr) Endless Summer license plate, \$25.

16 Section 2. Subsection (70) is added to section 320.08058,  
 17 Florida Statutes, to read:

18 320.08058 Specialty license plates.--  
 19 (70) ENDLESS SUMMER LICENSE PLATES.--

20 (a) The department shall develop an Endless Summer license  
 21 plate as provided in this section. Endless Summer license plates  
 22 must bear the colors and design approved by the department. The  
 23 word "Florida" must appear at the top of the plate, and the  
 24 words "Endless Summer" must appear at the bottom of the plate.

25 (b) The license plate annual use fees shall be distributed  
 26 to Surfing's Evolution & Preservation Corporation to fund its  
 27 activities, programs, and projects aimed at preserving the sport  
 28 of surfing. Surfing's Evolution & Preservation Corporation may

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29 retain all revenue from the annual use fees until all startup  
 30 costs for developing and establishing the plate have been  
 31 recovered. Thereafter, up to 10 percent of the annual use fee  
 32 revenue may be used for promotion and marketing of the specialty  
 33 license plate and administrative costs directly associated with  
 34 the corporation's programs and the specialty license plate.  
 35 Surfing's Evolution & Preservation Corporation shall use the  
 36 remaining funds as follows:

37 1. To fund the proposed Surfing's Evolution & Preservation  
 38 Experience project.

39 2. To provide funds for the provision of lifeguards or the  
 40 building of artificial reefs.

41 3. To provide funds to organizations that house the  
 42 history and artifacts of surfing or promote the sport through  
 43 exhibits, lectures, and events.

44 4. To support programs and events of other organizations  
 45 that support beaches and oceans and promote education on beach  
 46 safety, coastal pollution, and beach ecology.

47 Section 3. This act shall take effect October 1, 2010.



HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** CS/HB 263 Motor Vehicles  
**SPONSOR(S):** Transportation & Economic Development Appropriations Committee, Llorente and Others  
**TIED BILLS:** IDEN./SIM. BILLS: SB 842

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Roads, Bridges & Ports Policy Committee	13 Y, 0 N	Brown	Miller
2)	Transportation & Economic Development Appropriations Committee	13 Y, 0 N, As CS	Rayman	Creamer
3)	Economic Development & Community Affairs Policy Council		Brown <i>DB</i>	Tinker <i>TBT</i>
4)				
5)				

SUMMARY ANALYSIS

CS/HB 263 requires the Department of Highway Safety and Motor Vehicles to modify certain applications to allow a \$1 voluntary contribution to be made to Prevent Child Sexual Abuse. Specifically, the bill amends sections 320.02, 322.08, and 322.18, F.S., to require motor vehicle applications and renewals, as well as drivers' license applications and renewals, to include a \$1 check-off to Lauren's Kids, Inc., a non-profit 501(c)(3) organization, for the prevention of childhood sexual abuse.

DHSMV has certified that Lauren's Kids, Inc., has complied with s. 322.081, F.S., regarding requests to establish a voluntary check-off, by submitting its letter of request, \$10,000 application fee, and approved short- and long-term marketing plans.

The bill has an effective date of October 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

The bill amends section 320.02, F.S., to require motor vehicle applications and renewals to include a \$1 check-off to "Prevent Child Sexual Abuse." The money is paid to Lauren's Kids, Inc., a non-profit 501(c)(3) organization, for the prevention of childhood sexual abuse. DHSMV has provided notice that Lauren's Kids, Inc., has complied with s. 322.081, F.S., regarding requests to establish a voluntary check-off, by submitting its letter of request, \$10,000 application fee, and approved short- and long-term marketing plans.

The bill amends section 322.08, F.S., to provide a similar \$1 check-off on drivers' license applications, and repeals section 322.18(9), F.S., adding these provisions to section 322.08, F.S., to clarify current law.

#### *About Drivers' License Check-offs*

Section 322.081, F.S., provides the procedures an organization must follow prior to seeking legislative authorization to request the creation of a new voluntary contribution fee and establish a corresponding voluntary check-off on a driver's license application. The check-off allows a person applying for or renewing a Florida driver's license to voluntarily contribute to one or more of the authorized organizations during the driver's license transaction. Before the organization is eligible, it must submit the following to the DHSMV at least 90 days before the convening of the regular session of the Legislature:

- A request for the particular voluntary contribution being sought, describing it in general terms.
- An application fee of up to \$10,000 to defray the DHSMV's costs for reviewing the application and developing the check-off, if authorized. State funds may not be used to pay the application fee.
- A short and long-term marketing strategy and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the voluntary contributions.

The DHSMV must discontinue the check-off if less than \$25,000 has been contributed by the end of the fifth year, or if less than \$25,000 is contributed during any subsequent 5-year period.<sup>1</sup>

Pursuant to s. 322.08(7), F.S., the driver's license application and renewal forms currently include the following seven voluntary contribution check-offs. (The eighth, for Prevent Blindness Florida, is authorized

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<sup>1</sup> Section 322.081(4)(a), F.S.

in s. 322.18(9)(a), F.S.) The total revenue and revenue generated by each check-off in the last 5-year period are summarized in the chart below:<sup>2</sup>

Driver License Check-offs/Voluntary Contribution	Statutory Authorization	Effective Date	Revenue Collected w/in last 5 years	Total Revenue Collected
Organ & Tissue Donor Education (\$1)	1995-423, L.O.F.	7/1/1995	\$402,603	\$1,091,209
Prevent Blindness Florida (\$1)	1995-333, L.O.F.	10/01/1995	\$2,092,878	\$3,208,017
Florida Council of the Blind (\$1)	1996-413, L.O.F.	6/5/1996	\$185,343	\$482,340
Hearing Research Institute (\$2)	2000-313, L.O.F.	10/1/2000	\$185,053	\$320,988
Juvenile Diabetes Foundation International (\$1)	2000-313, L.O.F.	10/1/2000	\$592,835	\$1,017,278
Children's Hearing Help Fund (\$1)	2005-68, L.O.F.	7/1/2005	\$260,763	\$260,763
Family First (\$1)	2008-102, L.O.F.	10/1/2008	\$150,047	\$150,047
Stop Heart Disease (\$1)	2009-100, L.O.F.	10/1/2009	\$0	\$0
<b>Total</b>			<b>\$3,869,522</b>	<b>\$6,530,642</b>

#### *About Motor Vehicle Registration Check-offs*

During the 1998 Session, the Legislature created s. 320.023, F.S., which outlines the procedures which an organization must follow prior to seeking Legislative authorization to request the creation of a new voluntary contribution fee and establish a corresponding voluntary check-off on a motor vehicle registration application. The check-off allows a registered owner or registrant of a motor vehicle to voluntarily contribute to one or more of the authorized organizations during a motor vehicle registration transaction. Before the organization is eligible, it must submit the following requirements to DHSMV at least 90 days before the convening of the Regular Session of the Legislature:

- A request for the particular voluntary contribution being sought, describing it in general terms.
- An application fee of up to \$10,000 to defray DHSMV's costs for reviewing the application and developing the check-off, if authorized. State funds may not be used to pay the application fee.
- A short and long-term marketing strategy and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the voluntary contributions.

DHSMV must discontinue the check-off if less than \$25,000 has been contributed by the end of the fifth year, or if less than \$25,000 is contributed during any subsequent five-year period.

Section 320.02, F.S., specifies the language that must appear on the State of Florida vehicle's registration and renewal application forms. Included in s. 320.02, F.S., are options for voluntary contributions to the following corporations, trust funds, and organizations as shown in the chart below. The chart includes three additional voluntary contributions relating to registrations authorized in other sections of law.<sup>3</sup>

<sup>2</sup> The charts in this analysis were prepared by Senate staff as part of Senate Interim Report 2010-131, *Review of the Requirements for Establishing Specialty License Plates and Registration and Driver's License Check-Offs*, October 2009.

<sup>3</sup> Specifically, s. 320.08047, F.S., allows a \$1 voluntary contribution to be deposited into the Health Care Trust Fund for organ and tissue donor education and for maintaining the organ and tissue donor registry. Section 328.72(11), F.S., requires that vessel registration and renewal application forms include a provision allowing for a voluntary contribution of \$2 or \$5 to the Save the Manatee Trust Fund to fund an impartial scientific benchmark census of the manatee population in the state and other activities intended to provide manatee and marine mammal protection and recovery efforts. Lastly, s. 328.72(16), F.S., requires the DHSMV to offer for sale with vessel registrations a marine turtle sticker for \$5 with proceeds deposited into the Marine Resource Conservation Trust Fund to be used for marine turtle protection, research, and recovery efforts.

Registration Check-offs/Voluntary Contribution	Statutory Authorization	Effective Date	Revenue Collected w/in last 5 years	Total Revenue Collected
*Save the Manatee TF (\$2 or \$5)	1984-338, L.O.F.	7/1/1985	\$478,310	\$3,191,012
Nongame Wildlife Trust Fund (\$1)	1984-194, L.O.F.	10/1/1984	\$210,421	\$19,244,868
*Marine Resources Conservation TF (\$5) Turtle Sticker is issued	1991-215, L.O.F.	7/1/1992	\$422,228	\$1,067,533
Organ & Tissue Donor Education (\$1)	95-423, L.O.F.	7/1/1995	\$284,239	\$586,143
Highway Safety Operating Trust Fund, used to purchase child safety seats (\$2)	1995-333, L.O.F.	10/1/1995	\$253,237	\$649,751
Transportation Disadvantaged Trust Fund (\$1)	1994-306, L.O.F.	7/1/1994	\$155,605	\$362,242
Prevent Blindness Florida (\$1)	1997-300, L.O.F.	10/1/1997	\$567,325	\$968,679
Florida Mothers Against Drunk Driving, Inc. (unspecified \$)	1999-233, L.O.F.	7/1/1999	\$350,902	\$542,973
Southeastern Guide Dogs, Inc. (\$1)	2005-254, L.O.F.	7/1/2005	\$225,256	\$225,256
Miami Heart Research Institute, Inc. (\$1)	2006-44, L.O.F.	7/1/2006	\$98,465	\$98,465
Children's Hearing Help Fund (\$1)	2007-50, L.O.F.	10/1/2007	\$63,886	\$63,886
State Homes for Veterans Trust Fund (\$1)	2008-87, L.O.F.	10/1/2008	\$82,806	\$82,806
Family First (\$1)	2008-102, L.O.F.	10/1/2008	\$16,365	\$16,365
Florida Sheriffs Youth Ranches, Inc. (\$1)	2009-110, L.O.F.	7/1/2009	\$176	\$176
<b>Total</b>			<b>\$3,209,221</b>	<b>\$27,100,155</b>

**B. SECTION DIRECTORY:**

- Section 1** Amends s. 320.02, F.S., adding a voluntary contribution to Lauren's Kids, Inc., to applications for motor vehicle registration and renewal forms.
- Section 2** Amends s. 322.08, F.S., adding a voluntary contribution to Lauren's Kids, Inc., and Prevent Blindness Florida to drivers' license applications.
- Section 3** Repeals s. 322.18 (9), F.S., removing the provisions requiring the application form for renewal issuance of a driver's license to include language permitting the applicant to make voluntary contributions Prevent Blindness Florida and Family First.
- Section 4** Provides an effective date of October 1, 2010.

**II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

**1. Revenues:**



None.

2. Expenditures:

The bill will require programming modifications to DHSMV's Driver License and Motor Vehicle Information Systems, the cost of which will be paid from the \$10,000 application fee submitted by Lauren's Kids, Inc.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Motorists who decide to donate would pay an additional dollar for vehicle registrations and drivers' licenses. In fiscal year 2008-09, a total of \$1.5M was received in these voluntary contributions for the existing 24 entities in statute. These entities received contributions ranging from \$176.25 up to as much as \$387,221.24. An indeterminate amount of revenues may be received by Lauren's Kids, Inc., depending on participation.

D. FISCAL COMMENTS:

The Department of Highway Safety and Motor Vehicles is directed to collect and distribute voluntary contributions. Additional pass-through non-operating budget authority will be needed in the Department's Motor Vehicle License Clearing Trust Fund in an amount equal to the voluntary contributions received for Lauren's Kids, Inc. The bill has no impact on the Department's operations.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On February 4, 2010, the Transportation & Economic Development Appropriations Committee adopted one amendment and reported the bill favorably.

- Amendment-Repealed subsection (9) of s. 320.18, F.S., removing the provisions requiring the application form for renewal issuance of a driver's license to include language permitting the applicant to make voluntary contributions Prevent Blindness Florida and Family First and added these provisions to s. 320.08(7), F.S., to clarify existing law.

1 A bill to be entitled

2 An act relating to the Department of Highway Safety and  
 3 Motor Vehicles; amending s. 320.02, F.S.; requiring the  
 4 application forms for motor vehicle registration and  
 5 renewal of registration to include language permitting the  
 6 applicant to make a voluntary contribution to Prevent  
 7 Child Sexual Abuse; amending s. 322.08, F.S.; revising  
 8 provisions for required content in driver's license  
 9 application forms; requiring the application form for an  
 10 original, renewal, or replacement driver's license or  
 11 identification card to include language permitting the  
 12 applicant to make voluntary contributions for certain  
 13 purposes; requiring such forms to include language  
 14 permitting the applicant to make a voluntary contribution  
 15 to Prevent Child Sexual Abuse and to Prevent Blindness  
 16 Florida; providing for distribution of funds collected  
 17 from such contributions; providing that such contributions  
 18 are not considered income of a revenue nature; repealing  
 19 s. 322.18(9), F.S.; removing provisions requiring the  
 20 application form for renewal of a driver's license to  
 21 include language permitting the applicant to make a  
 22 voluntary contribution to Prevent Blindness Florida and to  
 23 Family First; providing an effective date.

24  
 25 Be It Enacted by the Legislature of the State of Florida:

26  
 27 Section 1. Paragraph (i) is added to subsection (15) of  
 28 section 320.02, Florida Statutes, to read:

29           320.02 Registration required; application for  
30 registration; forms.-

31           (15)

32           (i) The application forms for motor vehicle registration  
33 and renewal of registration must include language permitting a  
34 voluntary contribution of \$1 to Prevent Child Sexual Abuse. Such  
35 contributions shall be distributed by the department to Lauren's  
36 Kids, Inc., a corporation not for profit under s. 501(c)(3) of  
37 the Internal Revenue Code. The funds shall be used by the  
38 organization for the prevention of childhood sexual abuse.

39

40 For the purpose of applying the service charge provided in s.  
41 215.20, contributions received under this subsection are not  
42 income of a revenue nature.

43           Section 2. Subsection (7) of section 322.08, Florida  
44 Statutes, is amended to read:

45           322.08 Application for license; requirements for license  
46 and identification card forms.-

47           (7) The application form for an original, renewal, or  
48 replacement a driver's license or identification card ~~duplicate~~  
49 ~~thereof~~ shall include language permitting the following:

50           (a) A voluntary contribution of \$1 per applicant, which  
51 contribution shall be deposited into the Health Care Trust Fund  
52 for organ and tissue donor education and for maintaining the  
53 organ and tissue donor registry.

54           (b) A voluntary contribution of \$1 per applicant, which  
55 contribution shall be distributed to the Florida Council of the  
56 Blind.

57 (c) A voluntary contribution of \$2 per applicant, which  
 58 shall be distributed to the Hearing Research Institute,  
 59 Incorporated.

60 (d) A voluntary contribution of \$1 per applicant, which  
 61 shall be distributed to the Juvenile Diabetes Foundation  
 62 International.

63 (e) A voluntary contribution of \$1 per applicant, which  
 64 shall be distributed to the Children's Hearing Help Fund.

65 (f) A voluntary contribution of \$1 per applicant, which  
 66 shall be distributed to Family First, a nonprofit organization.

67 (g) A voluntary contribution of \$1 per applicant, to Stop  
 68 Heart Disease, which shall be distributed to the Florida Heart  
 69 Research Institute, a nonprofit organization.

70 (h) A voluntary contribution of \$1 per applicant to  
 71 Prevent Child Sexual Abuse, which shall be distributed to  
 72 Lauren's Kids, Inc., a nonprofit organization.

73 (i) A voluntary contribution of \$1 per applicant, which  
 74 shall be distributed to Prevent Blindness Florida, a not-for-  
 75 profit organization, to prevent blindness and preserve the sight  
 76 of the residents of this state.

77  
 78 A statement providing an explanation of the purpose of the trust  
 79 funds shall also be included. For the purpose of applying the  
 80 service charge provided in s. 215.20, contributions received  
 81 under paragraphs (b)-(i), ~~(b)~~, ~~(c)~~, ~~(d)~~, ~~(e)~~, ~~(f)~~, and ~~(g)~~ and  
 82 ~~under s. 322.18(9)~~ are not income of a revenue nature.

83 Section 3. Subsection (9) of section 322.18, Florida  
 84 Statutes, is repealed:

85           322.18 Original applications, licenses, and renewals;  
 86 expiration of licenses; delinquent licenses.-

87           ~~(9)(a) The application form for a renewal issuance shall~~  
 88 ~~include language permitting a voluntary contribution of \$1 per~~  
 89 ~~applicant, to be quarterly distributed by the department to~~  
 90 ~~Prevent Blindness Florida, a not-for-profit organization, to~~  
 91 ~~prevent blindness and preserve the sight of the residents of~~  
 92 ~~this state. A statement providing an explanation of the purpose~~  
 93 ~~of the funds shall be included with the application form. Prior~~  
 94 ~~to the department distributing the funds collected pursuant to~~  
 95 ~~this paragraph, Prevent Blindness Florida must submit a report~~  
 96 ~~to the department that identifies how such funds were used~~  
 97 ~~during the preceding year.~~

98           ~~(b) The application form for a renewal issuance or renewal~~  
 99 ~~extension shall include language permitting a voluntary~~  
 100 ~~contribution of \$1 per applicant to Family First.~~

101           Section 4. This act shall take effect October 1, 2010.



**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** CS/HB 289 Specialty License Plates  
**SPONSOR(S):** Roads, Bridges & Ports Policy Committee, Brandenburg and others  
**TIED BILLS:** **IDEN./SIM. BILLS:**

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Roads, Bridges & Ports Policy Committee	12 Y, 1 N, As CS	Brown	Miller
2) Economic Development & Community Affairs Policy Council		Brown <i>ZB</i>	Tinker <i>TBT</i>
3)			
4)			
5)			

**SUMMARY ANALYSIS**

CS/HB 289 provides for the creation of a "Fraternal Order of Police" license plate. The annual use fee of \$25 per tag shall be distributed to the Florida State Lodge Fraternal Order of Police Memorial Foundation. Up to 10 percent of the annual use fee revenue may be used for promotion and marketing of the plate and administrative costs directly associated with memorial programs and the specialty license plate. The remaining revenues may be used to fund the Florida State Fraternal Order of Police Law Enforcement Memorial Foundation and other law enforcement related projects.

In order to purchase the Fraternal Order of Police license plate, a person must submit a notarized letter from the Florida State Lodge of the Fraternal Order of Police showing that he or she qualifies for the use of the Fraternal Order of Police law enforcement emblem by being a member in good standing.

Specialty license plates must be specifically authorized pursuant to Florida Statutes. Section 320.08053, F.S., establishes requirements that organizations must meet to create a new specialty license plate, including a scientific survey performed by an independent sampling firm indicating that 30,000 motor vehicle owners would purchase the proposed plate at the increased cost, long and short term marketing plans addressing revenues and expenditures, and a \$60,000 application fee, among other requirements.

The Florida State Lodge Fraternal Order of Police Memorial Foundation has been approved by DHSMV and the Auditor General to pursue legislation for the "Fraternal Order of Police" specialty license plate, and is not affected by the 2008 legislation limiting future specialty plates.

The bill has an effective date of July 1, 2010.



## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

Currently, specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay an annual use fee for the privilege. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to an organization or organizations in support of a particular cause or charity signified in the plate's design and designated in statute.

The Legislature has authorized 114 specialty license plates. Sales of specialty license plates generated over \$37 million in annual use fee revenues during the 2009 Fiscal Year (July 2008-June 2009). Since the program's inception, the DHSMV has collected annual use fees for the plates totaling more than \$435.8 million. As of September 15, 2009, there were 1,472,826 of the state's 16.5 million registered vehicles displaying a valid specialty plate. This represents approximately 8.9% of all vehicle plates.

Under s. 320.08053, F.S., an organization may seek legislative authorization for a new specialty licensed plate by meeting a number of requirements.

An organization is first required to submit to the DHSMV the following:

- A request for the plate describing it in general terms.
- The results of a professional, independent, and scientific sample survey of Florida residents indicating that 30,000 vehicle owners intend to purchase the plate at the increased cost.
- An application fee of \$60,000 defraying the DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates.
- A marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements must be satisfied at least 90 days prior to the convening of the next regular session of the Legislature. Once the requirements are met, DHSMV notifies the committees of the House of Representatives and Senate with jurisdiction over the issue, and the organization is free to find sponsors and pursue legislative action.

In 2008 the Legislature passed SB 1992, which included a moratorium on the issuance of specialty plates by DHSMV.<sup>1</sup> The moratorium is effective from October 1, 2008 to July 1, 2011, but contains an exception “for [any] specialty license plate proposal which has submitted a letter of intent to the Department of Highway Safety and Motor Vehicles prior to May 2, 2008.”<sup>2</sup>

#### Effect of Proposed Changes

This bill amends ss. 320.08056 and 320.08058, F.S.; authorizing the DHSMV to develop and issue a “Fraternal Order of Police” license plate upon payment of the appropriate license taxes and a \$25 special use fee.

To purchase the Fraternal Order of Police license plate, a person must submit a notarized letter from the Florida State Lodge of the Fraternal Order of Police showing that he or she qualifies for the use of the Fraternal Order of Police law enforcement emblem by being a member in good standing.

Annual use fees collected from the sale of this license plate shall be distributed to the Florida State Lodge Fraternal Order of Police Memorial Foundation. They will administer the fees and will use the proceeds as follows:

- up to 10 percent of the annual use fee revenue may be used for promotion and marketing of the plate and administrative costs directly associated with the memorial program.
- all remaining proceeds shall be distributed to the Florida State Lodge Fraternal Order of Police Memorial Foundation to fund activities, programs, and projects aimed at improvement, maintenance, or other support of the Florida Fraternal Order of Police Law Enforcement Memorial

The impact incurred by DHSMV as a result of this bill is approximately \$60,000. This impact is offset by the \$60,000 application fee the organization is required to pay. Revenue generated from the sale of this license plate is based on public interest and cannot be predicted.

The DHSMV has notified the Legislature that the Florida State Lodge Fraternal Order of Police Memorial Foundation has met the initial application and statutory requirements to pursue legislation for the “Fraternal Order of Police” specialty license plate. In conformity with s. 320.08053(1)(b), F.S., the Auditor General has issued a report validating the Foundation’s survey.<sup>3</sup> This report also found that the “Fraternal Order of Police” plate falls within exception from the moratorium on new specialty license plates created by the 2008 Legislature, as the Foundation submitted their materials before May 2, 2008.<sup>4</sup>

#### B. SECTION DIRECTORY:

**Section 1** Amends s. 320.08056(4), F.S., providing for a \$25 annual use for the “Fraternal Order of Police” specialty license plate.

**Section 2** Amends s. 320.08058(69), F.S., creating the “Fraternal Order of Police” specialty license plate: providing for plate design and providing for the distribution and uses of the annual use fees.

**Section 3** Provides an effective date of July 1, 2010.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

<sup>1</sup> S. 45, 2008-176, Laws of Florida

<sup>2</sup> *Id.*

<sup>3</sup> Report No. 2009-129, Auditor General, February 2009.

<sup>4</sup> *Id.*

1. Revenues:  
See fiscal comments below
2. Expenditures:  
See fiscal comments below

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:  
None.
2. Expenditures:  
None.

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

Individuals who apply for a "Fraternal Order of Police" license plate will be required to pay a \$25 annual use fee. It is impossible to determine how many people will purchase the plates because the sale of this license plate will be based on public interest. Therefore, the aggregate impact to the private sector cannot be determined.

**D. FISCAL COMMENTS:**

The impact incurred by DHSMV as a result of this bill is approximately \$60,000 in contract programming, labor, product purchasing costs for the creation of the "Fraternal Order of Police" license plate. This impact is offset by the \$60,000 application fee the organization is required to pay. Revenue generated from the sale of this license plate is based on public interest and cannot be predicted. If the specialty license plate is not approved by the Legislature, the application fee may be refunded.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:  
None.

**B. RULE-MAKING AUTHORITY:**

N/A

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

The Department of Highway Safety and Motor Vehicles has requested that the effective date be changed to October 1, 2010, in order to program the necessary changes into Department computer applications.

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

On January 13, 2010, the Roads, Bridges and Ports Policy Committee favorably adopted an amendment reducing the cap on administrative and marketing expenses from 25 percent to 10 percent. The bill as amended was reported favorably as a committee substitute.

1                                   A bill to be entitled  
 2           An act relating to specialty license plates; amending ss.  
 3           320.08056 and 320.08058, F.S.; creating the Fraternal  
 4           Order of Police license plate; establishing an annual use  
 5           fee for the plate; providing for the distribution of use  
 6           fees received from the sale of such plates; providing an  
 7           effective date.

8

9   Be It Enacted by the Legislature of the State of Florida:

10

11           Section 1. Paragraph (rrr) is added to subsection (4) of  
 12           section 320.08056, Florida Statutes, to read:

13           320.08056 Specialty license plates.—

14           (4) The following license plate annual use fees shall be  
 15           collected for the appropriate specialty license plates:

16           (rrr) Fraternal Order of Police license plate, \$25.

17           Section 2. Subsection (70) is added to section 320.08058,  
 18           Florida Statutes, to read:

19           320.08058 Specialty license plates.—

20           (70) FRATERNAL ORDER OF POLICE LICENSE PLATES.—

21           (a)1. The department shall develop a Fraternal Order of  
 22           Police license plate as provided in this section. The plate must  
 23           bear the colors and design approved by the department. The word  
 24           "Florida" must appear at the top of the plate, and the words  
 25           "Fraternal Order of Police" must appear at the bottom of the  
 26           plate.

27           2. The department may issue the plate only to an applicant  
 28           who submits a notarized letter from the Florida State Lodge of

29 the Fraternal Order of Police stating that the applicant is a  
 30 member of the lodge in good standing or a member of a lodge  
 31 member's family, together with other fees and documents required  
 32 for a specialty plate.

33 (b) The annual use fees shall be distributed to the  
 34 Florida State Lodge of the Fraternal Order of Police, which  
 35 shall retain all proceeds until the startup costs to develop and  
 36 establish the plate have been recovered. Thereafter, the  
 37 proceeds shall be distributed to the Florida State Lodge  
 38 Memorial Foundation of the Fraternal Order of Police and used as  
 39 follows:

40 1. A maximum of 10 percent of the proceeds may be used to  
 41 promote and market the plate, to administer the license plate  
 42 program, and to pay administrative costs directly associated  
 43 with the state Fraternal Order of Police Law Enforcement  
 44 Memorial.

45 2. The remaining proceeds shall be used by the foundation  
 46 to fund projects, programs, or events related to the memorial or  
 47 to fund improvements, maintenance, or other support for the  
 48 memorial.

49 Section 3. This act shall take effect July 1, 2010.



**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HJR 313

Disabled Veterans' Property Tax Discount

**SPONSOR(S):** Holder

**TIED BILLS:**

**IDEN./SIM. BILLS:** SJR 196

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Finance & Tax Council	15 Y, 0 N	Diez-Arguelles	Langston
2)	Economic Development & Community Affairs Policy Council		Noriega <i>TN</i>	Tinker <i>TBT</i>
3)	Rules & Calendar Council			
4)				
5)				

**SUMMARY ANALYSIS**

The Florida Constitution provides a homestead property tax discount to veterans who have a combat-related disability and were Florida residents at the time of entering military service.

House Joint Resolution 313 proposes an amendment to the Florida Constitution to allow disabled veterans who were not Florida residents at the time of entering military service to qualify for the combat-related, disabled veterans' homestead property tax discount.

The Revenue Estimating Conference has estimated that, if the joint resolution is approved by the voters, the statewide impact would be reductions in property tax revenues of \$2.3 million in fiscal year 2011-12, \$4.8 million in fiscal year 2012-13, and \$7.7 million in fiscal year 2013-14, assuming current millage rates.

Based upon the costs involved in the 2008 election for advertising a proposed constitutional amendment, the total cost for advertising this proposed constitutional amendment is estimated to be \$74,528. The cost is determined by multiplying the total number of words in the proposed amendment by the average per word cost of \$92.01.

The proposed amendment will be submitted to the electors at the general election in November 2010 or at an earlier special election if specifically authorized by law enacted by the Legislature for that purpose. If approved by 60 percent of the voters, the proposed constitutional amendment will take effect on January 1, 2011.

**This joint resolution must be approved by a three-fifths vote of the membership of each house of the Legislature.**



## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### CURRENT SITUATION

##### Just Valuation

Article VII, s. 4 of the Florida Constitution generally requires that all property be assessed at its "just value" for ad valorem tax purposes. Just value has been interpreted to mean "fair market value."<sup>1</sup>

##### Exceptions to Just Valuation

Article VII, s. 4 of the Florida Constitution also authorizes exceptions from the requirement that property be assessed at just value. Agricultural land, land producing high water recharge to Florida's aquifers, and land used exclusively for noncommercial recreational purposes are exceptions that may be assessed solely on the basis of their character or use.<sup>2</sup> Tangible personal property held for sale as stock in trade and livestock may be assessed at a specified percentage of its value or totally exempted.<sup>3</sup> In addition, the "Save Our Homes" assessment limitation provides a limitation on the amount by which assessments for homesteads may be changed on January 1 of each year.<sup>4</sup> Annual increases in assessments of certain non-homestead properties are also limited.<sup>5</sup> Land used for conservation purposes must be assessed solely on the basis of character or use.<sup>6</sup> Counties and municipalities may also authorize historic properties to be assessed solely on the basis of character

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<sup>1</sup> *Walter v. Schuler*, 176 So.2d 4 (Fla. 1965).

<sup>2</sup> Article VII, section 4(a), Florida Constitution.

<sup>3</sup> Article VII, section 4(c), Florida Constitution.

<sup>4</sup> Article VII, section 4(d) of the Florida Constitution provides that changes in the prior year assessment may not exceed the lesser of three percent or the percent change in the Consumer Price Index.

<sup>5</sup> Article VII, sections 4(g) and (h) of the Florida Constitution provide that annual assessment changes may not exceed 10 percent of the prior year's assessment.

<sup>6</sup> Article VII, section 4(b), Florida Constitution.

and use.<sup>7</sup> Counties may provide for a reduction in the assessed value of homestead property improvements made to accommodate parents or grandparents in an existing homestead.<sup>8</sup>

### Exemptions

The Legislature may only grant property tax exemptions that are authorized in the constitution, and modifications to property tax exemptions must be consistent with the constitutional provision authorizing the exemption.<sup>9</sup> Article VII, sections 3 and 6 of the Florida Constitution authorize a number of property tax exemptions.

In particular, Article VII, s. 3(b) of the Florida Constitution requires that not less than \$500 of property, as established in general law, be exempt from taxation for every widow or widower or person who is blind or totally and permanently disabled. This constitutional provision provides authority for the first three of the four exemptions described below. The fourth exemption is set forth in Article VII, s. 6(e).

#### *Total Ad Valorem Exemptions for Ex-Service Members*

Section 196.081, F.S., provides an exemption for any property used and owned as a homestead by a veteran who was honorably discharged with a service-connected permanent and total disability, and for whom a letter from the United States Government or United States Department of Veterans Administration has been issued certifying that the veteran is totally and permanently disabled, provided the veteran is a permanent resident of the state on January 1 of the tax year for which the exemption is being claimed or on January 1 of the year the veteran died.

Section 196.091, F.S., provides an exemption for any property used and owned as a homestead by an ex-service member who has been honorably discharged with a service-connected total disability, and who has a certificate from the United States Government or United States Department of Veterans Affairs or its predecessor, or its successors, certifying that the ex-service member is receiving or has received special pecuniary assistance due to disability requiring specially adapted housing and is required to use a wheelchair for his or her transportation.

#### *\$5,000 Ad Valorem Tax Exemption for Ex-Service Members*

Section 196.24, F.S., provides a \$5,000 property tax exemption for any "ex-service member" with a service-connected disability of 10 percent or more. In order to qualify for the exemption, an ex-service member must be a bona fide resident of the state.

#### *Combat-Related Partial Ad Valorem Tax Exemption (Discount) for Ex-Service Members*

Article VII, s. 6(e) of the Florida Constitution grants a discount on ad valorem taxes owed on homestead property to partially or totally disabled veterans who are 65 or older and were Florida residents when they entered military service. The ad valorem tax discount percentage is equal to the veteran's percentage of disability, as determined by the United States Department of Veterans Affairs.

In order to qualify for the discount, the veteran must submit proof of his or her disability percentage to the county property appraiser. The veteran must also prove that:

- the disability is combat related;
- he or she was a Florida resident at the time of entering the military; and
- he or she was honorably discharged.

Section 196.082, F.S., sets forth the implementation provisions for the disabled veterans' discount.

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<sup>7</sup> Article VII, section 4(e), Florida Constitution.

<sup>8</sup> Article VII, section 4(f), Florida Constitution.

<sup>9</sup> *Sebring Airport Authority v. McIntyre*, 783 So.2d 238 (Fla. 2001).

## Constitutional Amendment Process

Article XI of the Florida Constitution sets forth various methods for proposing amendments to the constitution along with the methods for approval or rejection of proposals. One method by which constitutional amendments may be proposed is by joint resolution agreed to by three-fifths of the membership of each house of the Legislature.<sup>10</sup> Any such proposal must be submitted to the electors, either at the next general election held more than 90 days after the joint resolution is filed with the Secretary of State, or, if pursuant to law enacted by the affirmative vote of three-fourths of the membership of each house of the Legislature and limited to a single amendment or revision, at an earlier special election held more than 90 days after such filing.<sup>11</sup> If the proposed amendment is approved by a vote of at least 60 percent of the electors voting on the measure it becomes effective as an amendment to the Florida Constitution on the first Tuesday after the first Monday in January following the election, or on such other date as may be specified in the amendment.<sup>12</sup>

Each proposed constitutional amendment is required to be published in a newspaper of general circulation in each county, once in the sixth week and once in the tenth week preceding the general election.<sup>13</sup> Costs for advertising vary depending upon the length of the amendment.

### **EFFECT OF PROPOSED CHANGES**

House Joint Resolution 313 proposes an amendment to Article VII, s. 6 (e) of the Florida Constitution to allow disabled veterans who were not Florida residents at the time of entering military service to qualify for the combat-related, disabled veterans' homestead property tax discount.

House Joint Resolution 313 also deletes an effective date reference in the section that would become outdated upon passage of the amendment, and creates Article XII, s. 31, Florida Constitution.

The proposed amendment will be submitted to the electors at the general election in November 2010 or at an earlier special election if specifically authorized by law enacted by the Legislature for that purpose. If approved by 60 percent of the voters, the proposed constitutional amendment will take effect on January 1, 2011.

#### **B. SECTION DIRECTORY:**

Not applicable to joint resolutions.

## **II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT**

#### **A. FISCAL IMPACT ON STATE GOVERNMENT:**

##### **1. Revenues:**

None.

##### **2. Expenditures:**

Based upon the costs involved in the 2008 election for advertising a proposed constitutional amendment, the total cost for advertising this proposed constitutional amendment is estimated to be

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<sup>10</sup> Article XI, section 1, Florida Constitution.

<sup>11</sup> Article XI, section 5(a), Florida Constitution.

<sup>12</sup> Article XI, section 5(e), Florida Constitution.

<sup>13</sup> Article XI, section 5(d), Florida Constitution.

\$74,528. The cost is determined by multiplying the total number of words in the proposed amendment (approximately 810) by the average per word cost of \$92.01.<sup>14</sup>

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

The Revenue Estimating Conference has estimated that, if the joint resolution is approved by the voters, the statewide impact would be reductions in property tax revenues of \$2.3 million in fiscal year 2011-12, \$4.8 million in fiscal year 2012-13, and \$7.7 million in fiscal year 2013-14, assuming current millage rates.

2. Expenditures:

None.

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

None.

**D. FISCAL COMMENTS:**

None.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Not applicable to joint resolutions.

2. Other:

None.

**B. RULE-MAKING AUTHORITY:**

Not applicable.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES**

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<sup>14</sup> Based on information and methodology received from staff of the Department of State.

1 House Joint Resolution

2 A joint resolution proposing an amendment to Section 6 of  
 3 Article VII and the creation of Section 31 of Article XII  
 4 of the State Constitution to expand the availability of  
 5 the ad valorem tax discount for disabled veterans to  
 6 include those who were not Florida residents when they  
 7 entered military service and provide an effective date.

8

9 Be It Resolved by the Legislature of the State of Florida:

10

11 That the following amendment to Section 6 of Article VII  
 12 and the creation of Section 31 of Article XII of the State  
 13 Constitution are agreed to and shall be submitted to the  
 14 electors of this state for approval or rejection at the next  
 15 general election or at an earlier special election specifically  
 16 authorized by law for that purpose:

17

ARTICLE VII

18

FINANCE AND TAXATION

19

SECTION 6. Homestead exemptions.--

20

21 (a) Every person who has the legal or equitable title to  
 22 real estate and maintains thereon the permanent residence of the  
 23 owner, or another legally or naturally dependent upon the owner,  
 24 shall be exempt from taxation thereon, except assessments for  
 25 special benefits, up to the assessed valuation of twenty-five  
 26 thousand dollars and, for all levies other than school district  
 27 levies, on the assessed valuation greater than fifty thousand  
 28 dollars and up to seventy-five thousand dollars, upon  
 establishment of right thereto in the manner prescribed by law.

29 The real estate may be held by legal or equitable title, by the  
 30 entireties, jointly, in common, as a condominium, or indirectly  
 31 by stock ownership or membership representing the owner's or  
 32 member's proprietary interest in a corporation owning a fee or a  
 33 leasehold initially in excess of ninety-eight years. The  
 34 exemption shall not apply with respect to any assessment roll  
 35 until such roll is first determined to be in compliance with the  
 36 provisions of section 4 by a state agency designated by general  
 37 law. This exemption is repealed on the effective date of any  
 38 amendment to this Article which provides for the assessment of  
 39 homestead property at less than just value.

40 (b) Not more than one exemption shall be allowed any  
 41 individual or family unit or with respect to any residential  
 42 unit. No exemption shall exceed the value of the real estate  
 43 assessable to the owner or, in case of ownership through stock  
 44 or membership in a corporation, the value of the proportion  
 45 which the interest in the corporation bears to the assessed  
 46 value of the property.

47 (c) By general law and subject to conditions specified  
 48 therein, the Legislature may provide to renters, who are  
 49 permanent residents, ad valorem tax relief on all ad valorem tax  
 50 levies. Such ad valorem tax relief shall be in the form and  
 51 amount established by general law.

52 (d) The legislature may, by general law, allow counties or  
 53 municipalities, for the purpose of their respective tax levies  
 54 and subject to the provisions of general law, to grant an  
 55 additional homestead tax exemption not exceeding fifty thousand  
 56 dollars to any person who has the legal or equitable title to

57 | real estate and maintains thereon the permanent residence of the  
 58 | owner and who has attained age sixty-five and whose household  
 59 | income, as defined by general law, does not exceed twenty  
 60 | thousand dollars. The general law must allow counties and  
 61 | municipalities to grant this additional exemption, within the  
 62 | limits prescribed in this subsection, by ordinance adopted in  
 63 | the manner prescribed by general law, and must provide for the  
 64 | periodic adjustment of the income limitation prescribed in this  
 65 | subsection for changes in the cost of living.

66 | (e) Each veteran who is age 65 or older who is partially  
 67 | or totally permanently disabled shall receive a discount from  
 68 | the amount of the ad valorem tax otherwise owed on homestead  
 69 | property the veteran owns and resides in if the disability was  
 70 | ~~combat related, the veteran was a resident of this state at the~~  
 71 | ~~time of entering the military service of the United States,~~ and  
 72 | the veteran was honorably discharged upon separation from  
 73 | military service. The discount shall be in a percentage equal to  
 74 | the percentage of the veteran's permanent, service-connected  
 75 | disability as determined by the United States Department of  
 76 | Veterans Affairs. To qualify for the discount granted by this  
 77 | subsection, an applicant must submit to the county property  
 78 | appraiser, by March 1, ~~proof of residency at the time of~~  
 79 | ~~entering military service,~~ an official letter from the United  
 80 | States Department of Veterans Affairs stating the percentage of  
 81 | the veteran's service-connected disability and such evidence  
 82 | that reasonably identifies the disability as combat related, and  
 83 | a copy of the veteran's honorable discharge. If the property  
 84 | appraiser denies the request for a discount, the appraiser must

85 notify the applicant in writing of the reasons for the denial,  
 86 and the veteran may reapply. The Legislature may, by general  
 87 law, waive the annual application requirement in subsequent  
 88 years. This subsection ~~shall take effect December 7, 2006,~~ is  
 89 self-executing~~7~~ and does not require implementing legislation.

90 ARTICLE XII

91 SCHEDULE

92 SECTION 31. Disabled veterans' property taxes.--The  
 93 amendment to subsection (e) of Section 6 of Article VII relating  
 94 to the property tax discount for disabled veterans and this  
 95 section shall take effect January 1, 2011.

96 BE IT FURTHER RESOLVED that the following statement be  
 97 placed on the ballot:

98 CONSTITUTIONAL AMENDMENT

99 ARTICLE VII, SECTION 6

100 ARTICLE XII, SECTION 31

101 DISABLED VETERANS' PROPERTY TAX DISCOUNT.--Proposing an  
 102 amendment to Section 6 of Article VII and the creation of  
 103 Section 31 of Article XII of the State Constitution to expand  
 104 the availability of the property tax discount on homesteads of  
 105 veterans who became disabled as the result of a combat injury to  
 106 include those who were not Florida residents when they entered  
 107 the military and schedule the amendment to take effect January  
 108 1, 2011.





HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 321

Road Designations

SPONSOR(S): Boyd

TIED BILLS:

IDEN./SIM. BILLS: SB 1026

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Roads, Bridges & Ports Policy Committee	13 Y, 0 N	Johnson	Miller
2)	Economic Development & Community Affairs Policy Council		Johnson <i>SAJ</i>	Tinker <i>TBT</i>
3)				
4)				
5)				

SUMMARY ANALYSIS

Section 334.071, F.S., provides for legislative designations of transportation facilities for honorary or memorial purposes, or to distinguish a particular facility. The legislative designations do not "officially" change the current names of the facilities, nor does the statute require local governments and private entities to change street signs, mailing addresses, or 911 emergency telephone-number system listings.

The bill designates that portion of State Road 26 between the Levy County Line and the Alachua County Line in Gilchrist County as the "Veterans Memorial Highway."

The bill also designates that portion of State Road 26 between the Levy County line and County Road 313 in Gilchrist County as the "Sergeant Ricky Lord Road."

The bill directs the Department of Transportation (DOT) to erect suitable markers designating the "Veterans Memorial Highway" and the "Sergeant Ricky Lord Road."

Assuming that two markers are erected for each designation, DOT estimates the cost to be \$1,600. This expenditure is from the State Transportation Trust Fund and includes installation and maintenance costs.

The bill does not create any constitutional or other legal issues. It takes effect July 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

Section 334.071, F.S., provides for legislative designations of transportation facilities for honorary or memorial purposes, or to distinguish a particular facility. The legislative designations do not "officially" change the current names of the facilities, nor does the statute require local governments and private entities to change street signs, mailing addresses, or 911 emergency telephone-number system listings.

The statute requires the Department of Transportation (DOT) to place a marker at each termini or intersection of an identified road or bridge, and to erect other markers it deems appropriate for the transportation facility. The statute also provides that a city or county must pass a resolution in support of a particular designation before road markers are erected. Additionally, if the designated road segment extends through multiple cities or counties, a resolution must be passed by each affected local government.

##### Effect of Proposed Change

The bill designates that portion of State Road 26 between the Levy County Line and the Alachua County Line in Gilchrist County as the "Veterans Memorial Highway."

The bill also designates that portion of State Road 26 between the Levy County line and County Road 313 in Gilchrist County as the "Sergeant Ricky Lord Road."

The bill directs the Department of Transportation (DOT) to erect suitable markers designating the "Veterans Memorial Highway" and the "Sergeant Ricky Lord Road."

The bill takes effect on July 1, 2010.

#### B. SECTION DIRECTORY:

Section 1 Designates the "Veterans Memorial Highway;" requires DOT to erect suitable markers.

Section 2 Designates the "Sergeant Ricky Lord Road;" requires DOT to erect suitable markers.

Section 3 Provides an effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

DOT estimates that the cost to erect two suitable road designating markers is approximately \$800 per designation; this assumes the placement of a marker at each end of the designated road segment. The total impact of this bill, with two designations, is \$1,600. The expenditure is from the State Transportation Trust Fund and includes installation and maintenance costs.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

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

None

### D. FISCAL COMMENTS:

None

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to require the counties or cities to spend funds or take an action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None

### B. RULE-MAKING AUTHORITY:

None

### C. DRAFTING ISSUES OR OTHER COMMENTS:

Sergeant Ricky Lord was a marine who grew up in Trenton in Gilchrist County. He was killed in Iraq on August 18, 2004, two days before his 25<sup>th</sup> birthday.

**IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES**

None

1                                   A bill to be entitled  
 2           An act relating to road designations; designating Veterans  
 3           Memorial Highway and Sergeant Ricky Lord Road in Gilchrist  
 4           County; directing the Department of Transportation to  
 5           erect suitable markers; providing an effective date.

6  
 7   Be It Enacted by the Legislature of the State of Florida:  
 8

9           Section 1. Veterans Memorial Highway designated;  
 10 Department of Transportation to erect suitable markers.--

11           (1) That portion of State Road 26 between the Levy County  
 12 line and the Alachua County line in Gilchrist County is  
 13 designated as "Veterans Memorial Highway."

14           (2) The Department of Transportation is directed to erect  
 15 suitable markers designating Veterans Memorial Highway as  
 16 described in subsection (1).

17           Section 2. Sergeant Ricky Lord Road designated; Department  
 18 of Transportation to erect suitable markers.--

19           (1) That portion of State Road 26 between the Levy County  
 20 line and County Road 313 in Gilchrist County is designated as  
 21 "Sergeant Ricky Lord Road."

22           (2) The Department of Transportation is directed to erect  
 23 suitable markers designating Sergeant Ricky Lord Road as  
 24 described in subsection (1).

25           Section 3. This act shall take effect July 1, 2010.

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 321 (2010)

Amendment No.

COUNCIL/COMMITTEE ACTION

ADOPTED                   \_\_\_ (Y/N)  
ADOPTED AS AMENDED           \_\_\_ (Y/N)  
ADOPTED W/O OBJECTION       \_\_\_ (Y/N)  
FAILED TO ADOPT               \_\_\_ (Y/N)  
WITHDRAWN               \_\_\_ (Y/N)  
OTHER                   \_\_\_\_\_

1 Council/Committee hearing bill: Economic Development &  
2 Community Affairs Policy Council  
3 Representative Flores offered the following:  
4

5       **Amendment (with title amendment)**

6       Between lines 24 and 25, insert:

7       Section 3. Anthony J. Perez Street designated; Department  
8 of Transportation to erect suitable markers.-

9       (1) That portion of 40th Street/Bird Road between 102nd  
10 Avenue and 117th Avenue in Miami-Dade County is designated as  
11 "Anthony J. Perez Street."

12       (2) The Department of Transportation is directed to erect  
13 suitable markers designating Anthony J. Perez Street as  
14 described in subsection (1).

15  
16  
17  
18 -----  
19                   **T I T L E   A M E N D M E N T**

COUNCIL/COMMITTEE AMENDMENT

Bill No. HB 321 (2010)

Amendment No.

20 Remove line 4 and insert:

21 County; designating Anthony J. Perez Street in Miami-Dade

22 County; directing the Department of Transportation to





HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 351 Specialty License Plates
SPONSOR(S): Roads, Bridges & Ports Policy Committee, Patterson
TIED BILLS: IDEN./SIM. BILLS: SB 736

Table with 4 columns: REFERENCE, ACTION, ANALYST, STAFF DIRECTOR. Row 1: Roads, Bridges & Ports Policy Committee, 12 Y, 1 N, As CS, Brown, Miller. Row 2: Economic Development & Community Affairs Policy Council, Brown, Tinker.

SUMMARY ANALYSIS

CS/HB 351 provides for the creation of a "Catch Me, Release Me" specialty license plate. The annual use fee of \$25 per tag shall be distributed to the Guy Harvey Ocean Foundation, Inc., to fund marine-related scientific research and public awareness. Up to 10 percent of the proceeds collected are reserved to the Foundation for administrative costs and marketing of the plate.

Specialty license plates must be specifically authorized pursuant to s. 320.08053, F.S. This statute establishes requirements that organizations must meet to create a new specialty license plate, including a scientific survey performed by an independent sampling firm indicating that 30,000 motor vehicle owners would purchase the proposed plate at the increased cost, long and short term marketing plans addressing revenues and expenditures, and a \$60,000 application fee, among other requirements.

The fiscal impact of this bill is approximately \$60,000 to the Department of Highway Safety and Motor Vehicles (DHSMV) for implementation of the new specialty license plate. The fiscal impact will be offset by the application fee of \$60,000 paid to DHSMV by the sponsoring organization.

The Guy Harvey Ocean Foundation, Inc., has been approved by DHSMV and the Auditor General to pursue legislation for the "Catch Me, Release Me" specialty license plate, and is not affected by the 2008 legislation limiting future specialty plates.

The bill has an effective date of October 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Present Situation

Currently, specialty license plates are available to any owner or lessee of a motor vehicle who is willing to pay an annual use fee for the privilege. Annual use fees ranging from \$15 to \$25, paid in addition to required license taxes and service fees, are distributed to an organization or organizations in support of a particular cause or charity signified in the plate's design and designated in statute.

The Legislature has authorized 114 specialty license plates. Sales of specialty license plates generated over \$37 million in annual use fee revenues during the 2009 Fiscal Year (July 2008-June 2009). Since the program's inception, the DHSMV has collected annual use fees for the plates totaling more than \$435.8 million. As of September 15, 2009, there were 1,472,826 of the state's 16.5 million registered vehicles displaying a valid specialty plate. This represents approximately 8.9% of all vehicle plates.

Under s. 320.08053, F.S., an organization may seek Legislative authorization for a new specialty license plate by meeting a number of requirements.

An organization is first required to submit the following to DHSMV:

- a request for the plate describing it in general terms;
- the results of a professional, independent, and scientific sample survey of Florida residents indicating that 30,000 vehicle owners intend to purchase the plate at the increased cost;
- an application fee of \$60,000 defraying DHSMV's cost for reviewing the application, developing the new plate, and providing for the manufacture and distribution of the first run of plates; and
- a marketing strategy for the plate and a financial analysis of anticipated revenues and planned expenditures.

These requirements must be satisfied at least 90 days prior to the convening of the regular session of the Legislature. Once the requirements are met, DHSMV notifies the committees of the House of Representatives and Senate with jurisdiction over the issue, and the organization is free to find sponsors and pursue Legislative action.

In 2008 the Legislature passed SB 1992, which included a moratorium on the issuance of specialty plates by DHSMV.<sup>1</sup> The moratorium is effective from October 1, 2008 to July 1, 2011, but contains an

exception "for [any] specialty license plate proposal which has submitted a letter of intent to the Department of Highway Safety and Motor Vehicles prior to May 2, 2008."<sup>2</sup>

### Effect of Proposed Changes

The bill amends ss. 320.08056 and 320.08058, F.S., to authorize DHSMV to develop and issue a "Catch Me, Release Me" license plate upon payment of the appropriate license taxes and a \$25 special use fee. Annual use fees collected from the sale of this license plate shall be distributed to the Guy Harvey Ocean Foundation, Inc. They will administer the fees and use the proceeds as follows:

- the first \$60,000 in revenues may be retained to cover start-up costs;
- up to 10 percent of the proceeds may be used for administrative costs directly associated with the operations of the Guy Harvey Ocean Foundation, Inc., and promotion and marketing of the plate; and
- all remaining proceeds shall be used by the Guy Harvey Ocean Foundation, Inc., for substantive research and outreach initiatives.

CS/HB 351 specifically mentions particular types of research and outreach being pursued by the Guy Harvey Ocean Foundation, Inc.:

- research of free-ranging pelagic marine species that inhabit, use, or migrate through Florida waters,
- conservation initiatives, and
- education and public outreach programs targeting school-aged children in the state.

The fiscal impact incurred as a result of this bill is approximately \$60,000. This impact is offset by the \$60,000 application fee Guy Harvey Ocean Foundation, Inc. is required to pay as part of the application process. Revenue generated from the sale of this license plate is based on public interest and cannot be predicted.

The DHSMV has notified the Legislature that the Guy Harvey Ocean Foundation, Inc. has met the initial application and statutory requirements to pursue legislation for the "Catch Me, Release Me" specialty license plate. In conformity with s. 320.08053(1)(b), F.S., the Auditor General has issued a report validating the Foundation's survey.<sup>3</sup> This report also determines that the "Catch Me, Release Me" plate falls within exception from the moratorium on new specialty license plates created by the 2008 Legislature, as the Foundation submitted their materials before May 2, 2008.<sup>4</sup>

#### B. SECTION DIRECTORY:

- Section 1** Amends s. 320.08056(4), F.S., providing for a \$25 annual use fee for the "Catch Me, Release Me" license plate.
- Section 2** Amends s. 320.08058(65), F.S., creating the "Catch Me, Release Me" specialty license plate; providing for plate design; and providing for the distribution and uses of the annual use fees.
- Section 3** Provides an Effective Date of October 1, 2010.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

See Fiscal Comments, below.

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<sup>2</sup> *Id.*

<sup>3</sup> Report No. 2009-129, Auditor General, February 2009.

<sup>4</sup> *Id.*

2. Expenditures:

See Fiscal Comments, below

B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

Persons who elect to purchase the specialty license plate will be required to pay an annual use fee of \$25 in addition to applicable taxes and administrative charges. It is impossible to determine how many people will purchase the plates because the sale of this license plate will be based on public interest. Therefore, the aggregate impact to the private sector cannot be determined.

D. FISCAL COMMENTS:

Implementation of CS/HB 351 will cost DHSMV approximately \$60,000 in contract programming, development labor, and product purchasing costs for the creation of the "Catch Me, Release Me" license plate. This fiscal impact is offset by the statutory application fee of \$60,000, which has been submitted to DHSMV by the Guy Harvey Ocean Foundation, Inc., for the creation of this specialty license plate. If the specialty license plate is not approved by the Legislature, the application fee may be refunded.

### III. COMMENTS

A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

B. RULE-MAKING AUTHORITY:

N/A

C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

### IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

On January 13, 2010, the Roads, Bridges and Ports Policy Committee favorably adopted an amendment reducing the cap on administrative and marketing expenses from 25 percent to 10 percent. The bill as amended was reported favorably as a committee substitute.

1 A bill to be entitled  
 2 An act relating to specialty license plates; amending ss.  
 3 320.08056 and 320.08058, F.S.; creating a Catch Me,  
 4 Release Me license plate; establishing an annual use fee  
 5 for the plate; providing for the distribution of use fees  
 6 received from the sale of such plates; providing an  
 7 effective date.

8  
 9 Be It Enacted by the Legislature of the State of Florida:

10  
 11 Section 1. Paragraph (rrr) is added to subsection (4) of  
 12 section 320.08056, Florida Statutes, to read:

13 320.08056 Specialty license plates.—

14 (4) The following license plate annual use fees shall be  
 15 collected for the appropriate specialty license plates:

16 (rrr) Catch Me, Release Me license plate, \$25.

17 Section 2. Subsection (70) is added to section 320.08058,  
 18 Florida Statutes, to read:

19 320.08058 Specialty license plates.—

20 (70) CATCH ME, RELEASE ME LICENSE PLATES.—

21 (a) The department shall develop a Catch Me, Release Me  
 22 license plate as provided in this section. Catch Me, Release Me  
 23 license plates must bear the colors and design approved by the  
 24 department. The word "Florida" must appear at the top of the  
 25 plate, and the words "Catch Me, Release Me" must appear at the  
 26 bottom of the plate.

27 (b) The license plate annual use fees shall be distributed  
 28 to the Guy Harvey Ocean Foundation, Inc., to fund marine-related

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29 scientific research, including research of free-ranging pelagic  
 30 marine species that inhabit, use, or migrate through Florida  
 31 waters; conservation initiatives; and education and public  
 32 outreach programs targeting school-aged children in the state.  
 33 The Guy Harvey Ocean Foundation, Inc., may retain all revenue up  
 34 to \$60,000 from the annual use fees until all startup costs for  
 35 developing and establishing the plate have been recovered.  
 36 Thereafter, up to 10 percent of the annual use fee revenue may  
 37 be used for administrative costs directly associated with the  
 38 operations of the Guy Harvey Ocean Foundation, Inc., and  
 39 promotion and marketing of the specialty license plate.

40 Section 3. This act shall take effect October 1, 2010.





HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: CS/HB 399 Motor Vehicles
SPONSOR(S): Roads, Bridges & Ports Policy Committee, Kelly and others
TIED BILLS: IDEN./SIM. BILLS:

Table with 4 columns: REFERENCE, ACTION, ANALYST, STAFF DIRECTOR. Row 1: Roads, Bridges & Ports Policy Committee, 13 Y, 0 N, As CS, Brown, Miller. Row 2: Finance & Tax Council, 14 Y, 0 N, Aldridge, Langston. Row 3: Economic Development & Community Affairs Policy Council, Brown, Tinker.

SUMMARY ANALYSIS

CS/HB 399 requires the Department of Highway Safety and Motor Vehicles (DHSMV) to modify certain applications to allow \$1 voluntary contributions to be made to Blind Babies and Blind Youth Services, Senior Vision Services, and The Arc of Florida.

Specifically, the bill amends s. 320.02, F.S., to require motor vehicle registration applications and renewals, to include a \$1 check-off to Blind Babies and Blind Youth Services, to be distributed directly to Florida Association of Agencies Serving the Blind, Inc., a non-profit organization that provides organizational support for private agencies serving Floridians with blindness, and to The Arc of Florida, a non-profit organization, to be used for programs and services for persons with developmental disabilities.

The bill also amends ss. 322.08 and 322.18, F.S., to require drivers' license applications and renewals to include a \$1 check-off to Senior Vision Services, to be distributed to the Florida Association of Agencies Serving the Blind, Inc., and to The Arc of Florida.

DHSMV has provided notice that both Florida Association of Agencies Serving the Blind, Inc., and The Arc of Florida have complied with ss. 322.081 and 320.023, F.S., regarding requests to establish voluntary check-offs, by submitting letters of request, \$10,000 application fees, and approved short- and long-term marketing plans.

The bill has an effective date of October 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

The bill amends s. 320.02, F.S., to require motor vehicle registration applications and renewals to include a \$1 check-off to two additional entities. The first check-off, for "Blind Babies and Blind Youth Services," collects contributions to be distributed directly to Florida Association of Agencies Serving the Blind, Inc., a non-profit organization that provides organizational support for private agencies serving Floridians with blindness. The second collects contributions to be distributed to The Arc of Florida, to be used by that organization for programs and services for persons with developmental disabilities.

The bill amends s. 322.08, F.S., to provide similar \$1 check-offs on drivers' license applications to be distributed to the entities named above. The bill also amends s. 322.18, F.S., to provide \$1 check-offs on drivers' license renewal applications to these groups.

The Department of Highway Safety and Motor Vehicles (DHSMV) has provided notice that both Florida Association of Agencies Serving the Blind, Inc., and The Arc of Florida have complied with ss. 322.081 and 320.023, F.S., regarding requests to establish voluntary check-offs, by submitting letters of request, \$10,000 application fees, and approved short- and long-term marketing plans.

#### *About Drivers' License Check-offs*

Section 322.081, F.S., provides the procedures an organization must follow prior to seeking legislative authorization to request the creation of a new voluntary contribution fee and establish a corresponding voluntary check-off on a driver's license application. The check-off allows a person applying for or renewing a Florida driver's license to voluntarily contribute to one or more of the authorized organizations during the driver's license transaction. Before the organization is eligible, it must submit the following to the DHSMV at least 90 days before the convening of the regular session of the Legislature:

- A request for the particular voluntary contribution being sought, describing it in general terms.
- An application fee of up to \$10,000 to defray the DHSMV's costs for reviewing the application and developing the check-off, if authorized. State funds may not be used to pay the application fee.
- A short and long-term marketing strategy and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the voluntary contributions.

The DHSMV must discontinue the check-off if less than \$25,000 has been contributed by the end of the fifth year, or if less than \$25,000 is contributed during any subsequent 5-year period.<sup>1</sup>

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<sup>1</sup> Section 322.081(4)(a), F.S.

Pursuant to s. 322.08(7), F.S., the driver's license application and renewal forms currently include the following seven voluntary contribution check-offs. (The eighth, for Prevent Blindness Florida, is authorized in s. 322.18(9)(a), F.S.) The total revenue and revenue generated by each check-off in the last 5-year period are summarized in the chart below:<sup>2</sup>

Driver License Check-offs/Voluntary Contribution	Statutory Authorization	Effective Date	Revenue Collected w/in last 5 years	Total Revenue Collected
Organ & Tissue Donor Education (\$1)	1995-423, L.O.F.	7/1/1995	\$402,603	\$1,091,209
Prevent Blindness Florida (\$1)	1995-333, L.O.F.	10/01/1995	\$2,092,878	\$3,208,017
Florida Council of the Blind (\$1)	1996-413, L.O.F.	6/5/1996	\$185,343	\$482,340
Hearing Research Institute (\$2)	2000-313, L.O.F.	10/1/2000	\$185,053	\$320,988
Juvenile Diabetes Foundation International (\$1)	2000-313, L.O.F.	10/1/2000	\$592,835	\$1,017,278
Children's Hearing Help Fund (\$1)	2005-68, L.O.F.	7/1/2005	\$260,763	\$260,763
Family First (\$1)	2008-102, L.O.F.	10/1/2008	\$150,047	\$150,047
Stop Heart Disease (\$1)	2009-100, L.O.F.	10/1/2009	\$0	\$0
<b>Total</b>			<b>\$3,869,522</b>	<b>\$6,530,642</b>

#### *About Motor Vehicle Registration Check-offs*

During the 1998 Session, the Legislature created s. 320.023, F.S., which outlines the procedures which an organization must follow prior to seeking Legislative authorization to request the creation of a new voluntary contribution fee and establish a corresponding voluntary check-off on a motor vehicle registration application. The check-off allows a registered owner or registrant of a motor vehicle to voluntarily contribute to one or more of the authorized organizations during a motor vehicle registration transaction. Before the organization is eligible, it must submit the following requirements to DHSMV at least 90 days before the convening of the Regular Session of the Legislature:

- A request for the particular voluntary contribution being sought, describing it in general terms.
- An application fee of up to \$10,000 to defray DHSMV's costs for reviewing the application and developing the check-off, if authorized. State funds may not be used to pay the application fee.
- A short and long-term marketing strategy and a financial analysis outlining the anticipated revenues and the planned expenditures of the revenues to be derived from the voluntary contributions.

DHSMV must discontinue the check-off if less than \$25,000 has been contributed by the end of the fifth year, or if less than \$25,000 is contributed during any subsequent five-year period.

Section 320.02, F.S., specifies the language that must appear on the State of Florida vehicle's registration and renewal application forms. Included in s. 320.02, F.S., are options for voluntary contributions to the following corporations, trust funds, and organizations as shown in the chart below. The chart includes three additional voluntary contributions relating to registrations authorized in other sections of law.<sup>3</sup>

<sup>2</sup> The charts in this analysis were prepared by Senate staff as part of Senate Interim Report 2010-131, *Review of the Requirements for Establishing Specialty License Plates and Registration and Driver's License Check-Offs*, October 2009.

<sup>3</sup> Specifically, s. 320.08047, F.S., allows a \$1 voluntary contribution to be deposited into the Health Care Trust Fund for organ and tissue donor education and for maintaining the organ and tissue donor registry. Section 328.72(11), F.S., requires that vessel registration and renewal application forms include a provision allowing for a voluntary contribution of \$2 or \$5 to the Save the Manatee Trust Fund to fund an impartial scientific benchmark census of the manatee population in the state and other activities intended to provide manatee and marine mammal protection and recovery efforts. Lastly, s. 328.72(16), F.S., requires the DHSMV to

Registration Check-offs/Voluntary Contribution	Statutory Authorization	Effective Date	Revenue Collected w/in last 5 years	Total Revenue Collected
*Save the Manatee TF (\$2 or \$5)	1984-338, L.O.F.	7/1/1985	\$478,310	\$3,191,012
Nongame Wildlife Trust Fund (\$1)	1984-194, L.O.F.	10/1/1984	\$210,421	\$19,244,868
*Marine Resources Conservation TF (\$5) Turtle Sticker is issued	1991-215, L.O.F.	7/1/1992	\$422,228	\$1,067,533
Organ & Tissue Donor Education (\$1)	95-423, L.O.F.	7/1/1995	\$284,239	\$586,143
Highway Safety Operating Trust Fund, used to purchase child safety seats (\$2)	1995-333, L.O.F.	10/1/1995	\$253,237	\$649,751
Transportation Disadvantaged Trust Fund (\$1)	1994-306, L.O.F.	7/1/1994	\$155,605	\$362,242
Prevent Blindness Florida (\$1)	1997-300, L.O.F.	10/1/1997	\$567,325	\$968,679
Florida Mothers Against Drunk Driving, Inc. (unspecified \$)	1999-233, L.O.F.	7/1/1999	\$350,902	\$542,973
Southeastern Guide Dogs, Inc. (\$1)	2005-254, L.O.F.	7/1/2005	\$225,256	\$225,256
Miami Heart Research Institute, Inc. (\$1)	2006-44, L.O.F.	7/1/2006	\$98,465	\$98,465
Children's Hearing Help Fund (\$1)	2007-50, L.O.F.	10/1/2007	\$63,886	\$63,886
State Homes for Veterans Trust Fund (\$1)	2008-87, L.O.F.	10/1/2008	\$82,806	\$82,806
Family First (\$1)	2008-102, L.O.F.	10/1/2008	\$16,365	\$16,365
Florida Sheriffs Youth Ranches, Inc. (\$1)	2009-110, L.O.F.	7/1/2009	\$176	\$176
<b>Total</b>			<b>\$3,209,221</b>	<b>\$27,100,155</b>

**B. SECTION DIRECTORY:**

**Section 1** Amends s. 320.02, F.S., adding to applications for motor vehicle registration and renewal forms, voluntary contributions to Blind Babies and Blind Youth Services to be distributed to Florida Association of Agencies Serving the Blind, Inc. and to The Arc of Florida.

**Section 2** Amends s. 322.08, F.S., adding to drivers' license applications, voluntary contributions to Senior Vision Services to be distributed to Florida Association of Agencies Serving the Blind, Inc. and to The Arc of Florida.

**Section 3** Amends s. 322.18, F.S., adding to drivers' license renewal applications, voluntary contributions to Senior Vision Services to be distributed to Florida Association of Agencies Serving the Blind, Inc. and to The Arc of Florida.

offer for sale with vessel registrations a marine turtle sticker for \$5 with proceeds deposited into the Marine Resource Conservation Trust Fund to be used for marine turtle protection, research, and recovery efforts.

**Section 4** Provides an effective date of October 1, 2010.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

See fiscal comment below.

2. Expenditures:

The bill will require programming modifications to DHSMV's Driver License and Motor Vehicle Information Systems, the cost of which will be paid from the \$40,000 received as application fees from the entities receiving the contributions pursuant to s. 320.023 and 322.081, F.S.<sup>4</sup>

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

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

Motorists who decide to donate would pay an additional dollar for vehicle registrations and drivers' licenses.

### D. FISCAL COMMENTS:

The Revenue Estimating Conference estimates that state trust funds will increase by \$200,000 for FY 2010-2011 and by \$300,000 for each year thereafter. Note that these funds will be distributed to the charitable organizations as outlined above.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require counties or cities to spend funds or take action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None.

### B. RULE-MAKING AUTHORITY:

N/A

### C. DRAFTING ISSUES OR OTHER COMMENTS:

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<sup>4</sup> Both entities described in the bill have submitted a \$10,000 fee for both motor vehicle registration check-off applications and driver's license check-off applications, for a total of \$40,000.

The bill repeatedly addresses "The Arc of Florida." This phrase appears to be a trademark of the Association for Retarded Citizens of Florida, Inc. In order to avoid confusion, it may be advisable to amend the bill to clarify the entity's full legal name on file with the Florida Department of State.

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

On January 13, 2010, the Roads, Bridges and Ports Policy Committee adopted an amendment adding the check-off contributions for The Arc of Florida to the bill. This bill, as amended, was reported favorably as a committee substitute.

1                                   A bill to be entitled  
 2           An act relating to motor vehicles; amending s. 320.02,  
 3           F.S.; requiring the application form for motor vehicle  
 4           registration or renewal of registration to include  
 5           language permitting the applicant to make a voluntary  
 6           contribution to Blind Babies and Blind Youth Services and  
 7           for services for persons with developmental disabilities;  
 8           amending s. 322.08, F.S.; requiring the application form  
 9           for a driver's license or duplicate thereof to include  
 10          language permitting the applicant to make a voluntary  
 11          contribution to Senior Vision Services and for services  
 12          for persons with developmental disabilities; amending s.  
 13          322.18, F.S.; requiring the application form for renewal  
 14          issuance or renewal extension of a driver's license to  
 15          include language permitting the applicant to make a  
 16          voluntary contribution to Senior Vision Services and for  
 17          services for persons with developmental disabilities;  
 18          providing for distribution of funds collected from  
 19          voluntary contributions; providing that such contributions  
 20          are not considered income of a revenue nature; providing  
 21          an effective date.

22  
 23   Be It Enacted by the Legislature of the State of Florida:

24  
 25           Section 1. Paragraphs (i) and (j) are added to subsection  
 26           (15) of section 320.02, Florida Statutes, to read:  
 27           320.02 Registration required; application for  
 28           registration; forms.—

29 (15)  
 30 (i) The application form for motor vehicle registration  
 31 and renewal of registration must include language permitting a  
 32 voluntary contribution of \$1 to Blind Babies and Blind Youth  
 33 Services. Such contributions shall be transferred by the  
 34 department each month to the Florida Association of Agencies  
 35 Serving the Blind, Inc., a not-for-profit organization.

36 (j) The application form for motor vehicle registration  
 37 and renewal of registration must include language permitting a  
 38 voluntary contribution of \$1 for services for persons with  
 39 developmental disabilities. Such contributions shall be  
 40 transferred by the department to The Arc of Florida to be used  
 41 by that organization for programs and services in this state for  
 42 persons with developmental disabilities.

43  
 44 For the purpose of applying the service charge provided in s.  
 45 215.20, contributions received under this subsection are not  
 46 income of a revenue nature.

47 Section 2. Subsection (7) of section 322.08, Florida  
 48 Statutes, is amended to read:

49 322.08 Application for license.—

50 (7) The application form for a driver's license or  
 51 duplicate thereof shall include language permitting the  
 52 following:

53 (a) A voluntary contribution of \$1 per applicant, which  
 54 contribution shall be deposited into the Health Care Trust Fund  
 55 for organ and tissue donor education and for maintaining the  
 56 organ and tissue donor registry.



57 (b) A voluntary contribution of \$1 per applicant, which  
 58 contribution shall be distributed to the Florida Council of the  
 59 Blind.

60 (c) A voluntary contribution of \$2 per applicant, which  
 61 shall be distributed to the Hearing Research Institute,  
 62 Incorporated.

63 (d) A voluntary contribution of \$1 per applicant, which  
 64 shall be distributed to the Juvenile Diabetes Foundation  
 65 International.

66 (e) A voluntary contribution of \$1 per applicant, which  
 67 shall be distributed to the Children's Hearing Help Fund.

68 (f) A voluntary contribution of \$1 per applicant, which  
 69 shall be distributed to Family First, a nonprofit organization.

70 (g) A voluntary contribution of \$1 per applicant, to Stop  
 71 Heart Disease, which shall be distributed to the Florida Heart  
 72 Research Institute, a nonprofit organization.

73 (h) A voluntary contribution of \$1 per applicant to Senior  
 74 Vision Services, which shall be distributed to the Florida  
 75 Association of Agencies Serving the Blind, Inc., a not-for-  
 76 profit organization.

77 (i) A voluntary contribution of \$1 per applicant for  
 78 services for persons with developmental disabilities, which  
 79 shall be distributed to The Arc of Florida.

80

81 A statement providing an explanation of the purpose of the trust  
 82 funds shall also be included. For the purpose of applying the  
 83 service charge provided in s. 215.20, contributions received

84 | under paragraphs (b)-(i) ~~(b), (c), (d), (e), (f), and (g)~~ and  
 85 | under s. 322.18(9) are not income of a revenue nature.

86 | Section 3. Paragraphs (c) and (d) are added to subsection  
 87 | (9) of section 322.18, Florida Statutes, to read:

88 | 322.18 Original applications, licenses, and renewals;  
 89 | expiration of licenses; delinquent licenses.-

90 | (9)

91 | (c) The application form for a renewal issuance or renewal  
 92 | extension shall include language permitting a voluntary  
 93 | contribution of \$1 per applicant to Senior Vision Services. Such  
 94 | contributions shall be distributed monthly to the Florida  
 95 | Association of Agencies Serving the Blind, Inc., a not-for-  
 96 | profit organization.

97 | (d) The application form for a renewal issuance or renewal  
 98 | extension shall include language permitting a voluntary  
 99 | contribution of \$1 per applicant for services for persons with  
 100 | developmental disabilities, to be distributed by the department  
 101 | to The Arc of Florida to provide services to persons with  
 102 | developmental disabilities in this state.

103 | Section 4. This act shall take effect October 1, 2010.



HOUSE OF REPRESENTATIVES STAFF ANALYSIS

BILL #: HB 643 State Road Designations

SPONSOR(S): Bush and others

TIED BILLS: IDEN./SIM. BILLS:

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1)	Roads, Bridges & Ports Policy Committee	13 Y, 0 N	Johnson	Miller
2)	Economic Development & Community Affairs Policy Council		Johnson <i>SRS</i>	Tinker <i>TBT</i>
3)				
4)				
5)				

SUMMARY ANALYSIS

Section 334.071, F.S., provides for legislative designations of transportation facilities for honorary or memorial purposes, or to distinguish a particular facility. The legislative designations do not "officially" change the current names of the facilities, nor does the statute require local governments and private entities to change street signs, mailing addresses, or 911 emergency telephone-number system listings.

The bill designates that portion of N.W. 79<sup>th</sup> Street between N.W. 6<sup>th</sup> Avenue and E. 12<sup>th</sup> Avenue in Miami-Dade County as "Miss Lillie Williams Boulevard."

The bill also directs DOT to erect suitable markers designating "Miss Lillie Williams Boulevard."

Assuming that two markers are erected, DOT estimates the cost to be \$800. This expenditure is from the State Transportation Trust Fund and includes installation and maintenance costs.

The bill does not create any constitutional or other legal issues. It takes effect July 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

Section 334.071, F.S., provides for legislative designations of transportation facilities for honorary or memorial purposes, or to distinguish a particular facility. The legislative designations do not "officially" change the current names of the facilities, nor does the statute require local governments and private entities to change street signs, mailing addresses, or 911 emergency telephone-number system listings.

The statute requires the Florida Department of Transportation (DOT) to place a marker at each terminus or intersection of an identified road or bridge, and to erect other markers it deems appropriate for the transportation facility. The statute also provides that a city or county must pass a resolution in support of a particular designation before road markers are erected. Additionally, if the designated road segment extends through multiple cities or counties, a resolution must be passed by each affected local government.

##### Effect of Proposed Change

The bill designates that portion of N.W. 79<sup>th</sup> Street<sup>1</sup> between N.W. 6<sup>th</sup> Avenue and E. 12<sup>th</sup> Avenue in Miami-Dade County as "Miss Lillie Williams Boulevard."

The bill also directs DOT to erect suitable markers designating "Miss Lillie Williams Boulevard."

The bill has an effective date of July 1, 2010.

#### B. SECTION DIRECTORY:

Section 1 Designates the "Miss Lillie Williams Boulevard;" directs DOT to erect suitable markers.

Section 2 Provides an effective date.

### II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

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<sup>1</sup> This is also State Road 934.

**A. FISCAL IMPACT ON STATE GOVERNMENT:**

1. Revenues:

None

2. Expenditures:

DOT estimates that the cost to erect two suitable road markers for this designation is approximately \$800. This expenditure is from the State Transportation Trust Fund and includes installation and maintenance costs.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None

2. Expenditures:

None

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

None

**D. FISCAL COMMENTS:**

None

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to require the counties or cities to spend funds or take an action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with cities or counties.

2. Other:

None

**B. RULE-MAKING AUTHORITY:**

None

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

While not mentioned in the bill, N.W. 79<sup>th</sup> Street is also State Road 934.

According to the resume submitted by Rep. Bush's office, Miss Lillie Williams is a former Miami-Dade County Community Action Agency member and chairwoman of the Dade Employment Economic Development Corporation. She received a B.S. from Florida A&M University in 1950, a B.S. in Behavioral Science from Shaw University in 1970, and a Masters degree in Behavioral Science from A&T State University in 1980.

**IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES**

None





HOUSE OF REPRESENTATIVES STAFF ANALYSIS



BILL #: HB 915

Transportation Corporations

SPONSOR(S): Horner

TIED BILLS:

IDEN./SIM. BILLS: SB 2332

REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
1) Economic Development & Community Affairs Policy Council		Johnson 	Tinker 
2)			
3)			
4)			
5)			

SUMMARY ANALYSIS

This bill repeals sections of the Florida Statutes that were never used. Sections 339.401 through 339.421, F.S. creates the "Florida Transportation Corporation Act." This act was created in 1988 to allow certain corporations authorized by the Department of Transportation (DOT) to secure and obtain right-of-way for transportation systems and to assist in the planning and design of such systems. The act contains statutory provisions related to those corporations. According to DOT, this act was never used.

Section 11.45(3)(m), F.S., authorizes the Auditor General to audit corporations acting on behalf of DOT pursuant to the Florida Transportation Corporation Act.

The bill repeals the Florida Transportation Corporation Act in ss. 339.401 through 339.421, F.S. The bill also repeals s. 11.45(3)(m), F.S., authorizing the Auditor General to audit these corporations.

The bill does not have a fiscal impact.

The bill has an effective date of July 1, 2010.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### Current Situation

Sections 339.401 through 339.421, F.S. creates the "Florida Transportation Corporation Act." This act was created in 1988 to allow certain corporations authorized by the Department of Transportation (DOT) to secure and obtain right-of-way for transportation systems and to assist in the planning and design of such systems. The act contains various statutory provisions related to those corporations. According to DOT, this act was never used.

Section 11.45(3)(m), F.S., authorizes the Auditor General to audit corporations acting on behalf of DOT pursuant to the Florida Transportation Corporation Act.

##### Proposed Changes

The bill repeals the Florida Transportation Corporation Act in ss. 339.401 through 339.421, F.S. The bill also repeals s. 11.45(3)(m), F.S., authorizing the Auditor General to audit these corporations.

The bill has an effective date of July 1, 2010.

#### B. SECTION DIRECTORY:

- |           |  |
|-----------|--|
| Section 1 | Repeals s. 339.401 through 339.421, F.S., relating to the Florida Transportation Corporation Act, definition of terms used in the act, legislative findings and purpose, authorization of corporations, type and structure and income of corporation, contract between DOT and the corporation, articles of incorporation, boards of directors, advisory directors, bylaws, notice of meetings and open records, amendment of articles of incorporation, powers of corporations, use of state property, exemption from taxation, authority to alter or dissolve corporation, dissolution upon completion of purposes, transfer of funds and property upon dissolution, department rules, construction of provisions, and issuance of debt. |
| Section 2 | Repeals s. 11.45(3)(m), F.S., removing a provision for audits of transportation corporations by the Auditor General to conform.  |
| Section 3 | Provides an effective date.  |

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None

2. Expenditures:

None

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None

2. Expenditures:

None

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

None

### 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 government.

2. Other:

None

### B. RULE-MAKING AUTHORITY:

The bill repeals DOT's rulemaking requirement regarding this Act. DOT will have to repeal its rules regarding these corporations contained in s. 14-35.0011, F.A.C.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

None

## IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

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A bill to be entitled

An act relating to transportation corporations; removing provisions that provide for nonprofit corporations to act on behalf of the Department of Transportation to secure and obtain rights-of-way for transportation systems and to assist in the planning and design of such systems; repealing ss. 339.401-339.421, F.S., relating to the Florida Transportation Corporation Act, definition of terms used in the act, legislative findings and purpose, authorization of corporations, type and structure and income of corporation, contract between the Department of Transportation and the corporation, articles of incorporation, boards of directors, advisory directors, bylaws, notice of meetings and open records, amendment of articles of incorporation, powers of corporations, use of state property, exemption from taxation, authority to alter or dissolve corporation, dissolution upon completion of purposes, transfer of funds and property upon dissolution, department rules, construction of provisions, and issuance of debt; repealing s. 11.45(3)(m), F.S., removing a provision for audits of transportation corporations by the Auditor General to conform; providing an effective date.

Be It Enacted by the Legislature of the State of Florida:

Section 1. Sections 339.401, 339.402, 339.403, 339.404, 339.405, 339.406, 339.407, 339.408, 339.409, 339.410, 339.411,

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29 | 339.412, 339.414, 339.415, 339.416, 339.417, 339.418, 339.419,  
30 | 339.420, and 339.421, Florida Statutes, are repealed.

31 | Section 2. Paragraph (m) of subsection (3) of section  
32 | 11.45, Florida Statutes, is repealed.

33 | Section 3. This act shall take effect July 1, 2010.



**HOUSE OF REPRESENTATIVES STAFF ANALYSIS**

**BILL #:** HB 7017 PCB IBFA 10-01 Public Records/Credit History, Information and Credit Scores/Office of Financial Regulation  
**SPONSOR(S):** Insurance, Business & Financial Affairs Policy Committee and Workman  
**TIED BILLS:** **IDEN./SIM. BILLS:** SB 1576

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Insurance, Business & Financial Affairs Policy Committee	14 Y, 0 N	Barnum	Cooper
1)	Economic Development & Community Affairs Policy Council		Williamson <i>RAW</i>	Tinker <i>TBST</i>
2)				
3)				
4)				
5)				

**SUMMARY ANALYSIS**

HB 7017 makes changes to the confidentiality provisions of Part I, ch. 494, F.S. which regulates mortgage brokerage and mortgage lending.

The bill collocates the confidentiality provisions found in Part I, ch. 494, F.S., within a single section of law.

The bill creates a public record exemption for credit history information and credit scores held by the Office of Financial Regulation for licensure purposes under ch. 494, F.S., and pursuant to the federal Secure and Fair Enforcement for Mortgage Licensing Act of 2008. It also provides for repeal of the exemption on October 2, 2015, unless reviewed and saved from repeal by the Legislature. The bill provides a public necessity statement as required by the State Constitution

**Article I, s. 24(c) of the State Constitution, requires a two-thirds vote of the members present and voting for passage of a newly created public records or public meetings exemption. Thus, this bill requires a two-thirds vote for passage.**

The bill provides for a July 1, 2010 effective date.

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### **Background on Florida's Public Records Laws:**

Florida has a long history of providing public access to government records. The Legislature enacted the first public records law in 1892.<sup>1</sup> More comprehensive legislation was adopted in 1967 with the enactment of ch. 119, F.S.

In 1992, Floridians adopted an amendment to the State Constitution that raised the statutory right of access to public records to a constitutional level.<sup>2</sup> Article I, s. 24 of the State Constitution provides that:

Every person<sup>3</sup> has the right to inspect or copy any public record made or received in connection with the official business of any public body, officer, or employee of the state, or persons acting on their behalf, except with respect to records exempted pursuant to this section or specifically made confidential by this Constitution...

The Public Records Act<sup>4</sup> specifies conditions under which access must be provided to agency<sup>5</sup> records. Unless specifically exempted, all agency records are available for public inspection. The term "public record" is broadly defined to mean:

...all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency.<sup>6</sup>

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<sup>1</sup> Section 1390, 1391 F.S. (Rev. 1892).

<sup>2</sup> Article I, s. 24 of the State Constitution.

<sup>3</sup> Section 1.01(3) F.S., defines "person" to include individuals, children, firms, associations, joint adventures, partnerships, estates, trusts, business trusts, syndicates, fiduciaries, corporations, and all other groups or combinations.

<sup>4</sup> Chapter 119, F.S.

<sup>5</sup> The word "agency" is defined in s. 119.011(2), to mean "any state, county, district authority, or municipal officer, department, division, board, bureau, commission, or other separate unit of government created or established by law, including, for the purposes of this chapter, the Commission on Ethics, the Public Service Commission, and the Office of Public Counsel, and any other public or private agency, person, partnership, corporation, or business entity acting on behalf of any public agency."

<sup>6</sup> Section 119.011(12), F.S.



The Florida Supreme Court has interpreted this definition to encompass all materials prepared in connection with official agency business that are intended to perpetuate, communicate, or formalize knowledge.<sup>7</sup> Such materials, regardless of whether they are in final form, are open for public inspection unless specifically exempted.<sup>8</sup>

Only the Legislature is authorized to create exemptions.<sup>9</sup> An exemption must be created in general law, must state the public necessity justifying it, and must not be broader than necessary to meet that public necessity.<sup>10</sup>

The Open Government Sunset Review Act<sup>11</sup> provides for the systematic review, through a 5-year cycle ending October 2 of the fifth year following enactment, of exemptions. By June 1, the Division of Statutory Revision of the Office of Legislative Services must certify to the President of the Senate and the Speaker of the House of Representatives the language and statutory citation of each exemption scheduled for repeal the following year.

The Open Government Sunset Review Act provides that an exemption may be created, revised, or maintained only if it serves an identifiable public purpose and if the exemption is no broader than necessary to meet the public purpose it serves. An identifiable public purpose is served if the exemption meets one of three specified criteria and if the Legislature finds that the purpose is sufficiently compelling to override the strong public policy of open government and cannot be accomplished without the exemption. The three statutory criteria are:

1. If the exemption allows the state or its political subdivisions to effectively and efficiently administer a governmental program, which administration would be significantly impaired without the exemption;
2. If the exemption protects information of a sensitive personal nature concerning individuals, the release of which would be defamatory or cause unwarranted damage to the good name or reputation of such individuals or would jeopardize their safety; or
3. If the exemption protects information of a confidential nature concerning entities, including, but not limited to, a formula, pattern, device, combination of devices, or compilation of information that is used to protect or further a business advantage over those who do not know or use it, the disclosure of which would injure the affected entity in the marketplace.<sup>12</sup>

#### **Current Situation:**

The Housing and Economic Recovery Act of 2008<sup>13</sup> was enacted on July 30, 2008. Title V of this act is titled the "Secure and Fair Enforcement for Mortgage Licensing Act of 2008" or "S.A.F.E. Mortgage Licensing Act of 2008" (S.A.F.E.) The intent of S.A.F.E. is to provide greater accountability and regulation of loan originators, defined to include mortgage brokers and lenders, and enhance consumer protections by:

- Providing uniform license applications and reporting requirements for State-licensed loan originators.
- Providing a comprehensive licensing and supervisory database.
- Aggregating and improving the flow of information to and between regulators.
- Providing increased accountability and tracking of loan originators.
- Streamlining the licensing process and reducing the regulatory burden.
- Enhancing consumer protections and supporting anti-fraud measures.
- Providing consumers with easily accessible information, offered at no charge, regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against, loan originators.

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<sup>7</sup> *Shevin v. Byron, Harless, Schaffer, Reid and Associates, Inc.*, 379 So.2d 633, 640 (Fla. 1980).

<sup>8</sup> *Wait v. Florida Power & Light Company*, 372 So.2d 420 (Fla. 1979).

<sup>9</sup> Article I, s. 24(c) of the State Constitution.

<sup>10</sup> *Memorial Hospital-West Volusia v. News-Journal Corporation*, 729 So. 2d 373, 380 (Fla. 1999); *Halifax Hospital Medical Center v. News-Journal Corporation*, 724 So. 2d 567 (Fla. 1999).

<sup>11</sup> Section 119.15, F.S.

<sup>12</sup> Section 119.15(6)(b), F.S.

<sup>13</sup> H.R. 3221, Public Law 110-289.

- Establishing a means by which residential mortgage loan originators would, to the greatest extent possible, be required to act in the best interests of the consumer.
- Facilitating responsible behavior in the subprime mortgage market place and providing comprehensive training and examination requirements related to subprime mortgage lending.
- Facilitating the collection and disbursement of consumer complaints on behalf of state and federal mortgage regulators.<sup>14</sup>

The act creates national minimum standards for the licensure and regulation of loan originators and requires states to bring their policies and procedures into compliance. The S.A.F.E. Act imposes the following requirements, among others, for licensure of loan originators:

- Loan originators must:
  - undergo state licensure and annual renewal.
  - provide fingerprints to the regulator for submission to any state or national entity authorized to conduct a criminal background check.
  - allow the regulator to obtain a credit report.
- Loan originators must never have had their license revoked, nor been convicted of a felony in the previous seven years.

The National Mortgage Licensing System and Registry (Registry) is a national registration system created under the S.AF.E. Act containing information on loan originators.<sup>15</sup> The purpose of the registry is to:

- Create a common information pool on loan originators among federal and state regulators;
- Make public the employment history of loan originators; and
- Make public the history of disciplinary and enforcement actions against loan originators.

Given the Registry creates a common pool of information, the federal act creates common confidentiality standards for the federal and state regulators who participate in the Registry. Except as otherwise provided, any requirement under federal or state law bestowing privacy or confidentiality on any information or material provided to the Registry still applies once that information or material is placed in the Registry. This information and material may be shared with all state and federal regulatory officials with mortgage industry oversight authority without the loss of privilege or the original confidentiality protection under federal or state law that conferred it. Any state law in conflict with this standard is superseded to the extent it provides less confidentiality or privilege.<sup>16</sup> These requirements do not apply to whatever material or information is in the Registry regarding a loan originator's employment history or the loan originator's publicly adjudicated disciplinary and enforcement history.<sup>17</sup>

In 2009, the Legislature enacted and the Governor approved legislation<sup>18</sup> bringing the state into compliance with the S.A.F.E. Mortgage Licensing Act of 2008. Commencing October 1, 2010, the Office of Financial Regulation (OFR) will begin accepting and processing loan originator license applications. This process includes a review of the applicant's credit report and credit information that may be contained within the Registry. If the OFR notes specific items of concern, the applicant is notified in writing and provided an opportunity to explain the circumstances surrounding the item and provide any information that the applicant believes is relevant.

#### **Effect of Bill:**

HB 7017 makes clarifying and conforming changes to subsection (1) of s. 494.00125, F.S., which provides a public records exemption for information relative to an investigation or examination by the OFR pursuant to ch. 494, F.S.(Mortgage Brokerage and Mortgage Lending).

It relocates existing language in s. 494.0021, F.S., which provides a public records exemption for all audited financial statements, to the newly created s. 494.00125(2), F.S.

<sup>14</sup> H.R. 3221, Public Law 110-289, Title V, sec. 1502.

<sup>15</sup> *Id.*

<sup>16</sup> H.R. 3221, Public Law 110-289, Title V, sec. 1512(a)-(c).

<sup>17</sup> H.R. 3221, Public Law 110-289, Title V, sec. 1512(d).

<sup>18</sup> Chapter 2009-241, Laws of Florida.

The bill creates a new public records exemption for credit history information and credit scores held by the OFR for licensing purposes pursuant to ch. 494, F.S. This would include, but not be limited to:

- Credit history information in credit reports.
- Credit scores.
- Correspondence seeking, providing, or clarifying credit history information.
- Records regarding credit history information.
- Information placed in the Registry pursuant to the requirements of other state or federal law, and not under the requirements of chapter 494, F.S., that is privileged or confidential under other state or federal law.

The bill provides for compliance with the confidentiality requirements of the S.A.F.E. Mortgage Licensing Act of 2008 by ensuring that other state or federal laws governing confidentiality are not compromised. In addition, it provides for maintaining the confidentiality of a Florida applicant's information provided to or placed in the Registry.

This exemption does not prevent the OFR from sharing the information with those federal entities or entities of other states that possess relevant oversight, regulatory, or law enforcement authority. Likewise this exemption does not extend to information relating to the employment history of loan originators in the registry or publicly adjudicated disciplinary and enforcement actions against them.

The bill provides for future review and repeal of the public records exemption for credit history information and credit scores on October 2, 2015, pursuant to the Open Government Sunset Review Act. The exemption automatically repeals on October 2, 2015, in accordance with s. 119.15, F.S., unless renewed by the Legislature.

The bill provides a statement of public necessity. It provides that the Legislature finds it is a public necessity that credit history information and credit scores held by the OFR and related to the licensing provisions of chapter 494, F.S., be made confidential and exempt from public records requirements. Credit history information and credit scores contain sensitive financial information and thus, disclosure would make those persons vulnerable to identity theft and other crimes.

#### B. SECTION DIRECTORY:

- Section 1. Amends s. 494.00125, F.S., by clarifying current exemptions, transferring and collocating an exemption found in s. 494.0021, F.S., and creating a public records exemption for credit history information and credit scores.
- Section 2. Provides a statement of public necessity.
- Section 3. Provides for a July 1, 2010 effective date.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

#### A. FISCAL IMPACT ON STATE GOVERNMENT:

##### 1. Revenues:

None.

##### 2. Expenditures:

Indeterminate. The bill could create a fiscal impact on OFR because OFR staff would have to be trained with regards to the categories of information made confidential and exempt from public disclosure versus records that are available for public inspection and copying. OFR could also incur costs associated with redacting confidential and exempt information prior to releasing a record.

**B. FISCAL IMPACT ON LOCAL GOVERNMENTS:**

1. Revenues:

None.

2. Expenditures:

None.

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

None.

**D. FISCAL COMMENTS:**

None.

**III. COMMENTS**

**A. CONSTITUTIONAL ISSUES:**

1. Applicability of Municipality/County Mandates Provision:

Not applicable. This bill does not appear to: require counties or municipalities to spend funds or take an action requiring the expenditure of funds; reduce the authority that counties or municipalities have to raise revenues in the aggregate; or reduce the percentage of a state tax shared with counties or municipalities.

2. Other:

Article I, s. 24(c) of the State Constitution, requires a two-thirds vote of the members present and voting for passage of a newly created public records or public meetings exemption. Thus, this bill requires a two-thirds vote for passage.

**B. RULE-MAKING AUTHORITY:**

None.

**C. DRAFTING ISSUES OR OTHER COMMENTS:**

None.

**IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES**

None.

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1                                   A bill to be entitled  
 2           An act relating to public records; amending s. 494.00125,  
 3           F.S., and transferring, renumbering, and amending s.  
 4           494.0021, F.S.; creating an exemption from public records  
 5           requirements for credit history information and credit  
 6           scores held by the Office of Financial Regulation within  
 7           the Department of Financial Services for purposes of  
 8           licensing mortgage brokers and mortgage lenders; providing  
 9           an exception to the exemption for other governmental  
 10          entities having oversight, regulatory, or law enforcement  
 11          authority; providing for future legislative review and  
 12          repeal of the exemption; reorganizing provisions;  
 13          transferring to the section the exemption from public  
 14          records requirements for audited financial statements  
 15          submitted pursuant to parts I, II, and III of ch. 494,  
 16          F.S.; making editorial changes and removing superfluous  
 17          language; providing a statement of public necessity;  
 18          providing an effective date.

19  
 20   Be It Enacted by the Legislature of the State of Florida:

21  
 22           Section 1. Section 494.00125, Florida Statutes, is  
 23           amended, and section 494.0021, Florida Statutes, is transferred  
 24           and renumbered as subsection (2) of that section, and amended,  
 25           to read:

26           494.00125 Public record exemptions ~~Confidentiality of~~  
 27           ~~information relating to investigations and examinations.-~~

28           (1) INVESTIGATIONS OR EXAMINATIONS.-

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29 (a) Except as otherwise provided by this subsection  
 30 ~~section~~, information relative to an investigation or examination  
 31 by the office pursuant to this chapter, including any consumer  
 32 complaint received by the office or the Department of Financial  
 33 Services, is confidential and exempt from s. 119.07(1) until the  
 34 investigation or examination is completed or ceases to be  
 35 active. ~~The information compiled by the office in such an~~  
 36 ~~investigation or examination shall remain confidential and~~  
 37 ~~exempt from s. 119.07(1) after the office's investigation or~~  
 38 ~~examination is completed or ceases to be active if the office~~  
 39 ~~submits the information to any law enforcement or administrative~~  
 40 ~~agency for further investigation. Such information shall remain~~  
 41 ~~confidential and exempt from s. 119.07(1) until that agency's~~  
 42 ~~investigation is completed or ceases to be active.~~ For purposes  
 43 of this subsection ~~section~~, an investigation or examination is  
 44 ~~shall be~~ considered "active" if so long as the office or any law  
 45 enforcement or administrative agency is proceeding with  
 46 reasonable dispatch and has a reasonable good faith belief that  
 47 the investigation or examination may lead to the filing of an  
 48 administrative, civil, or criminal proceeding or to the denial  
 49 or conditional grant of a license.

50 (b) This subsection ~~does section~~ shall not be construed to  
 51 prohibit the disclosure of information that ~~which~~ is ~~required by~~  
 52 ~~law to be~~ filed with the office as a normal condition of  
 53 licensure and which, but for the investigation or examination,  
 54 would be subject to s. 119.07(1).

55 (c) ~~(b)~~ Except as necessary for the office to enforce the  
 56 provisions of this chapter, a consumer complaint and other

57 information relative to an investigation or examination shall  
 58 remain confidential and exempt from s. 119.07(1) after the  
 59 investigation or examination is completed or ceases to be active  
 60 to the extent disclosure would:

61 1. Jeopardize the integrity of another active  
 62 investigation or examination.

63 2. Reveal the name, address, telephone number, social  
 64 security number, or any other identifying number or information  
 65 of any complainant, customer, or account holder.

66 3. Disclose the identity of a confidential source.

67 4. Disclose investigative techniques or procedures.

68 5. Reveal a trade secret as defined in s. 688.002.

69 ~~(d)-(e)~~ If in the event that office personnel are or have  
 70 been involved in an investigation or examination of such nature  
 71 as to endanger their lives or physical safety or that of their  
 72 families, ~~then~~ the home addresses, telephone numbers, places of  
 73 employment, and photographs of such personnel, together with the  
 74 home addresses, telephone numbers, photographs, and places of  
 75 employment of spouses and children of such personnel and the  
 76 names and locations of schools and day care facilities attended  
 77 by the children of such personnel are confidential and exempt  
 78 from s. 119.07(1).

79 ~~(e)-(d)~~ Nothing in This subsection does not section shall  
 80 ~~be construed to~~ prohibit the office from providing confidential  
 81 and exempt information to any law enforcement or administrative  
 82 agency. Any law enforcement or administrative agency receiving  
 83 confidential and exempt information in connection with its  
 84 official duties shall maintain the confidentiality of the

85 information ~~if so long as~~ it would otherwise be confidential.

86 ~~(f)(e)~~ All information obtained by the office from any  
 87 person which is only made available to the office on a  
 88 confidential or similarly restricted basis shall be confidential  
 89 and exempt from s. 119.07(1). ~~This exemption shall not be~~  
 90 ~~construed to prohibit disclosure of information which is~~  
 91 ~~required by law to be filed with the office or which is~~  
 92 ~~otherwise subject to s. 119.07(1).~~

93 ~~(g)(2)~~ If information subject to this subsection ~~(1)~~ is  
 94 offered in evidence in any administrative, civil, or criminal  
 95 proceeding, the presiding officer may, ~~in her or his discretion,~~  
 96 prevent the disclosure of information that ~~which~~ would be  
 97 confidential pursuant to paragraph (c) ~~(1)(b)~~.

98 ~~(h)(3)~~ A privilege against civil liability is granted to a  
 99 person who furnishes information or evidence to the office,  
 100 unless such person acts in bad faith or with malice in providing  
 101 such information or evidence.

102 (2) FINANCIAL STATEMENTS 494.0021 ~~Public records.~~ All  
 103 audited financial statements submitted pursuant to ss. 494.001-  
 104 494.0077 are confidential and exempt from the requirements of s.  
 105 119.07(1), except that office employees may have access to such  
 106 information in the administration and enforcement of ss.  
 107 494.001-494.0077 and such information may be used by office  
 108 personnel in the prosecution of violations under ss. 494.001-  
 109 494.0077.

110 (3) CREDIT INFORMATION.

111 (a) Credit history information and credit scores held by  
 112 the office and related to licensing under ss. 494.001-494.0077



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113 | are confidential and exempt from s. 119.07(1) and s. 24(a), Art.  
114 | I of the State Constitution.

115 | (b) Credit history information and credit scores made  
116 | confidential and exempt pursuant to paragraph (a) may be  
117 | provided by the office to another governmental entity having  
118 | oversight or regulatory or law enforcement authority.

119 | (c) This subsection does not apply to information that is  
120 | otherwise publicly available.

121 | (d) This subsection is subject to the Open Government  
122 | Sunset Review Act in accordance with s. 119.15 and shall stand  
123 | repealed on October 2, 2015, unless reviewed and saved from  
124 | repeal through reenactment by the Legislature.

125 | Section 2. The Legislature finds that it is a public  
126 | necessity that credit history information and credit scores held  
127 | by the Office of Financial Regulation and related to the  
128 | licensing of mortgage brokers and mortgage lenders under ss.  
129 | 494.001-494.0077, Florida Statutes, be made confidential and  
130 | exempt from s. 119.07(1) and s. 24(a), Art. I of the State  
131 | Constitution. Credit history information and credit scores are  
132 | sensitive and personal information. Disclosure of such  
133 | information and scores could cause harm to the person who is the  
134 | subject of the information. Such information could be defamatory  
135 | and could cause unwarranted damage to the name or reputation of  
136 | the person who is the subject of the information, especially if  
137 | such information is inaccurate. Furthermore, access to such  
138 | information could jeopardize the financial safety of the  
139 | individual who is the subject of that information by placing the  
140 | person at risk of becoming the object of identity theft. For

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141 these reasons it is the finding of the Legislature that credit  
142 history information and credit scores held by the Office of  
143 Financial Regulation and related to the licensing of mortgage  
144 brokers and mortgage lenders should be made confidential and  
145 exempt from public records requirements.

146 Section 3. This act shall take effect July 1, 2010.



## HOUSE OF REPRESENTATIVES STAFF ANALYSIS

**BILL #:** HB 7021 PCB GAP 10-01 Government-Sponsored Health Insurance

**SPONSOR(S):** Governmental Affairs Policy Committee and Holder

**TIED BILLS:** **IDEN./SIM. BILLS:**

	REFERENCE	ACTION	ANALYST	STAFF DIRECTOR
Orig. Comm.:	Governmental Affairs Policy Committee	8 Y, 3 N	Haug	Williamson
1)	Economic Development & Community Affairs Policy Council		Haug <i>Zif</i>	Tinker <i>TBT</i>
2)				
3)				
4)				
5)				

### SUMMARY ANALYSIS

Current law establishes the Florida Employee Long-Term-Care Plan Act. The purpose of the Act is to implement a self-funded, voluntary, long-term-care plan for public employees and their families in order to reduce the rapid rate of increase in state expenditures and to meet the long-term-care needs of the public. It directs the departments of Elderly Affairs and Management Services to jointly design a plan to provide long-term-care coverage and review vendor submissions by February 23, 1999. Proposals were received; however, none met the scoring requirements. Thus, all of the proposals were disqualified and rejected.

The Act also creates a Florida Employee Long-Term-Care Plan Board of Directors (Board). The Board is composed of nine members serving two-year terms and must be appointed after May 1, 1999. All appointments to the Board were not made, nor did the Board ever meet.

The bill repeals s. 110.1227, F.S., establishing the Florida Employee Long-Term-Care Plan Act. The statutory deadline for receiving vendor submissions for the plan has passed and the Board was never fully appointed, nor did it meet. Thus, the statute appears outdated and has not been implemented.

Current law directs the Department of Management Services (DMS) to solicit competitive bids from state-licensed insurance companies to provide and administer a fully insured Medicare supplement policy for all eligible retirees of state and local public employers. DMS has not pursued such solicitation due to the availability of other options at the federal level. As such, this bill repeals ss. 110.1234 and 112.0804, F.S., thereby removing the directive.

Current law also directs DMS to initiate and supervise a group insurance program providing death and disability benefits for active members of the Florida Highway Patrol Auxiliary, with coverage beginning by July 1, 1978. It appears this program was never implemented and the deadline has expired. As such, the bill repeals s. 112.08(5), F.S., thereby removing the expired directive.

Under current law, the board of directors of the nonprofit corporation authorized to operate Florida's correctional work program is authorized to apply for participation in the state group health insurance and prescription drug coverage programs. Participation, however, is contingent upon a favorable letter ruling from the Internal Revenue Service (IRS). DMS was directed to request from the IRS, by October 1, 2001, a written determination letter and a favorable private letter ruling stating the State Group Self-Insurance Program still was a facially qualified plan if the corporation participated.

It appears DMS did not make the IRS request and, as such, the section never took effect. Thus, this bill repeals s. 946.525, F.S., as the deadline has passed with no action by DMS.

There is no fiscal impact associated with the repeal of these sections.

This document does not reflect the intent or official position of the bill sponsor or House of Representatives.

STORAGE NAME: h7021.EDCA.doc

DATE: 2/23/2010

## HOUSE PRINCIPLES

Members are encouraged to evaluate proposed legislation in light of the following guiding principles of the House of Representatives

- Balance the state budget.
- Create a legal and regulatory environment that fosters economic growth and job creation.
- Lower the tax burden on families and businesses.
- Reverse or restrain the growth of government.
- Promote public safety.
- Promote educational accountability, excellence, and choice.
- Foster respect for the family and for innocent human life.
- Protect Florida's natural beauty.

## FULL ANALYSIS

### I. SUBSTANTIVE ANALYSIS

#### A. EFFECT OF PROPOSED CHANGES:

##### FLORIDA EMPLOYEE LONG-TERM-CARE PLAN ACT

###### Background

Section 110.1227, F.S., establishes the Florida Employee Long-Term-Care Plan Act (Act). The purpose of the Act is to implement a self-funded,<sup>1</sup> voluntary, long-term-care plan for public employees and their families in order to reduce the rapid rate of increase in state expenditures and to meet the long-term-care needs of the public.<sup>2</sup> The intent is to provide a plan by which public employees can purchase long-term-care insurance by means of payroll deduction.<sup>3</sup>

The Act directs the departments of Elderly Affairs and Management Services to jointly design a plan to provide long-term-care coverage for eligible participants.<sup>4</sup> The departments must implement the plan through a procurement process that requires vendor submissions by February 23, 1999.<sup>5</sup>

Proposals for long-term-care plans from 10 vendors included four self-funded and nine fully insured plans. The maximum possible score for each of the six criteria was 100 points. As provided for by the Invitation to Negotiate, if a proposal failed to achieve an acceptable score on any one of the six criteria, that proposal could be eliminated from further consideration. At the time the evaluation criteria were established, the acceptable score was 70 points on at least three of the six criteria. All of the proposals failed to meet the scoring requirements; therefore, all of the proposals were disqualified and rejected.

The Act also creates a Florida Employee Long-Term-Care Plan Board of Directors (Board).<sup>6</sup> The Board is composed of nine members serving two-year terms and must be appointed after May 1, 1999. All appointments to the Board were not made, nor did the Board ever meet.

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<sup>1</sup> For purposes of the Act, "self-funded" means "that plan benefits and costs are funded from contributions made by or on behalf of participants and trust fund investment revenue." Section 110.1227(2)(b), F.S.

<sup>2</sup> Section 110.1227(1), F.S.

<sup>3</sup> Section 110.1227(1)(a), F.S.

<sup>4</sup> Eligible plan participants must include "active and retired officers and employees of all branches and agencies of state and their spouses, children, stepchildren, parents, and parents-in-law; and, upon the affirmative vote of the governing body of any county or municipality in this state, the active and retired officers and employees of any such county or municipality and their spouses, children, stepchildren, parents, and parents-in-law; and the surviving spouses, children, stepchildren, parents, and parents-in-law of such deceased officers and employees, whether active or retired at the time of death. Section 110.1227(1)(b), F.S.

<sup>5</sup> Section 110.1227(1)(d), F.S.

### Effect of the Bill

The bill repeals s. 110.1227, F.S., establishing the Florida Employee Long-Term-Care Plan Act. The statutory deadline for receiving vendor submissions for the plan has passed and the Board was never fully appointed, nor did it meet. Thus, the statute appears outdated and has not been implemented.

## **HEALTH INSURANCE FOR RETIREES UNDER THE FLORIDA RETIREMENT SYSTEM**

### Background

Sections 110.1234 and 112.0804, F.S., direct the Department of Management Services (DMS) to solicit competitive bids from state-licensed insurance companies to provide and administer a fully insured Medicare supplement policy for all eligible retirees<sup>7</sup> of state and local public employers. It also directs DMS to solicit competitive bids for health insurance coverage for all public employees who retired from a state or local public employer who are not covered by Medicare. The policy is optional and retiree paid and it must meet the provisions of the Alonzo Mourning Access to Care Act.<sup>8</sup>

DMS has not pursued such solicitation due to the availability of options at the federal level. There exist already 12 standardized Medicare supplement plans that are off-the-shelf products approved by Health Care Financing Administration (now the Centers for Medicare & Medicaid Services) and approved for sale by the Department of Financial Services. These products are widely available to all Medicare-eligible citizens, and do not have to be purchased under a group contract.<sup>9</sup>

### Effect of the Bill

This bill repeals ss. 110.1234 and 112.0804, F.S., thereby removing the directive as DMS has not pursued such solicitation. Repeal of the provisions does not reduce nor detract from any value already available in the open insurance market. Further, for those not Medicare-eligible, there is a conversion privilege in existing insurance contracts that allows covered persons to convert to an individual insurance policy.

The bill also removes cross-references to these sections.

## **GROUP INSURANCE PROGRAM FOR THE FLORIDA HIGHWAY PATROL AUXILIARY**

### Background

Section 112.08(5), F.S., directs DMS to initiate and supervise a group insurance program providing death and disability benefits for active members of the Florida Highway Patrol Auxiliary, with coverage beginning by July 1, 1978. According to law, the program would be purchased from state funds appropriated for that purpose. Subsection (5) further requires DMS, in cooperation with the Office of Insurance Regulation, to prepare specifications necessary to implement the program. DMS must receive bids and award the contract in accordance with general law.

### Effect of the Bill

There is no available information to suggest this program was initiated, nor have state funds ever been appropriated for the program. Further, the deadline for coverage to start has expired. As such, the bill repeals s. 112.08(5), F.S., thereby removing the expired directive.

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<sup>6</sup> Section 110.1227(6), F.S.

<sup>7</sup> For purposes of those sections, "eligible retiree" means "any public employee who retired from a state or local public employer who is covered by Medicare, Parts A and B." Sections 110.1234(1) and 112.0804(1), F.S.

<sup>8</sup> Sections 627.671 – 627.675, F.S., comprise the Alonzo Mourning Access to Care Act.

<sup>9</sup> See Centers for Medicare & Medicaid Services 2009 Brochure *Choosing a Medigap Policy: A Guide to Health Insurance for People with Medicare*.

## **PARTICIPATION BY THE CORPORATION IN STATE GROUP HEALTH INSURANCE AND PRESCRIPTION DRUG PROGRAMS**

### Background

Section 946.525, F.S., authorizes the board of directors of the nonprofit corporation authorized to operate Florida's correctional work program,<sup>10</sup> currently PRIDE, to apply for participation in the state group health insurance<sup>11</sup> and prescription drug coverage programs.<sup>12</sup> The board of directors must submit an application along with a \$500 nonrefundable fee to DMS. The section provides additional prerequisites that must be met by the corporation (PRIDE) prior to seeking participation in the state programs.

Section 946.525, F.S., however, never took effect because implementation was contingent upon a favorable letter ruling from the Internal Revenue Service (IRS). Section 15 of chapter 2001-242, L.O.F., directed DMS to request from the IRS, by October 1, 2001, a written determination letter and a favorable private letter ruling stating the State Group Self-Insurance Program as amended by s. 946.525, F.S., was a facially qualified plan.

### Effect of the Bill

There is no evidence that DMS made the IRS request and, as such, the section never took effect. Thus, this bill repeals s. 946.525, F.S., as the deadline has passed with apparently no action by DMS.

## **B. SECTION DIRECTORY:**

**Section 1.** Repeals s. 110.1227, F.S., relating to Florida Employee Long-Term-Care Plan Act.

**Section 2.** Repeals s. 110.1234, F.S., relating to health insurance for retirees under the Florida Retirement System.

**Section 3.** Amends s. 112.08, F.S., repealing the authority of DMS to initiate and supervise a group insurance program for the Florida Highway Patrol Auxiliary.

**Section 4.** Repeals s. 112.0804, F.S., relating to health insurance for retirees under the Florida Retirement System.

**Section 5.** Repeals s. 946.525, F.S., relating to participation by PRIDE in the state group health insurance and prescription drug programs.

**Section 6.** Amends s. 1001.705, F.S., to remove a cross-reference.

**Section 7.** Amends s. 1001.706, F.S., to remove a cross-reference.

**Section 8.** Amends s. 1001.74, F.S., to remove a cross-reference.

**Section 9.** Provides an effective date of July 1, 2010.

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<sup>10</sup> For purposes of this section, "correctional work program" means "any program presently a part of the prison industries program operated by the department or any other correctional work program carried on at any state correctional facility presently or in the future, but the term does not include any program authorized by s. 945.091 or s. 946.40." Section 946.503(2), F.S. "Department" means the Department of Corrections. Section 946.503(3), F.S.

<sup>11</sup> The state group health insurance program is authorized in s. 110.123, F.S.

<sup>12</sup> The prescription drug coverage program is authorized by s. 110.12315, F.S.

## II. FISCAL ANALYSIS & ECONOMIC IMPACT STATEMENT

### A. FISCAL IMPACT ON STATE GOVERNMENT:

1. Revenues:

None.

2. Expenditures:

None.

### B. FISCAL IMPACT ON LOCAL GOVERNMENTS:

1. Revenues:

None.

2. Expenditures:

None.

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

None.

### D. FISCAL COMMENTS:

None.

## III. COMMENTS

### A. CONSTITUTIONAL ISSUES:

1. Applicability of Municipality/County Mandates Provision:

Not applicable because the bill does not appear to: require cities or counties to spend funds or take an action requiring the expenditure of funds; reduce the authority that cities or counties have to raise revenues in the aggregate; or reduce the percentage of a shared state tax or premium sales tax received by cities or counties.

2. Other:

None.

### B. RULE-MAKING AUTHORITY:

None.

### C. DRAFTING ISSUES OR OTHER COMMENTS:

None.

## IV. AMENDMENTS/COUNCIL OR COMMITTEE SUBSTITUTE CHANGES

Not applicable.



1                                   A bill to be entitled  
 2           An act relating to government-sponsored health insurance;  
 3           repealing s. 110.1227, F.S., relating to the Florida  
 4           Employee Long-Term-Care Plan Act; repealing s. 110.1234,  
 5           F.S., relating to health insurance for retirees under the  
 6           Florida Retirement System; amending s. 112.08, F.S.;  
 7           repealing the authority of the Department of Management  
 8           Services to initiate and supervise a group insurance  
 9           program for active members of the Florida Highway Patrol  
 10          Auxiliary; repealing s. 112.0804, F.S., relating to health  
 11          insurance for retirees under the Florida Retirement  
 12          System; repealing s. 946.525, F.S., relating to  
 13          participation by the nonprofit corporation, which is  
 14          authorized to operate the correctional work programs, in  
 15          the state group health insurance and prescription drug  
 16          programs; amending ss. 1001.705, 1001.706, and 1001.74,  
 17          F.S.; removing cross-references to conform; providing an  
 18          effective date.

19  
 20   Be It Enacted by the Legislature of the State of Florida:

21  
 22           Section 1.   Section 110.1227, Florida Statutes, is  
 23           repealed.

24           Section 2.   Section 110.1234, Florida Statutes, is  
 25           repealed.

26           Section 3.   Subsection (5) of section 112.08, Florida  
 27           Statutes, is amended, and present subsections (6) through (8)

28 are renumbered as subsections (5) through (7), respectively, to  
 29 read:

30 112.08 Group insurance for public officers, employees, and  
 31 certain volunteers; physical examinations.—

32 ~~(5) The Department of Management Services shall initiate~~  
 33 ~~and supervise a group insurance program providing death and~~  
 34 ~~disability benefits for active members of the Florida Highway~~  
 35 ~~Patrol Auxiliary, with coverage beginning July 1, 1978, and~~  
 36 ~~purchased from state funds appropriated for that purpose. The~~  
 37 ~~Department of Management Services, in cooperation with the~~  
 38 ~~Office of Insurance Regulation, shall prepare specifications~~  
 39 ~~necessary to implement the program, and the Department of~~  
 40 ~~Management Services shall receive bids and award the contract in~~  
 41 ~~accordance with general law.~~

42 Section 4. Section 112.0804, Florida Statutes, is  
 43 repealed.

44 Section 5. Section 946.525, Florida Statutes, is repealed.

45 Section 6. Paragraph (b) of subsection (1) of section  
 46 1001.705, Florida Statutes, is amended to read:

47 1001.705 Responsibility for the State University System  
 48 under s. 7, Art. IX of the State Constitution; legislative  
 49 finding and intent.—

50 (1) LEGISLATIVE FINDINGS.—

51 (b) Constitutional duties of the Board of Governors of the  
 52 State University System.—In accordance with s. 7, Art. IX of the  
 53 State Constitution, the Board of Governors of the State  
 54 University System has the duty to operate, regulate, control,  
 55 and be fully responsible for the management of the whole

56 publicly funded State University System and the board, or the  
 57 board's designee, has responsibility for:

58 1. Defining the distinctive mission of each constituent  
 59 university.

60 2. Defining the articulation of each constituent  
 61 university in conjunction with the Legislature's authority over  
 62 the public schools and community colleges.

63 3. Ensuring the well-planned coordination and operation of  
 64 the State University System.

65 4. Avoiding wasteful duplication of facilities or programs  
 66 within the State University System.

67 5. Accounting for expenditure of funds appropriated by the  
 68 Legislature for the State University System as provided by law.

69 6. Submitting a budget request for legislative  
 70 appropriations for the institutions under the supervision of the  
 71 board as provided by law.

72 7. Adopting strategic plans for the State University  
 73 System and each constituent university.

74 8. Approving, reviewing, and terminating degree programs  
 75 of the State University System.

76 9. Governing admissions to the state universities.

77 10. Serving as the public employer to all public employees  
 78 of state universities for collective bargaining purposes.

79 11. Establishing a personnel system for all state  
 80 university employees; however, the Department of Management  
 81 Services shall retain authority over state university employees  
 82 for programs established in ss. 110.123, 110.1232, ~~110.1234,~~  
 83 110.1238, and 110.161, and in chapters 121, 122, and 238.

84 12. Complying with, and enforcing for institutions under  
 85 the board's jurisdiction, all applicable local, state, and  
 86 federal laws.

87 Section 7. Paragraph (b) of subsection (5) of section  
 88 1001.706, Florida Statutes, is amended to read:

89 1001.706 Powers and duties of the Board of Governors.—

90 (5) POWERS AND DUTIES RELATING TO PERSONNEL.—

91 (b) The Department of Management Services shall retain  
 92 authority over state university employees for programs  
 93 established in ss. 110.123, 110.1232, ~~110.1234~~, 110.1238, and  
 94 110.161 and in chapters 121, 122, and 238. Unless specifically  
 95 authorized by law, neither the Board of Governors nor a state  
 96 university may offer group insurance programs for employees as a  
 97 substitute for or as an alternative to the health insurance  
 98 programs offered pursuant to chapter 110.

99 Section 8. Paragraph (c) of subsection (5) of section  
 100 1001.74, Florida Statutes, is amended to read:

101 1001.74 Powers and duties of university boards of  
 102 trustees.—

103 (5) POWERS AND DUTIES RELATING TO PERSONNEL.—

104 (c) The Department of Management Services shall retain  
 105 authority over state university employees for programs  
 106 established in ss. 110.123, 110.1232, ~~110.1234~~, 110.1238, and  
 107 110.161 and in chapters 121, 122, and 238. Unless specifically  
 108 authorized by law, neither the Board of Governors nor a state  
 109 university may offer group insurance programs for employees as a  
 110 substitute for or as an alternative to the health insurance  
 111 programs offered pursuant to chapter 110.

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Section 9. This act shall take effect July 1, 2010.

