

Orlando Sentinel

Florida specialty auto tag sales plummet

By Steven Cole Smith

March 16, 2010 - The Legislature's move to raise fees on specialty auto-license plates last year has sent sales into a deep nose-dive that's carving into the budgets of charities dependent on tag revenues for funding.

Sales of the 114 varieties of tags, which honor everything from NASA to manatees, have plummeted by 64 percent compared with last year, officials say.

That's difficult news for the Maitland-based Florida Wildflower Foundation, which relies on the Florida Wildflower tag as its sole source of income. The plate provided about \$260,000 in donations annually before the fee increase, said Lisa Roberts, executive director of the group.

Sales were holding their own in the recession, she said. But because of the fee increase, it's predicting a shortfall of \$60,000 to \$100,000 this year.

"Donations from the specialty-plate program support important social, cultural and environmental programs," Roberts said. "But that work surely can't continue on the same scale."

Almost all of the specialty tags have seen a dramatic decrease in sales this year, ranging from the top-rated University of Florida tag, which has been averaging \$2 million a year from its plate, to tags that benefit manatee, panther, sea turtle and wild dolphin conservation, as well as more traditional charities, such as breast cancer research and highlighting the need for organ donation.

Total sales of specialty tags statewide dropped from 52,798 in the first two months of 2009, to 18,841 in January and February this year.

The Florida Wildflower Foundation ranked 33rd of the 114 tags sold in 2009. Motorists bought 564 wildflower tags in the first two months of 2009, but this year, that has dropped to 177. Organizations get as much as \$25 per tag, but the Florida Wildflower Foundation gets \$15.

The Save The Manatee tag, which always ranks in the top 10, benefits the Save The Manatee Trust Fund, based in St. Petersburg. Sales of new tags the first two months of 2009 were 1,831, and at \$25 per tag, the Fund received \$45,775. The first two months of this year, sales were just 376, generating \$8,400.

Hoping to trim the state's budget shortfall, legislators last September more than doubled the fee to buy specialty plates from \$14 to \$33, and the renewal fee from \$2 to \$5.

Roberts, and executives with other organizations, figure the increase was just too much for many Floridians, especially coupled with the cost to register a new car jumping from \$100 to \$225 last year.

While many for-profit organizations offer specialty tags, the funds generated must go to a charitable cause. Money generated by the NASCAR tag, for instance, goes to the Florida Sports Foundation and to the NASCAR Foundation's designated charities.

Florida essentially invented the specialty tag. The first debuted on Jan. 1, 1987, in remembrance of the Challenger space shuttle disaster and to raise money for a memorial. By October of that year, nine state universities had their own plates, to raise money for scholarships.

Specialty plates represent nearly 9 percent of the tags on personal vehicles in the state, and according to a Florida Senate report, have generated nearly \$436 million in income for charities since the program began. For fiscal year 2009, which ended in June, sales were more than \$37 million.

To be considered for a specialty plate, an organization must hire an independent company to conduct a survey on Florida registered-vehicle owners, post an application fee of \$60,000, create a marketing plan, and provide financial analyses and the design of the license plate.

Figuring there are enough specialty plates for now, the Legislature has said that no new plates will be issued until after July 1, 2011.

Michael Towner, a Boca Raton marketing consultant to nonprofit organizations who has helped create specialty plates in seven states, said there are four bills before the Legislature that peripherally address the problem, but none of them would specifically roll back fees, and none has even gone through committee hearings.

"We've written language for a bill that would essentially just go back to where we were on Sept. 1," he said, but so far, no state senator or representative has stepped forward to introduce it.

Towner predicted the slowdown in specialty-plate purchases could cost charities \$57 million over the next 10 years if the trend continues.

Sen. Don Gaetz, R-Niceville, however, is a co-sponsor of legislation (SB 2036) that would roll back some of the fees approved by lawmakers last spring, but the bill doesn't specifically address specialty tags. He said the shortfall wasn't surprising.

"I didn't study economics in college, but I walked by the classroom once," Gaetz recently told the News Service of Florida. "When you raise the price on a discretionary purchase in the middle of a recession, you're going to see demand for it drop."

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