

## **BILL ANALYSIS**

C.S.H.B. 3106  
By: Garza  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

Currently, when a motor vehicle is registered, the owner is entitled to a set of general-issue license plates. Alternatively, the owner may apply for a set of specialty license plates. Specialty license plates include a wide variety of license plates. Some are generally available to the public (e.g. State of the Arts), some are available only to a limited number of persons (e.g. Purple Heart), and others are available only for certain vehicles (e.g. Antique Vehicle).

The laws governing specialty license plates have been passed over a number of sessions. Most bills creating license plates addressed only one type of license plate or a specific plate. As a result, there is little consistency in the terms governing specialty license plates. Inconsistencies include fees, costs, design responsibility, the handling of replacement plates, the types of eligible vehicles, and the handling of license plates when a vehicle is sold. These inconsistencies increase administrative costs and can confuse the public.

CSHB 3106 provides for the issuance of specialty license plates by the Texas Department of Transportation by reorganizing, updating, and rationalizing the provisions governing existing specialty license plates and by establishing a mechanism for the issuance of new specialty license plates. CSHB 3106 provides for passage and approval of all new specialty license plates, presented to the 78th Legislature, that incorporated CSHB 3106 standards and provisions for specialty license plates. Upon passage this bill would allow the Texas Department of Transportation to give priority to any application regarding a license plate or proposed license plate that was cited in a bill filed during the 78th Legislative Session, Regular Session, that does not incorporate CSHB 3106 standards and provision language.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 (Sections 504.001, 504.003, 504.102, 504.301, 504.601, and 504.801, Transportation Code) of this bill.

### **ANALYSIS**

SECTION 1. Amends Subtitle A, Title 7, Transportation Code, by adding Chapter 504 as follows:

#### CHAPTER 504. SPECIALTY LICENSE PLATES

##### SUBCHAPTER A. GENERAL PROVISIONS.

Sec. 504.001. PROVISIONS APPLICABLE TO ALL SPECIALTY LICENSE PLATES. Establishes standards for all specialty license plates unless provided otherwise by a specific provision or by rule.

(1) Provides that all vehicles are eligible for specialty license plates, but that the department may modify designs to accommodate vehicles other than passenger cars and light trucks.

(2) Provides that applications must be submitted in the manner specified by the department with proof of

eligibility, if applicable.

- (3) Provides that fees are in addition to those for registration and shall be deposited in the state highway fund.
- (4) Allows for prorating specialty license plate fees to coordinate them with registration periods.
- (5) Provides that the department is the owner of specialty license plate designs.
- (6) Authorizes the department to refuse to issue designs or alpha-numeric patterns that are offensive.
- (7) Provides for reimbursement of county tax-assessor collectors in the amount of 50 cents per plate for each license plate issued through them.
- (8) Provides for replacement of lost, mutilated, or stolen license plates.
- (9) Requires the return of license plates if a vehicle is disposed of or ceases to be eligible.
- (10) Prevents transfer of license plates between vehicles without the department's approval.

Sec. 504.002. SOUVENIR LICENSE PLATES. Allows the department to sell souvenir license plates that may not be used as registration insignia.

Sec. 504.003. Allows the commission to adopt rules and the department to issue forms to implement this chapter.

#### SUBCHAPTER B. PERSONALIZED LICENSE PLATES.

Sec. 504.101. PERSONALIZED LICENSE PLATES. Requires the department to issue personalized license plates for \$40 and sets fees.

Sec. 504.102. PERSONALIZATION OF OTHER SPECIALTY LICENSE PLATES. Allows all other specialty license plates to be personalized unless prohibited by another section or by rule.

Sec. 504.103. DESIGN AND ALPHA-NUMERIC PATTERN. Gives the department control over the design and alpha-numeric pattern for personalized plates.

#### SUBCHAPTER C. LICENSE PLATES FOR VEHICLES USED BY PERSONS WITH DISABILITIES.

Sec. 504.201. PERSONS WITH DISABILITIES. (a) Provides for issuance of disabled person license plates.

(b) Defines "disability," "mobility problem that substantially impairs a person's ability to ambulate," and "legally blind."

(c) Allows application if a vehicle will be operated by or for an eligible person.

(d) Sets standards for initial application for disabled person license plates.

(e) Establishes the number of disabled person placards and license plates for which a person may apply.

(f) Sets design standards for disabled person license plates.

(g) Allows for issuance of additional license plates for certain customized vehicles.

Sec. 504.202 VETERANS WITH DISABILITIES. Provides for issuance of specialty license plates for veterans with disabilities, sets standards, establishes eligibility, sets design standards, and sets fees.

Sec. 504.203. ISSUANCE OF DISABLED PLATES TO CERTAIN INSTITUTIONS. Provides for issuance of specialty license plates under Section 504.201 or 504.202 to certain eligible institutions for the transportation of persons who would be eligible under Section 504.201 or 504.202.

#### SUBCHAPTER D. SPECIALTY LICENSE PLATES FOR THE MILITARY

Sec. 504.301. PROVISIONS APPLICABLE TO ALL SPECIALTY LICENSE PLATES FOR THE MILITARY. Establishes standards for all specialty license plates unless provided otherwise by a specific provision or by rule.

(1) Provides that the department shall design the license plates.

(2) Provides that a person is not eligible for military license plates if the person was discharged from the U.S. armed forces under conditions less than honorable.

Sec. 504.302. Provides that surviving spouses may obtain military license plates and requires proof of eligibility.

Sec. 504.303. MEMBERS OR FORMER MEMBERS OF UNITED STATES ARMED FORCES. Provides that the department shall issue specialty license plates for active or former members of the U.S. armed forces and sets fees.

Sec. 504.304. MEMBERS OF UNITED STATES ARMED FORCES AUXILIARIES. Provides that the department shall issue specialty license plates for members of the Air Force Auxiliary, Civil Air Patrol, the Coast Guard Auxiliary, and the Marine Corps League and sets fees.

Sec. 504.305. MEMBERS OF TEXAS NATIONAL GUARD, STATE GUARD, OR UNITED STATES ARMED FORCES RESERVES. Provides that the department shall issue specialty license plates for members of the Texas National Guard, State Guard, and Armed Forces Reserves, sets fees, and allows for proof of eligibility.

Sec. 504.306. PERSONS RETIRED FROM SERVICE IN MERCHANT MARINE OF THE UNITED STATES. Provides that the department shall issue specialty license plates for former members of the merchant marine and sets fees.

Sec. 504.307. WORLD WAR II VETERANS. Provides that the department shall issue specialty license plates for World War II veterans with no fee.

Sec. 504.308. KOREAN WAR VETERANS. Provides that the department shall issue specialty license plates for Korean War veterans with no fee.

Sec. 504.309. VIETNAM VETERANS. Provides that the department shall issue specialty license plates for Vietnam veterans with no fee.

Sec. 504.310. DESERT SHIELD OR DESERT STORM VETERANS. Provides that the department shall issue specialty license plates for Desert Shield and Desert Storm veterans with no fee.

Sec. 504.311. MILITARY SPECIALTY LICENSE PLATES FOR EXTRAORDINARY SERVICE.  
(a) Permits vehicles with specialty license plates issued under this section to be registered without a fee.

(b) Sets fees for the license plates.

- (c) Provides for Prisoner of War license plates.
- (d) Provides for Pearl Harbor Survivor license plates.
- (e) Provides for Congressional Medal of Honor license plates.
- (f) Provides for Legion of Valor license plates.
- (g) Provides for Purple Heart license plates.

#### SUBCHAPTER E. SPECIALTY LICENSE PLATES WITH RESTRICTED DISTRIBUTION.

Sec. 504.401. STATE OFFICIALS. Provides that the department shall issue specialty license plates with no fee for certain identified state officials and establishes an expiration date of December 31.

Sec. 504.402. MEMBERS OF CONGRESS. Provides that the department shall issue specialty license plates for members of Congress with no fee and establishes an expiration date of December 31.

Sec. 504.403. STATE AND FEDERAL JUDGES. Provides that the department shall issue specialty license plates for certain current, retired, or visiting state and federal judges with no fee and establishes an expiration date of December 31.

Sec. 504.404. COUNTY JUDGES. Provides that the department shall issue specialty license plates for constitutional county judges with no fee and establishes an expiration date of December 31.

Sec. 504.405. PEACE OFFICERS WOUNDED OR KILLED IN LINE OF DUTY. Provides that the department shall issue specialty license plates for peace officers wounded in the line of duty or surviving family members of peace officers killed in the line of duty and sets fees.

Sec. 504.406. GOLD STAR MOTHERS. Provides that the department shall issue specialty license plates for mothers of persons who died while serving in the armed forces and sets fees.

Sec. 504.407. VOLUNTEER FIREFIGHTERS. Provides that the department shall issue volunteer firefighter license plates and sets fees.

Sec. 504.408. HONORARY CONSULS. Provides that the department shall issue honorary consul license plates with no fee.

Sec. 504.409. FOREIGN ORGANIZATION VEHICLES. Provides that the department shall issue foreign organization license plates and allows those vehicles to be registered without payment of a fee.

#### SUBCHAPTER F. SPECIALTY LICENSE PLATES FOR CERTAIN VEHICLES.

Sec. 504.501. CLASSIC MOTOR VEHICLES. Provides that the department shall issue specialty license plates for 25-year-old motor vehicles, permits alternative registration insignia, and sets fees.

Sec. 504.502. CERTAIN EXHIBITION VEHICLES; OFFENSE. Provides that the department shall issue specialty license plates for certain vehicles that are used exclusively for functions of public interest, permits alternative registration insignia, sets fees, and allows those vehicles to be registered without payment of a fee.

Sec. 504.503. MUNICIPAL AND PRIVATE BUSES. Provides that the department shall issue license plates for municipal and private buses with no fee.

Sec. 504.504. CERTAIN FARM VEHICLES AND DRILLING AND CONSTRUCTION

EQUIPMENT. Provides that the department shall issue license plates for certain farm vehicles and equipment, sets fees, and allows certain vehicles to be registered without payment of a fee.

Sec. 504.505. COTTON VEHICLES. Provides that the department shall issue specialty license plates for certain cotton vehicles and sets fees.

Sec. 504.506. CERTAIN LOG LOADER VEHICLES. Provides that the department shall issue license plates for certain log loader vehicles, sets fees, and allows those vehicles to be registered without payment of a fee.

Sec. 504.507. FORESTRY VEHICLES. Provides that the department shall issue license plates for forestry vehicles and sets fees.

Sec. 504.508. TOW TRUCKS. Provides that the department shall issue license plates for tow trucks and sets fees.

Sec. 504.509. VEHICLES CARRYING MOBILE AMATEUR RADIO EQUIPMENT. Provides that the department shall issue license plates for persons who hold amateur radio station licenses and who operate mobile equipment and sets fees.

Sec. 504.510. GOLF CART LICENSE PLATES. Provides that the department shall issue license plates for certain golf carts, sets fees, and allows those vehicles to be registered without payment of a fee.

#### SUBCHAPTER G. SPECIALTY LICENSE PLATES FOR GENERAL DISTRIBUTION

Sec. 504.601. PROVISIONS APPLICABLE TO ALL SPECIALTY LICENSE PLATES FOR GENERAL DISTRIBUTION. Establishes standards for all specialty license plates for general distribution unless provided otherwise by a specific provision or by rule.

(1) Sets fees of \$30.

(2) Permits the department to recover administrative costs of \$8.

Sec. 504.602. KEEP TEXAS BEAUTIFUL LICENSE PLATES. Provides that the department shall issue license plates containing the words "Keep Texas Beautiful" and authorizes the distribution of fees.

Sec. 504.603. TEXAS CAPITOL LICENSE PLATES. Provides that the department shall issue license plates depicting the Texas Capitol and authorizes the distribution of fees.

Sec. 504.604. TEXAS COMMISSION ON THE ARTS LICENSE PLATES. Provides that the department shall issue license plates including the words "State of the Arts" and authorizes the distribution of fees.

Sec. 504.605. ANIMAL FRIENDLY LICENSE PLATES. Provides that the department shall issue license plates including the words "Animal Friendly" and authorizes the distribution of fees.

Sec. 504.606. BIG BEND NATIONAL PARK LICENSE PLATES. Provides that the department shall issue license plates including images of Big Bend and authorizes the distribution of fees.

Sec. 504.607. READ TO SUCCEED. Provides that the department shall issue license plates including the words "Read To Succeed" and authorizes the distribution of fees.

Sec. 504.608. TEXAS COMMISSION ON ALCOHOL AND DRUG ABUSE LICENSE PLATES. Provides that the department shall issue license plates including the words "Boy Scouts of

America" and authorizes the distribution of fees.

Sec. 504.609. UNITED STATES OLYMPIC COMMITTEE LICENSE PLATES. Provides that the department shall issue license plates including the words "United States Olympic Committee" and authorizes the distribution of fees.

Sec. 504.610. TEXAS AEROSPACE COMMISSION LICENSE PLATES. Provides that the department shall issue license plates including the words "Texas Aerospace Commission" and authorizes the distribution of fees.

Sec. 504.611. VOLUNTEER ADVOCATE PROGRAM LICENSE PLATES. Provides that the department shall issue license plates in recognition of children and authorizes the distribution of fees.

Sec. 504.612. TEXAS YOUNG LAWYERS ASSOCIATION LICENSE PLATES. Provides that the department shall issue license plates including the words "And Justice for All" and authorizes the distribution of fees.

Sec. 504.613. HOUSTON LIVESTOCK SHOW AND RODEO LICENSE PLATES. Provides that the department shall issue license plates including the words "Houston Livestock Show and Rodeo" and authorizes the distribution of fees.

Sec. 504.614. PROFESSIONAL SPORTS TEAM LICENSE PLATES. Provides that the department shall issue license plates including the name and insignia of certain sports teams and authorizes the distribution of fees.

Sec. 504.615. COLLEGIATE LICENSE PLATES. Provides that the department shall issue license plates including the name and insignia of certain colleges and authorizes the distribution of fees.

Sec. 504.616. NEW MILLENIUM LICENSE PLATES. Provides that the department shall issue license plates including the words "New Millenium" and authorizes the distribution of fees.

Sec. 504.617. TEXAS. IT'S LIKE A WHOLE OTHER COUNTRY LICENSE PLATES. Provides that the department shall issue license plates including the Texas patch and the words "Texas. It's Like a Whole Other Country" and authorizes the distribution of fees.

Sec. 504.618. CONSERVATION LICENSE PLATES. Provides that the department shall issue license plates to support Texas Parks and Wildlife activities and authorizes the distribution of fees.

Sec. 504.619. TEXAS COMMISSION FOR THE DEAF AND HARD OF HEARING LICENSE PLATES. Provides that the department shall issue license plates in support of the Texas Commission for the Deaf and Hard of Hearing and authorizes the distribution of fees.

Sec. 504.620. TEXANS CONQUER CANCER LICENSE PLATES. Provides that the department shall issue license plates including the words "Texans Conquer Cancer" and authorizes the distribution of fees.

Sec. 504.621. SPECIAL OLYMPICS TEXAS LICENSE PLATES. Provides that the department shall issue license plates including the words "Special Olympics Texas" and authorizes the distribution of fees.

Sec. 504.622. GIRL SCOUT LICENSE PLATES. Provides that the department shall issue license plates including the words "Girl Scouts" and authorizes the distribution of fees.

Sec. 504.623. TEXAS YMCA. Provides that the department shall issue license plates in honor of the Young Men's Christian Association and authorizes the distribution of fees.

Sec. 504.624. 100TH FOOTBALL SEASON OF STEPHEN F. AUSTIN HIGH SCHOOL. Provides that the department shall issue license plates in honor of the 100th football season of Stephen F. Austin High School in Austin and authorizes the distribution of fees.

Sec. 504.625. TEXAS AGRICULTURAL PRODUCTS LICENSE PLATES. Provides that the department shall issue license plates including the words "Go Texan" and the "Go Texan" logo and authorizes the distribution of fees.

Sec. 504.626. TEXAS CITRUS INDUSTRY. Provides that the department shall issue license plates in honor of the citrus industry and authorizes the distribution of fees.

Sec. 504.627. WATERFOWL AND WETLAND CONSERVATION LICENSE PLATES. Provides that the department shall issue license plates including graphic images supplied by the Parks and Wildlife Department and authorizes the distribution of fees.

#### SUBCHAPTER H. ADMINISTRATIVE PROVISIONS RELATING TO SPECIALTY LICENSE PLATES FOR GENERAL DISTRIBUTION

Sec. 504.701. DISCONTINUANCE OF CERTAIN SPECIALTY LICENSE PLATES. Provides for the discontinuance of certain specialty plates if they fail to meet specified sales criteria.

Sec. 504.702. SPECIALTY LICENSE PLATES AUTHORIZED AFTER JANUARY 1, 1999. Provides that license plates authorized after January 1, 1999, may only be issued if they meet specified advance sales criteria or if the department receives a deposit.

#### SUBCHAPTER I. DEVELOPMENT OF NEW SPECIALTY LICENSE PLATES.

Sec. 504.801. CREATION OF NEW SPECIALTY LICENSE PLATES. (a) Provides that the department may issue new specialty license plates on receipt of an application or on its own initiative.

(b) Allows the sponsoring of a new specialty license plate with the filing of an application.

(c) Establishes design responsibilities and permits the department to refuse to create a design that would be offensive or illegal.

(d) Sets a fee of \$30.

(e) Authorizes the distribution of fees first to the department to recover its one-time start-up costs and then to be split between the department to cover its incremental production costs and the use nominated by the sponsor.

(f) Provides that Subchapter D, Chapter 316, Government Code, and Section 403.095, Government Code, do not apply.

(g) Authorizes the department to report to the legislature and to recommend appropriations necessary to implement the requests of sponsors.

(h) Permits the department to license trademarks for use on license plates when there was no sponsor.

SECTION 2. Repeals Subchapter F, Chapter 502, Transportation Code.

SECTION 3. Amends Subchapter A, Chapter 502, Transportation Code, to add Sections 502.0071, 502.0072, 502.0073, 502.0074, 502.0078, and 502.0079, as follows:

Sec. 502.0071. GOLF CARTS. Provides that certain golf carts are not required to be registered.

Sec. 502.0072. MANUFACTURED HOUSING. Provides that manufactured housing is not required to be registered.

Sec. 502.0073. POWER SWEEPERS. Provides that power sweepers are not required to be registered.

Sec. 502.0074. MOTORIZED MOBILITY DEVICE. Provides that motorized mobility devices are not required to be registered.

Sec. 502.0078. VEHICLES OPERATED ON PUBLIC HIGHWAY SEPARATING REAL PROPERTY UNDER VEHICLE OWNER'S CONTROL. Provides that a vehicle is not considered to be using a highway if it is only operated to cross the highway from one portion of the owner's property to another.

Sec. 502.0079. VEHICLES OPERATED BY CERTAIN NONRESIDENTS. Allows nonresidents to operate vehicles temporarily without registration if registered in another state and if similar privileges are granted to residents of this state by that state.

SECTION 4. Amends Subchapter D, Chapter 502, Transportation Code, by adding Sections 502.187 and 502.188 as follows:

Sec. 502.187. PARADE VEHICLES OWNED BY NONPROFIT SERVICE ORGANIZATIONS. Provides that certain parade vehicles owned by nonprofit organizations may be registered without payment of a fee.

Sec. 502.188. CERTAIN SOIL CONSERVATION EQUIPMENT. Provides that certain soil conservation equipment may be registered with the payment of a fee that is 50 percent of the fee that would otherwise be required.

SECTION 5. Repeals Section 502.273, Transportation Code, and provides that the repeal does not affect the validity of license plates already issued under that section.

SECTION 6. Provides that this Act shall not adversely affect general revenue and that if it does, the department's administrative fee shall be reduced during the 2004-2005 biennium by the amount necessary to offset any adverse effect.

SECTION 7. Requires the department to give priority in applications for the creation of new license plates to license plates cited in bills filed during the 78th Legislative Session.

#### **EFFECTIVE DATE**

Upon passage, or, if the Act does not Receive the necessary vote, the Act takes effect September 1, 2003.

#### **COMPARISON OF ORIGINAL TO SUBSTITUTE**

HB 3106 as filed authorized TxDOT to create new specialty license plates with consistent provisions and is now included in Subchapter I of the Committee Substitute. CSHB 3106 adds new provisions to reorganize the Specialty License Plate statutes; create provisions generally applying to all specialty license plates and specifically applying to certain types of license plates such as those for vehicles used by persons with disabilities, military, plates with restricted distribution, plates for certain vehicles, and plates for general distribution; authorize the issuance of souvenir license plates; give TxDOT control over specialty and personalized license plate designs; treat a request for plate redesign in the same fashion as a request for issuance of a new plate except that the deposit amount may be reduced to reflect the actual cost of redesigning the plate; authorize a variation in plate design to reflect use on a



motor vehicle other than a passenger car or light truck; give priority to the creation of new plates that were introduced as legislation in the 78th Legislature, Regular Session; and ensure that there is no cost to General Revenue to implement this legislation. The substitute has a section allowing for immediate effect or, if not receiving the necessary votes, an effective date of September 1, 2003.