

By: Krusee

H.B. No. 3292

A BILL TO BE ENTITLED

AN ACT

relating to the marketing and sale of prestige and specialized license plates.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Subchapter F, Chapter 502, Transportation Code, is amended by adding Section 502.2515 to read as follows:

Sec. 502.2515. CONTRACT WITH PRIVATE VENDOR. (a) The Texas Transportation Commission may authorize the department to enter into a contract with the private vendor whose proposal is most advantageous to the state as determined from competitive sealed proposals for the marketing and sale of:

(1) personalized prestige license plates authorized by Section 502.251; or

(2) other specialized license plates authorized by this subchapter.

(b) Instead of the fees established by Section 502.251(c), if the commission authorizes the department to contract with a private vendor under Subsection (a)(1) for the marketing and sale of personalized prestige license plates, the commission by rule shall establish fees for the issuance or renewal of personalized prestige license plates that are marketed and sold by the private vendor. Fees must be reasonable and not less than the greater of:

(1) the amounts necessary to allow the department to recover all costs to the department associated with the evaluation

1 of the competitive sealed proposals received by the department and
2 with the implementation and enforcement of the contract, including
3 direct, indirect, and administrative costs; or

4 (2) the amount established by Section 502.251(c).

5 (c) If the commission authorizes the department to contract
6 with a private vendor under Subsection (a)(2) for the marketing and
7 sale of other specialized license plates authorized by this
8 subchapter, including specialized license plates that may be
9 personalized, the commission by rule shall establish the fees for
10 the issuance or renewal of specialized license plates that are
11 marketed and sold by the private vendor. Fees must be reasonable
12 and not less than the amounts necessary to allow the department to
13 recover all costs to the department associated with the evaluation
14 of the competitive sealed proposals received by the department and
15 with the implementation and enforcement of the contract, including
16 direct, indirect, and administrative costs. A fee established
17 under this subsection is in addition to:

18 (1) the registration fee and any optional registration
19 fee prescribed by this chapter for the vehicle for which the
20 specialized license plates are issued;

21 (2) any additional fee prescribed by this subchapter
22 for the issuance of the specialized license plates for that
23 vehicle; and

24 (3) any additional fee prescribed by this subchapter
25 for the issuance of personalized special license plates for that
26 vehicle.

27 (d) At any time, as necessary to comply with Subsection (b)

1 or (c), the commission may increase or decrease the amount of a fee
2 established under the applicable subsection.

3 (e) A contract with a private vendor under Subsection (a)(1)
4 is payable only from amounts derived from the collection of the fee
5 established under Subsection (b). A contract with a private vendor
6 under Subsection (a)(2) is payable only from amounts derived from
7 the collection of the fee established under Subsection (c).

8 (f) The department may create new design and color
9 combinations for personalized prestige license plates that are
10 marketed or sold by a private vendor under a contract entered into
11 under Subsection (a)(1). Each approved license plate design and
12 color combination remains the property of the department.

13 (g) The department may create new design and color
14 combinations for specialized license plates, including specialized
15 license plates that may be personalized, that are marketed or sold
16 by a private vendor under a contract entered into under Subsection
17 (a)(2). Each approved license plate design and color combination
18 remains the property of the department. This subsection does not
19 authorize:

20 (1) the department to approve a design or color
21 combination for a specialized license plate that is inconsistent
22 with the design or color combination specified for the license
23 plate by the section of this subchapter that authorizes the
24 issuance of the specialized license plate; or

25 (2) the private vendor to market or sell a specialized
26 license plate with a design or color combination that is
27 inconsistent with the design or color combination specified by that

1 section.

2 (h) In connection with a license plate that is marketed or
3 sold by a private vendor under contract, the department may cancel a
4 license plate or require the discontinuation of a license plate
5 design or color combination at any time if the department
6 determines that the cancellation or discontinuation is in the best
7 interest of this state or the motoring public.

8 (i) A contract entered into by the department with a private
9 vendor under this section:

10 (1) must comply with any law generally applicable to a
11 contract for services entered into by the department;

12 (2) must require the private vendor to render at least
13 quarterly to the department periodic accounts that accurately
14 detail all material transactions, including information reasonably
15 required by the department to support fees that are collected by the
16 vendor, and to regularly remit all money payable to the department
17 under the contract; and

18 (3) may allow or require the private vendor to
19 establish an electronic infrastructure coordinated and compatible
20 with the department's registration system, by which motor vehicle
21 owners may electronically send and receive applications, other
22 documents, or required payments, and that, when secure access is
23 necessary, can be electronically validated by the department.

24 (j) From amounts received by the department, the department
25 shall deposit to the credit of the state highway fund an amount
26 sufficient to enable the department to recover its administrative
27 costs for all license plates issued under this section, including

1 any payments to the vendor under Subsection (a), and any other
2 amounts allocated to the state highway fund by another law. To the
3 extent that disposition of other amounts received from the vendor
4 are governed by another law, those amounts shall be deposited in
5 accordance with the other law, and for each type of license plate,
6 the amount charged for the license plate may not be less than the
7 amount in effect on January 1, 2003. Any additional amount
8 received from the vendor shall be deposited to the credit of the
9 general revenue fund.

10 (k) The commission may authorize the department to pay a
11 licensing fee for the use of a trademark in connection with the
12 marketing and sale of a license plate under this section.

13 SECTION 2. This Act takes effect immediately if it receives
14 a vote of two-thirds of all the members elected to each house, as
15 provided by Section 39, Article III, Texas Constitution. If this
16 Act does not receive the vote necessary for immediate effect, this
17 Act takes effect September 1, 2003.