

By: Carona

S.B. No. 425

A BILL TO BE ENTITLED

AN ACT

1
2 relating to the marketing and sale of prestige and specialized
3 license plates.

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

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

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

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

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

16 (b) Notwithstanding Section 502.251(c), if the commission
17 authorizes the department to contract with a private vendor under
18 Subsection (a)(1) for the marketing and sale of personalized
19 prestige license plates, the commission by rule shall establish
20 fees for the issuance or renewal of personalized prestige license
21 plates that are marketed and sold by the private vendor. Fees must
22 be reasonable and not less than the amounts necessary to allow the
23 department to recover all costs to the department associated with
24 the evaluation of the competitive sealed proposals received by the

1 department and with the implementation and enforcement of the
2 contract, including direct, indirect, and administrative costs.

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

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

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

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

25 (d) At any time, as necessary to comply with Subsection (b)
26 or (c), the commission may increase or decrease the amount of a fee
27 established under the applicable subsection.

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

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

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

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

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

27 (h) In connection with a license plate that is marketed or

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

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

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

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

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

22 (j) Money received by the department from a private vendor
23 under this section shall be deposited to the credit of the state
24 highway fund.

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

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