

## **BILL ANALYSIS**

C.S.H.B. 2627  
By: Murphy  
Transportation  
Committee Report (Substituted)

### **BACKGROUND AND PURPOSE**

This bill seeks to reduce the fees assessed to the organizations who wish to participate in the specialty license plate program. The Texas Department of Transportation (TxDOT) has achieved a greater degree of efficiency and this bill would keep more dollars in the coffers of the organizations who serve the citizens of this State.

Currently, non-profit organizations must deposit \$15,000 with TxDOT or pre-sell 3,500 sets of license plates before TxDOT will issue the specialty plates. Certain professional sports organizations must meet the same requirements. Public and private universities must pre-sell 1,500 sets of plates or deposit \$15,000 with TxDOT. Many organizations cannot pre-sell 3,500 plates and \$15,000 is a heavy burden for these organizations. The \$15,000 fee currently in statute was calculated to ensure that TxDOT was reimbursed for the production costs associated with creating a specialty license plate. However, in recent years TxDOT has been able to reduce the actual cost of production significantly. HB 2627 would bring the fees assessed to each organization in line with the current cost of producing the specialty license plate. It would also reduce the number of plates required for fee reimbursement. The \$15,000 fee would be reduced to \$8,000, and the number of plates would be reduced from 3,500 to 1,900 (or from 1,500 to 800 for universities).

CSHB 2627 adds (c) to section 2, which states that if the department issues or the person requesting the plates pre-sells 1,900 sets of plates, then the department will return the amount deposited for the sets of plates. The amount in statute was 3,500.

### **RULEMAKING AUTHORITY**

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

### **ANALYSIS**

SECTION 1. Amends Section 504.701(d), Transportation Code

(d) On or after September 1, 2004, the department may continue to issue license plates under:

- (1) Section 504.615 for a particular institution of higher education or private college or university only if before that date:
  - (A) amends the code to reduce the amount of plates required for the particular institution, college, or university have been issued or presold to 800 instead of 1500;
  - (B) amends the code to reduce the amount received by the department from the issuance of the license plates for that institution, college, or university to \$8000 instead of \$15,000; or
  - (C) amends the code to reduce the amount deposited with the department for the continued issuance of the license plates for that institution, college, or university to \$8000
- (2) Section 504.614 for a particular professional sports team only if before that date:
  - (A) amends the code to reduce the amount of plates required for the that sports team have been issued or presold to 1,900 instead of 3,500;

(B) amends the code to reduce the amount received by the department from the issuance of the license plates for that sports team to \$8000 instead of \$15,000; or

(C) amends the code to reduce the amount deposited with the department for the continued issuance of the license plates for that sports team to \$8000 from \$15,000

SECTION 2. Amends Section 504.702(b) (3) and (c), Transportation Code and ,

(3) accompanied by:

(A) Reduces the deposit from \$15,000 to \$8,000

(B) Reduces the amount of applications needed for issuance of to 1,900 from 3,00 sets of the license plates plus the fees for issuance of that number of sets.

(c) Reduces the amount of money deposited with the department under Subsection (b) (3) (A) shall be returned to the person who made the deposit only if 1,900 plates are issued or pre-sold from 3,500.

SECTION 3. States that the change in law made by this Act applies only to a request for the manufacture of specialty license plates received by the department on or after the effective date of this Act. The change in law does not affect a request for the manufacture of specialty license plates made before the effective date of this Act, and the former law is continued in effect for that purpose.

SECTION 4. This Act takes effect September 1, 2007.

#### **EFFECTIVE DATE**

September 1, 2007.

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

CSHB 2627 adds (c) to section 2 of the original bill. Currently, if one of the organizations mentioned in this bill has pre-sold or the department has issued 3,500 sets of plates, then the department shall return the amount of the deposit to the person who made the request for the plates. CSHB 2627 reduces the amount of plates required by this section to 1,900 to be consistent throughout the code.