

## **BILL ANALYSIS**

Senate Research Center  
81R35201 JAM-D

H.B. 2854  
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Transportation & Homeland Security  
5/21/2009  
Committee Report (Amended)

### **AUTHOR'S / SPONSOR'S STATEMENT OF INTENT**

H.B. 2854 amends current law relating to license plates created by the Texas Department of Transportation for professional firefighters.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted in Committee Amendment No. 1 to the Texas Transportation Commission in SECTION \_\_\_\_ (Section 504.851, Transportation Code) of this bill.

Rulemaking authority is expressly granted in Committee Amendment No. 1 to the executive director of the Texas Transportation Commission in SECTION \_\_\_\_ (Section 504.853, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Subchapter E, Chapter 504, Transportation Code, by adding Section 504.414, as follows:

Sec. 504.414. PROFESSIONAL FIREFIGHTER PLATES. Authorizes that the professional firefighter plate be issued to qualified firefighters. Authorizes the sponsor of the plate to nominate a state agency for receipt of funds under Section 504.801(e)(2)(A) (relating to fees deposited to the specialty license plate fund).

(b) Requires that the remainder of the fees from the sale of professional firefighter plates, after deduction of the Texas Department of Transportation's administrative costs in accordance with Section 504.801 (Creation of New Specialty License Plates by the Department), be deposited to the credit of an account in the state treasury to be used by the nominated state agency for the purpose of making grants to support the activities of an organization of professional firefighters located in this state that provides emergency relief and college scholarship funds to the professional firefighters and their dependents.

SECTION 2. Effective date: upon passage or September 1, 2009.

### **SUMMARY OF COMMITTEE CHANGES**

Amends H.B. 2854 (engrossed version) by adding the following appropriately numbered SECTIONS to the bill and renumbering the remaining SECTIONS of the bill accordingly:

SECTION \_\_\_\_\_. Amends Section 504.003, Transportation Code, by amending Subsection (c) and adding Subsection (c-1), as follows:

(c) Provides that if a souvenir license plate issued before September 1, 2009, is personalized, the fee for the plate is \$40. Requires that of the fee:

(1) \$20 be deposited to the credit of the state highway fund;

(2) \$10 be deposited to the credit of the designated account if the souvenir license plate is a replica of a specialty license plate issued under Subchapter G (Specialty License Plates for General Distribution) or I (Development of New Specialty License Plates) for which the fee is deposited to a designated account other than the state highway fund; and

(3) the remainder be deposited to the credit of the general revenue fund. Makes a nonsubstantive change.

(c-1) Provides that the fee for a souvenir license plate issued on or after September 1, 2009, is the amount established under Section 504.851(c) (relating to establishing the fees for the issuance or renewal of souvenir license plates).

SECTION \_\_\_\_\_. Amends Section 504.102, Transportation Code, as follows:

Sec. 504.102. New Heading: PERSONALIZATION OF SPECIALTY LICENSE PLATE. Authorizes any specialty license plate issued under this chapter, unless expressly prohibited by this chapter or Texas Department of Transportation (TxDOT) rule, to be personalized. Requires that the fee for personalization of the specialty license plate, rather than the fee established by Section 504.101(c) (relating to the fee for issuance of a personalized license plate), if a, rather than another, specialty license plate is personalized, be added to the fee for issuance of that specialty license plate.

SECTION \_\_\_\_\_. Amends Section 504.601, Transportation Code, as follows:

Sec. 504.601. New Heading: GENERAL PROVISIONS APPLICABLE TO SPECIALTY LICENSE PLATES FOR GENERAL DISTRIBUTION. (a) Provides that unless expressly provided by this subchapter or TxDOT rule:

(1) the fee for issuance of a license plate under this subchapter is \$30; and

(2) of each fee received under this subchapter, TxDOT is required to use \$8 to defray its administrative costs in complying with this subchapter.

(b) Provides that this section does not apply to a specialty license plate marketed and sold by a private vendor at the request of the specialty license plate sponsor under Section 504.6011.

SECTION \_\_\_\_\_. Amends Subchapter G, Chapter 504, Transportation Code, by adding Section 504.6011, as follows:

Sec. 504.6011. GENERAL PROVISIONS APPLICABLE TO SPECIALTY LICENSE PLATES FOR GENERAL DISTRIBUTION SOLD THROUGH PRIVATE VENDOR.

(a) Authorizes the sponsor of a specialty license plate authorized to be issued under this subchapter before September 1, 2009, to contract with the private vendor under Subchapter J (Marketing of Specialty Plates Through Private Vendor) for the marketing and sale of the specialty license plate.

(b) Provides that the fee for issuance of a specialty license plate described by Subsection (a) is the amount established under Section 504.851 (Contract With Private Vendor).

(c) Requires TxDOT, notwithstanding any other law, from each fee received for the issuance of a specialty license plate described by Subsection (a), to:

(1) deduct the administrative costs described by Section 504.601(a)(2);

(2) deposit to the credit of the account designated by the law authorizing the specialty license plate the portion of the fee for the sale of the plate that the state would ordinarily receive under the contract described by Section 504.851(a); and

(3) pay to the private vendor the remainder of the fee.

SECTION \_\_\_\_\_. Amends Section 504.801, Transportation Code, by amending Subsections (d), (e), and (f) and adding Subsection (d-1), as follows:

(d) Provides that the fee for issuance of license plates created, rather than authorized, under this subchapter before September 1, 2009, is \$30 unless TxDOT sets a higher fee. Provides that this subsection does not apply to a specialty license plate marketed and sold by a private vendor at the request of the specialty license plate marketed and sold by a private vendor at the request of the specialty license plate sponsor.

(d-1) Provides that the fee for issuance of license plates created under this subchapter on or after September 1, 2009, is the amount established under Section 504.851.

(e) Requires that for each fee collected for a license plate issued by TxDOT under this section:

(1) \$8 be used to reimburse TxDOT for its administrative costs; and

(2) the remainder be deposited to the credit of:

(A) the specialty license plate fund, which is an account in the general revenue fund, if the sponsor nominated a state agency to receive the funds; or

(B) the state highway fund if the sponsor did not nominate a state agency to receive the funds or if there is no sponsor.

(f) Provides that Subchapter D (Appropriation of Unobligated Fund Balances to General Revenue Fund), Chapter 316 (Appropriations), Government Code, and Section 403.095 (Use of Dedicated Revenue), Government Code, do not apply to fees collected under this subchapter, rather than section.

SECTION \_\_\_\_\_. Amends Subchapter I, Chapter 504, Transportation Code, by adding Section 504.802, as follows:

Sec. 504.802. **MARKETING AND SALE BY PRIVATE VENDOR OF SPECIALTY LICENSE PLATES CREATED BEFORE SEPTEMBER 1, 2009.** (a) Authorizes the sponsor of a specialty license plate authorized to be issued under this subchapter before September 1, 2009, to contract with the private vendor under Subchapter J for the marketing and sale of the specialty license plate.

(b) Provides that the fee for issuance of a specialty license plate described by Subsection (a) is the amount established under Section 504.851(c).

(c) Requires TxDOT, notwithstanding any other law, from each fee received for the issuance of a specialty license plate described by Subsection (a), to:

(1) deduct the administrative costs described by Section 504.801(e)(1);

(2) deposit the portion of the fee for the sale of the plate that the state would ordinarily and receive under the contract described by Section 504.851(a) to the credit of:

(A) the specialty license plate fund, which is an account in the general revenue fund, if the sponsor nominated a state agency to receive the funds; or

(B) the state highway fund if the sponsor did not nominate a state agency to receive the funds or if there is no sponsor; and

(3) pay to the private vendor the remainder of the fee.

SECTION \_\_\_\_\_. Amends Section 504.851, Transportation Code, by amending Subsections (a), (b), and (j) and adding subsections (a-1), (a-2), and (c-1), as follows:

(a) Requires TxDOT to enter into a contract with the private vendor whose proposal is most advantageous to the state, as determined from competitive sealed proposals that satisfy the requirements of this section, for the marketing and sale of:

(1) personalized license plates, rather than personalized license plates authorized by Section 504.101; or

(2) with the agreement of the private vendor, other specialty license plates authorized by Subchapters G and I, rather than this subchapter.

(a-1) Prohibits TxDOT from issuing specialty, personalized, or souvenir license plates with background colors other than white, unless the plates are marketed and sold by a private vendor.

(a-2) Requires specialty license plates authorized for marketing and sale under Subsection (a) to include:

(1) specialty license plates created under Subchapters G and I on or after September 1, 2009; and

(2) at the request of the specialty license plate sponsor, an existing specialty license plate created under Subchapters G and I before September 1, 2009.

(b) Requires the Texas Transportation Commission (TTC) by rule to establish fees, rather than instead of the fees established by Section 504.101(c) (relating to fee for issuance of a personalized license plate), for the issuance or renewal or personalized license plates that are marketed and sold by the private vendor. Requires that fees be reasonable and not less than the greater of:

(1) the amounts necessary to allow TxDOT to recover all reasonable costs to TxDOT associated with the evaluation of the competitive sealed proposals received by TxDOT and with the implementation and enforcement of the contract, including direct, indirect, and administrative costs; or

(2) the amount established by Section 504.853(b), rather than Section 504.101(c).

(c-1) Provides that Subsections (b) and (c) do not apply to the sale at auction of a specialty license plate that is not used on a motor vehicle.

(j) Requires TxDOT, from amounts received by TxDOT under the contract described by Subsection (a), to deposit to the credit of the state highway fund an amount sufficient to enable TxDOT to recover its administrative costs for all license plates issued under this section, any payments to the vendor under the contract, rather than Subsection (a), and any other amounts allocated by law, rather than by another law, to the state highway fund. Makes a nonsubstantive change. Requires those amounts, to the extent that the disposition of other amounts received by TxDOT is governed by another law to be deposited in accordance with the other law. Deletes existing text requiring that those amounts, to the extent that disposition of other amounts received from the vendor are governed by another law, be deposited in accordance with the other law, and prohibiting the amount charged for the license plate, for each type of license plate, from being less than the amount in effect on January 1, 2003. Requires that any additional amount received by, rather than from, the department under the contract, rather than the vendor, be deposited to the credit of the general revenue fund.

SECTION \_\_\_\_\_. Amends Subchapter J, Chapter 504, Transportation Code, by adding Sections 504.853 and 504.854, as follows:

Sec. 504.853. PERSONALIZED LICENSE PLATES ISSUED BEFORE SEPTEMBER 1, 2009. (a) Authorizes a personalized license plate issued before September 1, 2009, to be issued for a subsequent registration period only if the applicant submits an application and pays the required fee for the applicable registration period. Provides that a person who is issued a personalized license plate has first priority on that license plate for each subsequent registration period for which the person submits a new application for that plate.

(b) Provides that the fee for issuance of a personalized license plate issued before September 1, 2009, is \$40, unless the executive director of TTC adopts by rule a higher fee.

(c) Authorizes a person who is issued a personalized license plate by TxDOT before September 1, 2009, to:

(1) submit an application for the plate under Subsection (a) and pay the required fee for each subsequent registration period under Subsection (b);  
or

(2) purchase through the private vendor a license to display the alphanumeric pattern on a license plate for any term allowed by law.

(d) Prohibits TxDOT from issuing a replacement set of personalized license plates to the same person before the sixth anniversary of the date of issuance unless the applicant for issuance of replacement plates pays an additional fee of \$30.

(e) Requires that, of each fee collected by TxDOT under this section:

(1) \$1.25 be used to defray the cost of administering this section; and

(2) the remainder be deposited to the credit of the general revenue fund.

Sec. 504.854. AUCTION. (a) Authorizes the private vendor to sell at auction a license to display a unique alphanumeric pattern on a license plate.

(b) Authorizes only a license to display an alphanumeric pattern purchased under this section or a license to display an alphanumeric pattern sold by the private vendor under Section 504.853 to be transferred to another person. Entitles the transferee to the same rights and privileges as the transferor.

(c) Requires the transferee to file a form prescribed by TxDOT to notify TxDOT of the transfer. Authorizes TxDOT to set a fee to be paid by the transferee to TxDOT for the transfer.

SECTION \_\_\_\_\_. Repealer: Section 504.101, Transportation Code.

Repealer: Subsection (m) (relating to excess amounts from license plate fees), Section 504.851, Transportation Code.

SECTION \_\_\_\_\_. Provides that the changes in law made by this Act do not require the rebidding of a contract that is in effect on the effective date of this Act.