

By: Phillips

H.B. No. 2806

Substitute the following for H.B. No. 2806:

By: Darby

C.S.H.B. No. 2806

A BILL TO BE ENTITLED

1 AN ACT
2 relating to the marketing, hosting, and sale of specialty and
3 personalized license plates.

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

5 SECTION 1. Sections 504.003(c) and (c-1), Transportation
6 Code, are amended to read as follows:

7 (c) If a souvenir license plate issued before November 19
8 [~~September 1~~], 2009, is personalized, the fee for the plate is
9 \$40. Of the fee:

10 (1) \$20 shall be deposited to the credit of the state
11 highway fund;

12 (2) \$10 shall be deposited to the credit of the
13 designated account if the souvenir license plate is a replica of a
14 specialty license plate issued under Subchapter G or I for which the
15 fee is deposited to a designated account other than the state
16 highway fund; and

17 (3) the remainder shall be deposited to the credit of
18 the general revenue fund.

19 (c-1) The fee for a souvenir license plate issued on or
20 after November 19 [~~September 1~~], 2009, is the amount established
21 under Section 504.851(c).

22 SECTION 2. Subchapter B, Chapter 504, Transportation Code,
23 is amended by adding Section 504.101 to read as follows:

24 Sec. 504.101. PERSONALIZED LICENSE PLATES. The department

1 shall issue personalized license plates, including those sold by
2 the private vendor under a contract with the department as provided
3 by Section 504.851.

4 SECTION 3. Section 504.6011, Transportation Code, is
5 amended by amending Subsection (a) and adding Subsection (d) to
6 read as follows:

7 (a) The sponsor of a specialty license plate [~~authorized to~~
8 ~~be issued under this subchapter before September 1, 2009,~~] may
9 contract with the private vendor authorized under Subchapter J for
10 the marketing and sale of the specialty license plate.

11 (d) A sponsor of a specialty license plate authorized to be
12 issued under this subchapter before November 19, 2009, may
13 reestablish its specialty license plate under Sections 504.601 and
14 504.702 and be credited its previous deposit with the department if
15 a contract entered into by the sponsor under Subsection (a)
16 terminates.

17 SECTION 4. Section 504.614, Transportation Code, is amended
18 by adding Subsection (b-1) to read as follows:

19 (b-1) A public entity that receives money under Subsection
20 (b) may contract with the private vendor under Section 504.6011 to
21 distribute the entity's portion of the money in a manner other than
22 that described by Subsection (b).

23 SECTION 5. Sections 504.801(d) and (d-1), Transportation
24 Code, are amended to read as follows:

25 (d) The fee for issuance of license plates created under
26 this subchapter before November 19 [~~September 1~~], 2009, is \$30
27 unless the department sets a higher fee. This subsection does not

1 apply to a specialty license plate marketed and sold by a private
2 vendor at the request of the specialty license plate sponsor.

3 (d-1) The fee for issuance of license plates created under
4 this subchapter on or after November 19 [~~September 1~~], 2009, is the
5 amount established under Section 504.851.

6 SECTION 6. The heading to Section 504.802, Transportation
7 Code, is amended to read as follows:

8 Sec. 504.802. MARKETING AND SALE BY PRIVATE VENDOR OF
9 SPECIALTY LICENSE PLATES [~~CREATED BEFORE SEPTEMBER 1, 2009~~].

10 SECTION 7. Section 504.802, Transportation Code, is amended
11 by amending Subsections (a) and (c) and adding Subsection (d) to
12 read as follows:

13 (a) A sponsor of a specialty license plate created under
14 this subchapter [~~before September 1, 2009,~~] may contract with the
15 private vendor authorized under Subchapter J for the marketing and
16 sale of the specialty license plate.

17 (c) Notwithstanding any other law, from each fee received
18 from the issuance of a specialty license plate marketed and sold by
19 the private vendor under this section, the department shall:

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

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

25 (A) the specialty license plate fund, if the
26 sponsor nominated a state agency to receive the funds; [~~or~~]

27 (B) the general revenue fund, if the sponsor did

1 not nominate a state agency to receive the funds or if there is no
2 sponsor; or

3 (C) for a license plate issued under Section
4 504.614, the public entity that provides or provided funds for the
5 professional sports team's facility; and

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

7 (d) A sponsor of a specialty license plate may reestablish
8 its specialty license plate under Sections 504.601 and 504.702 and
9 be credited its previous deposit with the department if a contract
10 entered into by the sponsor under Subsection (a) terminates.

11 SECTION 8. Section 504.851, Transportation Code, is amended
12 by amending Subsections (a-2), (c), (e), (f), and (h), and adding
13 Subsections (a-3) and (m) to read as follows:

14 (a-2) Specialty license plates authorized for marketing and
15 sale under Subsection (a) may be personalized and must include:

16 (1) specialty license plates created under
17 Subchapters G and I on or after November 19 [~~September 1~~], 2009; and

18 (2) at the request of the specialty license plate
19 sponsor, an existing specialty license plate created under
20 Subchapters G and I before November 19 [~~September 1~~], 2009.

21 (a-3) The department may contract with the private vendor
22 for the vendor to:

23 (1) host all or some of the specialty license plates on
24 the vendor's website;

25 (2) process the purchase of specialty license plates
26 hosted on the vendor's website and pay any additional transaction
27 cost; and

1 (3) share in the personalization fee for the license
2 plates hosted on the vendor's website.

3 (c) The board by rule shall establish the fees for the
4 issuance or renewal of souvenir license plates, specialty license
5 plates, or souvenir or specialty license plates that are
6 personalized that are marketed and sold by the private vendor or
7 hosted on the private vendor's website. The state's portion of the
8 personalization fee may not be less than \$40 for each year issued.

9 Other fees [~~Fees~~] must be reasonable and not less than the amounts
10 necessary to allow the department to recover all reasonable costs
11 to the department associated with the evaluation of the competitive
12 sealed proposals received by the department and with the
13 implementation and enforcement of the contract, including direct,
14 indirect, and administrative costs. A fee established under this
15 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 specialty
18 license plates are issued;

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

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

23 (e) The portion of a contract with a private vendor
24 regarding the marketing and sale of personalized license plates is
25 payable only from amounts derived from the collection of the fee
26 established under Subsection (b). The portion of a contract with a
27 private vendor regarding the marketing, hosting, and sale of

1 souvenir license plates, specialty license plates, or souvenir or
2 specialty license plates that are personalized under Section
3 504.102 is payable only from amounts derived from the collection of
4 the fee established under Subsection (c).

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

10 (h) Subject to the limitations provided by Subsections (g)
11 and (g-1), the department may disapprove a design, cancel a license
12 plate, or require the discontinuation of a license plate design or
13 color combination that is marketed, hosted, or [~~and~~] sold by a
14 private vendor under contract at any time if the department
15 determines that the disapproval, cancellation, or discontinuation
16 is in the best interest of this state or the motoring public.

17 (m) If the private vendor ceases operation:

18 (1) the program may be operated temporarily by the
19 department under new agreements with the license plate sponsors
20 until another vendor is selected and begins operation; and

21 (2) the private vendor's share of the revenue is
22 deposited to the credit of the general revenue fund.

23 SECTION 9. The heading to Section 504.853, Transportation
24 Code, is amended to read as follows:

25 Sec. 504.853. SPECIALTY AND PERSONALIZED LICENSE PLATES
26 ISSUED BEFORE NOVEMBER 19 [~~SEPTEMBER 1~~], 2009.

27 SECTION 10. Sections 504.853(a), (b), (c), and (e),

1 Transportation Code, are amended to read as follows:

2 (a) A specialty or personalized license plate issued before
3 November 19 [~~September 1~~], 2009, may be issued for a subsequent
4 registration period only if the applicant submits an application
5 and pays the required fee for the applicable registration period. A
6 person who is issued a personalized license plate has first
7 priority on that license plate for each subsequent registration
8 period for which the person submits a new application for that
9 plate.

10 (b) Unless the board by rule adopts a higher fee or the
11 license plate is not renewed annually, the [~~The~~] fee for issuance of
12 a [~~personalized~~] license plate issued before November 19 [~~September~~
13 ~~1~~], 2009, is:

14 (1) the fee provided for in Section 504.601 for a
15 specialty license plate; and

16 (2) \$40 for a personalized license plate[~~, unless the~~
17 ~~director adopts by rule a higher fee~~].

18 (c) A person who is issued a specialty or personalized
19 license plate by the department before November 19 [~~September 1~~],
20 2009, may:

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

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

27 (e) Of each fee collected by the department under Subsection

1 (b)(2) [~~this section~~]:

2 (1) \$1.25 shall be used by the department to defray the
3 cost of administering this section; and

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

6 SECTION 11. Sections 504.854(a) and (b), Transportation
7 Code, are amended to read as follows:

8 (a) The board by rule [~~private vendor~~] may provide for the
9 private vendor to:

10 (1) sell at auction a license to display a unique
11 alphanumeric pattern on a license plate for a period set by board
12 rule;

13 (2) reserve an unissued alphanumeric pattern from the
14 department for purposes of auctioning a license to display the
15 pattern for a period set by board rule; and

16 (3) purchase from a customer an unexpired license to
17 display an alphanumeric pattern for purposes of auction by the
18 vendor.

19 (b) A [~~Only a~~] license to display an alphanumeric pattern
20 purchased under this section [~~or a license to display an~~
21 ~~alphanumeric pattern sold by the private vendor under Section~~
22 ~~504.853~~] may be transferred to another person without payment of
23 the fee provided by Section 504.855. [~~The transferee is entitled to~~
24 ~~the same rights and privileges as the transferor.~~]

25 SECTION 12. Subchapter J, Chapter 504, Transportation Code,
26 is amended by adding Section 504.855 to read as follows:

27 Sec. 504.855. TRANSFERABILITY OF CERTAIN PATTERNS. The

1 board by rule may:

2 (1) authorize a person who purchases a license to
3 display an alphanumeric pattern for a period of five years or more
4 to transfer the license; and

5 (2) establish a transfer fee to be distributed in
6 accordance with the contract with the private vendor.

7 SECTION 13. The following provisions of the Transportation
8 Code are repealed:

9 (1) Section 504.851(k); and

10 (2) Section 504.854(c).

11 SECTION 14. This Act takes effect September 1, 2011.