

By: Phillips

H.B. No. 2806

A BILL TO BE ENTITLED

AN ACT

relating to the marketing, hosting, and sale of specialty and personalized license plates.

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

SECTION 1. Section 504.101(a-1), Transportation Code, is added to read as follows:

Sec. 504.101. PERSONALIZED LICENSE PLATES.

(a-1) The department shall issue personalized license plates, including those sold by the private vendor as provided by Section 504.851.

SECTION 2. Section 504.6011(a) and (b), Transportation Code, are amended and Subsection (d) is added to read as follows:

Sec. 504.6011. GENERAL PROVISIONS APPLICABLE TO SPECIALTY LICENSE PLATES FOR GENERAL DISTRIBUTION SOLD THROUGH PRIVATE VENDOR. (a) The sponsor of a specialty license plate ~~[authorized to be issued under this subchapter before September 1, 2009,~~] may contract with the private vendor authorized under Subchapter J for the marketing and sale of the specialty license plate. The department by rule may establish an implementation date for the program.

(b) After the implementation date set by board rule, in accordance with Subsection (a), the [The] fee for issuance of a specialty license plate ~~[described by Subsection (a)]~~ is the amount established under Section 504.851.

1 (d) If the contract entered into under Subsection (a)
2 terminates, the sponsor of a specialty license plate may
3 re-establish its statutory plate in accordance with Sections
4 504.601 and 504.702 and be credited its previous deposit with the
5 department.

6 SECTION 3. Section 504.614(b-1), Transportation Code, is
7 added to read as follows:

8 (b-1) The public entity that is distributed funds under
9 Subsection (b) may contract with the private vendor, pursuant to
10 Sec. 504.6011, to distribute the public entity's portion of the
11 funds in a manner other than that described in subsection (b).

12 SECTION 4. The heading of Section 504.802, Transportation
13 Code, is amended to read as follows:

14 Sec. 504.802. Marketing and Sale by Private Vendor of
15 Specialty License Plates [~~Created before September 1, 2009~~].

16 SECTION 5. Section 504.802(a) and (c), Transportation Code,
17 are amended and Subsection (d) is added to read as follows:

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

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

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

27 (2) deposit 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) to the credit of:

(A) the specialty license plate fund, if the sponsor nominated a state agency or a public entity to receive the funds; or

(B) the general revenue fund, if the sponsor did not nominate a state agency or a public entity to receive the funds, or if there is no sponsor; and

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

(d) If the contract entered into under Subsection (a) terminates, the sponsor of a specialty license plate may re-establish its statutory plate in accordance with Sections 504.601 and 504.702 and be credited its previous deposit with the department.

SECTION 6. Sections 504.851 (a-2), (c), and (e), (f), (h), Transportation Code, are amended and Subsections (a-3) and (n) are added to read as follows:

(a-2) Specialty license plates authorized for marketing and sale under Subsection (a) may ~~[must]~~ include personalization and must include:

(1) specialty license plates created under Subchapters G and I before the implementation date set by department rule ~~[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 the implementation date set by department rule ~~[September 1, 2009]~~.

1 (a-3) The department may contract with the private vendor:

2 (1) to host all or some of the specialty plates on its
3 website by processing the specialty plate and paying any additional
4 transaction cost; and

5 (2) share in the personalization fee for the hosted
6 plates.

7 (c) The board by rule shall establish the fees for the
8 issuance or renewal of souvenir license plates, specialty license
9 plates, or souvenir or specialty license plates that are
10 personalized that are marketed and sold by the private vendor or
11 hosted on the private vendor's website. The state's portion of the
12 personalization fee may not be less than \$40 for each year issued.
13 Other fees [~~Fees~~] must be reasonable and not less than the amounts
14 necessary to allow the department to recover all reasonable costs
15 to the department associated with the evaluation of the competitive
16 sealed proposals received by the department and with the
17 implementation and enforcement of the contract, including direct,
18 indirect, and administrative costs. A fee established under this
19 subsection is in addition to:

20 (1) the registration fee and any optional registration
21 fee prescribed by this chapter for the vehicle for which specialty
22 license plates are issued;

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

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

27 (e) The portion of a contract with a private vendor

1 regarding the marketing and sale of personalized license plates is
 2 payable only from amounts derived from the collection of the fee
 3 established under Subsection (b). The portion of a contract with a
 4 private vendor regarding the marketing, hosting, and sale of
 5 souvenir license plates, specialty license plates, or souvenir or
 6 specialty license plates that are personalized under Section
 7 504.102 is payable only from amounts derived from the collection of
 8 the fee established under Subsection (c).

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

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

21 (n) If the private vendor ceases operation:

22 (1) the program may be operated by the department
 23 under new agreements with the plate sponsors until another vendor
 24 is selected and commences operation; and

25 (2) the private vendor's share of the revenue is
 26 deposited to the credit of general revenue.

27 SECTION 7. The heading of Section 504.853, Transportation

Code, is amended to read as follows:

Sec. 504.853. Specialty and Personalized License Plates Issued Before the Implementation Date ~~[September 1, 2009]~~.

SECTION 8. Section 504.853(a), (b), (c), and (e), Transportation Code, are amended to read as follows: (a) A specialty or personalized license plate issued before the implementation date set by board rule ~~[September 1, 2009]~~, may be issued for a subsequent registration period only if the applicant submits an application and pays the required fees for the applicable registration period. A person who is issued a specialty or personalized license plate has first priority on the license plate for each subsequent registration period for which the person submits a new application for that plate.

(b) Unless the Board adopts by rule a higher fee or the plate is not renewed annually, the ~~[The]~~ fee for issuance of a ~~[personalized]~~ license plate issued before the implementation date set by board rule ~~[September 1, 2009]~~, is:

(1) as provided in Section 504.601 for a specialty plate; and

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

(c) A person who is issued a specialty or personalized license plate by the department before the implementation date set by board rule ~~[September 1, 2009]~~, may:

(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.

(e) Of each fee collected by the department under subsection (b) of this section:

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

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

SECTION 9. Section 504.854(a) and (b), Transportation Code, are amended as follows:

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

(1) sell at auction a license to display a unique alphanumeric pattern on a license plate for a maximum period;

(2) reserve an unissued alphanumeric pattern from the department for purposes of auction for a period set by the board;
and

(3) purchase an existing alphanumeric pattern from the customer to whom it is issued before its renewal date for purposes of auction.

(b) A [~~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~~] may be transferred to another person without payment of the fee provided by Section 504.855. [~~The transferee is entitled to the same rights and privileges as the transferor.~~]

SECTION 10. Subchapter J, Chapter 504, Transportation Code, is amended by adding Section 504.855 to read as follows:

Sec. 504.855. TRANSFERABILITY OF CERTAIN PATTERNS. The board by rule may:

(1) authorize any person who purchases a license plate that displays an alphanumeric pattern for a period of five years or more to transfer the alphanumeric pattern; and

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

SECTION 11. The following provisions of the Transportation Code are repealed:

(1) Section 504.851(b) as amended by Acts 2009, 81st Leg., Regular Session, ch. 933;

(2) Section 504.851(f) and (k); and

(3) Section 504.854(c), Transportation Code.

SECTION 12. This Act takes effect September 1, 2011.