

ESHB 1592 - S COMM AMD

By Committee on Highways & Transportation

ADOPTED 04/11/2003

1 Strike everything after the enacting clause and insert the
2 following:

3 "NEW SECTION. **Sec. 1.** The legislature has seen an increase in the
4 demand from constituent groups seeking recognition and funding through
5 the establishment of commemorative or special license plates. The high
6 cost of implementing a new special license plate series coupled with
7 the uncertainty of the state's ability to recoup its costs, has led the
8 legislature to delay the implementation of new special license plates.
9 In order to address these issues, it is the intent of the legislature
10 to create a mechanism that will allow for the evaluation of special
11 license plate requests and establish a funding policy that will
12 alleviate the financial burden currently placed on the state. Using
13 these two strategies, the legislature will be better equipped to
14 efficiently process special license plate legislation.

15 **PART I**

16 **SPECIAL LICENSE PLATE REVIEW BOARD**

17 NEW SECTION. **Sec. 101.** A new section is added to chapter 46.16
18 RCW to read as follows:

19 SPECIAL LICENSE PLATE REVIEW BOARD CREATED. (1) The special
20 license plate review board is created.

21 (2) The board will consist of seven members: One member appointed
22 by the governor and who will serve as chair of the board; four members
23 of the legislature, one from each caucus of the house of
24 representatives and the senate; a department of licensing
25 representative appointed by the director; and a Washington state patrol
26 representative appointed by the chief.

27 (3) Members shall serve terms of four years, except that four of

1 the members initially appointed will be appointed for terms of two
2 years. No member may be appointed for more than three consecutive
3 terms.

4 (4) The legislative transportation committee may remove members
5 from the board before the expiration of their terms only for cause
6 based upon a determination of incapacity, incompetence, neglect of
7 duty, or malfeasance in office as ordered by the Thurston county
8 superior court, upon petition and show cause proceedings brought for
9 that purpose in that court and directed to the board member in
10 question.

11 NEW SECTION. **Sec. 102.** A new section is added to chapter 46.16
12 RCW to read as follows:

13 ADMINISTRATION OF THE BOARD. (1) The board shall meet periodically
14 at the call of the chair, but must meet at least one time each year
15 within ninety days before an upcoming regular session of the
16 legislature. The board may adopt its own rules and may establish its
17 own procedures. It shall act collectively in harmony with recorded
18 resolutions or motions adopted by a majority vote of the members, and
19 it must have a quorum present to take a vote on a special license plate
20 application.

21 (2) The board will be compensated from the general appropriation
22 for the legislative transportation committee in accordance with RCW
23 43.03.250. Each board member will be compensated in accordance with
24 RCW 43.03.250 and reimbursed for actual necessary traveling and other
25 expenses in going to, attending, and returning from meetings of the
26 board or that are incurred in the discharge of duties requested by the
27 chair. However, in no event may a board member be compensated in any
28 year for more than one hundred twenty days, except the chair may be
29 compensated for not more than one hundred fifty days. Service on the
30 board does not qualify as a service credit for the purposes of a public
31 retirement system.

32 (3) The board shall keep proper records and is subject to audit by
33 the state auditor or other auditing entities.

34 (4) The department of licensing shall provide administrative
35 support to the board, which must include at least the following:

1 (a) Provide general staffing to meet the administrative needs of
2 the board;

3 (b) Report to the board on the reimbursement status of any new
4 special license plate series for which the state had to pay the start-
5 up costs;

6 (c) Process special license plate applications and confirm that the
7 sponsoring organization has submitted all required documentation. If
8 an incomplete application is received, the department must return it to
9 the sponsoring organization;

10 (d) Compile the annual financial reports submitted by sponsoring
11 organizations with active special license plate series and present
12 those reports to the board for review and approval.

13 (5) The legislative transportation committee shall provide general
14 oversight of the board, which must include at least the following:

- 15 (a) Process and approve board member compensation requests;
- 16 (b) Review the annual financial reports submitted to the board by
17 sponsoring organizations;
- 18 (c) Review annually the list of the board's approved and rejected
19 special license plate proposals submitted by sponsoring organizations.

20 NEW SECTION. **Sec. 103.** A new section is added to chapter 46.16
21 RCW to read as follows:

22 **AUTHORITY AND RESPONSIBILITIES OF THE BOARD.** (1) The creation of
23 the board does not in any way preclude the authority of the legislature
24 to independently propose and enact special license plate legislation.

25 (2) The board must review and either approve or reject special
26 license plate applications submitted by sponsoring organizations.

27 (3) Duties of the board include but are not limited to the
28 following:

29 (a) Review and approve the annual financial reports submitted by
30 sponsoring organizations with active special license plate series and
31 present those annual financial reports to the legislative
32 transportation committee;

33 (b) Report annually to the legislative transportation committee on
34 the special license plate applications that were considered by the
35 board;

1 (c) Issue approval and rejection notification letters to sponsoring
2 organizations, the department, the chairs of the senate and house of
3 representatives transportation committees, and the legislative sponsors
4 identified in each application. The letters must be issued within
5 seven days of making a determination on the status of an application;

6 (d) Review annually the number of plates sold for each special
7 license plate series created after January 1, 2003. The board may
8 submit a recommendation to discontinue a special plate series to the
9 chairs of the senate and house of representatives transportation
10 committees.

11 **PART II**

12 **ELIGIBILITY REQUIREMENTS FOR A SPONSORING ORGANIZATION**

13 NEW SECTION. **Sec. 201.** A new section is added to chapter 46.16
14 RCW to read as follows:

15 **ELIGIBILITY REQUIREMENTS.** (1) For an organization to qualify for
16 a special license plate under the special license plate approval
17 program created in sections 101 through 303 of this act, the sponsoring
18 organization must submit documentation in conjunction with the
19 application to the department that verifies:

20 (a) That the organization is a nonprofit organization, as defined
21 in 26 U.S.C. Sec. 501(c)(3). The department may request a copy of an
22 Internal Revenue Service ruling to verify an organization's nonprofit
23 status; and

24 (b) That the organization is located in Washington and has
25 registered as a charitable organization with the secretary of state's
26 office as required by law.

27 (2) For a governmental body to qualify for a special license plate
28 under the special license plate approval program created in sections
29 101 through 303 of this act, a governmental body must be:

30 (a) A political subdivision, including but not limited to any
31 county, city, town, municipal corporation, or special purpose taxing
32 district that has the express permission of the political subdivision's
33 executive body to sponsor a special license plate;

34 (b) A federally recognized tribal government that has received the

1 approval of the executive body of that government to sponsor a special
2 license plate;

3 (c) A state agency that has both received approval from the
4 director of the agency or the department head, and has the express
5 statutory authority to sponsor a special license plate; or

6 (d) A community or technical college that has the express
7 permission of the college's board of trustees to sponsor a special
8 license plate.

9 **PART III**
10 **GENERAL REQUIREMENTS**

11 NEW SECTION. **Sec. 301.** A new section is added to chapter 46.16
12 RCW to read as follows:

13 APPLICATION REQUIREMENTS. (1) A sponsoring organization meeting
14 the requirements of section 201 of this act, applying for the creation
15 of a special license plate to the special license plate review board
16 must, on an application supplied by the department, provide the minimum
17 application requirements in subsection (2) of this section. If the
18 sponsoring organization cannot meet the payment requirements of
19 subsection (2) of this section, then the organization must meet the
20 requirements of subsection (3) of this section.

21 (2) The sponsoring organization shall:

22 (a) Submit prepayment of all start-up costs associated with the
23 creation and implementation of the special license plate in an amount
24 determined by the department. The department shall place this money
25 into the special license plate applicant trust account created under
26 section 302(3) of this act;

27 (b) Provide a proposed license plate design;

28 (c) Provide a marketing strategy outlining short and long-term
29 marketing plans for the special license plate and a financial analysis
30 outlining the anticipated revenue and the planned expenditures of the
31 revenues derived from the sale of the special license plate;

32 (d) Provide a signature of a legislative sponsor and proposed
33 legislation creating the special license plate; and

34 (e) Provide proof of organizational qualifications as determined by
35 the department as provided for in section 201 of this act.

1 (3) If the sponsoring organization is not able to meet the payment
2 requirements of subsection (2)(a) of this section and can demonstrate
3 this fact to the satisfaction of the department, the sponsoring
4 organization shall:

5 (a) Submit an application and nonrefundable fee of two thousand
6 dollars, for deposit in the motor vehicle account, to the department;

7 (b) Provide signature sheets that include signatures from
8 individuals who intend to purchase the special license plate and the
9 number of plates each individual intends to purchase. The sheets must
10 reflect a minimum of two thousand intended purchases of the special
11 license plate;

12 (c) Provide a proposed license plate design;

13 (d) Provide a marketing strategy outlining short and long-term
14 marketing plans for the special license plate and a financial analysis
15 outlining the anticipated revenue and the planned expenditures of the
16 revenues derived from the sale of the special license plate;

17 (e) Provide a signature of a legislative sponsor and proposed
18 legislation creating the special license plate; and

19 (f) Provide proof of organizational qualifications as determined by
20 the department as provided in section 201 of this act.

21 (4) After an application is approved by the special license plate
22 review board, the application need not be reviewed again by the board
23 for a period of three years.

24 NEW SECTION. **Sec. 302.** A new section is added to chapter 46.16
25 RCW to read as follows:

26 DISPOSITION OF REVENUES. (1)(a) Revenues generated from the sale
27 of special license plates for those sponsoring organizations who used
28 the application process in section 301(3) of this act must be deposited
29 into the motor vehicle account until the department determines that the
30 state's implementation costs have been fully reimbursed. The
31 department shall apply the application fee required under section
32 301(3)(a) of this act towards those costs.

33 (b) When it is determined that the state has been fully reimbursed
34 the department must notify the house of representatives and senate
35 transportation committees, the sponsoring organization, and the

1 treasurer, and commence the distribution of the revenue as otherwise
2 provided by law.

3 (2) If reimbursement does not occur within the two-year time frame,
4 the special license plate series must be placed in probationary status
5 for a period of one year from that date. If the state is still not
6 fully reimbursed for its implementation costs after the one-year
7 probation, the plate series must be discontinued immediately. Special
8 plates issued before discontinuation are valid until replaced under RCW
9 46.16.233. The state must be reimbursed for its portion of the
10 implementation costs within two years from the date the new plate
11 series goes on sale to the public.

12 (3) The special license plate applicant trust account is created in
13 the custody of the state treasurer. All receipts from special license
14 plate applicants, except the application fee as provided in section
15 301(3) of this act, must be deposited into the account. Only the
16 director of the department or the director's designee may authorize
17 disbursements from the account. The account is not subject to the
18 allotment procedures under chapter 43.88 RCW, nor is an appropriation
19 required for disbursements.

20 (4) The department shall provide the special license plate
21 applicant with a written receipt for the payment.

22 (5) The department shall maintain a record of each special license
23 plate applicant trust account deposit, including, but not limited to,
24 the name and address of each special license plate applicant whose
25 funds are being deposited, the amount paid, and the date of the
26 deposit.

27 (6) After the department receives written notice that the special
28 license plate applicant's application has been:

29 (a) Approved by the legislature the director shall request that the
30 money be transferred to the motor vehicle account;

31 (b) Denied by the special license plate review board or the
32 legislature the director shall provide a refund to the applicant within
33 thirty days; or

34 (c) Withdrawn by the special license plate applicant the director
35 shall provide a refund to the applicant within thirty days.

1 NEW SECTION. **Sec. 303.** A new section is added to chapter 46.16
2 RCW to read as follows:

3 SPECIAL LICENSE PLATE ON-GOING REQUIREMENTS. (1) Within thirty
4 days of legislative enactment of a new special license plate series for
5 a qualifying organization meeting the requirements of section 201(1) of
6 this act, the department shall enter into a written agreement with the
7 organization that sponsored the special license plate. The agreement
8 must identify the services to be performed by the sponsoring
9 organization. The agreement must be consistent with all applicable
10 state law and include the following provision:

11 "No portion of any funds disbursed under the agreement may be used,
12 directly or indirectly, for any of the following purposes:

- 13 (a) Attempting to influence: (i) The passage or defeat of
14 legislation by the legislature of the state of Washington, by a county,
15 city, town, or other political subdivision of the state of Washington,
16 or by the Congress; or (ii) the adoption or rejection of a rule,
17 standard, rate, or other legislative enactment of a state agency;
- 18 (b) Making contributions reportable under chapter 42.17 RCW; or
- 19 (c) Providing a: (i) Gift; (ii) honoraria; or (iii) travel,
20 lodging, meals, or entertainment to a public officer or employee."

21 (2) The sponsoring organization must submit an annual financial
22 report by September 30th of each year to the department detailing
23 actual revenues and expenditures of the revenues received from sales of
24 the special license plate. Consistent with the agreement under
25 subsection (1) of this section, the sponsoring organization must expend
26 the revenues generated from the sale of the special license plate
27 series for the benefit of the public, and it must be spent within this
28 state. Disbursement of the revenue generated from the sale of the
29 special license plate to the sponsoring organization is contingent upon
30 the organization meeting all reporting and review requirements as
31 required by the department.

32 (3) If the sponsoring organization ceases to exist or the purpose
33 of the special license plate series ceases to exist, revenues generated
34 from the sale of the special license plates must be deposited into the
35 motor vehicle account.

36 (4) A sponsoring organization may not seek to redesign its plate

1 series until all of the inventory is sold or purchased by the
2 organization itself. All cost for redesign of a plate series must be
3 paid by the sponsoring organization.

4 NEW SECTION. **Sec. 304.** A new section is added to chapter 46.16
5 RCW to read as follows:

6 NONREVIEWED PLATES. (1) A special license plate series created by
7 the legislature after January 1, 2004, that has not been reviewed and
8 approved by the special license plate review board is subject to the
9 following requirements:

10 (a) The organization sponsoring the license plate series shall,
11 within thirty days of enactment of the legislation creating the plate
12 series, submit prepayment of all start-up costs associated with the
13 creation and implementation of the special license plate in an amount
14 determined by the department. The prepayment will be credited to the
15 motor vehicle fund. The creation and implementation of the plate
16 series may not commence until payment is received by the department.

17 (b) If the sponsoring organization is not able to meet the
18 prepayment requirements in (a) of this subsection and can demonstrate
19 this fact to the satisfaction of the department, the revenues generated
20 from the sale of the special license plates must be deposited in the
21 motor vehicle account until the department determines that the state's
22 portion of the implementation costs have been fully reimbursed. When
23 it is determined that the state has been fully reimbursed the
24 department must notify the treasurer to commence distribution of the
25 revenue according to statutory provisions.

26 (c) The sponsoring organization must provide a proposed license
27 plate design to the department within thirty days of enactment of the
28 legislation creating the plate series.

29 (2) The state must be reimbursed for its portion of the
30 implementation costs within two years from the date the new plate
31 series goes on sale to the public. If the reimbursement does not occur
32 within the two-year time frame, the special license plate series must
33 be placed in probationary status for a period of one year from that
34 date. If the state is still not fully reimbursed for its
35 implementation costs after the one-year probation, the plate series

1 must be discontinued immediately. Those plates issued before
2 discontinuation are valid until replaced under RCW 46.16.233.

3 (3) If the sponsoring organization ceases to exist or the purpose
4 of the special plate series ceases to exist, revenues generated from
5 the sale of the special license plates must be deposited into the motor
6 vehicle account.

7 (4) A sponsoring organization may not seek to redesign their plate
8 series until all of the existing inventory is sold or purchased by the
9 organization itself. All cost for redesign of a plate series must be
10 paid by the sponsoring organization.

11 **PART IV**
12 **STANDARD BACKGROUND**

13 **Sec. 401.** RCW 46.16.233 and 2000 c 37 s 1 are each amended to read
14 as follows:

15 (1) Except for those license plates issued under RCW 46.16.305(1)
16 before January 1, 1987, under RCW 46.16.305(3), and to commercial
17 vehicles with a gross weight in excess of twenty-six thousand pounds,
18 effective with vehicle registrations due or to become due on January 1,
19 2001, the appearance of the background of all vehicle license plates
20 may vary in color and design but must be ((issued on a standard
21 background)) legible and clearly identifiable as a Washington state
22 license plate, as designated by the department. Additionally, to
23 ensure maximum legibility and reflectivity, the department shall
24 periodically provide for the replacement of license plates, except for
25 commercial vehicles with a gross weight in excess of twenty-six
26 thousand pounds. Frequency of replacement shall be established in
27 accordance with empirical studies documenting the longevity of the
28 reflective materials used to make license plates.

29 (2) Special license plate series approved by the special license
30 plate review board created under section 101 of this act and enacted by
31 the legislature may display a symbol or artwork approved by the special
32 license plate review board.

33 **PART V**
34 **PRIOR SPECIAL PLATE SERIES CONTINUATION**

1 **Sec. 501.** RCW 46.16.314 and 1997 c 291 s 9 are each amended to
2 read as follows:

3 (~~(After a period of three years from the initial issuance of a~~
4 ~~special license plate series,~~) The department has the sole discretion,
5 based upon the number of sales to date, to determine whether or not to
6 continue issuing ((the)) license plates in a special series created
7 before January 1, 2003.

8 **PART VI**
9 **TECHNICAL**

10 NEW SECTION. **Sec. 601.** Part headings used in this act are not
11 part of the law.

12 **PART VII**
13 **NULL AND VOID**

14 NEW SECTION. **Sec. 701.** If specific funding for the purposes of
15 this act, referencing this act by bill or chapter number, is not
16 provided by June 30, 2003, in the omnibus transportation appropriations
17 act, this act is null and void."

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18 In line 1 of the title, after "plates;" strike the remainder of the
19 title and insert "amending RCW 46.16.233 and 46.16.314; adding new
20 sections to chapter 46.16 RCW; and creating new sections."

--- END ---