

SENATE BILL REPORT

SB 5435

As Reported By Senate Committee On:
Highways & Transportation, February 19, 2003

Title: An act relating to special license plates.

Brief Description: Regulating special license plates.

Sponsors: Senators Haugen, Horn and Benton.

Brief History:

Committee Activity: Highways & Transportation: 1/30/03, 2/19/03 [DPS].

SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION

Majority Report: That Substitute Senate Bill No. 5435 be substituted therefor, and the substitute bill do pass.

Signed by Senators Horn, Chair; Benton, Vice Chair; Swecker, Vice Chair; Esser, Finkbeiner, Haugen, Jacobsen; Kastama, Mulliken, Oke, Prentice and Spanel.

Staff: Kimberly Johnson (786-7346)

Background: Currently, the power to create special license plates is vested in the Legislature. Every year the Legislature receives requests from organizations seeking to create a special license plate series. The creation of a new special license plate series requires state expenditures and historically, the state has had difficulty recouping those costs. The 2002 supplemental transportation budget directed the Legislative Transportation Committee (LTC) to review the costs, processes, and other considerations relating to special license plates. As a result, the LTC established the special license plate work group and developed the following proposed legislation to aid the Legislature in reviewing special license plate applications.

Summary of Substitute Bill: PART I. The Special License Plate Review Board is created and charged with reviewing special license plate applications from groups requesting the creation of a special plate. The board consists of seven members and is funded through the LTC. The board must meet at least once per year to consider special plate applications. The board must review applications, submit approval and rejection letters, review annual financial reports of sponsoring organizations, and report annually to the LTC.

The board may recommend discontinuation of special plate series to the chairs of the Senate and House of Representatives transportation committees.

If the board approves a special license plate application, the board must forward the proposed special license plate application to the legislative sponsor for approval by the Legislature.

PART II. A private organization applying for a special license plate must be both a 501(c)(3) nonprofit corporation and registered with the Secretary of State as a charitable organization.

A governmental entity applying for a special license plate must be a political subdivision, a federally recognized tribe, an agency, or a community or technical college.

PART III. A special license plate applicant must either: (1) pre-pay the implementation costs; or (2) submit signature sheets representing 2,000 intended plate purchases. An applicant must also provide the proposed plate design, a marketing strategy, the signature of a legislative sponsor and proof of qualifications.

For those applicants who cannot pre-pay, the initial revenue generated from the plate sales must be deposited into the motor vehicle account until the state has been reimbursed for the implementation costs.

The Department of Licensing (DOL) must enter into a contract with any private organization whose special plates are enacted by the Legislature. The contract must require the organization to provide services that benefit the public in exchange for the revenue the special plate generates. Any applicant whose plate is approved both by the board and the Legislature must submit annual financial reports.

The creation of the board does not preclude the authority of the Legislature to independently enact special license plate legislation. Any special plate approved by the Legislature that does not go through the board review process is subject to the same pre-payment and reimbursement requirements that special license plate applicants applying to the board must meet.

PART IV. Special license plates approved by the board and created by the Legislature are exempt from the standard background requirements. The special plate may display a symbol or artwork that has been approved by the board.

PART V. The DOL's discretion to discontinue special plates that were created before January 1, 2003, is preserved.

Substitute Bill Compared to Original Bill: Special plates, approved by the board and created by the Legislature, are exempt from the standard background requirements. The board must review the number of plates sold for each special license plate series and may recommend to discontinue a plate series to the chairs of the Senate and House of Representatives transportation committees. A null and void clause is added.

Appropriation: None.

Fiscal Note: Available.

Effective Date: Ninety days after adjournment of session in which bill is passed.

Testimony For: Our organization has been trying to get a plate to help fund a "help kids speak" program for many years now, and we see this bill as a step in the right direction. The

ability for an organization to be able to pay for the plate through the sale of the plate, rather than prepayment, is important for those nonprofit organizations who cannot afford to pre-pay.

Testimony Against: None.

Testified: Don White, Childhood Language Centers (pro).