

CERTIFICATION OF ENROLLMENT
ENGROSSED SUBSTITUTE HOUSE BILL 1592

Chapter 196, Laws of 2003

58th Legislature
2003 Regular Session

SPECIAL LICENSE PLATES

EFFECTIVE DATE: 7/27/03

Passed by the House April 21, 2003
Yeas 65 Nays 32

FRANK CHOPP

Speaker of the House of Representatives

Passed by the Senate April 11, 2003
Yeas 49 Nays 0

BRAD OWEN

President of the Senate

Approved May 9, 2003.

GARY F. LOCKE

Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **ENGROSSED SUBSTITUTE HOUSE BILL 1592** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER

Chief Clerk

FILED

May 9, 2003 - 4:12 p.m.

**Secretary of State
State of Washington**

1 board or that are incurred in the discharge of duties requested by the
2 chair. However, in no event may a board member be compensated in any
3 year for more than one hundred twenty days, except the chair may be
4 compensated for not more than one hundred fifty days. Service on the
5 board does not qualify as a service credit for the purposes of a public
6 retirement system.

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

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

11 (a) Provide general staffing to meet the administrative needs of
12 the board;

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

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

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

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

25 (a) Process and approve board member compensation requests;

26 (b) Review the annual financial reports submitted to the board by
27 sponsoring organizations;

28 (c) Review annually the list of the board's approved and rejected
29 special license plate proposals submitted by sponsoring organizations.

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

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

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

1 (3) Duties of the board include but are not limited to the
2 following:

3 (a) Review and approve the annual financial reports submitted by
4 sponsoring organizations with active special license plate series and
5 present those annual financial reports to the legislative
6 transportation committee;

7 (b) Report annually to the legislative transportation committee on
8 the special license plate applications that were considered by the
9 board;

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

15 (d) Review annually the number of plates sold for each special
16 license plate series created after January 1, 2003. The board may
17 submit a recommendation to discontinue a special plate series to the
18 chairs of the senate and house of representatives transportation
19 committees.

20 **PART II**

21 **ELIGIBILITY REQUIREMENTS FOR A SPONSORING ORGANIZATION**

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

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

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

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

1 (2) For a governmental body to qualify for a special license plate
2 under the special license plate approval program created in sections
3 101 through 303 of this act, a governmental body must be:

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

8 (b) A federally recognized tribal government that has received the
9 approval of the executive body of that government to sponsor a special
10 license plate;

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

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

17 **PART III**
18 **GENERAL REQUIREMENTS**

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

21 APPLICATION REQUIREMENTS. (1) A sponsoring organization meeting
22 the requirements of section 201 of this act, applying for the creation
23 of a special license plate to the special license plate review board
24 must, on an application supplied by the department, provide the minimum
25 application requirements in subsection (2) of this section. If the
26 sponsoring organization cannot meet the payment requirements of
27 subsection (2) of this section, then the organization must meet the
28 requirements of subsection (3) of this section.

29 (2) The sponsoring organization shall:

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

35 (b) Provide a proposed license plate design;

1 (c) Provide a marketing strategy outlining short and long-term
2 marketing plans for the special license plate and a financial analysis
3 outlining the anticipated revenue and the planned expenditures of the
4 revenues derived from the sale of the special license plate;

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

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

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

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

15 (b) Provide signature sheets that include signatures from
16 individuals who intend to purchase the special license plate and the
17 number of plates each individual intends to purchase. The sheets must
18 reflect a minimum of two thousand intended purchases of the special
19 license plate;

20 (c) Provide a proposed license plate design;

21 (d) Provide a marketing strategy outlining short and long-term
22 marketing plans for the special license plate and a financial analysis
23 outlining the anticipated revenue and the planned expenditures of the
24 revenues derived from the sale of the special license plate;

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

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

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

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

34 DISPOSITION OF REVENUES. (1)(a) Revenues generated from the sale
35 of special license plates for those sponsoring organizations who used
36 the application process in section 301(3) of this act must be deposited
37 into the motor vehicle account until the department determines that the

1 state's implementation costs have been fully reimbursed. The
2 department shall apply the application fee required under section
3 301(3)(a) of this act towards those costs.

4 (b) When it is determined that the state has been fully reimbursed
5 the department must notify the house of representatives and senate
6 transportation committees, the sponsoring organization, and the
7 treasurer, and commence the distribution of the revenue as otherwise
8 provided by law.

9 (2) If reimbursement does not occur within the two-year time frame,
10 the special license plate series must be placed in probationary status
11 for a period of one year from that date. If the state is still not
12 fully reimbursed for its implementation costs after the one-year
13 probation, the plate series must be discontinued immediately. Special
14 plates issued before discontinuation are valid until replaced under RCW
15 46.16.233. The state must be reimbursed for its portion of the
16 implementation costs within two years from the date the new plate
17 series goes on sale to the public.

18 (3) The special license plate applicant trust account is created in
19 the custody of the state treasurer. All receipts from special license
20 plate applicants, except the application fee as provided in section
21 301(3) of this act, must be deposited into the account. Only the
22 director of the department or the director's designee may authorize
23 disbursements from the account. The account is not subject to the
24 allotment procedures under chapter 43.88 RCW, nor is an appropriation
25 required for disbursements.

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

28 (5) The department shall maintain a record of each special license
29 plate applicant trust account deposit, including, but not limited to,
30 the name and address of each special license plate applicant whose
31 funds are being deposited, the amount paid, and the date of the
32 deposit.

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

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

37 (b) Denied by the special license plate review board or the

1 legislature the director shall provide a refund to the applicant within
2 thirty days; or

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

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

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

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

17 (a) Attempting to influence: (i) The passage or defeat of
18 legislation by the legislature of the state of Washington, by a county,
19 city, town, or other political subdivision of the state of Washington,
20 or by the Congress; or (ii) the adoption or rejection of a rule,
21 standard, rate, or other legislative enactment of a state agency;

22 (b) Making contributions reportable under chapter 42.17 RCW; or

23 (c) Providing a: (i) Gift; (ii) honoraria; or (iii) travel,
24 lodging, meals, or entertainment to a public officer or employee."

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

36 (3) If the sponsoring organization ceases to exist or the purpose

1 of the special license plate series ceases to exist, revenues generated
2 from the sale of the special license plates must be deposited into the
3 motor vehicle account.

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

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

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

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

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

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

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

1 date. If the state is still not fully reimbursed for its
2 implementation costs after the one-year probation, the plate series
3 must be discontinued immediately. Those plates issued before
4 discontinuation are valid until replaced under RCW 46.16.233.

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

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

13 **PART IV**
14 **STANDARD BACKGROUND**

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

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

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

