

# SENATE BILL REPORT

## ESHB 1592

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As Reported By Senate Committee On:  
Highways & Transportation, April 3, 2003

**Title:** An act relating to special license plates.

**Brief Description:** Regulating special license plates.

**Sponsors:** House Committee on Transportation (originally sponsored by Representatives Simpson and Ericksen).

**Brief History:**

**Committee Activity:** Highways & Transportation: 4/3/03 [DPA].

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### SENATE COMMITTEE ON HIGHWAYS & TRANSPORTATION

**Majority Report:** Do pass as amended.

Signed by Senators Horn, Chair; Benton, Vice Chair; Swecker, Vice Chair; Esser, Finkbeiner, Haugen, 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, 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 Amended 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 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 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 and an application fee of \$2,000. 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.** The standard background requirement is replaced with a requirement that plates be legible and clearly identifiable as Washington State plates.

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

**PART VI.** A null and void clause is provided.

**Amended Bill Compared to Substitute Bill:** The striking amendment provides that once an application has been approved by the Special License Plate Review Board, the application need not be reviewed again for a period of three years. The Special License Plate Review Board must review the number of specialty plates sold for each plate series on an annual basis. The board may make a recommendation to the Legislature to discontinue a special plate series. The application fee for those organizations applying under the option that requires 2,000 signatures is changed to a flat fee of \$2,000. The application fee must be applied to the state implementation costs for the organization's special plate. A null and void clause is provided.

**Appropriation:** None.

**Fiscal Note:** Available.

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

**Testimony For:** We need to create a process that will provide the state with assurances that the special plates will be successful, and that the state will be reimbursed for the cost of creating the plates. Our group would like to utilize this process to help honor law enforcement men and women by raising funds to build the law enforcement memorial on capital campus. This bill creates a process that helps nonprofit groups raise funding for important causes.

**Testimony Against:** None.

**Testified:** Senator Dale Brandland (pro); Representative Geoff Simpson (pro); Gayle Frink-Schulz, Washington State Law Enforcement Memorial (pro); Bill Hanson, Washington COPS (pro); Don White, Childhood Language Centers (pro).