

HOUSE BILL REPORT

HB 2050

As Reported by House Committee On: Transportation

Title: An act relating to creating Washington wine special license plates.

Brief Description: Creating Washington wine special license plates.

Sponsors: Representatives Chambers, Cody, Corry, Goehner, Springer, Schmick, Jenkin and Fey.

Brief History:

Committee Activity:

Transportation: 2/28/19 [DPS].

<p>Brief Summary of Substitute Bill</p> <ul style="list-style-type: none">• Creates the Washington Wine special license plate.

HOUSE COMMITTEE ON TRANSPORTATION

Majority Report: The substitute bill be substituted therefor and the substitute bill do pass. Signed by 29 members: Representatives Fey, Chair; Slatter, 2nd Vice Chair; Valdez, 2nd Vice Chair; Wylie, 1st Vice Chair; Barkis, Ranking Minority Member; Walsh, Assistant Ranking Minority Member; Young, Assistant Ranking Minority Member; Boehnke, Chapman, Dent, Doglio, Dufault, Entenman, Eslick, Goehner, Gregerson, Irwin, Kloba, Lovick, McCaslin, Mead, Orcutt, Ortiz-Self, Pellicciotti, Ramos, Riccelli, Shea, Shewmake and Van Werven.

Staff: Patricia Hasan (786-7292).

Background:

The Department of Licensing (DOL) issues special vehicle license plates that may be used in lieu of standard plates. An organization seeking to sponsor a special license plate must be a nonprofit organization, a professional sports franchise working in conjunction with a nonprofit organization, or a government agency. The sponsoring organization may choose one of two ways of creating a special license plate.

This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.

Application Process and Legislation. In this method, a sponsoring organization submits an application to the DOL prior to pursuing legislation. The application packet must include the design of the special license plate, proof of 3,500 signatures in support of the special license plate, and the start-up fee of \$6,300. After the DOL approves the application, the sponsoring organization must pursue legislation to create the special license plate.

Legislation Without the Department of Licensing's Review. In this method, a sponsoring organization pursues legislation without applying to the DOL first. Once the bill is enacted, the sponsoring organization must provide the design of the special license plate and the start-up fee of \$6,300 to the DOL within 30 days.

In both methods, if the sponsoring organization can prove that they are unable to provide the start-up fee up front, then revenues from the sale of the special license plate will be used to pay this fee. On an annual basis, the sponsoring organization must submit a financial report to the DOL detailing actual revenues from the sale of the special license plate. The DOL compiles these reports and presents them to the transportation committees of the Legislature.

The DOL collects special license plate fees and, for administrative expenses, deducts an amount not to exceed \$12 for new plate issuance and \$2 for renewal. After these expenses are paid, the State Treasurer deposits the proceeds into the Motor Vehicle Account until the DOL determines that the start-up fee for a special license plate is paid. Once the start-up fee is paid, the State Treasurer credits the remaining special license plate fee amounts into an account specified for the sponsoring organization.

Summary of Substitute Bill:

The Washington Wine special license plate is created with the purpose of providing funds to the Washington Wine Commission to support research and collaboration with the wine science facility at Washington State University's Tri-Cities campus. In addition to all fees and taxes required to be paid upon application for a vehicle registration, a fee of \$40 is charged for the original issuance of a Washington Wine special license plate, and a \$30 fee is charged for the renewal of the plate.

Substitute Bill Compared to Original Bill:

The substitute bill redirects the proceeds from the Washington Wine special license plate from being provided for tourism and marketing efforts to support Washington's wine regions to being provided for supporting research and collaboration with the wine science facility at Washington State University's Tri-Cities campus.

Appropriation: None.

Fiscal Note: Available.

Effective Date of Substitute Bill: The bill takes effect on October 1, 2019.

Staff Summary of Public Testimony:

(In support) Washington is a world leader in wine production and is uniquely positioned to grow a number of varietals on both the east and west sides of the Cascade Mountains. The Washington wine industry is supported by patrons of the wineries, restaurants, gift shops, and event venues. The industry is growing at a tremendous rate that is outpacing other wine-producing states. Washington is currently the second largest wine-producing state in the nation. Winemakers in Washington are interested in promoting the sale of the Washington Wine special license plate by incorporating links on their websites and communicating the opportunity with their wine club members. With 971 wineries in the state, there are a lot of outlets for promoting this special license plate.

Oregon offers a wine special license plate. While the design for the Washington Wine special license plate has not been finalized yet, it is expected to display a scenic landscape, much like what is shown on the Oregon wine license plate, which has a tasteful tone. The Oregon wine license plate is very popular and is a strong indicator of the kind of demand for a similar license plate in Washington. Oregon's license plate was launched in 2012, and more than 42,000 license plates have been sold since then. If Washington were to see those same numbers of sales, the Washington Wine special license plate would be the third most popular special license plate in Washington behind the Seahawks and Law Enforcement special license plates. Additionally, Washington's wine industry is twice the size of Oregon's, indicating that Washington may see more demand for the special license plate.

Washington has not had a tourism marketing program since 2011, meaning that potential visitors from outside the state have not been hearing about Washington and what the state has to offer. Meanwhile, other states in the Pacific Northwest have been spending millions of dollars to attract visitors. In 2018 the Legislature passed a bill that created the Washington Tourism Marketing Authority which is funded through the State General Fund and non-State General Fund private contributions. The proceeds from selling the Washington Wine special license plates will go to the Wine Commission, which in turn will use the funding as a match for statewide tourism marketing. For every \$2 raised by the sale of a Washington Wine special license plate, an additional \$1 will be released from the State General Fund for implementation of a statewide tourism marketing program including wine tourism. Wine tourism marketing is executed by a private nonprofit entity, the Washington Tourism Alliance, which is overseen by the Washington Tourism Marketing Authority, an organization within the Department of Commerce.

(Opposed) None.

Persons Testifying: Representative Chambers, prime sponsor; Josh McDonald, Washington Wine Institute; and Becky Bogard, Washington Tourism Alliance.

Persons Signed In To Testify But Not Testifying: None.