

# FINAL BILL REPORT

## ESHB 1592

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Synopsis as Enacted

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

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

**House Committee on Transportation**  
**Senate Committee on Highways & Transportation**

**Background:**

The power to create special license plates has been historically vested in the Legislature. Every year the Legislature receive requests from organizations seeking to create a special license plate series. The creation of a new special license plate series requires state expenditures and the state has had difficulty recouping those costs in the past.

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 proposed legislation to aid the Legislature in reviewing special license plate applications.

**Summary:**

PART I: Special License Plate Review Board. The Special License Plate Review Board (SLPRB) is created and consists of seven members: one member appointed by the Governor to serve as the chairman, four members of the Legislature, one from each caucus of the House and Senate, a Department of Licensing (DOL) representative, and a Washington State Patrol (WSP) representative. Members of the SLPRB will serve four-year terms and may not serve more than three consecutive terms.

The SLPRB does not in any way preclude the authority of the Legislature to independently propose and enact special license plate legislation.

The SLPRB is charged with reviewing and either approving or rejecting special license plate applications submitted by sponsoring organizations. Within seven days of making a determination on an application, the SLPRB must issue an approval or rejection letter to the sponsoring organization, to the DOL, to the legislative sponsor identified in the application, and to the chairs of the House and Senate Transportation committees.

The SLPRB must review the number of specialty plates sold for each plate series on an annual basis and may make recommendations to the Legislature on the need to discontinue a special license plate series.

The SLPRB must meet at least one time a year, within 90 days before an upcoming legislative session. The SLPRB must be compensated from the general appropriation for the LTC.

The DOL must provide administrative support to the SLPRB which includes general staffing, processing special license plate applications, compiling annual financial reports submitted by sponsoring organizations, etc.

The LTC will provide general oversight of the SLPRB which includes processing and approving board members' compensation requests, reviewing the annual financial reports of sponsoring organizations, and reviewing the list of special license plate applications considered by the SLPRB in the last year.

PART II: Eligibility Requirements for a Sponsoring Organization. If a private entity wishes to sponsor a special license plate application, the entity must be a non-profit organization, located in Washington, and registered as a charitable organization.

If a governmental entity wishes to sponsor a special license plate application, it must be a political subdivision, a federally recognized tribe, an agency, or a community or technical college.

PART III: General Requirements. Sponsoring organizations must submit to the DOL either: (1) full prepayment for the start-up costs associated with implementing a new license plate series; or (2) submit signature sheets representing 2,000 intended plate purchases along with an application fee of \$2,000 which must be credited towards the implementation of the organization's special plate. Sponsoring organizations must also submit to the DOL an application form provided by the DOL, along with a proposed license plate design, a marketing strategy, signatures of legislative sponsors and the actual legislation creating the plate series, and proof that the organization meets eligibility requirements.

If a sponsoring organization can fully prepay the start-up costs, the money received by the DOL must be placed in the newly created Special License Plate Trust Account until the special license plate legislation is enacted. If the legislation is not enacted, the money must be fully reimbursed within 30 days. Organizations may also withdraw their application at any time and will receive a full reimbursement within 30 days as well.

For sponsoring organizations who cannot fully prepay the start-up costs, the initial revenue generated from their special license plate's sales must be deposited into the Motor Vehicle Account until the state has been fully reimbursed for the implementation

costs associated with their plate. Once the state is reimbursed, the House and Senate Transportation Committees, the sponsoring organization, and the State Treasurer must be notified of this fact and the DOL must commence distributing the plate revenues according to the law governing the individual plate series.

If the state is not reimbursed for the start-up costs within two years, the plate series will be placed in probationary status for a period of one year from that date. If the state is still not fully reimbursed at the end of the one-year probation period, the plate series will be discontinued.

The DOL must enter into a written agreement with the sponsoring organization that outlines prohibitions on the use of the plate revenue and requires the organization to expend the revenues in the state and for the benefit of the public.

Sponsoring organizations must submit an annual financial report by September 30 of each year to the DOL, detailing actual revenues and expenditures related to special plate sales.

If an organization ceases to exist, revenues generated from the sale of its plate series will be deposited into the Motor Vehicle Account.

A sponsoring organization may not redesign its plate series unless all of the inventory is sold or purchased by the organization itself. All redesign costs must be paid by the organization.

If a special license plate series is created outside of the SLPRB process, the sponsoring organization is still subject to all of the requirements mentioned above, that are applicable to organizations going through the SLPRB review process. Also, within 30 days of enactment, the organization must submit the following to the DOL: prepayment of the start-up costs or proof demonstrating that the organization cannot pre-pay the start-up costs, upon which time the revenue generated from the plate will be deposited into the Motor Vehicle Account until the state is fully reimbursed; a proposed license plate design; and a marketing strategy.

PART IV: Standard Background. A standard license plate background is no longer required. Rather, the plate background may vary in color and design, provided that the plate continues to be legible and clearly identifiable as a Washington plate.

PART V: Prior Special Plate Series Continuation. The DOL's authorization to discontinue special plate series based on the number of sales is maintained, but only for those plates created before January 1, 2003.

PART VI: Funding. If funding for this act is not provided in the Transportation Budget by June 30, 2003, the entire act is null and void.

**Votes on Final Passage:**

House 86 8

Senate 49 0 (Senate amended)

House 65 32 (House concurred)

**Effective:** July 27, 2003