

By: Phillips

H.B. No. 2806

Substitute the following for H.B. No. 2806:

By: Darby

C.S.H.B. No. 2806

A BILL TO BE ENTITLED

1 AN ACT

2 relating to the marketing, hosting, and sale of specialty and  
3 personalized license plates.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

5 SECTION 1. Sections 504.003(c) and (c-1), Transportation  
6 Code, are amended to read as follows:

7 (c) If a souvenir license plate issued before November 19  
8 [~~September 1~~], 2009, is personalized, the fee for the plate is  
9 \$40. Of the fee:

10 (1) \$20 shall be deposited to the credit of the state  
11 highway fund;

12 (2) \$10 shall be deposited to the credit of the  
13 designated account if the souvenir license plate is a replica of a  
14 specialty license plate issued under Subchapter G or I for which the  
15 fee is deposited to a designated account other than the state  
16 highway fund; and

17 (3) the remainder shall be deposited to the credit of  
18 the general revenue fund.

19 (c-1) The fee for a souvenir license plate issued on or  
20 after November 19 [~~September 1~~], 2009, is the amount established  
21 under Section 504.851(c).

22 SECTION 2. Subchapter B, Chapter 504, Transportation Code,  
23 is amended by adding Section 504.101 to read as follows:

24 Sec. 504.101. PERSONALIZED LICENSE PLATES. The department

1 shall issue personalized license plates, including those sold by  
2 the private vendor under a contract with the department as provided  
3 by Section 504.851.

4 SECTION 3. Section 504.6011, Transportation Code, is  
5 amended by amending Subsection (a) and adding Subsection (d) to  
6 read as follows:

7 (a) The sponsor of a specialty license plate [~~authorized to~~  
8 ~~be issued under this subchapter before September 1, 2009,~~] may  
9 contract with the private vendor authorized under Subchapter J for  
10 the marketing and sale of the specialty license plate.

11 (d) A sponsor of a specialty license plate authorized to be  
12 issued under this subchapter before November 19, 2009, may  
13 reestablish its specialty license plate under Sections 504.601 and  
14 504.702 and be credited its previous deposit with the department if  
15 a contract entered into by the sponsor under Subsection (a)  
16 terminates.

17 SECTION 4. Section 504.614, Transportation Code, is amended  
18 by adding Subsection (b-1) to read as follows:

19 (b-1) A public entity that receives money under Subsection  
20 (b) may contract with the private vendor under Section 504.6011 to  
21 distribute the entity's portion of the money in a manner other than  
22 that described by Subsection (b).

23 SECTION 5. Sections 504.801(d) and (d-1), Transportation  
24 Code, are amended to read as follows:

25 (d) The fee for issuance of license plates created under  
26 this subchapter before November 19 [~~September 1~~], 2009, is \$30  
27 unless the department sets a higher fee. This subsection does not

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1 apply to a specialty license plate marketed and sold by a private  
2 vendor at the request of the specialty license plate sponsor.

3 (d-1) The fee for issuance of license plates created under  
4 this subchapter on or after November 19 [~~September 1~~], 2009, is the  
5 amount established under Section 504.851.

6 SECTION 6. The heading to Section 504.802, Transportation  
7 Code, is amended to read as follows:

8 Sec. 504.802. MARKETING AND SALE BY PRIVATE VENDOR OF  
9 SPECIALTY LICENSE PLATES [~~CREATED BEFORE SEPTEMBER 1, 2009~~].

10 SECTION 7. Section 504.802, Transportation Code, is amended  
11 by amending Subsections (a) and (c) and adding Subsection (d) to  
12 read as follows:

13 (a) A sponsor of a specialty license plate created under  
14 this subchapter [~~before September 1, 2009~~] may contract with the  
15 private vendor authorized under Subchapter J for the marketing and  
16 sale of the specialty license plate.

17 (c) Notwithstanding any other law, from each fee received  
18 from the issuance of a specialty license plate marketed and sold by  
19 the private vendor under this section, the department shall:

20 (1) deduct the administrative costs described by  
21 Section 504.801(e)(1);

22 (2) deposit the portion of the fee for the sale of the  
23 plate that the state would ordinarily receive under the contract  
24 described by Section 504.851(a) to the credit of:

25 (A) the specialty license plate fund, if the  
26 sponsor nominated a state agency to receive the funds; [~~or~~]

27 (B) the general revenue fund, if the sponsor did

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1 not nominate a state agency to receive the funds or if there is no  
2 sponsor; or

(3) pay to the private vendor the remainder of the fee.

7       (d) A sponsor of a specialty license plate may reestablish  
8       its specialty license plate under Sections 504.601 and 504.702 and  
9       be credited its previous deposit with the department if a contract  
10      entered into by the sponsor under Subsection (a) terminates.

11 SECTION 8. Section 504.851, Transportation Code, is amended  
12 by amending Subsections (a-2), (c), (e), (f), and (h), and adding  
13 Subsections (a-3) and (m) to read as follows:

14 (a-2) Specialty license plates authorized for marketing and  
15 sale under Subsection (a) may be personalized and must include:

16 (1) specialty license plates created under  
17 Subchapters C and I on or after November 19 [September 1], 2009, and

18 (2) at the request of the specialty license plate  
19 sponsor, an existing specialty license plate created under  
20 Subchapters G and I before November 19 [September 1], 2009.

21        (a-3) The department may contract with the private vendor  
22 for the vendor to:

1                   (3) share in the personalization fee for the license  
2 plates hosted on the vendor's website.

3                   (c) The board by rule shall establish the fees for the  
4 issuance or renewal of souvenir license plates, specialty license  
5 plates, or souvenir or specialty license plates that are  
6 personalized that are marketed and sold by the private vendor or  
7 hosted on the private vendor's website. The state's portion of the  
8 personalization fee may not be less than \$40 for each year issued.  
9 Other fees [Fees] must be reasonable and not less than the amounts  
10 necessary to allow the department to recover all reasonable costs  
11 to the department associated with the evaluation of the competitive  
12 sealed proposals received by the department and with the  
13 implementation and enforcement of the contract, including direct,  
14 indirect, and administrative costs. A fee established under this  
15 subsection is in addition to:

16                   (1) the registration fee and any optional registration  
17 fee prescribed by this chapter for the vehicle for which specialty  
18 license plates are issued;

19                   (2) any additional fee prescribed by this subchapter  
20 for the issuance of specialty license plates for that vehicle; and

21                   (3) any additional fee prescribed by this subchapter  
22 for the issuance of personalized license plates for that vehicle.

23                   (e) The portion of a contract with a private vendor  
24 regarding the marketing and sale of personalized license plates is  
25 payable only from amounts derived from the collection of the fee  
26 established under Subsection (b). The portion of a contract with a  
27 private vendor regarding the marketing, hosting, and sale of

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1 souvenir license plates, specialty license plates, or souvenir or  
2 specialty license plates that are personalized under Section  
3 504.102 is payable only from amounts derived from the collection of  
4 the fee established under Subsection (c).

5 (f) The department may approve new design and color  
6 combinations for personalized or specialty license plates that are  
7 marketed and sold by a private vendor under a contract entered into  
8 with the private vendor. Each approved license plate design and  
9 color combination remains the property of the department.

10 (h) Subject to the limitations provided by Subsections (g)  
11 and (g-1), the department may disapprove a design, cancel a license  
12 plate, or require the discontinuation of a license plate design or  
13 color combination that is marketed, hosted, or [and] sold by a  
14 private vendor under contract at any time if the department  
15 determines that the disapproval, cancellation, or discontinuation  
16 is in the best interest of this state or the motoring public.

17 (m) If the private vendor ceases operation:

18 (1) the program may be operated temporarily by the  
19 department under new agreements with the license plate sponsors  
20 until another vendor is selected and begins operation; and

21 (2) the private vendor's share of the revenue is  
22 deposited to the credit of the general revenue fund.

23 SECTION 9. The heading to Section 504.853, Transportation  
24 Code, is amended to read as follows:

25 Sec. 504.853. SPECIALTY AND PERSONALIZED LICENSE PLATES  
26 ISSUED BEFORE NOVEMBER 19 [SEPTEMBER 1], 2009.

27 SECTION 10. Sections 504.853(a), (b), (c), and (e),

1 Transportation Code, are amended to read as follows:

2 (a) A specialty or personalized license plate issued before  
3 November 19 [~~September 1~~], 2009, may be issued for a subsequent  
4 registration period only if the applicant submits an application  
5 and pays the required fee for the applicable registration period. A  
6 person who is issued a personalized license plate has first  
7 priority on that license plate for each subsequent registration  
8 period for which the person submits a new application for that  
9 plate.

10 (b) Unless the board by rule adopts a higher fee or the  
11 license plate is not renewed annually, the [~~The~~] fee for issuance of  
12 a [~~personalized~~] license plate issued before November 19 [~~September~~  
13 ~~1~~], 2009, is:

14 (1) the fee provided for in Section 504.601 for a  
15 specialty license plate; and

16 (2) \$40 for a personalized license plate [~~, unless the~~  
17 ~~director adopts by rule a higher fee~~].

18 (c) A person who is issued a specialty or personalized  
19 license plate by the department before November 19 [~~September 1~~],  
20 2009, may:

21 (1) submit an application for the plate under  
22 Subsection (a) and pay the required fee for each subsequent  
23 registration period under Subsection (b); or

24 (2) purchase through the private vendor a license to  
25 display the alphanumeric pattern on a license plate for any term  
26 allowed by law.

27 (e) Of each fee collected by the department under Subsection

1    (b)(2) [this section]:

2                (1) \$1.25 shall be used by the department to defray the  
3 cost of administering this section; and

4                (2) the remainder shall be deposited to the credit of  
5 the general revenue fund.

6                SECTION 11. Sections 504.854(a) and (b), Transportation  
7 Code, are amended to read as follows:

8                (a) The board by rule [private vendor] may provide for the  
9 private vendor to:

10                (1) sell at auction a license to display a unique  
11 alphanumeric pattern on a license plate for a period set by board  
12 rule;

13                (2) reserve an unissued alphanumeric pattern from the  
14 department for purposes of auctioning a license to display the  
15 pattern for a period set by board rule; and

16                (3) purchase from a customer an unexpired license to  
17 display an alphanumeric pattern for purposes of auction by the  
18 vendor.

19                (b) A [Only a] license to display an alphanumeric pattern  
20 purchased under this section [or a license to display an  
21 alphanumeric pattern sold by the private vendor under Section  
22 504.853] may be transferred to another person without payment of  
23 the fee provided by Section 504.855. [The transferee is entitled to  
24 the same rights and privileges as the transferor.]

25                SECTION 12. Subchapter J, Chapter 504, Transportation Code,  
26 is amended by adding Section 504.855 to read as follows:

27                Sec. 504.855. TRANSFERABILITY OF CERTAIN PATTERNS. The

1 board by rule may:

2                   (1) authorize a person who purchases a license to  
3 display an alphanumeric pattern for a period of five years or more  
4 to transfer the license; and

5                   (2) establish a transfer fee to be distributed in  
6 accordance with the contract with the private vendor.

7               SECTION 13. The following provisions of the Transportation  
8 Code are repealed:

9                   (1) Section 504.851(k); and  
10                  (2) Section 504.854(c).

11               SECTION 14. This Act takes effect September 1, 2011.