

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 57th Legislature (2020)

4 HOUSE BILL 4002

 By: Wallace

7 AS INTRODUCED

8 An Act relating to motor vehicles; amending 47 O.S.
9 2011, Section 1135.7, as amended by Section 5,
10 Chapter 69, O.S.L. 2018 (47 O.S. Supp. 2019, Section
11 1135.7), which relates to the design and issuance of
12 special license plates; updating reference; amending
13 Section 1, Chapter 69, O.S.L. 2018 (47 O.S. Supp.
14 2019, Section 1135.9), which relates to contracts
15 with private vendors for personalized and special
16 license plates; clarifying references; authorizing
17 the approval of new design and color combinations for
18 license plates; clarifying that designs remain the
19 property of the Oklahoma Tax Commission; requiring
20 certain fees be established by rule; providing
21 apportionment of certain fees; requiring fees be
22 established at levels that recover certain costs;
23 prohibiting certain preorder requirement; allowing
24 for embossed license plates; providing requirements
 for embossed plates; and providing an effective date.

19 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

20 SECTION 1. AMENDATORY 47 O.S. 2011, Section 1135.7, as
21 amended by Section 5, Chapter 69, O.S.L. 2018 (47 O.S. Supp. 2019,
22 Section 1135.7), is amended to read as follows:

23 Section 1135.7 A. The Oklahoma Tax Commission or private
24 vendor with whom the Commission has contracted is authorized to

1 design and issue special license plates to any person that applies
2 to the Tax Commission or private vendor for the creation of a
3 special license plate and meets the minimum standards and
4 qualifications specified in this section.

5 B. If the following standards and guidelines are satisfied, the
6 Tax Commission shall authorize the issuance of a special license
7 plate to the person making application for the special license
8 plate:

9 1. The license plate is to:

10 a. show membership in or affiliation with an
11 organization, or

12 b. demonstrate support for an organization, group or
13 cause;

14 2. The license plate does not advertise or endorse a product,
15 brand, or service that is provided for sale;

16 3. The license plate does not promote any philosophy based on
17 prejudice or that is contrary to state civil rights laws; and

18 4. Two hundred prepaid applications for the special license
19 plate are received by the Tax Commission or private vendor.

20 C. The fee for special license plates shall be determined in
21 accordance with ~~Section 1 of this act~~ Section 1135.9 of this title.

22 If the special license plate does not provide financial assistance
23 the fee shall be no less than Fifteen Dollars (\$15.00) per year of
24 renewal and shall be in addition to all other registration fees

1 provided by the Oklahoma Vehicle License and Registration Act.
2 Unless otherwise provided in this section, Fifteen Dollars (\$15.00)
3 of the fee shall be apportioned as follows: Eight Dollars (\$8.00)
4 of the special license plate fee shall be deposited in the Oklahoma
5 Tax Commission Reimbursement Fund to be used for the administration
6 of the Oklahoma Vehicle License and Registration Act and the
7 remaining amounts of the special license plate fee shall be
8 apportioned as provided in Section 1104 of this title.

9 D. The fee for special license plates that provide financial
10 assistance shall be determined in accordance with Section ~~4~~ 1135.9
11 of this ~~act~~ title. Provided, the fee shall be no less than Thirty-
12 five Dollars (\$35.00) and shall be in addition to all other
13 registration fees provided by the Oklahoma Vehicle License and
14 Registration Act. Thirty-five Dollars (\$35.00) per year of renewal
15 of the fee shall be apportioned as follows:

16 1. Twenty Dollars (\$20.00) of the fee shall be apportioned to
17 the License Plate Special Program Assistance Revolving Fund created
18 in Section 1135.8 of this title to be used in the manner detailed in
19 the application for the special license plate;

20 2. Eight Dollars (\$8.00) of the fee shall be deposited in the
21 Oklahoma Tax Commission Reimbursement Fund to be used for the
22 administration of the Oklahoma Vehicle License and Registration Act;
23 and
24

1 3. Any remaining amounts of the fee shall be apportioned as
2 provided in Section 1104 of this title.

3 E. If a person applies for a special license plate that
4 provides financial assistance, the application shall designate a
5 state agency to be responsible for expending the funds generated by
6 the special license plate and the application shall designate a
7 specific public purpose for which the funds are to be used. The
8 application shall include an acknowledgment from the designated
9 state agency of their agreement with acceptance of the designated
10 funds.

11 F. Special license plates shall not be transferred to any other
12 person but shall be removed from the vehicle upon transfer of
13 ownership and retained. The special license plate may then be used
14 on another vehicle but only after such other vehicle has been
15 registered for the current year.

16 Special license plates shall be renewed each year by the Tax
17 Commission or a motor license agent, unless authorized by the Tax
18 Commission to be renewed for a period greater than one (1) year.
19 The Tax Commission shall notify all persons issued special license
20 plates of the renewal procedures prior to the expiration of the
21 special license plate. The notice shall contain all necessary
22 information and shall contain instructions for the renewal procedure
23 upon presentation to a motor license agent or the Tax Commission.
24 The license plates shall be issued on a staggered system.

1 The Tax Commission is hereby directed to develop and implement a
2 system whereby motor license agents are permitted to accept
3 applications for special license plates authorized under this
4 section. The motor license agent shall confirm the applicant's
5 eligibility, if applicable, collect and deposit any amount
6 specifically authorized by law, accept and process the necessary
7 information directly into such system and generate a receipt
8 accordingly. For performance of these duties, motor license agents
9 shall retain the fee provided in Section 1141.1 of this title for
10 registration of a motor vehicle. The motor license agent fees for
11 acceptance of applications and renewals shall be paid out of the
12 Oklahoma Tax Commission Reimbursement Fund.

13 G. All special plates issued by the Tax Commission prior to the
14 effective date of this act shall not be subject to the requirements
15 and qualifications outlined in this section.

16 H. As used in this section, "person" includes an individual,
17 group, organization or not-for-profit corporation that is recognized
18 as such by the Internal Revenue Service.

19 SECTION 2. AMENDATORY Section 1, Chapter 69, O.S.L. 2018
20 (47 O.S. Supp. 2019, Section 1135.9), is amended to read as follows:

21 Section 1135.9 A. The Oklahoma Tax Commission is authorized to
22 enter into a contract with a private vendor experienced in the
23 marketing and sale of:
24

1 1. Personalized license plates authorized under Section 1135.4
2 of ~~Title 47 of the Oklahoma Statutes~~ this title; and

3 2. Special license plates authorized under Sections 1135.3,
4 1135.5 and 1135.7 of ~~Title 47 of the Oklahoma Statutes~~ this title.

5 B. 1. The Commission shall establish by rule administrative
6 fees for license plates issued and renewed under the provisions of
7 subsection A of this section. The administrative fees authorized by
8 this paragraph shall be reasonable but not less than the amounts
9 necessary for the Commission to recover costs to the Commission
10 associated with the:

- 11 a. awarding of the contract authorized by this section,
- 12 b. implementation and enforcement of such contract, and
- 13 c. direct and indirect administrative costs associated
14 with administering the provisions of this section.

15 2. The fees authorized by this subsection shall be in addition
16 to all other registration fees provided by the Oklahoma Vehicle
17 License and Registration Act, including the fees required by
18 Sections 1135.3, 1135.4, 1135.5 and 1135.7 of ~~Title 47 of the~~
19 ~~Oklahoma Statutes~~ this title.

20 C. The contracted amount payable to a private vendor related to
21 the marketing and sale of special license plates shall only be
22 payable from amounts derived from administrative fees ~~associated~~
23 ~~with the issuance and renewal of such personalized and special~~

1 license plates under the provisions of subsection B of this section
2 and fees under the provisions of subsection D of this section.

3 D. The Commission may approve new design and color combinations
4 for personalized or specialty license plates that are marketed and
5 sold by a private vendor under a contract entered into with the
6 private vendor. Each approved license plate design and color
7 combination remains the property of the Commission.

8 1. The Commission shall establish by rule the fees for license
9 plates issued and renewed under the provisions of this subsection.

10 Of such fee not less than:

11 a. Eight Dollars (\$8.00) per year of renewal shall be
12 deposited in the Oklahoma Tax Commission Reimbursement
13 Fund to be used for the administration of the Oklahoma
14 Vehicle License and Registration Act, and

15 b. Twelve Dollars (\$12.00) per year of renewal shall be
16 apportioned as provided in Section 1104 of this title;

17 2. The fee authorized by paragraph 1 of this subsection shall
18 be reasonable but not less than the amounts necessary for the
19 Commission to recover costs to the Commission associated with the:

20 a. awarding of the contract authorized by this section,

21 b. implementation and enforcement of such contract, and

22 c. direct and indirect administrative costs associated
23 with administering the provisions of this section.
24

1 E. 1. The Commission may approve additional designs and color
2 combinations for personalized and special license plates authorized
3 under the provisions of ~~Title 47 of the Oklahoma Statutes~~ this
4 title, including for special license plates that may be
5 personalized, that may be marketed and sold by a private vendor
6 under a contract entered into under the provisions of this section.
7 Each approved license plate design and color combination shall
8 remain the property of the Commission.

9 2. This subsection shall not be interpreted to authorize:

10 a. the Commission to approve a design or color
11 combination for a specialty license plate, or
12 b. the private vendor to market or sell a special license
13 plate with a design or color combination,
14 that is inconsistent with the design or color combination specified
15 for the license plate in the special license plate's authorizing
16 statute.

17 ~~E.~~ F. The Commission shall not:

18 1. Restrict the background color, color combinations or color
19 alphanumeric license plate numbers of a special license plate,
20 except as determined by the Department of Public Safety as necessary
21 for law enforcement purposes;

22 2. Restrict the private vendor from conducting reasonable
23 events or auctions;

1 3. Restrict the right of the private vendor to offer a variety
2 of plate categories with both personalized and nonpersonalized
3 patterns; ~~or~~

4 4. Unreasonably disapprove or limit the ability for the private
5 vendor to offer plate terms that exceed one (1) year; or

6 5. Require the private vendor to collect preorders for
7 personalized and special license plates approved by the Commission
8 that may be marketed and sold by a private vendor under a contract
9 entered into under the provisions of this section.

10 ~~F.~~ G. The Commission may cancel a license plate or require the
11 discontinuation or redesign of a license plate design or color
12 combination that is marketed and sold by a private vendor under
13 contract at any time if the Commission determines that the
14 cancellation or discontinuation is in the best interest of the state
15 or the motoring public.

16 ~~G.~~ H. To the extent fees collected under the provisions of this
17 section are in excess of the total amounts provided in subparagraphs
18 a, b and c of paragraph 1 of subsection B of this section and other
19 apportionment provisions for personalized or specialized license
20 plates, the excess amount shall be deposited to the credit of the
21 General Revenue Fund.

22 ~~H.~~ I. 1. A contract entered into with a private vendor under
23 the provisions of this section shall provide for the Commission to
24 recover all costs incurred by the Commission in implementing the

1 provisions of this section. Under the provisions of the contract,
2 the Commission may require the private vendor to reimburse the
3 Commission in advance for:

- 4 a. not more than one-half (1/2) of the Commission's
5 anticipated costs in initiating the contract, and
- 6 b. the Commission's anticipated costs in coordinating the
7 introduction of a new special license plate.

8 2. The initial term of contract entered into under the
9 provisions of this section shall be no less than five (5) years in
10 duration. Such contract may provide for additional terms at least
11 equal in length to the initial term of the contract.

12 ~~F.~~ J. As applied to contracts entered under the provisions of
13 this section, the Commission shall not:

14 1. Unreasonably disapprove or limit any aspect of a private
15 vendor's marketing and sales plan; or

16 2. Unreasonably interfere with the selection, assignment or
17 management by the private vendor of the private vendor's employees,
18 agents or subcontractors.

19 ~~F.~~ K. A private vendor shall not market and sell license plates
20 that compete directly for sales with other special license plates
21 issued under the provisions of ~~Title 47 of the Oklahoma Statutes~~
22 this title, unless the Commission and the agency or organization
23 associated with the special license plate authorizes such marketing
24 and sale.

1 ~~K.~~ L. The Tax Commission is hereby directed to develop and
2 implement a system whereby motor license agents are permitted to
3 accept applications for special license plates authorized under this
4 section. The motor license agent shall collect and deposit any
5 amount specifically authorized by law, accept and process the
6 necessary information directly into such system and generate a
7 receipt accordingly. For performance of these duties, motor license
8 agents shall retain the fee provided in Section 1141.1 of ~~Title 47~~
9 ~~of the Oklahoma Statutes~~ this title for each year of registration of
10 a motor vehicle. The motor license agent fees for acceptance of
11 applications and renewals shall be paid out of the Oklahoma Tax
12 Commission Reimbursement Fund.

13 M. Personalized and special license plates approved by the
14 Commission under the provisions of this section that may be marketed
15 and sold by a private vendor under a contract entered into under the
16 provisions of this section may be manufactured as embossed license
17 plates by the vendor. The license plates shall be issued with
18 identification numbers and letters in a color that provides a
19 distinct contrast in the plate identification area. All embossed
20 license plates shall be made with reflectorized material as a
21 background to the letters, numbers and characters displayed thereon.
22 The reflectorized material shall be of such a nature as to provide
23 effective and dependable brightness during the service period for
24 which the license plate is issued.

SECTION 3. This act shall become effective November 1, 2020.

COMMITTEE REPORT BY: COMMITTEE ON APPROPRIATIONS AND BUDGET, dated
02/26/2020 - DO PASS.