

STATE OF OKLAHOMA

2nd Session of the 57th Legislature (2020)

HOUSE BILL 4002

By: Wallace

AS INTRODUCED

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

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

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

Section 1135.7 A. The Oklahoma Tax Commission or private vendor with whom the Commission has contracted is authorized to design and issue special license plates to any person that applies

1 to the Tax Commission or private vendor for the creation of a
2 special license plate and meets the minimum standards and
3 qualifications specified in this section.

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

8 1. The license plate is to:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

23 The Tax Commission is hereby directed to develop and implement a
24 system whereby motor license agents are permitted to accept

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

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

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

17 SECTION 2. AMENDATORY Section 1, Chapter 69, O.S.L. 2018
18 (47 O.S. Supp. 2019, Section 1135.9), is amended to read as follows:

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

22 1. Personalized license plates authorized under Section 1135.4
23 of ~~Title 47 of the Oklahoma Statutes~~ this title; and
24

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

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

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

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

18 C. The contracted amount payable to a private vendor related to
19 the marketing and sale of special license plates shall only be
20 payable from amounts derived from administrative fees ~~associated~~
21 ~~with the issuance and renewal of such personalized and special~~
22 ~~license plates~~ under the provisions of subsection B of this section
23 and fees under the provisions of subsection D of this section.
24

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

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

8 Of such fee not less than:

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

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

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

18 a. awarding of the contract authorized by this section,
19 b. implementation and enforcement of such contract, and
20 c. direct and indirect administrative costs associated
21 with administering the provisions of this section.

22 E. 1. The Commission may approve additional designs and color
23 combinations for personalized and special license plates authorized
24 under the provisions of ~~Title 47 of the Oklahoma Statutes~~ this

1 title, including for special license plates that may be
2 personalized, that may be marketed and sold by a private vendor
3 under a contract entered into under the provisions of this section.
4 Each approved license plate design and color combination shall
5 remain the property of the Commission.

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

7 a. the Commission to approve a design or color
8 combination for a specialty license plate, or

9 b. the private vendor to market or sell a special license
10 plate with a design or color combination,

11 that is inconsistent with the design or color combination specified
12 for the license plate in the special license plate's authorizing
13 statute.

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

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

19 2. Restrict the private vendor from conducting reasonable
20 events or auctions;

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

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

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

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

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

19 ~~H.~~ I. 1. A contract entered into with a private vendor under
20 the provisions of this section shall provide for the Commission to
21 recover all costs incurred by the Commission in implementing the
22 provisions of this section. Under the provisions of the contract,
23 the Commission may require the private vendor to reimburse the
24 Commission in advance for:

1 a. not more than one-half (1/2) of the Commission's
2 anticipated costs in initiating the contract, and

3 b. the Commission's anticipated costs in coordinating the
4 introduction of a new special license plate.

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

9 ~~I.~~ J. As applied to contracts entered under the provisions of
10 this section, the Commission shall not:

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

13 2. Unreasonably interfere with the selection, assignment or
14 management by the private vendor of the private vendor's employees,
15 agents or subcontractors.

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

22 ~~K.~~ L. The Tax Commission is hereby directed to develop and
23 implement a system whereby motor license agents are permitted to
24 accept applications for special license plates authorized under this

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

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

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