

## **BILL ANALYSIS**

Senate Research Center  
78R9069 T

S.B. 1704  
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Infrastructure Development and Security  
3/27/2003  
As Filed

### **DIGEST AND PURPOSE**

Currently, Texas law allows for the creation of specialty license plates, but new legislation is required to make each additional license plate available to the public. As proposed, S.B. 1704 creates the process for requesting new specialty license plates from the Texas Department of Transportation (TxDOT) and for TxDOT to issue those plates. This bill also authorizes TxDOT to create new specialty license plates upon its own initiative.

### **RULEMAKING AUTHORITY**

Rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 (Section 502.2524, Transportation Code) of this bill.

### **SECTION BY SECTION ANALYSIS**

SECTION 1. Amends Chapter 502F, Transportation Code, by adding Section 502.2524, as follows:

Sec. 502.2524. CREATION OF NEW SPECIALTY PLATES BY THE DEPARTMENT. (a) Authorizes the Texas Department of Transportation (TxDOT) to create new specialty license plates, which may be personalized, on its own initiative or on receipt of an application from a potential sponsor. Requires a new specialty plate created under this section to meet the requirements of Section 502.2526, Transportation Code (Specialized License Plates Authorized After January 1, 1999), unless it is created at TxDOT's initiative.

(b) Authorizes any person to sponsor a new specialty plate by submitting an application. Authorizes the application to nominate a state agency to receive funds generated by the new specialty plate and identify uses to which the funds should be appropriated.

(c) Requires TxDOT to design each new specialty plate in consultation with the sponsor, if any, that applied for creation of that specialty plate. Requires the plate design be the exclusive property of TxDOT. Authorizes TxDOT to refuse to create a new specialty plate under certain circumstances.

(d) Requires the TxDOT to issue specialty plates created under this section to a person who meets certain criteria.

(e) Requires the first \$15,000 collected as fees for a new specialty plate to be deposited to the credit of the state highway fund to reimburse TxDOT for its initial costs in producing each specialty plate. Requires, after the first \$15,000, that a Texas Transportation Commission-determined (TTC) amount of the fees collected for a new specialty plate be deposited into the state highway fund to cover TxDOT's incremental costs and the remainder be deposited to one of a number of funds.

(f) Provides that Chapter 316D, Government Code (Appropriation of Unobligated Fund Balances to General Revenue Fund), and Section 403.095, Government

Code (Use of Dedicated Revenue), do not apply to fees collected under this section.

(g) Authorizes TxDOT to report certain information to the legislature at any time concerning implementation of this section.

(h) Authorizes TxDOT to license a trademark for inclusion within the design of the plates and pay a fee for the trademark license, if a sponsor did not name a state agency to receive the funds or if there is no sponsor.

(i) Authorizes the owner of the vehicle for which the plates were issued to obtain replacement plates from TxDOT, if the plates are lost, stolen, or mutilated, by paying the fee prescribed by Section 502.184(a)(2), Transportation Code (Replacement of Lost, Stolen, or Mutilated License Plate or Registration Insignia). Requires the owner of the vehicle to return the specialty plates to TxDOT upon disposal of the vehicle during the registration year.

(i) [Proposed text includes two Subsections designated as (i).] Requires TTC to adopt rules and TxDOT to issue forms to implement this section.

SECTION 2. Effective date: January 1, 2004.