

BILL ANALYSIS

Senate Research Center

S.B. 1101
By: Deuell
Transportation & Homeland Security
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As Filed

AUTHOR'S/SPONSOR'S STATEMENT OF INTENT

As a part of H.B. 2971, the 78th Legislature, Regular Session, 2003, enacted a new Subchapter J, Chapter 504, Transportation Code, authorizing the Texas Department of Transportation (TxDOT) to contract with a private vendor for the marketing and sale of personalized vehicle license plates, other specialized license plates specifically authorized by statute, and new specialized license plates created by the vendor and approved by TxDOT. The purpose of the new subchapter was to satisfy the interests and demands of the motoring public for personalized and specialized vehicle license plates and to increase the revenues generated by their marketing and sale for the financial benefit of the state. However, the program has not yet been implemented.

As proposed, S.B. 1101 clarifies H.B. 2971 with regard to the responsibilities of the vendor and TxDOT under the statute and the contract. S.B. 1101 addresses issues that have arisen during the rulemaking and request for information processes for implementation. This bill also contains an expression of legislative intent that TxDOT aggressively pursue the implementation of the program and maximize program efficiency and revenues, while protecting the state from any potential financial loss resulting from its implementation.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 (Section 504.851, Transportation Code).

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Section 504.851, Transportation Code, by amending Subsections (a), (b), and (c) and (e) through (j) and adding Subsections (a-1) through (a-4) and (j), as follows:

(a) Requires the Texas Department of Transportation (TxDOT), rather than authorizes the Texas Transportation Commission, to enter into a contract with the private vendor whose proposal is most advantageous to the state, as determined from competitive sealed proposals that satisfy the requirements of this section, for the marketing and sale of personalized, rather than prestige, license plates and if the private vendor agrees, other specialized license plates authorized by this subchapter.

(a-1) Prohibits TxDOT, in a contract under this section, from taking certain actions relating to private vendors.

(a-2) Authorizes the private vendor to agree, but prohibits TxDOT from requiring, in a contract under this section, that the private vendor will undertake the marketing and sale of souvenir license plates, specialty license plates, or souvenir or specialty license plates personalized under Section 504.102 (Personalization of Other Specialty License Plates). Requires the initial term of the contract, if the private vendor contracts to market and sell such license plates, to be for at least five years from the contract's effective date, and requires the contract to include, at the option of either TxDOT or the private vendor, a second term, which is required to have a length at least equal to that of the contract's initial term. Requires the sponsoring agency or organization, if the private vendor contracts to market and sell such license plates and revenues from the sale are intended to benefit a sponsoring agency or organization, to approve the terms of the contract applicable to the agency or organization before execution of the contract.

(a-3) Prohibits the private vendor, notwithstanding Subsection (a-2), from marketing or selling souvenir license plates, specialty license plates, or souvenir or specialty license plates personalized under Section 504.102 that compete for sales with another specialty license plate issued under this chapter unless TxDOT and the sponsoring agency or organization of the other specialty license plate agree that the private vendor may so compete.

(a-4) Requires the Texas Transportation Commission by rule, notwithstanding other provisions of this chapter, to establish the fees for the issuance or renewal of souvenir license plates, specialty license plates, or souvenir or specialty license plates that are personalized under Section 504.102 that are marketed and sold by the private vendor under contract entered into under this section.

(b) Specifies that fees for the issuance or renewal of personalized plates be set at an amount to allow TxDOT to recover all reasonable costs in implementing this section. Deletes existing text relating contracting with to a private vendor for the marketing and sale of personalized prestige license plates.

(c) Makes conforming changes.

(e) Provides that that portion of the contract with the private vendor relating to the marketing and sale of personalized license plates, rather than under Subsection (a)(1), is payable only from amounts derived from the collection of the fee established under Subsection (c).

(f) Makes conforming changes.

(g) Authorizes TxDOT to create new design and color combinations for specialized license plates authorized by this chapter, including specialized license plates that may be personalized, that are marketed and sold by the private vendor under the contract entered into with the private vendor, rather than under Subsection (a)(2). Provides that this subsection, except as otherwise provided by this chapter, does not authorize TxDOT to take certain actions under this chapter relating to specialized license plates.

(h) Makes conforming changes.

(i) Makes a conforming change.

(j) Requires TxDOT to certify to the comptroller its estimate, together with a detailed explanation of the basis on which the estimate is calculated, of all reasonable costs to TxDOT associated with the evaluation of competitive sealed proposals received by the department under this section and associated with the implementation and enforcement of the contract entered into under this section, including direct, indirect, and administrative costs for the issuance or renewal of personalized license plates or specialized license plates that are marketed and sold by the private vendor.

SECTION 2. Sets forth the legislative intent in enacting this Act.

SECTION 3. Effective date: upon passage or the 91st day after adjournment.