

**You will chair for the following bill.**

## **AB 119 - Special Group License Plates**

### **Recommendation:**

Support the bill in its current form (i.e. with standing committee amendment.)

### **Bill History:**

Introduced on 02/18/97 by Otte/C. Potter; voted out of Assembly Committee on Highways and Transportation (15-0) on 04/24/97, with one amendment, (AA 1, adopted 15-0); voted out of Assembly 95-2 on 05/28/97; concurrence recommended by the Senate Committee on Labor, Transportation and Financial Institutions (7-0) on 11/12/97; referred to JFC on 11/18/97 in the Senate.

### **Executive Action Needed:**

Act on any amendments introduced today. *FB technical*  
Adopt AA 1.  
Recommend passage as amended.

### **Note:**

This bill should have been referred to JFC in the Assembly. It has a \$25,000 fiscal note. Basically, the bill would allow any group or organization to apply to DOT for special license plates, as long they meet specific criteria outlined in the bill. In general, the bill seems fine and FB doesn't point out any major problems.



## Legislative Fiscal Bureau

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March 11, 1998

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 119: Special Group License Plates

Assembly Bill 119 was introduced on February 18, 1997, and referred to the Assembly Committee on Highways and Transportation. On April 24, the bill was recommended for passage, as amended by Assembly Amendment 1 to AB 119, by a vote of 15-0. On May 28, the Assembly adopted AA 1 and passed AB 119 as amended on a vote of 95-2. On November 12, the Senate Committee on Labor, Transportation and Financial Institutions recommended concurrence in AB 119 by a vote of 7-0. On November 18, the bill was referred to the Joint Committee on Finance.

### **BACKGROUND**

Current state statutes require the Department of Transportation to issue over 50 different special group license plates to special groups authorized by state law. DOT does not have authority to administratively designate authorized special groups for issuance of special group plates.

Under current law, members of authorized special groups may obtain special license plates whose colors and design indicate that the vehicle is owned by a member of the applicable special group. A fee, in addition to the regular registration fee, is assessed for the issuance or reissuance of most special plates. Currently this fee is \$15 for UW System plates and sesquicentennial plates, \$10 for military and civilian plates and \$0 for endangered resources and Somalia War veteran plates. Individuals who purchase special group plates in support of endangered resources or a University of Wisconsin System campus pay an additional annual fee that is a tax deductible

charitable contribution to the conservation fund (\$25 per year) or UW System (\$20 per year), respectively.

## **SUMMARY OF ENGROSSED BILL**

Engrossed AB 119 would allow any group or organization to apply to DOT for designation as an authorized special group. DOT would be required to designate any group or organization as such if it meets all of the following criteria:

- a. It is not organized or operated for profit;
- b. It is not a political committee or a political group;
- c. It is not a church, a synagogue, a mosque or any organization, whether or not organized under state laws governing religious societies, that operates under a creed;
- d. It does not promote, practice or encourage hatred or any form of discrimination; and
- e. It does not carry connotations offensive to good taste or decency, or that would be misleading, or in conflict with the enumeration or designation of any other authorized special group.

Under the engrossed bill, the application for this designation must include all of the following:

- a. A deposit of \$15,500 that would be returned to the group or organization if the application is denied. If the application is approved, DOT would be required to return \$15 to the group or organization for each special group plate issued to a member of the authorized group in the first year of issuance, up to a maximum of \$12,000;
- b. A certification by the group or organization that any approvals required for use of any logo, trademark, trade name or other commercial symbol related to the group or organization have been obtained and that the group or organization shall be responsible for any licensing fees related to the word or words or the symbol on special group plates for the group or organization; and
- c. Any other information that DOT reasonably requires to determine whether the group or organization is entitled to designation as an authorized special group.

Under Engrossed AB 119, revenues received from the \$15,500 deposit required upon application to DOT would be credited to a newly-created program revenue appropriation within DOT for the purpose of producing and issuing the special group plates and making payments to

that group or organization. The payments to the group or organization would be equal to \$15 times the number of plates issued (up to \$12,000) for any one group in the first year of issuance.

The fee for issuance or reissuance of a special group plate authorized under the engrossed bill would be \$15. Revenue from this fee would be deposited in the transportation fund.

Under the bill, if an application for designation as an authorized group is denied, DOT must promptly return the application to the group or organization, together with a notice stating the reason for the denial. Engrossed AB 119 would provide that all decisions of the Department with respect to such applications would be final and not subject to judicial review. Judicial review is a statutorily-defined court procedure, involving the use of witnesses and discovery materials, in which the petitioner contends that an administrative decision should be reversed or modified. This would not, however, prohibit a person or group of persons from asking the court to order DOT to issue a special license plate based on constitutional rights.

Engrossed AB 119 would require DOT to establish, by administrative rule, procedures for the designation of authorized special groups and for the issuance or the discontinuation of issuance of special group plates to members of these groups. The bill would provide that, upon the effective date of the act, additional authorized special groups may only be designated as special groups through the procedures established in the bill. Special groups that are authorized under current law would not be affected by these provisions. Finally, the bill would prohibit DOT from assisting any group or organization in using special plates for fund-raising purposes.

The act would take effect on the first day of the fourth month beginning after publication.

## **FISCAL EFFECT**

In its fiscal note, DOT estimates that administering the special plate program would require 0.5 position and \$25,100 annually for salary and fringe benefit costs and support costs, plus one-time costs of \$3,600 for installation of a computer and phone for this position. The work to administer the program includes developing and administering administrative rules, communicating with interested groups, determining eligibility of groups, managing plate design and managing financial transactions.

DOT indicates that the minimum amount of reflective sheeting (which is used to place the design on the aluminum plate) that can be purchased is sufficient to produce about 800 plates. The cost of designing, producing and mailing 800 plates is about \$12,000. Because the engrossed bill would require a deposit of \$15,500 from each group, it would ensure that the cost to produce the minimum number of plates would be covered. If 800 plates of a particular design are sold, \$12,000 from the deposit would be returned to the group and DOT would keep the remaining \$3,500, which is the amount that is needed for data processing to establish a new plate design.

The appropriation created by the bill could be used to fund the cost of issuing the plates or to repay the special group as plates are issued. However, since the only revenue source for this appropriation is the required deposit, the appropriation would not be able to support both expenses. Although a \$15 issuance fee would be collected, this would be deposited in the transportation fund and is not appropriated under the bill.

The bill would not provide funding to cover DOT's administrative costs nor would it provide additional position authority. Consequently, the Division of Motor Vehicles would have to absorb these costs during the 1997-99 biennium.

Prepared by: Jon Dyck

MO# tech amend 1989/1 <sup>CRB</sup>

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
SCHULTZ	Y	N	A
ROSENZWEIG	Y	N	A
GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

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MO# par page as amended

BURKE	Y	N	A
DECKER	Y	N	A
JAUCH	Y	N	A
SHIBILSKI	Y	N	A
COWLES	Y	N	A
PANZER	Y	N	A
SCHULTZ	Y	N	A
ROSENZWEIG	Y	N	A
GARD	Y	N	A
OURADA	Y	N	A
HARSDORF	Y	N	A
ALBERS	Y	N	A
PORTER	Y	N	A
KAUFERT	Y	N	A
LINTON	Y	N	A
COGGS	Y	N	A

AYE 13 NO \_\_\_\_\_ ABS 3