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HOUSE FILE NO. 3524

FIRST COMMITTEE ENGROSSMENT

March 9, 2010

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The bill was read for the first time and referred to the Committee on Finance

Referred by Chair to Transportation Finance and Policy Division.

March 25, 2010

Returned to the Committee on Finance as Amended.

1.1 A bill for an act
1.2 relating to transportation; amending provisions governing authorization and
1.3 discontinuance of special plates; amending Minnesota Statutes 2008, sections
1.4 168.002, by adding a subdivision; 168.123, by adding a subdivision; 168.1293.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2008, section 168.002, is amended by adding a
1.7 subdivision to read:

1.8 Subd. 31a. **Special plates.** Unless otherwise specified, "special plates" or "special
1.9 plate" means plates, or a single motorcycle plate, that are designed with wording or
1.10 graphics that differ from a regular Minnesota passenger automobile plate or motorcycle
1.11 plate.

1.12 **EFFECTIVE DATE.** This section is effective the day following final enactment.

1.13 Sec. 2. Minnesota Statutes 2008, section 168.123, is amended by adding a subdivision
1.14 to read:

1.15 Subd. 2b. **Eligibility; combat wounded plate.** A member of the United States
1.16 armed forces who is serving actively in the military and who is a recipient of the purple
1.17 heart medal is also eligible for the license plate under subdivision 2, paragraph (e). The
1.18 commissioner of public safety shall ensure that information regarding the required proof
1.19 of eligibility for any applicant under this subdivision who has not yet been issued military
1.20 discharge papers is distributed to the public officials responsible for administering this
1.21 section.

1.22 **EFFECTIVE DATE.** This section is effective August 1, 2010.

2.1 Sec. 3. Minnesota Statutes 2008, section 168.1293, is amended to read:

2.2 **168.1293 CERTAIN SPECIAL PLATES; AUTHORIZATION,**
2.3 **DISCONTINUANCE.**

2.4 Subdivision 1. **Definition.** For purposes of this section ~~and section 168.1297,~~ the
2.5 following terms have the meanings given them:

2.6 (1) "new special plate" or "proposed special plate" means a special plate authorized
2.7 by sections 168.12, subdivisions 2b and 2c; 168.1235; and 168.129, to have wording and
2.8 graphics that differ from a Minnesota passenger vehicle plate; that is not authorized under
2.9 this chapter and for which legislation authorizing the plate, including but not limited to a
2.10 bill or amendment, is introduced or presented to the legislature; and

2.11 (2) "proximate special plate" means a special plate (i) authorized under section
2.12 168.12, subdivisions 2b and 2c; 168.1235; or 168.129; or (ii) authorized in law on or
2.13 after August 1, 2010.

2.14 Subd. 1a. **Establishment of plate.** The commissioner may only establish a special
2.15 plate as authorized under this chapter. This requirement does not apply to alternative
2.16 or additional designs for a special plate.

2.17 Subd. 2. **Submissions to commissioner.** (a) A person, legal entity, or other
2.18 requester, however organized, that plans to seek legislation establishing a new special
2.19 plate, or is a proponent of a new special plate, shall submit the following information and
2.20 fee to the commissioner:

2.21 (1) The requester shall submit a request for the special plate being sought, describing
2.22 the ~~proposed~~ special plate in general terms, the purpose of the plate, and the proposed fee
2.23 or minimum contribution required for the plate.

2.24 (2) The requester shall submit the results of a scientific sample survey of Minnesota
2.25 motor vehicle owners that indicates that at least 10,000 motor vehicle owners intend
2.26 to purchase the proposed plate with the proposed fee or minimum contribution. The
2.27 requester's plan to undertake the survey must be reported to the commissioner before the
2.28 survey is undertaken. The survey must be performed independently of the requester by
2.29 another person or legal entity, however organized, that conducts similar sample surveys
2.30 in the normal course of business.

2.31 (3) The requester shall submit an application fee of \$20,000, to cover the cost of
2.32 reviewing the application for a new plate and developing the new special plate if authorized
2.33 by law. State funds may not be used to pay the application fee. This requirement does not
2.34 apply if legislation or a bill introduced to the legislature proposing the new special plate
2.35 contains a mechanism by which all costs incurred by the commissioner for development

3.1 and implementation of the plate are covered, provided that the application fee subsequently
3.2 does apply if such a mechanism is not enacted in the law authorizing the new special plate.

3.3 (4) The requester shall submit a marketing strategy that contains (i) short-term and
3.4 long-term marketing plans for the requested plate, and (ii) a financial analysis showing
3.5 the anticipated revenues and the planned expenditures of any fee or contribution derived
3.6 from the requested plate.

3.7 (b) The requester shall submit the information required under paragraph (a) to the
3.8 commissioner at least 120 days before the convening of the next regular legislative session
3.9 at which the requester will submit the proposal.

3.10 Subd. 2a. **Information for legislature.** (a) Within 15 days of the introduction of a
3.11 bill proposing a new special plate, the commissioner shall submit a briefing to the chairs
3.12 and ranking minority members of the house of representatives and senate committees to
3.13 which the bill was referred. At a minimum, the briefing must:

3.14 (1) summarize the requirements for a special plate under this section; and

3.15 (2) identify which of the requirements have been met for the proposed special plate.

3.16 (b) If a proposed special plate is a topic of discussion at a legislative committee
3.17 hearing, the commissioner shall make every reasonable effort to provide testimony. The
3.18 testimony must include the information required in the briefing under paragraph (a).

3.19 (c) Notwithstanding section 3.195, the commissioner may submit the briefing under
3.20 paragraph (a) by submitting an electronic version rather than a printed version.

3.21 **Subd. 3. Design; redesign.** (a) If the proposed ~~new~~ special plate sought by the
3.22 requester is approved by law, the requester shall submit the proposed design for the plate
3.23 to the commissioner as soon as practicable, but not later than 120 days after the effective
3.24 date of the law authorizing issuance of the plate. The commissioner is responsible for
3.25 selecting the final design for the special plate.

3.26 (b) The requester that originally requested a new special plate subsequently approved
3.27 by law may not submit a new design for the plate within the five years following the date
3.28 of first issuance of the plate unless the inventory of those plates has been exhausted.
3.29 The requester may deplete the remaining inventory of the plates by reimbursing the
3.30 commissioner for the cost of the plates.

3.31 **Subd. 4. Refund of fee.** If the special plate requested is not authorized in the
3.32 legislative session at which authorization was sought, the commissioner shall, if
3.33 applicable, refund \$17,500 of the application fee to the requester.

3.34 **Subd. 5. Discontinuance of plate.** (a) The commissioner shall discontinue the
3.35 issuance or renewal of any proximate special plate ~~authorized by sections 168.12,~~
3.36 ~~subdivisions 2b and 2c; 168.1235; and 168.129;~~ if (1) fewer than 1,000 sets of those

4.1 plates are currently registered at the end of the first six years during which the plates are
4.2 available, or (2) fewer than 1,000 sets of those plates are currently registered at the end of
4.3 any subsequent two-year period following the first six years of availability.

4.4 (b) The commissioner shall discontinue the issuance or renewal of any proximate
4.5 special plate ~~authorized by sections 168.12, subdivisions 2b and 2c; 168.1235;~~
4.6 ~~and 168.129~~, and distribution of any contributions resulting from that plate, if the
4.7 commissioner determines that (1) the fund or requester receiving the contributions no
4.8 longer exists, (2) the requester has stopped providing services that are authorized to be
4.9 funded from the contribution proceeds, (3) the requester has requested discontinuance, or
4.10 (4) contributions have been used in violation of subdivision 6.

4.11 (c) Nothing in this subdivision applies to plates issued under section 168.123,
4.12 168.124, 168.125, 168.1251, or 168.1255.

4.13 (d) Upon commencing discontinuance of a proximate special plate under this
4.14 subdivision, the commissioner (1) shall not issue the plate, including as a duplicate; and
4.15 (2) shall allow retention of any existing plate for the regular period. For purposes of this
4.16 paragraph, "regular period" may be, as appropriate, the period specified under section
4.17 168.12, subdivision 1; the time until issuance of a duplicate plate for that vehicle; or as
4.18 otherwise provided by law.

4.19 Subd. 6. **Use of contributions.** Contributions made as a condition of obtaining a
4.20 proximate special plate ~~authorized by sections 168.12, subdivisions 2b and 2c; 168.1235;~~
4.21 ~~and 168.129~~, and interest earned on the contributions, may not be spent for commercial or
4.22 for-profit purposes.

4.23 Subd. 7. **Deposit of fee; appropriation.** The commissioner shall deposit the
4.24 application fee under subdivision 2, paragraph (a), clause (3), in the vehicle services
4.25 operating account of the special revenue fund under section 299A.705. An amount
4.26 sufficient to pay the department's cost in implementing and administering this section,
4.27 including payment of refunds under subdivision 4, is appropriated to the commissioner.