

BILL ANALYSIS

Senate Research Center
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S.B. 425
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Infrastructure Development and Security
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DIGEST AND PURPOSE

Currently, the Texas Department of Transportation (TxDOT) is required by law to create and issue personalized prestige license plates and certain personalized specialized plates, as well as create procedures to issue such license plates. As proposed, S.B. 425 allows TxDOT to contract out the marketing and sale of such license plates to a private vendor, and allows TxDOT to recover the associated administrative costs.

RULEMAKING AUTHORITY

Rulemaking authority is expressly granted to the Texas Transportation Commission in SECTION 1 (Section 502.2515(b) and (c), Transportation Code) of this bill.

SECTION BY SECTION ANALYSIS

SECTION 1. Amends Chapter 502F, Transportation Code, by adding Section 502.2515, as follows:

Sec. 502.2515. **CONTRACT WITH PRIVATE VENDOR.** (a) Authorizes the Texas Transportation Commission (commission) to authorize the Department of Transportation (TxDOT) to enter into a contract with the private vendor whose proposal is most advantageous to the state for the marketing and sale of personalized prestige license plates authorized by Section 502.251 or other specialized license plates authorized by this subchapter.

(b) Requires the commission to establish, by rule, fees for the issuance or renewal of personalized prestige license plates marketed and sold by a private vendor under Subsection (a)(1), if the commission authorizes TxDOT to enter into contract with such a vendor. Provides that fees must be reasonable and not less than necessary for TxDOT to recover all the costs associated with the evaluation of the private vendor proposal bid, as well as the costs associated with the implementation and enforcement of the contract.

(c) Requires the commission to establish, by rule, fees for the issuance or renewal of personalized prestige license plates marketed and sold by a private vendor under Subsection (a)(2), if the commission authorizes TxDOT to enter into contract with such a vendor. Provides that fees must be reasonable and not less than necessary for TxDOT to recover all the costs associated with the evaluation of the private vendor proposal bid, as well as the costs associated with the implementation and enforcement of the contract. Provides that a fee established under this subsection is in addition to certain other fees for issuance of licence and registration.

(d) Authorizes the commission to increase or decrease the amount of a fee established under Subsection (b) or (c) at any time, as necessary for compliance with those subsections.

(e) Provides that a contract with a private vendor under Subsection (a)(1) is payable

only from funds derived from the fee established under Subsection (b), and that a contract with a private vendor under Subsection (a)(2) is payable only from funds derived from the fee established under Subsection (c).

(f) Authorizes TxDOT to create new design and color combinations for personalized prestige license plates marketed or sold by a private vendor under Subsection (a)(1). Provides that each approved license plate design and color combination remains the property of TxDOT.

(g) Authorizes TxDOT to create new design and color combinations for specialized license plates, including personalized specialized license plates, marketed or sold by a private vendor under Subsection (a)(2). Provides that each approved license plate design and color combination remains the property of TxDOT. Provides that this subsection does not authorize TxDOT or the private vendor to approve, design, market, or sell a license plate inconsistent with certain specifications.

(h) Authorizes TxDOT to cancel or require the discontinuation of the design or color combination of a license plate sold by a private vendor under contract at any time if TxDOT determines that the cancellation or discontinuation is in the best interests of this state or the motoring public.

(i) Requires a contract entered into by TxDOT with a private vendor under this section to be entered into in a certain manner, require certain information from the vendor, and allow or require the vendor to establish an electronic infrastructure coordinated and compatible with TxDOT's registration system.

(j) Requires money received by TxDOT from a private vendor under this section to be deposited to the credit of the state highway fund.

(k) Authorizes the commission to authorize TxDOT to pay a licensing fee for the use of a trademark in connection with the marketing and sale of a license plate under this section.

SECTION 2. Effective date: upon passage or September 1, 2003.