



# Transportation

## License Plate Policy Update

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State and local governments are responsible for motor vehicle license plate issuance. This Transportation Review is intended to inform state legislators and others of recent activities and trends concerning non-commercial motor vehicle license plates.

Every motor vehicle must be registered with state or local authorities and issued a license plate. License plates help law enforcement agencies, motor vehicle authorities and others identify vehicles and provide proof that the registrant has paid the proper registration fee and taxes on the vehicle. License plates also offer information such as the weight class, the county in which the vehicle is registered, use restriction and the age and weight of the vehicle.

In addition, some license plates show whether the owner of the vehicle is a member of a special organization or group, or allow the owner to associate themselves and contribute money to a particular group or cause. Because of the important functions of license plates and the popularity of specialty plates, state legislatures consider many license plate-related bills every session.

## Specialty Plates

### Definition and Trends

Specialty plates are license plates that differ in design from the standard state license plate, although states often use different terms and definitions for plates that deviate from the standard. The umbrella terms “specialty plates” and “special plates” often include both special interest fundraising plates and other

types of plates that are different than the standard license plate. The purchaser of a specialty plate that supports a special interest generally pays a fee in addition to the regular registration fee with some percentage of the revenue going to the special interest organization. In most states however, disability plates and some veteran's license plates are provided at no additional charge to the registrant. Types of specialty plates include, but are not limited to, civic and community organizations, colleges and universities, environmental groups and military personnel. Many states offer license plates that benefit and educate about causes as wide-ranging as breast cancer awareness, Native American education, safe bicycling and organ donation, among many other topics. For example, Colorado has begun issuing a plate with the inscription "Advancing Clean Energy," the proceeds from which offset the carbon dioxide emissions produced by driving the car. "Gold Star" license plates have been issued in Georgia and Nebraska to honor the family members of service men and women who have been killed in action while serving the armed forces.



Another example is Florida's "Helping Sea Turtles Survive" plates which were created to establish a permanent source of funding for sea turtle regulatory programs. Seventy percent of the plates' proceeds serve as the primary source of funding for the Florida Fish and Wildlife Conservation Commission's Marine Turtle Protection Program. The remaining funds are routed through the Sea Turtle Conservancy, which distributes funding annually through the Sea Turtle Grants Program. The program disperses about \$300,000 in grants every year to coastal county governments, educational institutions and nonprofit groups through a competitive grants program.

Specialty license plate designs may encounter resistance, however. While courts have consistently stated that license plates are private speech, the fact that they are issued by government agencies can incite much controversy and debate.

One example are Confederate flag specialty plates, which have caused controversy around the country, particularly of late. Approximately 10 states currently distribute such specialty plates, which benefit the "Sons of Confederates Veterans organization," in addition to funding historical projects and heritage preservation. Following the shooting of nine black church members by a white gunman in Charleston in mid-2015, government leaders in Georgia, Maryland, North Carolina, Tennessee and Virginia all called for the redesign or banning of Confederate flag license plates. Specifically, Georgia Governor Nathan Deal ordered the Department of Revenue and the Georgia chapter of the Sons of Confederate Veterans to redesign the rebel emblem on specialty state-issued plates that benefit the Sons of Confederate Veterans. A [reported](#) 3,500 drivers have already signed up for the new Confederate flag plates. Furthermore, a federal judge in Maryland lifted an 18-year old injunction mandating Confederate flag license plates be available, [ruling](#) that the license plates were a form of government speech and could be recalled by states.

The national debate over access to family planning and abortion services has also sparked controversy and discussion regarding license plates. In 2010, Virginia lawmakers passed [HB 1108](#), which authorized the issuance of revenue-sharing special license plates bearing the legend "Trust Women/Respect Choice," the proceeds of which go to the Virginia League for Planned Parenthood. The controversy over the plate initially rose from where the proceeds for the plate would go, with some lawmakers trying to amend the bill so that the funds went to the Virginia Pregnant Women Support Fund instead of Planned Parenthood. The bill went before a conference committee, however, which, tasked with reconciling the original bill with the amendment, restored the bill's funding to Planned Parenthood. Further, before signing the bill, Virginia Governor Bob McDonnell made one last change, preventing proceeds from the plate from being spent on providing abortion services. Similar plates are issued in Montana, which bear

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the legend “Pro Family/Pro Choice,” and Pennsylvania which has a “Planned Parenthood” license plate. Lastly, Hawaii offers a license plate decal bearing the words, “Respect Choice.”

Another example of a specialty plate that has stirred debate are “In God We Trust” plates. Indiana provides an “In God We Trust” specialty plate at no extra cost, which spurred the American Civil Liberties Union to sue to force the state to charge the regular \$15 administrative fee required for specialty plates. The courts found for the state, which claimed that the plate is not a specialty plate, but a second standard plate that is not subject to an additional fee. In March 2016, Utah Governor Gary Herbert signed [House Bill 127](#) designating the “In God We Trust” plate as a standard license plate and removing the \$5 fee associated with the plate, making Utah the 19th state to standardize the “In God We Trust” license plate. As an alternative to a specialty plate, Georgia offers a sticker option for \$1 that allows residents to affix “In God We Trust” to the bottom of their license plate. The California Legislature in 2016 considered [Assembly Bill 2253](#) which would create an “In God We Trust” specialty license plate.

## Special Interest Plate Cost and Organizational Proceeds

The amount of the additional fee that a sponsoring organization receives generally depends on the type and price of the specialty plate. The Texas Department of Motor Vehicles, for example, contracted with My Plates, a Texas-based company that creates specialty plates, to design, market and sell new license plate designs for any individual or group, whether for-profit or non-profit. This process requires a deposit of \$6,000, which includes \$4,615 for Texas DMV start-up costs and \$1,385 for My Plates’ design and start-up costs. My Plates additionally requires organizations to verify public demand with at least 200 commitments for a proposed plate. Participating organizations may benefit from the sale of its specialty plate through a royalty agreement with My Plates. In Indiana, the cost of special plates ranges from \$15 to \$40. The Indiana Bureau of Motor Vehicles charges \$15 for administrative costs, pursuant to statute, for all special recognition license plates with any amount above \$15 going to the benefiting organization. In Virginia, specialty plates also vary in price, with most plates ranging from \$15 to \$35. The University of Virginia Rotunda plates, for example, cost \$25 annually in addition to the regular fee. After the first 1,000 plates are sold, a \$15 contribution per plate is made to the University of Virginia.

Arizona introduced three new specialty plates in 2014, including plates commemorating the Girl Scouts, Arizona Motorsports and the Phoenix Suns. For every \$50 Girl Scout license plate sold and renewed in Arizona, \$17 goes to the local Girl Scout chapter to assist in paying for community service field projects and cultural exchanges. The redesigned Phoenix Suns plate continue to support Phoenix Suns Charities for youth education and development, college scholarship programs and community development. Finally, funds raised by the Phoenix International Raceway license plate goes to Motorsports Charities to provide resources and charitable support for children through education, medical treatment, dream experiences and volunteerism.



Proceeds vary widely in terms of total annual revenue raised by the benefiting organization for which the special interest specialty plate was issued, depending on the type of plate. For example, in Maine, [according to](#) the Bangor Daily News the top selling specialty license plate of 2015 was the Conservation Loon plate, which raised roughly \$566,000 more than the ninth bestselling plate, the University of Maine System plate, which raised close to \$80,000.

## Requirements for Issuing Specialty Plates

Because of the increase in specialty plates in many states, more than 30 states require an organization to guarantee a certain number of sales before a specialty plate can be issued. States have a number of different processes to ensure the plates have enough popular support and do not create extra costs for the state. In Florida, for example, a specialty plate proposal now requires a survey from the organization with 30,000 names of individuals who are interested in purchasing the new specialty plate, a \$60,000 application fee to cover departmental expenses related to reviewing the application and design and an analysis of the financial impact and marketing strategies for the new license plate. After departmental review, the Florida

Legislature then must approve the proposed specialty plate.

[Idaho Code § 49-402C\(6\)](#) requires the Idaho Transportation Department to advise the Legislature if a specific special license plate is issued by fewer than 1,000 vehicles per year for two consecutive years. If so, the special license plate could be discontinued. [Arizona law Revised Statute §28-2404](#) permits an organization with fewer than 200 members to submit a request for a special plate provided the organization consents to covering the production and program expenses. Colorado's statutory retirement schedules typically phase out plates by a statutory deadline if they do not meet 3,000 plates issued.

## Disadvantages to Issuing Specialty Plates

Some state officials have expressed concerns about the expense of producing specialty plates that are not in high demand. The most popular plate in Illinois – the environmental plate – reached its peak registration in 1998 with approximately 93,000 registrations but by 2010, that number had decreased to around 25,000. In 2015, the Texas Department of Motor Vehicles and My Plates, the company that sells specialty license plates for the state, ordered that any license plates that did not have sales of at least 200 plates by mid-December would be permanently removed from circulation as a cost-saving measure. Of the roughly 160 license plates available in Texas at the time, 56 were in danger of being cut, with sales numbers for those plates ranging from four up to 199. However, only 25 ended up being officially removed, in part because of successful campaigns that helped meet the 200 plate threshold.

Some officials and other groups have expressed concern about the [large number of specialty plates issued in various states](#). Virginia, for example, offers approximately 180 specialty plates, and Maryland tops the charts at more than 700. In 2011, Nevada set a statutory limit that allows only 30 specialty license plates to be in circulation at one time. The Florida Senate Transportation Subcommittee in 2016 considered but did not pass a similar [bill](#) that would require each specialty plate to have at least 4,000 pre-orders to remain in circulation.

According to the [American Association of Motor Vehicle Administrators, \(AAMVA\) July 2012 Best-Practices Guide](#), the lack of national standards regarding the design and manufacturing of license plates throughout the nation makes it difficult for law enforcement to identify license plates. An AAMVA survey found: blue ink license plates are the most readable (with red ink plates performing significantly worse), personalization resulted in a read rate half the read rate of the standard issue syntax, special plates without the stacked characters were more easily captured and read, and specialty license plates with the full background were generally captured, but were difficult to accurately read.

Some states have sought to standardize future specialty license plates by minimizing cluttered backgrounds and constricting the organization's logos into a smaller space. In Maryland, specialty plates, referred to as organizational license plates, feature a plain, white background with the organization's name at the bottom of the plate. In 2013, Arizona offered 53 specialty plates, which caused issues for law enforcement officers and witnesses to crimes trying to identify plates. [Senate Bill 1206](#) was introduced to limit logos into a 3 inch square. The measure did not pass.

## Personalized Plates

Personalized plates—sometimes referred to as vanity, custom or prestige plates—allow motorists to put their names, initials or other message on their license plate, generally for an additional fee. These plates are offered in every state as well as the District of Columbia. Many states have established guidelines to ensure that certain types of offensive messages are not approved for personalized plates with some states

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## FRAMES AND COVERS

All 50 states address license plate frames and covers because certain frames and covers can impair visibility for law enforcement officers. Some states directly regulate license plate frames and covers, while others more generally prohibit the obstruction of license plate readability. Utah law, for example, requires license plates to be clearly legible from a distance of at least 100 feet during daylight hours. However, it should be noted that more regulations and prohibitions are imposed on covers than on frames. In California, it is unlawful to cover a license plate, even if the cover is transparent. In a federal case on this issue, a California court found that a tow hitch left on a vehicle trailer when not being towed could be considered an obstruction, even if it only blocks the view of a portion of the plate from a small angle. Although many states allow frames, they permit only covers that in no way alter the color or appearance of a license plate. [Texas](#) motorists must not attach or display a license plate cover that contains a blurring or reflective matter that significantly impairs the readability of the plate or any attached illuminate device or stick, decal or emblem.

## CORPORATE-SPONSORED PLATES

In 2011, the Illinois Legislature enacted a law requiring the Secretary of State to conduct a feasibility study for implementing a program for corporate-sponsored license plates. The Secretary of State was to report findings on how to maximize profits for the state, public interest and the cost of implementing such a program in early 2012. The concept of corporate-sponsored license plates is that the vehicle owner would receive a discounted rate for a license plate and a corporate sponsor would be provided space to advertise on the plate. Companies would also pay the state a fee to participate in the program. The [Secretary of State report](#) concluded, “While the Office of the Secretary of State recognizes that some will find appealing the concept of raising sorely needed funds by selling advertising space on our license plates to corporations, the results of the research conducted by this office and the experience of the only state to implement such a program unfortunately lead to the conclusion that this concept is not a viable option. Therefore, we must recommend against pursuing a corporate sponsored license plate program in Illinois.”



The only state that offers corporate sponsored license plates is Texas, where nine corporations sponsor license plates, with four of the nine offering incentives for purchase, such as Mighty Fine Burgers, which offers \$100 in coupons to purchasers of the plate, and Ignite Steam Energy and Re/Max who make charitable donations upon the purchase of the plates. The Illinois Secretary of State’s office based its opinion on the viability of corporate-sponsored license plates mainly on the lackluster revenue generated in the two years Texas has made them available—only 489 plates sold for a profit of just over \$27,000.

## REPLACING LICENSE PLATES

The American Association of Motor Vehicles Administration, (AAMVA) recently released a [report](#) proposing the standard for replacing license plates be within 10 years because “license plates commonly lose significant reflectivity within 10 years...” [Florida](#), [Iowa](#) and [Michigan](#) for example, have a 10-year license plate replacement cycle, while [Indiana](#) recently changed its replacement cycle from five years, like [Montana’s](#), to seven years, like [Texas’](#). Notably, [Nevada](#) recently enacted [AB 484](#) in 2015 to create its requirement for license plate renewal, which is an eight-year plan.

# Conclusion

State legislatures consider hundreds of bills each year related to license plates. Issues considered include the issuance of specialty license plates, personalized or “vanity plates”, the number of plates that should be displayed and what frames and covers are acceptable. One thing is certain: many drivers opt for personalized and specialty plates when registering. Whether the advantages in terms of revenue gain—especially for benefiting organizations—outweigh the disadvantages of specialty plates remains a topic of discussion.

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