

MAINE STATE LEGISLATURE

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Department of the Secretary of State

Bureau of Motor Vehicles
Vehicle Services

Catherine Curtis
Deputy Secretary of State

Shenna Bellows
Secretary of State

Nikki Bachelder
Director of Vehicle Services

February 14, 2022

Honorable Ben Chipman
Joint Standing Committee on Transportation
100 State House Station
Augusta, ME 04333-0100

Honorable Lynne Williams
Joint Standing Committee on Transportation
100 State House Station
Augusta, ME 04333-0100

Dear Senator Chipman, Representative Williams & Distinguished Members of the
Transportation Committee,

We are pleased to present you with a brief specialty plates report and model specialty plates legislation for your consideration as requested by the Transportation Committee in the 130th Legislature.

By way of background, the 130th Legislature established a moratorium on the issuance of specialty license plates pursuant to a variety of concerns expressed from municipalities, law enforcement and the Department, detailed in the resolve passed by the Legislature as excerpted below:

“Whereas, the continued increase in the variety of available registration plates has created logistical complications in the manufacturing, storage and administration of registration plates and imposed a considerable administrative burden on municipalities and other political subdivisions of the State performing registrations;

“Whereas, there is an absence of a strategic plan for the growth and usage of registration plates; and

“Whereas, there is an immediate need to clearly define the role of specialty registration plates used for fund-raising by government and private entities under the Maine Revised Statutes, Title 29-A, section 468; and

“Whereas, specialty registration plates may convey messages that are considered controversial, unfair or not uniformly representative of other points of view;”

At the request of the Legislature, the Bureau of Motor Vehicles convened a working group to study the proliferation of specialty registration plates and make findings and recommendations to the Transportation Committee. The working group held a series of meetings in 2021 and 2022. The full 2022 report to the Transportation Committee has also been provided to you today, and Appendix B contains the list of members for easy reference. The working group report details findings regarding problems in the prior specialty plate program. To summarize, there were inadequate checks and balances on the process opening it up to potential abuse or fraud by unscrupulous nonprofits or individuals in the future and not adequately reflecting public demand or interest, resulting in a significant waste of taxpayer dollars in some cases. Subsequently, the Bureau of Motor Vehicles took the recommendations of the working group and researched them further to identify how the recommendations could be converted into viable legislation. Below we have detailed each of the working group recommendations and how that has translated into the model legislation.

1. **Working Group Recommendations #1 & 2:** The Legislature should retain Maine’s specialty registration plate program but strengthen criteria for the program and checks and balances to ensure its integrity and efficiency. The moratorium should be extended to permit careful review and drafting of legislation with input from other state agencies and detailed processes for a revised specialty plate program

Proposed Legislative Change: The model bill keeps the specialty plate program incorporating checks and balances incorporated in other recommendations. The model bill extends the moratorium for one additional year until June 30, 2024 to give the Department adequate time to implement changes.

2. **Working Group Recommendation 3:** Thresholds for signature collection should be increased from 2,000 to at least 4,000 to ensure the popularity of a new specialty plate prior to issuance, and the time period for collection should be reduced from two years to one year. Increasing required commitments and shortening the timeline will ensure interest. The statute should be clarified that signatures need to be wet signatures.

Proposed Legislative Change: The bill changes the threshold of signatures to 4,000, reduces the time period to one year and requires a wet signature. [See page 2 of the draft bill, Section 468, Subsection 2 and Subsection 7 on page 3.]

3. **Working Group Recommendation #4:** Specialty plates should be restricted to passenger plates, which includes pick-up trucks, SUVs and other vehicles weighing 10,000 lbs. and under only, not other classes. Current specialty registration plates should be grandfathered.

Proposed Legislative Change: The bill restricts new specialty plates issued after January 1, 2024 to passenger plates. [See page 4 of the draft bill, Section 468, Subsections 8 & 10.] This reflects the working group’s finding that specialty plates outside of passenger plates were not broadly popular and purchased by the public.

4. **Working Group Recommendation #5:** The costs of each specialty plate to the applicant should be tied to the actual costs of production to the state. Staffing and administrative costs as well as start-up costs like professional design should be included as well as direct costs for materials.

Proposed Legislative Change: Note: this was the most difficult recommendation to build into statute. The BMV analysis contained in the 2022 working group report found costs to be approximately \$85,785 per issuance, but recognize those are start up costs. In other words, the BMV had been losing money on specialty plates in many cases, especially where the volume is not high. We decided not to recommend an increase in our fees but would be very open to it. Instead, we recommend that sponsors of specialty plates be required to contribute \$20,000 for specialty plate design and start up costs. [See page 2 of the draft bill, Section 468, Subsection 2. D.]

5. **Working Group Recommendation #6 & #7:** Agent fees for municipalities should be increased by \$2.00 for specialty registration plates, to cover municipal costs and time. Future specialty registration plates should have consistent fees.

Proposed Legislative Change: The proposed bill increases agent fees for municipalities to \$2. [See page 1 of the draft bill, Section 201(3), Subsection 3.]

6. **Working Group Recommendations #8:** Specialty plate design should be conducted by professionals under contract with the Bureau of Motor Vehicles to ensure that all designs meet appropriate standards for purposes of adequate image capture by toll-collecting authorities and law enforcement.
 - a. Professional plate design costs should be born by the applicant.
 - b. Run SAMPLE plates through automated license plate readers used by the turnpike authority and law enforcement whenever a plate is issued to determine coloring and quality of the plate through the camera system, prior to final plate design acceptance.
 - c. Duplicate license plates should be explicitly prohibited.
 - d. The BMV should strengthen design standards and adhere to AAMVA plate standards.

Proposed Legislative Change: The proposed bill incorporates all of these suggestions. It charges applicants a fee of \$20,000 for professional plate design and other start up costs [p.2, Section 468, Subsection 2. D]; the draft bill details design requirements to conform with AAMVA and to support the needs of the turnpike and law enforcement [p.2, Section 468, Subsection 1-B.]; and the draft bill grandfathers existing duplicate license plates but prohibits them in the future [p.3, Section 468, Subsections 6 & 6-A].

7. **Working Group Recommendation #9:** Amend the current statute to provide notice to the sponsor and the Transportation Committee if a specialty registration plate falls below the statutory requirement. The sponsor should have one year to increase registrations.

The Bureau of Motor Vehicles should provide monthly notifications during that one year to the sponsor.

Proposed Legislative Change: The draft bill implements this recommendation fully requiring notice if the plate falls below 4,500 and then retirement of the plate if it falls below 4,000 plates for more than one year on page 4 of the bill, Section 468, Subsection 9.

8. **Working Group Recommendation #10:** A public instrumentality should be required for applications for new specialty registration plates, limiting future specialty plates to only state-run programs. Non-profits or an entire sector would benefit from a grant program overseen by the appropriate state agency tasked with administration and oversight of the grants. Examples include the lobster plate, breast cancer plate and agriculture plate.

Proposed Legislative Change: The draft bill fully adopts this recommendation. This is one of the most important findings in the working group report and in the view of the Department. The previous specialty plate program required the Department to present the Legislature with a bill for a specialty plate once an entity – any entity – had collected sufficient signatures, but there has been no provision for review of the nonprofit including no audit requirements and no limitations on the receipt of funds by the nonprofit from the BMV in perpetuity. This provision in the draft bill, modeled after some of our most popular and successful specialty plates, would require that groups interested in a specialty plate secure a sponsor in state government who would oversee distribution of the funds to the sector as a whole, not one person or one organization. [See page 1 of the bill, Section 468, Subsection 1-A and financial oversight requirements on page 4 of the bill Section 468, Subsection 11.]

9. **Working Group Recommendation #11:** Absent the adoption of Recommendation 10, the working group would then recommend a cap of 15 specialty registration plates at any one time. No new specialty plates would be allowed until one was retired. A waiting list would be created for additional specialty plates.

Proposed Legislative Change: The Department proposes a cap on 15 specialty registration plates at any one time because of the logistical challenges of production and storage under our current systems as well as the significant staff time required to conduct any plate issuance, including a specialty plate issuance. [See page 4 of the bill, Section 468, Subsection 9-D.]

10. **Working Group Recommendation #12:** The working group recommends that recipients who are private entities should be required to undergo an independent annual audit and/or a professional financial review to ensure money is used for the actual purpose. Costs of the audit or financial review should be born by the applicant. In the event that Recommendation 10 is adopted, state agencies should be required to report annually to the Bureau of Motor Vehicles on use of the funds from the specialty plates to be reported to the Transportation Committee.

Proposed Legislative Change: The draft bill implements this recommendation requiring stronger financial controls. [See page 4, Section 468, Subsection 11.]

11. **Working Group Recommendation #13:** Protections should be put in place to protect consumers who donate to a plate that does not qualify. Money collected for plates that fail to reach the threshold should be returned to the individual or donated to a charitable purpose. Entities must make this clear when a person signs up for the plate.

Proposed Legislative Change: The draft bill implements this recommendation requiring plate sponsors to refund the money to constituents within 90 days if they fail to reach the qualifying threshold within one year. [See page 2 of the bill, Section 468, Subsection 2. C.] This is really important to avoid entities from collecting money from individuals who think they are signing up for a license plate and then never receiving the subsequent benefit.

12. **Working Group Recommendation #14:** Ensure requirements to deal with programs or recipients who go out of business or otherwise discontinue operations. Give the Secretary of State authority to do an immediate suspension to stop the specialty registration plate process if the plate sponsor is not following statute, rules or procedures. The Secretary of State should simultaneously notify the Transportation Committee of the suspension.

Proposed Legislative Change: The draft bill implements this recommendation by allowing the Secretary to immediately on page 4, Section 468, Subsection 9. C.

13. **Working Group Recommendation #15:** Direct the Secretary of State, Bureau of Motor Vehicles to develop a comprehensive plan for replacing the standard issue plate and provide it to the 131st Legislature by February 1, 2023.

Response: The Department has proposed a comprehensive plan for replacing the standard issue plate and provided it to the Transportation Committee.

Appendix B

Specialty Registration Plate Working Group Members

One member appointed by the President of the Senate from the Joint Standing Committee on Transportation

Senator Ben Chipman

Maine State Senate

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One member appointed by the President of the Senate representing a state agency that is a recipient of funds generated by the sale of specialty license plates

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One member appointed by the Speaker of the House from the Joint Standing Committee on Transportation

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One member appointed by the Speaker of the House representing a municipality

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One member appointed by the Speaker of the House responsible for overseeing the manufacture of registration plates in the State Prison

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One member appointed by the Secretary of State from the Bureau of Motor Vehicles technology and information services staff

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One member appointed by the Secretary of State from the Bureau of Motor Vehicles who is responsible for oversight of motor vehicle registrations

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