

**PROPOSED STANDARDS AND GUIDELINES WHEN ASSESSING THE
QUALIFICATIONS OF APPLICANT ORGANIZATIONS AND
ORGANIZATIONS WITH EXISTING
SPECIAL LICENSE PLATES
FOR USE BY**

THE COMMISSION ON SPECIAL LICENSE PLATES

(October 19, 2006)

1. To qualify as a sponsor of a special license plate, an organization that is not a governmental entity shall:
 - a. Apply, through the organization's officers, for a special license plate on a form prescribed by the Department of Motor Vehicles (DMV);
 - b. If the organization is required to be registered with the Office of the Secretary of State, submit proof of good standing to the Commission on Special License Plates (Commission);
 - c. Submit to the Commission proof acceptable to the Commission that:
 - i. The organization is a nonprofit organization as demonstrated by its charter or bylaws or by an internal revenue service ruling;
 - ii. The primary purpose of the organization is to provide service to the community through specific programs that promote the improvement of public health, education, or general welfare and the organization is not offensive or discriminatory in its purpose, nature, activity, or name;
 - iii. The name of the organization or any part of the organization's purpose does not promote, advertise, or endorse any specific product, brand name, or service that is provided for sale; and
 - iv. The organization does not promote a specific religion, faith, or antireligious belief.
2. Each organization that sponsors a special license plate, whether in production or no longer being produced but receiving revenue generated by a special license plate still in circulation, must take the following steps on or before October 1 following the end of that fiscal year:
 - a. If the revenue of the organization from all sources is less than \$50,000 for any fiscal year, a balance sheet for that fiscal year must be filed with the

Commission on a form provided by the Legislative Auditor. The Legislative Auditor shall prepare and make available a form that must be used by an organization to prepare such a balance sheet; or

- b. If the revenue of the organization from all sources is \$50,000 or more for any fiscal year, a financial statement prepared by a certified public accountant that includes a balance sheet and income statement for that fiscal year must be filed with the Commission.

The Commission will provide a copy of the balance sheet or financial statement, as applicable, of each organization to the Legislative Auditor. No later than October 31 of each year, the Legislative Auditor must provide a report to the Commission that may, among other items, contain information regarding evidence of improper practices of financial administration or any inadequacy of fiscal records received by the organizations. Immediately upon receipt of a report from the Legislative Auditor of inadequacy of fiscal records, the Commission shall review the Legislative Auditor's report and hold hearings with the officers of the organization concerning such inadequacy of fiscal records. The Commission, after holding such hearings, must make a determination regarding the future production of the organization's special license plate.

3. If an approved organization, at any time, fails to meet any of the aforementioned criteria, then the Chairman of the Commission shall contact the Director of the DMV and request that the DMV withhold all fees collected for the organization and suspend production of the special license plate. The organization may submit the necessary information to the Commission, at which time the Commission will determine whether to recommend continued production of the special license plate.