Commission on Special License Plates

(NRS 482.367004)



BULLETIN 21-21

COMMISSION ON SPECIAL LICENSE PLATES

Nevada Revised Statutes 482.367004

Members

Assemblywoman Daniele Monroe-Moreno, Chair Senator Yvanna D. Cancela, Vice Chair Senator Marcia L. Washington Assemblyman William McCurdy II Assemblywoman Jill Tolles

Nonvoting Members

Julie Butler, Director, Department of Motor Vehicles
Tony Manfredi, Executive Director, Nevada Arts Council,
Department of Tourism and Cultural Affairs
George Togliatti, Director, Department of Public Safety

Staff Contacts

Research Division:
Marjorie Paslov Thomas, Senior Principal Policy Analyst
Christina Harper, Assistant Manager of Research Policy Assistants
(775) 684-6825

Legal Division: Allan L. Amburn, Deputy Legislative Counsel (775) 684-6830

This report was prepared by the Research Division of the Legislative Counsel Bureau. For additional copies of this report, please contact the Research Library at (775) 684-6827 or library@lcb.state.nv.us.

The Research Division provides objective policy analysis, research, and assistance to the Nevada Legislature—its members, committees, and constituents.

TABLE OF CONTENTS

<u>Page</u>
Nevada Revised Statutes 482.367004iii
Introduction
Discussion of Testimony and Recommendations
A. Revision to the Process Where the DMV Suspends a Special License Plate
B. Submission of Artwork for a Special License Plate
C. Alphanumeric Sequencing for All Special License Plates
D. Transfer of the Duties and Responsibilities of the Commission on Special License Plates to the DMV
E. Revisions to Established License Plates
F. Recommendations for New Special License Plates
Suggested Legislation

NEVADA REVISED STATUTES

NRS 482.367004 Commission on Special License Plates: Creation; membership; term; service without salary or compensation; administrative support; duties.

- 1. There is hereby created the Commission on Special License Plates. The Commission is advisory to the Department and consists of five Legislators and three nonvoting members as follows:
 - (a) Five Legislators appointed by the Legislative Commission:
- (1) One of whom is the Legislator who served as the Chair of the Assembly Standing Committee on Transportation during the most recent legislative session. That Legislator may designate an alternate to serve in place of the Legislator when absent. The alternate must be another Legislator who also served on the Assembly Standing Committee on Transportation during the most recent legislative session.
- (2) One of whom is the Legislator who served as the Chair of the Senate Standing Committee on Transportation during the most recent legislative session. That Legislator may designate an alternate to serve in place of the Legislator when absent. The alternate must be another Legislator who also served on the Senate Standing Committee on Transportation during the most recent legislative session.
 - (b) Three nonvoting members consisting of:
 - (1) The Director of the Department of Motor Vehicles, or a designee of the Director.
 - (2) The Director of the Department of Public Safety, or a designee of the Director.
- (3) The Director of the Department of Tourism and Cultural Affairs, or a designee of the Director.
- 2. Each member of the Commission appointed pursuant to paragraph (a) of subsection 1 serves a term of 2 years, commencing on July 1 of each odd-numbered year. A vacancy on the Commission must be filled in the same manner as the original appointment.
- 3. Members of the Commission serve without salary or compensation for their travel or per diem expenses.
- 4. The Director of the Legislative Counsel Bureau shall provide administrative support to the Commission.
- 5. The Commission shall recommend to the Department that the Department approve or disapprove:
- (a) Applications for the design, preparation and issuance of special license plates that are submitted to the Department pursuant to subsection 1 of NRS 482.367002;
- (b) The issuance by the Department of special license plates that have been designed and prepared pursuant to NRS 482.367002; and
- (c) Except as otherwise provided in subsection 7, applications for the design, preparation and issuance of special license plates that have been authorized by an act of the Legislature after January 1, 2007.
- →In determining whether to recommend to the Department the approval of such an application or issuance, the Commission shall consider, without limitation, whether it would be appropriate and feasible for the Department to, as applicable, design, prepare or issue the particular special license plate. For the purpose of making recommendations to the Department, the Commission shall consider each application in the chronological order in which the application was received by the Department.

- 6. On or before September 1 of each fiscal year, the Commission shall compile a list of each special license plate for which the Commission, during the immediately preceding fiscal year, recommended to the Department that the Department approve the application for the special license plate or approve the issuance of the special license plate. The list so compiled must set forth, for each such plate, the cause or charitable organization for which the special license plate generates or would generate financial support, and the intended use to which the financial support is being put or would be put. The Commission shall transmit the information described in this subsection to the Department and the Department shall make that information available on its Internet website.
- 7. The provisions of paragraph (c) of subsection 5 do not apply with regard to special license plates that are issued pursuant to <u>NRS 482.3746</u>, <u>482.3751</u>, <u>482.3752</u>, <u>482.3757</u>, <u>482.3783</u>, <u>482.3785</u>, <u>482.3787</u> or <u>482.37901</u>.
 - 8. The Commission shall:
- (a) Recommend to the Department that the Department approve or disapprove any proposed change in the distribution of money received in the form of additional fees. As used in this paragraph, "additional fees" means the fees that are charged in connection with the issuance or renewal of a special license plate for the benefit of a particular cause, fund or charitable organization. The term does not include registration and license fees or governmental services taxes.
- (b) If it recommends a proposed change pursuant to paragraph (a) and determines that legislation is required to carry out the change, recommend to the Department that the Department request the assistance of the Legislative Counsel in the preparation of a bill draft to carry out the change.

(Added to NRS by 2003, 3065; A 2005, 2847; 2007, 575, 804, 819, 1038; 2009, 493; 2011, 1792, 2985; 2013, 556, 1476, 2550; 2015, 256, 660; 2017, 3573)

INTRODUCTION

The Commission on Special License Plates was established by the 2003 Legislature through the passage of <u>Assembly Bill 358</u>. The Commission reviews any applications to sponsor a new specialty license plate as defined in <u>Nevada Revised Statutes</u> (NRS) 482.367008; it makes a recommendation to the Department of Motor Vehicles (DMV) regarding whether a plate should be issued, and the DMV makes the final determination. Prior to the Commission's establishment, special license plates were authorized solely through legislative action. The earliest special plates were intended to identify publicly owned vehicles that were exempt from the registration fees and to identify Nevada members of the United States Congress. Over the years, bills were enacted authorizing additional special plates to recognize public service and certain groups and honor certain military veterans.

Nonprofit organizations that are registered with the Office of the Secretary of State or governmental agencies may apply to the DMV for a specialty license plate. Plates may also be requested through the Legislature; however, the Commission must recommend the DMV approve the application for the plate (NRS 482.36705). Pursuant to NRS 482.367002, in order to request a specialty license plate, an entity must show that the specialty plate will generate financial support for services to the community relating to public health, education, or general welfare. The plate may not promote, advertise, or endorse any specific product, brand name, or service or promote any specific religion, faith, or antireligious belief. Information related to the application process may be found on the DMV's website.

There are two tiers of specialty license plates (pursuant to NRS 482.367008):

Tier	Surety Bond Amount	Cap on Number of Plates	Active Registrations Required
First	\$5,000	30	1,000
Second	\$20,000	5	3,000

As of September 30, 2020, there were 332,683 active special license plates, which have generated approximately \$82.7 million in revenue since Fiscal Year (FY) 1998. The most widely issued plate is the Las Vegas Commemorative plate, with 80,691 active plates, which has generated approximately \$29.4 million in revenue. Revenue from a special license plate is generated through an initial issuance fee of \$15 to \$25 and a renewal fee of \$10 to \$20, depending on the design. These fees are in addition to all other applicable registration and license fees and governmental services taxes.

The Commission held one meeting during the 2019–2020 Interim on <u>September 23, 2020</u>, which was conducted in a virtual format due to in-person meeting restrictions caused by the Coronavirus Disease of 2019 (COVID-19) pandemic. Topics included: (1) revising the design of an existing special license plate; (2) redirecting revenue generated from the sale and renewal of a special license plate; and (3) recommending several applications for special license plates to the DMV.

Based upon written testimony received and discussion during the hearing, the Commission voted to approve the drafting of four bills to be forwarded to the 2021 Legislature that address the following topics: (1) revising the process whereby the DMV suspends a special license plate; (2) submitting artwork for a special license plate; (3) alphanumeric sequencing on all special license plates; and (4) transferring the duties and responsibilities of the Commission on Special License Plates to the DMV.

More information about the Commission's activities—including minutes, recordings of meetings, and copies of presentations and other exhibits—may be accessed on the Legislature's website for the 2019–2020 Interim.

DISCUSSION OF TESTIMONY AND RECOMMENDATIONS

At its meeting and work session on <u>September 23, 2020</u>, the Commission on Special License Plates considered a total of four proposed actions for legislation. The Commission recommended to the DMV certain revisions to special license plates already established. Also, the Commission considered applications for special license plates and recommended two applications in the first tier and three applications in the second tier. Additional information regarding all recommendations considered is available in the Commission's "<u>Work Session Document</u>."

A. Revision to the Process Where the Department of Motor Vehicles Suspends a Special License Plate

Recommendation 1

Currently, the Commission may make a determination that a charitable organization receiving revenue from the sale of a special license plate is not complying with certain laws governing special license plates and may recommend that the DMV suspend: (1) the collection of all additional fees collected on behalf of the organization; and (2) the production of its special license plate, if the DMV is still producing that design. However, there is no mechanism for the DMV, in consultation with the Commission, to: (1) change the status of such a suspended license plate to be suspended with conditions; or (2) terminate the special license plate to allow a vacancy in tier 1 or tier 2.

The Commission voted unanimously to:

Draft a bill providing that if the Commission on Special License Plates recommends the DMV suspend a special license plate pursuant to subsection 4(b) of NRS 482.38279, the Department, in consultation with the Commission, is authorized to: (1) change the status of the suspended special license plate to be suspended with conditions; or (2) terminate the special license plate. (BDR 43–473)

B. Submission of Artwork for a Special License Plate

Recommendation 1

In correspondence with Commission staff, the DMV noted once a charitable organization or governmental agency has been approved by the DMV to begin designing a special license plate, artwork must be submitted to the DMV, and the organization or governmental agency must approve its design of the artwork for a special license plate. According to the DMV, there have been instances when an organization has allowed several months to lapse between submitting a design for a special license plate and providing feedback to the Department's design, which has extended the length of time to produce and circulate special license plates. In some cases, this process has taken several years. The DMV noted there should be a specified length of time for an organization or governmental agency to respond in writing to the Department approving or requesting to make a modification to the design of the artwork for a special license plate.

The Commission voted unanimously to:

Draft a bill requiring an organization to submit its special license plate artwork to the DMV within 180 days of: (1) a recommendation by the Commission on Special License Plates to the DMV to approve its application; or (2) a special license plate approved by the Legislature and signed by the governor. An organization that fails to submit the license plate artwork within 180 days is deemed to have forfeited the plate. Additionally, an organization has 30 days to respond to the Department once the DMV provides the organization with a formatted license plate design for its approval. An organization that does not respond in writing to the DMV with an approval and/or request to make additional modifications to the proposed design is deemed to have accepted the proposed special license plate design. (BDR –474)

C. Alphanumeric Sequencing for All Special License Plates

Recommendation 1

In 2003, the Legislature required the design of a special license plate be contained to the left-hand one-third of the plate (codified in NRS 482.270), which provides an area on the license plate to display up to five characters. The quantity of sequential plates is always limited by the number of characters available for embossing and/or printing. Stacked character sets are finite and cannot be reused until all of a particular plate type have completely been removed from use.

Dave Wiley, DMV Service Manager II, Central Services and Records Division, DMV, explained the stacked character set allows the DMV to utilize a six-character sequencing set for specialty plates within a five-character space limit. The stacked character set, which indicates a background, is initially followed by four numbers allowing for 10,000 options. When a third alpha character is added to the sequencing, the options are increased to 23,000. The sequential stock of most specialty plates contains a stacked character set followed by four alphanumeric characters in sequence. For general stock, this covers five locations to emboss on the physical plate but is a six-character license plate message to allow for quantity. Additionally, the DMV works with law enforcement to ensure the plates are readable.

The Commission voted unanimously to:

Draft a bill to allow the DMV to determine alphanumeric character sequencing on all special license plates. Effective July 1, 2021, except as otherwise provided pursuant to NRS 482.37933, "... support of the preservation and restoration of the natural environment of the Lake Tahoe Basin ...," all sequential passenger vehicle special license plates must hold five positions to include a series of the respective stacked character set and alphanumeric characters, and all sequential motorcycle special license plates must hold four positions to include a series of the respective stacked character set and alphanumeric characters. (BDR –475)

D. Transfer of the Duties and Responsibilities of the Commission on Special License Plates to the Department of Motor Vehicles

Recommendation 1

Discussion during the <u>September 23, 2020</u>, meeting noted the responsibilities and duties of the Commission are repetitive with the functions and responsibilities of the DMV; therefore, the Commission should be abolished and the duties and responsibilities of the Commission be transferred to the DMV.

The Commission voted unanimously to:

Draft a bill to transfer all duties and responsibilities of the Commission on Special License Plates to the DMV. Also, transfer all duties and responsibilities for financial investigations of charitable organizations that receive additional fees from special license plates from the legislative auditor, pursuant to NRS 482.38272 through 482.38279, to the DMV. (BDR 43–476)

E. Revisions to Established License Plates

Recommendation 1

At its meeting on <u>September 23, 2020</u>, the Commission considered a <u>request</u> by Alan Tom, Executive Director, Hot August Nights, to redesign the Hot August Nights' license plate. The current license plate was designed and approved in 2004 and bears the old Hot August Nights' logo, which is no longer in use. The revised design will feature the current federally trademarked logo. The Commission recommended approval of the redesign to the DMV.

Recommendation 2

The Commission considered a <u>request</u> by the Nevada Commission for the Reconstruction of the Virginia & Truckee Railway (V&T Railway Commission) at its <u>September 23, 2020</u>, meeting to redirect the fees received from the sale and renewal of the V&T Railroad special license plate from the treasurer of Storey County to the organization. The Commission recommended approval to redirect the fees directly to the V&T Railway Commission.

As background, in August 2018, the Commission on Special License Plates recommended the fees received from the sale and renewal of the V&T Railroad special license plate be redirected from the Northern Nevada Railway Foundation to the treasurer of Storey County. Based upon testimony by Elaine Barkdull-Spencer, General Manager, V&T Railway Commission, and Hugh Gallagher, Comptroller, Storey County, the request consolidates all of the accounting functions under Storey County, as outlined in the Interlocal Agreement, dated April 17, 2018.

On August 29, 2019, the V&T Railway Commission met, and Ms. Barkdull-Spencer noted that when Storey County originally consolidated the V&T Railway Commission's fund through the Interlocal Agreement, the V&T Railway Commission did not have its own bank account. However, the V&T Railway Commission has since established its own bank account, and fees received from the special license plate can be directly deposited into the account.

F. Recommendations for New Special License Plates

The following is a summary of the applications recommended by the Commission on Special License Plates to the DMV for approval of the design, preparation, and issuance of special license plates.

First Tier

Recommendation 1—Clark County Public Education Foundation, Inc., DBA The Public Education Foundation

At its meeting held on September 23, 2020, the Commission considered the application for a new special license plate for the Clark County Public Education Foundation, Inc., DBA The Public Education Foundation. The Public Education Foundation was established in 1991 as a not-for-profit 501(c)(3) organization. The Foundation's mission is to bring about transformational change in educational leadership, learning, and teaching. It investigates and evaluates ways that Nevada's children can be better educated and focuses on programs that meet the needs of its most underserved students while providing equity and access.

Kirsten Searer, President, Clark County Public Education Foundation, Inc., provided <u>information</u> about the Foundation. Proceeds from the sale and renewal of a special license plate will be applied to the Family Learning Program, the Innovation Lab, Scholarship PLUS, and the Teacher Exchange. The Commission recommended approval of the plate to the DMV.

Recommendation 2—Opportunity Village, The ARC

The Commission considered the application for a new special license plate for Opportunity Village, The ARC, at its meeting on <u>September 23, 2020</u>. The ARC is a not-for-profit organization serving adults in southern Nevada with intellectual and related disabilities since 1954. In FY 2018–2019, Opportunity Village served 1,076 people, employed 735 people, and had 60 locations.

The revenue generated from the sale and renewal of a special license plate will expand program choices, fund programs for individuals who have the highest level of need, fund services not currently available, and provide therapy and recreational opportunities.

Tracy Brown-May, Director of Advocacy, Board, and Government Relations, Opportunity Village, The ARC, requested consideration of the application and made a <u>presentation</u> to the Commission. The Commission recommended approval of the plate to the DMV.

Second Tier

Recommendation 3—The Neon Museum

The Neon Museum's application for a special license plate was considered by the Commission at its meeting on September 23, 2020. Founded in 1996, The Neon Museum is a nonprofit 501(c)(3) organization dedicated to collecting, exhibiting, preserving, and studying iconic Las Vegas, Nevada, signs for art, cultural, educational, and historic enrichment.

Representatives of The Neon Museum indicated the revenue from the sale and renewal of a special license plate will support several activities, including:

- a. Museum tours and an annual storytelling program for students in Title I schools;
- b. Special programming at the museum;
- c. Lectures and panel discussions;
- d. Professional development for educators employed by the Clark County School District;
- e. Junior-interpreter-led tours of the museum;
- f. School and community outreach;
- g. A scholar-in-residence program;
- h. An artist-in-residence program;
- i. Collaborations with other art and cultural organizations; and
- j. Programming targeted for adults age 55 and older.

Dawn Merritt, A.P.R., Vice President and Chief Marketing Officer, and Randy Cheung, Director of Education and Outreach, The Neon Museum, made a <u>presentation</u> concerning the request for a special license plate. The Commission recommended approval of the plate to the DMV.

Recommendation 4—Friends of Las Vegas Metropolitan Police

At its meeting on September 23, 2020, the Commission considered the application for a new special license plate for the Las Vegas Metropolitan Police Department (LVMPD) Foundation, which is a nonprofit 501(c)(3) organization that was established in 1999. The Foundation has two goals: (1) raise funds to support and supplement the LVMPD and create a safer community for all by supporting initiatives that improve and uplift communities, prevent crime, and save lives; and (2) build a stronger relationship between law enforcement and the community, particularly in communities that have historically had less positive experiences with law

enforcement. The Foundation is focused on providing training and technology for LVMPD and first responders, community engagement events, and community-oriented policing.

Tom Kovach, Executive Director, and Flor Bernal, Director of Finance and Operations, LVMPD Foundation, made a <u>presentation</u> and requested consideration of the Foundation's application. Mr. Kovach explained the proceeds of the special license plates will continue to grow community engagement events and programs, such as Bolden Little League Baseball and Rebuilding Every City Around Peace, as well as fund projects to test and purchase specialized equipment and technology and provide advanced training for officers and LVMPD staff. Proceeds will also be used to fund the Nevada Joint Training Center, which, when it is completed, will be a cooperative world-class training campus for Nevada's first responders. The Commission recommended approval of the plate to the DMV.

Recommendation 5—The Ultimate Fighting Championship

On <u>September 23, 2020</u>, the Commission considered the application for a new special license plate for the Ultimate Fighting Championship (UFC), which is a mixed martial arts organization located in Las Vegas, Nevada. As the first professional sports brand to be headquartered in Nevada, the UFC has been active in the local community for more than two decades. The UFC partners with Nevada-based nonprofit organizations that advocate for youth education, military veterans and active service members, first responders, gender equality, persons fighting to overcome critical illnesses, and persons who have the will to excel despite physical and mental challenges.

Brian Smith, Director, Corporate Communications, UFC, presented <u>information</u> concerning the application for the special license plate and noted that all proceeds from a special license plate will be used solely to help nonprofit organizations and charitable programs throughout Nevada. The Commission recommended approval of the plate to the DMV, if the cap on the number of plates in the second tier falls below five before July 1, 2021.

SUGGESTED LEGISLATION

The following bill draft requests will be available during the 2021 Legislative Session at the following website: https://www.leg.state.nv.us/App/NELIS/REL/81st2021/Bdrs/List.

BDR	43–473	Revises provisions governing punitive actions concerning special license plates.
BDR	-474	Requires an organization to submit artwork for a special license plate.
BDR	–475	Requires the Department of Motor Vehicles to determine alphanumeric sequencing on special license plates.
BDR	43–476	Abolishes the Commission on Special License Plates.