

House File 509 - Introduced

HOUSE FILE 509

BY COMMITTEE ON TRANSPORTATION

(SUCCESSOR TO HSB 211)

A BILL FOR

1 An Act providing for special vehicle registration plates
2 displaying a decal designed and issued by a nonprofit
3 organization, providing fees, making a penalty applicable,
4 and including effective date provisions.

5 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 321.34, subsection 13, Code 2013, is
2 amended by striking the subsection and inserting in lieu
3 thereof the following:

4 13. *Special plates displaying organization decal.*

5 a. (1) The owner of a motor vehicle subject to registration
6 pursuant to section 321.109, subsection 1, motor truck, motor
7 home, multipurpose vehicle, motorcycle, trailer, or travel
8 trailer may upon request be issued special registration
9 plates that contain a space reserved for the placement of an
10 organization decal. If the special plates are requested at the
11 time of initial application for registration and certificate
12 of title for the vehicle, no special plate fee is required
13 other than the regular annual registration fee for the vehicle.
14 If the special plates are requested as replacement plates,
15 the owner shall surrender the current regular or special
16 registration plates in exchange for the special plates and
17 shall pay a replacement plate fee of five dollars. The county
18 treasurer shall validate special plates with an organization
19 decal in the same manner as regular plates, upon payment of the
20 annual registration fee.

21 (2) An applicant may obtain a personalized special
22 registration plate with space reserved for an organization
23 decal, subject to the additional fees for a personalized plate
24 as provided in subsection 5. Personalized plates with space
25 reserved for an organization decal shall be limited to no more
26 than five initials, letters, or combinations of numerals and
27 letters.

28 b. (1) An organization may apply to the department
29 for approval to issue a decal to be displayed on vehicle
30 registration plates. To qualify for such approval, an
31 organization must have at least two hundred members in this
32 state and shall meet the following requirements:

33 (a) The primary activity or interest of the organization
34 serves the community, contributes to the welfare of others,
35 and is not discriminatory in its purpose, nature, activity, or

1 name.

2 (b) The name and purpose of the organization do not promote
3 any specific product or brand name that is provided for sale.

4 (c) The organization is a nonprofit corporation which is
5 exempt from taxation under section 501(c)(3) of the Internal
6 Revenue Code and is organized under the laws of this state or
7 authorized to do business within this state.

8 (2) The department may accept an application for a decal
9 design from a group of nonprofit organizations with a common
10 purpose, provided that each organization within the group meets
11 the requirements for a qualifying organization established by
12 the department under this subsection.

13 c. An organization desiring to issue a decal shall submit an
14 application to the department on a form to be provided by the
15 department. Along with the application, the organization shall
16 furnish to the department all of the following:

17 (1) A copy of the articles of incorporation for the
18 organization.

19 (2) A copy of the charter or by-laws for the organization.

20 (3) Any Internal Revenue Service rulings concerning the
21 organization's nonprofit tax exemption status.

22 (4) A color copy of the completed decal design.

23 (5) A clear and concise explanation of the purpose of the
24 decal, all eligibility requirements for purchasing the decal,
25 and fees to be charged for the decal.

26 (6) Certification by the person who has legal rights to the
27 decal design allowing use of the design.

28 (7) Any other information required by the department.

29 d. The department shall consider a proposed decal design
30 based upon criteria established by the department, which shall
31 include but not be limited to the following:

32 (1) A decal shall not promote a specific religion, faith, or
33 anti-religious sentiment.

34 (2) A decal shall not have any sexual connotation and shall
35 not be not vulgar, prejudiced, hostile, insulting, or racially

1 or ethnically degrading.

2 e. Upon approval by the department of an organization's
3 application to issue a decal and approval of the design of the
4 decal, the organization is responsible for the production,
5 administration, and issuance of the decal. An organization
6 shall not issue a decal that has not been approved by the
7 department or alter the approved design of a decal without the
8 department's approval.

9 f. A person shall not display a decal on a vehicle
10 registration plate other than a decal approved by the
11 department.

12 g. The department may adopt rules pursuant to chapter 17A as
13 necessary to implement this subsection.

14 Sec. 2. Section 321.166, subsection 9, Code 2013, is amended
15 to read as follows:

16 9. Special registration plates issued pursuant to section
17 321.34, other than gold star, medal of honor, collegiate, fire
18 fighter, and natural resources registration plates, shall be
19 consistent with the design and color of regular registration
20 plates but shall provide a space on a portion of the plate
21 for the purpose of allowing the placement of a distinguishing
22 processed emblem or an organization decal. Special
23 registration plates shall also comply with the requirements
24 for regular registration plates as provided in this section to
25 the extent the requirements are consistent with the section
26 authorizing a particular special vehicle registration plate.

27 Sec. 3. EFFECTIVE DATE. This Act takes effect January 1,
28 2014.

29 EXPLANATION

30 This bill provides for the issuance of special vehicle
31 registration plates containing a space for the placement of
32 an organization decal and provides a process for the approval
33 of registration plate decals to be issued by qualifying
34 organizations.

35 Under current law, anyone may submit a request to the

1 department of transportation for approval of a new special
2 registration plate with a processed emblem. If the department
3 approves the request and the design of the proposed emblem,
4 a minimum of 500 paid applications are required before the
5 department begins issuing the plate. The department may cancel
6 its approval if sufficient applications are not received within
7 one year. A vehicle owner is charged a fee of \$25 for the
8 issuance of the special plates, and an annual \$5 validation
9 fee for renewal. Those fees are deposited in the road use
10 tax fund. An alternative process allows for a state agency
11 to sponsor a special registration plate, with fees of \$35 for
12 issuance and \$10 for renewal. Those fees are credited to the
13 sponsoring state agency.

14 The bill eliminates the current process for a person to
15 request a new special plate and eliminates state agency
16 sponsorship of new special plates. Under the bill, the
17 department will begin issuing special registration plates with
18 a space reserved for placement of an organization decal to be
19 designed, produced, and issued by a qualifying organization,
20 rather than the department. The plates will be available
21 without an additional special plate fee at the time of initial
22 registration of a vehicle, and will be renewed annually upon
23 payment of the regular annual registration fee for the vehicle.
24 A \$5 replacement fee applies if the plates are issued in
25 exchange for regular or special plates. The new plates will
26 also be available as personalized plates upon payment of
27 personalized plate fees.

28 A qualifying organization must be a nonprofit corporation
29 with at least 200 members, whose primary activity or interest
30 serves the community, contributes to the welfare of others, and
31 is not discriminatory. A group of such organizations with a
32 common purpose may also be approved to issue a decal. The bill
33 specifies that organizations that promote a specific product
34 or brand name are not eligible to issue organization decals.
35 An organization desiring to issue a decal must apply to the

1 department for approval by submitting information concerning
2 its nonprofit corporation identity along with a copy of the
3 proposed decal design, certification of legal rights to use
4 the design, and an explanation of the purpose of the decal,
5 eligibility requirements, and fees the organization will charge
6 for the decal. The department may establish criteria for decal
7 designs, including that a decal shall not promote a specific
8 religion, faith, or anti-religious sentiment, shall not have
9 any sexual connotation, and shall not be vulgar, prejudiced,
10 hostile, insulting, or racially or ethnically degrading. If
11 the department approves the application, the organization is
12 responsible for the production, administration, and issuance
13 of the decal, and any fees charged by the organization for the
14 decals will be retained by the organization.

15 The bill prohibits any organization from issuing a decal
16 without the approval of the department. The bill also
17 prohibits a person from displaying a decal other than an
18 approved decal on a vehicle registration plate. Pursuant to
19 current law, a person who violates Code provisions relating
20 to vehicle registration plates commits a simple misdemeanor
21 punishable by a scheduled fine of \$20.

22 The bill takes effect January 1, 2014.