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THE GENERAL ASSEMBLY OF PENNSYLVANIA

# HOUSE BILL

## No. 2632 Session of 2022

INTRODUCED BY DELOZIER, MULLINS, BURGOS, DOWLING, GILLEN, KENYATTA, MADDEN, SCHMITT, STEPHENS, WARNER AND WHITE, MAY 31, 2022

REFERRED TO COMMITTEE ON TRANSPORTATION, MAY 31, 2022

AN ACT

Amending Title 75 (Vehicles) of the Pennsylvania Consolidated Statutes, in registration of vehicles, providing for vendor-designed registration plates.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Section 1. Title 75 of the Pennsylvania Consolidated Statutes is amended by adding a section to read:

§ 1341.2. Vendor-designed registration plates.

(a) Duties of department.--The department shall:

(1) Enter into a contract with a private vendor for the marketing and sale of vendor-designed registration plates within 12 months of the effective date of this section. The department shall select a private vendor according to the provisions of 62 Pa.C.S. (relating to procurement).

(2) Only select a private vendor who is able to fulfill the requirements of this section.

(3) Develop policies and procedures for the implementation of this section.

(b) Contract requirements.--A contract entered into with a private vendor under subsection (a) shall be for an initial term of not less than five years and be renewable by the same private vendor for not less than two successive five-year terms. The contract shall require the private vendor to:

(1) Market and sell the vendor-designed registration plates on the private vendor's publicly accessible Internet website.

(2) Process the purchase and issuance of vendor-designed registration plates hosted on the private vendor's publicly accessible Internet website and pay any associated costs and fees.

(3) Permit a vendor-designed registration plate that is purchased from the private vendor's publicly accessible Internet website to be personalized.

(4) Provide to the department, at least monthly, periodic accounts that accurately detail all material transactions, including information reasonably required by the department to support fees that are collected by the private vendor, and regularly remit all money payable to the department under the contract.

(5) Establish an electronic infrastructure coordinated and compatible with the department's systems, by which motor vehicle owners may electronically send and receive applications, other documents or required payments, and that, when secure access is necessary, can be electronically validated by the department.

(6) Establish the amounts to be received by the department from the fees imposed under subsection (d) as negotiated with and agreed upon by the department.

(7) Comply with the provisions of section 1331(a), (b) and (d) (relating to issuance and reissuance of registration plates).

(8) Manufacture the vendor-designed registration plates in accordance with current department practices.

(9) Provide for a minimum revenue guarantee within the first five years of the contract. The guarantee shall be negotiated between the department and the private vendor.

(10) Comply with any other requirement established by the department, subject to the contract limitations in subsection (c).

(c) Contract limitations.--The department may not unreasonably:

(1) disapprove or limit an aspect of a private vendor's marketing and sales plan;

(2) interfere with the selection, assignment or management by the private vendor of the private vendor's employees, agents or subcontractors;

(3) restrict the ability of the private vendor to offer a variety of plate designs with personalized and nonpersonalized alphanumeric patterns;

(4) disapprove or limit the ability of the private vendor to offer vender-designed registration plate renewal terms of more than one year; or

(5) disapprove or limit the ability of the private vendor to offer symbols on a vendor-designed registration plate.

(d) Fees.--

(1) The private vendor, in consultation with the department, shall establish fees for the issuance and renewal

of vendor-designed registration plates that are marketed and sold by the private vendor. The fee shall be an amount sufficient to allow:

(i) The private vendor to recoup costs associated with the design, marketing, issuance, renewal and sale of the vendor-designed registration plates or otherwise associated with fulfilling contractual requirements with the department.

(ii) For profit by the private vendor.

(iii) For the department to recoup administrative costs associated with the implementation of this section.

(iv) For the department to receive additional revenue from the sale, issuance and renewal of vendor-designed registration plates.

(2) The fee established for vendor-designed registration plates under paragraph (1) shall be in addition to the annual or biannual registration fee and, as applicable, a fee under paragraph (3).

(3) An additional personalization fee, as determined by the private vendor, in consultation with the department, shall be imposed for the personalization of a vendor-designed registration plate.

(e) Deposit.--Amounts received by the department from the fees collected under subsection (d) shall be deposited into the Motor License Fund.

(f) Issuance limitation.--

(1) Vendor-designed registration plates may only be sold and issued for a motorcycle or a passenger car or truck with a registered gross weight of not more than 14,000 pounds.

(2) Subject to paragraph (3), 12 vendor-designed

registration plate designs shall be made available by the private vendor for purchase by the motoring public.

(3) After 12 months from the initial date the private vendor makes approved vendor-designed registration plates available for purchase by the motoring public, the department may approve additional vendor-designed registration plate designs in excess of the limitation contained in paragraph (2).

(g) Design limitation.--A vendor-designed registration plate may not substantially mimic:

(1) The department's standard white, blue and yellow registration plate or any future standard-issue registration plates provided by the department.

(2) Other registration plates specifically authorized by this subchapter.

(h) Design approval.--The department shall approve the designs and color combinations for vendor-designed registration plates that are exclusively marketed and sold by a private vendor in consultation with the Pennsylvania State Police subject to the following:

(1) The department may not restrict the background color, color combinations or color of plate numbers or letters of vendor-designed registration plates, except as determined by the department as necessary for law enforcement purposes.

(2) The department may disapprove a design, cancel a vendor-designed registration plate or require the discontinuation of a vendor-designed registration plate or color combination that is marketed, hosted or sold by a private vendor at any time if the department determines that

the disapproval, cancellation or discontinuation is in the best interest of the Commonwealth or the motoring public.

(i) Ownership retained.--Each approved vendor-designed registration plate design and color combination remains the property of the department. A vendor-designed registration plate remains the property of the department and shall not be considered property of the person that is issued the vendor-designed registration plate.

(j) Cease of operations.--If the private vendor that enters into a contract with the department ceases operations:

(1) The department may fulfill the duties of the private vendor temporarily until another private vendor is selected and begins operation.

(2) The private vendor's share of the fee under subsection (d) is deposited to the credit of the Motor License Fund until a new private vendor is selected by the department, at which time, the share of the fee shall be transmitted to the private vendor that ceased operations.

(k) Construction.--Nothing in this section shall be construed to prohibit:

(1) The seizure of a vendor-designed registration plate under section 1334.1 (relating to seizure of registration plate).

(2) The surrender of a vendor-designed registration plate under section 1376 (relating to surrender of registration plates and cards upon suspension or revocation).

Section 2. This act shall take effect in 180 days.