HOUSE BILL NO. 145
INTRODUCED BY PECK

## by Request of the office of public instruction


#### Abstract

A BILL FOR AN ACT ENTITLED: "AN ACT AUTHORIZING THE ISSUANCE OF K-12 EDUCATION LICENSE PLATES; AUTHORIZING THE COLLECTION OF DONATIONS FOR EDUCATIONAL TECHNOLOGY ACQUISITION IN ADDITION TO REGULAR LICENSE PLATE FEES; AUTHORIZING THE DISTRIBUTION OF DONATIONS TO PUBLIC ELEMENTARY AND SECONDARY SCHOOL DISTRICTS; PROVIDING FOR THE ANNUAL ALLOCATION OF MONEY TO SCHOOL DISTRICTS FOR TECHNOLOGY PURCHASES; PROVIDING APPROPRIATIONS; AMENDING SECTIONS 20-9-534, 61-3-332, AND 61-3-403, MCA; AND PROVIDING AN APPLICABILITY DATE."


be it enacted by the legislature of the state of montana:

NEW SECTION. Section 1. Short title. [Sections 1 through 7] may be cited as the "K-12 Education License Plates Act".

NEW SECTION. Section 2. Definition. As used in [sections 1 through 7], "K-12 education license plates" means license plates bearing the colors, numerals, letters, and insignia provided in [section 3] and issued as provided in [sections 4 through 6].

NEW SECTION. Section 3. K-12 education license plates. (1) Subject to the provisions of 61-3-332(3) and the requirement that K-12 education license plates must have a white reflectorized background, the department shall design, cause to be manufactured, and issue K-12 education license plates as provided in [sections 4 through 6].
(2) After consultation with the office of public instruction, the department shall prescribe the color and insignia to be displayed on K -12 education license plates.
(3) In addition to the distinctive color and insignia provided in subsection (2), each K-12 education license plate must:
(a) be imprinted consecutively with distinctive numerals from 1 through 99999, capital letters $A$
through $Z$, or a combination of numerals and letters; and
(b) bear a nonremovable sticker denoting the correct county designation under 61-3-332.
(4) The department shall determine the minimum and maximum number of characters, including both numerals and letters, on K-12 education license plates.
(5) An issue of K-12 education license plates may not be ordered and manufactured unless at least 200 sets of plates are ordered and prepaid.

NEW SECTION. Section 4. Application for K-12 education license plates. An applicant for K-12 education license plates or renewal of K-12 education license plates pursuant to [section 5] shall apply on the form and by the date that the department requires.

NEW SECTION. Section 5. Issuance -- application -- additional fee -- disposition. (1) The department shall issue or renew K-12 education license plates upon receipt of an application that shows:
(a) compliance with 61-3-303, 61-3-311, and 61-3-312; and
(b) payment to the county treasurer of:
(i) an initial application and manufacturing fee of \$2.50; and
(ii) an annual donation of $\$ 20$ for the benefit of K-12 educational technology acquisition as described in 20-9-533.
(2) The county treasurer shall deposit a percentage of the payment in the county general fund for costs associated with issuing the license plates.
(3) Once each month, the county treasurer shall transfer to the state treasurer the remainder of the amounts collected for:
(a) the initial application and manufacturing fee for deposit in the Montana state prison industries account in the proprietary fund for appropriation by the legislature to pay the cost of manufacturing K-12 education license plates; and
(b) donations provided for in subsection (1)(b)(ii) for deposit in the general fund, along with a schedule showing the number of K-12 education license plates issued and the total donations received for the benefit of K-12 educational technology acquisition.
(4) Once each month, the state treasurer shall distribute to the office of public instruction for allocation to public elementary and secondary school districts the amount transferred under subsection
(3)(b) to the state treasurer by the county treasurers during the preceding month.

NEW SECTION. Section 6. Personalized K-12 education license plates. (1) Subject to the provisions of 61-3-405 and 61-3-406, an application for K-12 education license plates may be combined with an application for personalized plates.
(2) An application for personalized K-12 education license plates must be made on a form supplied by the department.
(3) Personalized K-12 education license plates must bear the distinctive color and insignia as provided in [section 3].

NEW SECTION. Section 7. Authorization to receive and transmit donations. As provided in [section 5] and notwithstanding any other provisions of Title 7, Title 17, or this title:
(1) the county treasurer shall receive the annual donations provided for in [section 5] and once each month transmit those donations to the state treasurer; and
(2) the state treasurer shall accept the annual donations and once each month distribute the accumulated proceeds to the office of public instruction to be allocated to the public elementary and secondary school districts according to the totals contained in the county treasurers' reports and in the manner described in 20-9-534.

Section 8. Section 20-9-534, MCA, is amended to read:
"20-9-534. School technology purchases. The By September 1, the superintendent of public instruction shall allocate the annual amount appropriated for grants for school technology purchases to each district based on the ratio that each district's BASE budget bears to the statewide BASE budget amount for all school districts multiplied by the amount of money provided in 20-9-343(3)(a)(ii) in the current school year."

Section 9. Section 61-3-332, MCA, is amended to read:
"61-3-332. Number plates. (1) A motor vehicle that is driven upon the streets or highways of Montana must display both front and rear number plates, bearing the distinctive number assigned to the vehicle. The number plates are in 10 series: one series for owners of motorcars, one for owners of motor
vehicles of the motorcycle or quadricycle type, one for trailers, one for trucks, one for dealers in vehicles of the motorcycle or quadricycle type that bear the distinctive letters "MCD" or the letters "MC" and the word "DEALER", one for franchised dealers in new motorcars (including trucks and trailers) or new and used motorcars (including trucks and trailers) that bear the distinctive letter "D" or the word "DEALER", one for dealers in used motorcars only (including used trucks and trailers) that bear the distinctive letters "UD" or the letter " $U$ " and the word "DEALER", one for dealers in trailers and/or semitrailers (new or used) that bear the distinctive letters "DTR" or the letters "TR" and the word "DEALER", one for dealers in recreational vehicles that bear the distinctive letters "RV" or the letter "R" and the word "DEALER", and one for special license plates. All markings for the various kinds of dealers' plates must be placed on the number plates assigned to the dealer, in the position that the department designates.
(2) All number plates for motor vehicles must be issued for a minimum period of 4 years, bear a distinctive marking, and be furnished by the state. In years when number plates are not issued, the department shall provide nonremovable stickers bearing appropriate registration numbers that must be affixed to the license plates in use.
(3) Subject to the provisions of this section, the department shall create a new design for number plates as provided in this section.
(4) In the case of motorcars and trucks, plates must be of metal 6 inches wide and 12 inches in length. The outline of the state of Montana must be used as a distinctive border on the license plates, and the word "Montana" and the year must be placed across the plates. Registration plates must be treated with a reflectorized background material according to specifications prescribed by the department.
(5) The distinctive registration numbers must begin with a number one or with a letter-number combination, such as "A 1" or "AA 1", or any other similar combination of letters and numbers. The distinctive registration number or letter-number combination assigned to the vehicle must appear on the plate preceded by the number of the county and appearing in horizontal order on the same horizontal baseline. The county number must be separated from the distinctive registration number by a separation mark unless a letter-number combination is used. The dimensions of the numerals and letters must be determined by the department, and all county and registration numbers must be of equal height.
(6) For the use of tax-exempt motor vehicles, in addition to the markings provided in this section, number plates must bear the following distinctive markings:
(a) For vehicles owned by the state, the department may designate the prefix number for the
various state departments. All numbered plates issued to state departments must bear the words "State Owned", and a year number may not be indicated on the plates because these numbered plates are of a permanent nature and will be replaced by the department only when the physical condition of numbered plates requires it.
(b) For vehicies that are owned by the counties, municipalities, and special districts, as defined in 18-8-202, organized under the laws of Montana and not operating for profit, and that are used and operated by officials and employees in the line of duty and for vehicles on loan from the United States government or the state of Montana to, or owned by, the civil air patrol and used and operated by officials and employees in the line of duty, there must be placed on the number plates assigned, in a position that the department may designate, the letter " $X$ " or the word "EXEMPT". Distinctive registration numbers for plates assigned to motor vehicles of each of the counties in the state and those of the municipalities and special districts that obtain plates within each county must begin with number one and be numbered consecutively. Because these number plates are of a permanent nature, they are subject to replacement by the department only when the physical condition of the number plates requires it and a year number may not be displayed on the number plates.
(7) On all number plates assigned to motor vehicles of the truck and trailer type, other than tax-exempt trucks and tax-exempt trailers, there must appear the letter " T " or the word "TRUCK" on plates assigned to trucks and the letters "TR" or the word "TRAILER" on plates assigned to trailers and housetrailers. The letters "MC" or the word "CYCLE" must appear on plates assigned to vehicles of the motorcycle or quadricycle type.
(8) Number plates issued to a passenger car, truck, trailer, or vehicle of the motorcycle or quadricycle type may be transferred only to a replacement passenger car, truck, trailer, or motorcycle- or quadricycle-type vehicle. A registration or license fee may not be assessed upon a transfer of a number plate under 61-3-317 and 61-3-335.
(9) For the purpose of this chapter, the several counties of the state are assigned numbers as follows: Silver Bow, 1; Cascade, 2; Yellowstone, 3; Missoula, 4; Lewis and Clark, 5; Gallatin, 6; Flathead, 7; Fergus, 8; Powder River, 9; Carbon, 10; Phillips, 11 ; Hill, 12; Ravalli, 13; Custer, 14; Lake, 15; Dawson, 16; Roosevelt, 17; Beaverhead, 18; Chouteau, 19; Valley, 20; Toole, 21; Big Horn, 22; Musselshell, 23; Blaine, 24; Madison, 25; Pondera, 26; Richland, 27; Powell, 28; Rosebud, 29; Deer Lodge, 30; Teton, 31; Stillwater, 32; Treasure, 33; Sheridan, 34; Sanders, 35; Judith Basin, 36; Daniels, 37; Glacier, 38; Fallon,

39; Sweet Grass, 40; McCone, 41; Carter, 42; Broadwater, 43; Wheatland, 44; Prairie, 45; Granite, 46; Meagher, 47; Liberty, 48; Park, 49; Garfield, 50; Jefferson, 51; Wibaux, 52; Golden Valley, 53; Mineral, 54; Petroleum, 55; Lincoln, 56. Any new counties must be assigned numbers by the department as they may be formed, beginning with the number 57.
(10) Each type of special license plate approved by the legislature, except collegiate license plates authorized in 61-3-463 and K-12 education license plates authorized in [section 3], must be a separate series of plates, numbered as provided in subsection (5), except that the county number must be replaced by a nonremovable design or decal designating the group or organization to which the applicant belongs. Unless otherwise specifically stated in this section, the special plates are subject to the same rules and laws as govern the issuance of regular license plates, must be placed or mounted on a vehicle owned by the person who is eligible to receive them, and must be removed upon sale or other disposition of the vehicie. The special license plates must be issued to national guard members, former prisoners of war, handicapped persons, reservists, disabled veterans, survivors of the Pearl Harbor attack, veterans of the armed services, or veterans of the armed services who were awarded the purple heart medal, who comply with the following provisions:
(a) An active member of the Montana national guard may be issued special license plates with a design or decal displaying the letters "NG". The adjutant general shall issue to each active member of the Montana national guard a certificate authorizing the department to issue national guard plates, numbered in sets of two with a different number on each set, and the member shall surrender the plates to the department upon becoming ineligible to use them.
(b) An active member of the reserve armed forces of the United States of America who is a resident of this state may be issued special license plates with a design or decal displaying the following: United States army reserve, AR (symbol); United States naval reserve, NR (anchor); United States air force reserve, AFR (symbol); and United States marine corps reserve, MCR (globe and anchor). The commanding officer of each armed forces reserve unit shall issue to each eligible member of the reserve unit a certificate authorizing the issuance of special license plates, numbered in sets of two with a different number on each set. The member shall surrender the plates to the department upon becoming ineligible to use them.
(c) (i) A resident of Montana who is a veteran of the armed forces of the United States and who is $100 \%$ disabled because of an injury that has been determined by the department of veterans affairs to be service-connected may, upon presentation to the department of proof of the $100 \%$ disability, be issued:
(A) a special license plate under this section with a design or decal displaying the letters "DV"; or
(B) one set of any other military-related plates that the disabled veteran is eligible to receive under this section.
(ii) The fee for original or renewal registration by a $100 \%$ disabled veteran for a passenger vehicle or a truck with a GVW-rated capacity of 1 ton or less is $\$ 5$ and is in lieu of all other fees and taxes for that vehicle under this chapter.
(iii) Special license plates issued to a disabled veteran are not transferable to another person.
(iv) A disabled veteran is not entitled to a special disabled veteran's license plate for more than one vehicle.
(v) A vehicle lawfully displaying a disabled veteran's plate and that is conveying a $100 \%$ disabled veteran is entitled to the parking privileges allowed a handicapped person's vehicle under this title.
(d) A Montana resident who is a veteran of the armed forces of the United States and was captured and held prisoner by a military force of a foreign nation, documented by the veteran's service record, may upon application and presentation of proof be issued special license plates, numbered in sets of two with a different number on each set, with a design or decal displaying the words "ex-prisoner of war" or an abbreviation the department considers appropriate.
(e) Except as provided in subsection (10)(c), upon payment of all taxes and fees required by parts 3 and 5 of this chapter and upon furnishing proof satisfactory to the department that the applicant meets the requirements of this subsection (e), the department shall issue to a Montana resident who is a veteran of the armed services of the United States special license plates, numbered in sets of two with a different number on each set, designed to indicate that the applicant is a survivor of the Pearl Harbor attack if the applicant was a member of the United States armed forces on December 7, 1941, was on station on December 7, 1941, during the hours of 7:55 a.m. to 9:45 a.m. (Hawaii time) at Pearl Harbor, the island of Oahu, or offshore at a distance of not more than 3 miles, and received an honorable discharge from the United States armed forces. If special license plates issued under this subsection are lost, stolen, or mutilated, the recipient of the plates is entitled to replacement plates upon request and without charge.
(f) A motor vehicle owner and resident of this state who is a veteran or the surviving spouse of a veteran of the armed services of the United States may be issued license plates inscribed as provided in subsection (10)(f)(i) if the veteran was separated from the armed services under other than dishonorable circumstances or was awarded the purple heart medal:

[^0](i) Upon submission of a department of defense form 214(DD-214) or its successor or docurients showing an other-than-dishonorable discharge or a reenlistment, proper identification, and other relevant documents to show an applicant's qualification under this subsection, there must be issued to the applicant, in lieu of the regular license plates prescribed by law, special license plates numbered in sets of two with a different number on each set. The plates must display:
(A) the word "VETERAN" and a symbol signifying the United States army, United States navy, United States air force, United States marine corps, or United States coast guard, according to the record of service verified in the application; or
(B) a symbol representing the purple heard medal.
(ii) Plates must be furnished by the department to the county treasurer, who shall issue them to a qualified veteran or to the veteran's surviving spouse. The plates must be placed or mounted on the vehicle owned by the veteran or the veteran's surviving spouse designated in the application and must be removed upon sale or other disposition of the vehicle.
(iii) Except as provided in subsection (10)(c), a veteran or surviving spouse who receives special license plates under this subsection $(10)(f)$ is liable for payment of all taxes and fees required under parts 3 and 4 of this chapter and a special veteran's or purple heart medal license plate fee of $\$ 10$. Upon an original application for a license under this subsection $(10)(f)$, the county treasurer shall:
(A) deposit $\$ 3$ of the special fee in the county general fund;
(B) remit \$1 for deposit in the state general fund; and
(C) deposit the remainder of the special fee in the state special revenue account established in 10-2-603 for administration, construction, operation, and maintenance of the state veterans' cemetery.
(iv) Upon subsequent annual renewal of registration, the county treasurer shall deposit all of the special fee as provided in subsection (10)(f)(iii)(C).
(g) A Montana resident who is eligible to receive a special parking permit under 49-4-301 may, upon written application on a form prescribed by the department, be issued a special license plate with a design or decal bearing a representation of a wheelchair as the symbol of the handicapped person."

Section 10. Section 61-3-403, MCA, is amended to read:
"61-3-403. Color and design of personalized license plates -- exception -- county designation. (1)
Except as provided in 61-3-466 or [section 6], the personalized license plates must be the same color and
design as regular passenger motor vehicle license plates and must consist of numbers or letters, or any combination of numbers or letters, not exceeding eight positions and not less than two positions, provided that there are no conflicts with existing passenger, commercial, trailer, motorcycle, quadricycle, or special license plate series under this title.
(2) Upon the issuance of personalized license plates or upon the reregistration of any motor vehicle assigned personalized license plates that do not bear a county designation or no longer bear the correct county designation, the department shall provide nonremovable stickers bearing the appropriate county designation that must be affixed to the license plates in use in accordance with instructions by the department."

NEW SECTION. Section 11. Appropriations. (1) There is appropriated to the Montana state prison license plate factory up to $\$ 25,000$ of spending authority from the proprietary fund for the $1998-99$ biennium from revenue deposited under the provisions of [section 5(3)(a)].
(2) There is appropriated to the office of public instruction up to $\$ 250,000$ from the state general fund for fiscai year 1999 from revenue deposited in the state general fund under the provisions of [section $5(3)(b)]$. The amount appropriated must be distributed to school districts in the manner described in 20-9-534 and may not exceed the revenue deposited in the state general fund under the provisions of [section $5(3)$ (b)] in the prior fiscal year.

NEW SECTION. Section 12. Codification instruction. [Sections 1 through 7] are intended to be codified as an integral part of Title 61, chapter 3, part 4, and the provisions of Title 61, chapter 3, part 4, apply to [sections 1 through 7].

NEW SECTION. Section 13. Applicability. [Sections 4 through 7] apply to registrations of motor vehicles occurring after December 31, 1997.
-END- Division

Fiscal Note for HB0145, as introduced

DESCRIPTION OE PROPOSED LEGISIATION: An act authorizing the issuance of $K-12$ education license plates; authorizing the collection of donations for educational technology acquisition in addition to regular incense plate fees; authorizing the distribution of donations to public elementary and secondary school districts; providing for the annual allocation of money to school districts for technology purchases, providing
appropriations.

## ASSUMPTIONS:

1. The purchaser of a $K-12$ education license plate will pay a onetime application and manufacturing fee of $\$ 2.50$. In addition to the annual vehicle registration fees, the purchaser of a $K-12$ license plate will also pay an annual fee of $\$ 20$ for the benefit of $\mathrm{K}-12$ educational technology acquisition
2. Collegiate license plates have been available for 7 years. In the first year (1990), a total of 90 plates were registered. By year 6 (1995), a total of 11,518 collegiate license plates were registered, which generated approximately $\$ 230,000$ in 1995 for the benefit of the Montana university system.
3. Section 3 of HB 145 requires that 200 sets of $\mathrm{K}-12$ education license plates be ordered and prepaid prior to the issue of an order by the Department of Justice for the manufacturing of a $K-12$ education license plate.
4. In $F Y$ 98, 200 applications for $K-12$ license plates will be placed and prepaid, generating a total of $\$ 4,000$ from the $K-12$ plates. County treasurers will retain $10 \%$ or $\$ 2$ per plate.
5. Applications for K-12 license plates will follow the same growth pattern as collegiate license plates. In year 2 (1991), 5, 242 collegiate license plates were registered. In FY99, $5,200 \mathrm{~K}-12$ education license plates will be registered, generating a total of $\$ 104,000$. County treasurers will retain $10 \%$ or $\$ 2$ per plate.
6. Donations collected from $K-12$ education license plates will be deposited in the state general fund and distributed to school districts, through a state general fund appropriation, once each year, on or before September 1. The annual distribution will be equal to the donations collected from $\mathrm{K}-12$ education license plates in the previous fiscal year.

## ASSUMPTIONS - Department of Corrections:

7. The same procedures currently used on collegiate plates will be applicable for K-12 education license plates based on the proposed legislation. Montana Correctional Enterprises (MCE)Industries does not receive revenue on plates until sold. As a result, MCE carries all manufacturing and inventory cost of the plates until the revenue is collected. Revenue collection may take more than 1 year.
8. Initial application and manufacturing fee of $\$ 2.50$ for collegiate or K-12 plates basically results in a breakeven operation for MCE Industries after consideration of inventory and accounts receivable carrying costs.
9. All costs associated with initial design or redesign, and set up of $K-12$ plates are borne by the office of Public Instruction.
10. Existing License Plate facility and MCE operations have the capability to produce the K-12 plates.


RAY PECK, PRIMARY SPONSOR DATE Fiscal Note for HB0145, as introduced

ASSUMPTIONS Department of Justice:
11. The Department of Justice, Motor Vehicle Division, estimates that 200 of these "new" license plates issued in FY98 would be personalized and would be renewing these "new" personalized plates in FY99. Also; 50 of the "new" plates issued in FY99 would be personalized plates. Therefore, the state general fund would receive approximately $\$ 4,000(200 \times \$ 20)$ in $F Y 98$ and $\$ 1,000(50 \times \$ 20)$ in FY99 for these new personalized plates and $\$ 1,000(200 \mathrm{x} \$ 5)$ in FY99 for renewals of these personalized plates.
12. Operating expenses of $\$ 500$ are anticipated by the Department of Justice, Motor Vehicle Division, during fy98 for contracted services to design this issue of license plates. Additionally, the Department of Justice, Motor Vehicle Division, is estimating that approximately 80 hours of programming will be required in the personalized plate system and 120 hours of programming in the registration system at a cost of approximately $\$ 3,975$ to implement the changes necessary in the motor vehicle system required by this bill. Operating expenses for the Motor vehicle Division are projected at $\$ 4,475$ in FY98 and $\$ 0$ in FY99.
13. The Department of Justice, Motor Vehicle Division, projects that this issue of license plates would be available to the public effective January 1, 1998, due to the time required to design this new issue of license plate and to coordinate with the Montana State prison industries and the private vendor the production of the materials used to manufacture the license plates.

| EISCAL IMPACT: | FY98 | FY99 |
| :---: | :---: | :---: |
|  | Difference | Difference |
| Office of Public Instruction: |  |  |
| Expenditures: |  |  |
| Grants to School Districts | 0 | 3,600 |
| Fundinc: |  |  |
| General Fund (01) | 0 | 3,600 |
| Revenues: |  |  |
| General Fund -Iicense plate revenues | 3,600 | 93,600 |
| Department of Justice: |  |  |
| Expenditures: |  |  |
| Operating Expenses | 4,475 | 0 |
| Fundina: |  |  |
| General Fund (01) | 4,475 | 0 |
| Revenues: |  |  |
| General Fund - Personalized license plates | 4,000 | 2,000 |
| Department of Corrections: |  |  |
| Expenditures: |  |  |
| Operating Expenses | 500 | 13,000 |
| Funding: |  |  |
| Proprietary (06) | 500 | 13,000 |
| Revenues: |  |  |
| Fropzietary - License application fee | 500 | 13,000 |
| Net Impact on Fund Balance (revenue minus expense) |  |  |
| General Fund (01) | 3,125 | 92,000 |
| Proprietary (06) | 0 | 0 |

EFEECT ON CCUNI: OR OTHER LOCAI REVENUES OR EXPENDITURES: HB 145 will create additional accounting and record management responsibilities for county treasurers. The county treasurers will retain $\$ 2$ from each $K-12$ education license plate registration to fund these additional responsibilities.

LONG-RANGE EFFECTS OF PROPOSED LEGISLATION:
Depending on the volume of $K-12$ license plates produced and the time between manufacture and receipt of revenue the MCE Industries program may incur significant accounts receivable or carrying costs of inventory. This could impact the MCE Industries program if dollar amount involved are large.

## Fiscal Note Request, HBO 145 , as introduced

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(continued)
TECHNICAL NOTES:
HB 145 does not create a state special revenue fund for the collection of donations through the sale of license plates for $\mathrm{K}-12$ education. Like common school interest earnings and the 95 mill levy, these collections would be deposited into the state general fund and designated for $\mathrm{K}-12$ education.


[^0]:    Legislative Services 4 Division

