



H3136 An act relative to the requirements for distinctive registration plates

Americans are known for their pride and are particularly well known for expressing their pride is through their cars. Americans often embrace the use of special license plates as an avenue to show similar support and pride for the particular groups and organizations they identify with. Legislation enacted in 2003 has allowed a range of charitable organizations to tap into this expression and raise funds through the RMV's motor vehicle registration process. More than 215,000 special plates are on the road associated with these organizations and the funds raised will soon surpass \$75 million. House bill 3136 would allow more groups – particularly smaller charities -- to participate in this fundraising opportunity.

House bill 3136 seeks to amend state law by lowering the threshold for obtaining a specialty license plate. The current system creates substantial obstacles for smaller nonprofit groups that wish to benefit from the issue of the special plate series. By lowering the number of license plate applications needed in order to obtain approval from the Registry of Motor Vehicles, all charitable foundations will have a better opportunity to be successful in getting their plates into production. As a result, there will be an increased the long-term revenue stream that these small charities need. This legislation will not cost the Commonwealth any money but it will allow any 501(c)(3) charitable foundations in the state to do a better job of raising money to address the unmet needs for the most disadvantaged among us.

Currently, under Chapter 90, §2F of the Massachusetts General Laws, eligible charitable organizations and causes are required to collect 1,500 applications for the special plate before any are manufactured. In addition to collecting paper applications, the group must also collect the \$40 special plate feeⁱ with each application and post a \$100,000 bond before manufacturing can begin. This is to ensure no financial loss occurs to the Commonwealth if demand is not great enough to overcome initial issuance costs.ⁱⁱ In order for a special plate series to remain active, a total of 3,000 plates must be issued within the first two years. Once 3,000 plates are issued, the Commonwealth will release the \$100,000 bond. Failure to reach this minimum within the two-year time period will result in the total or partial forfeiture of the bond.



Getting to the 1,500 threshold before a plate is introduced is a monumental task, and puts small organizations at a distinct disadvantage. Even sports teams (Red Sox, Patriots, Bruins & Celtics), with their great visibility, have had to work several years to bring in enough applicants and checks. Several organizations such as the Massachusetts Elks Scholarship, the Girl Scouts, and the Massachusetts Association of Realtors have struggled to get beyond 500 plates in advance, and have been left out of this charitable fundraising opportunity. House bill 3136 would help these groups by lowering that threshold on advance sales to 500. In exchange, the required bond would increase to \$150,000.

MA Realtors

Two years ago, after communities west of Worcester were hit by a devastating Tornado, many of the Commonwealth's nonprofit organizations stood up and donated money to municipalities and organizations. One in particular was the MA Association of Realtors which gave \$1,500.00 to community groups to rent wood chippers. This was neither the first nor last donation made by this particular group. To continue to help those in need the MAR has designed a "Welcome Home" special plate. To date, 500 have been sold and without House Bill 3136, the realtors are unable to participate in this program.

The special license plate program has been a great success in assisting charities, raising close to \$75 million. The MA Society for the Prevention of Cruelty to Animals has raised over one million dollars since 2005. The Firefighter plate has raised \$750,000 since 2007. And the Right Whale and two other environmentally themed license plates has resulted in \$500,000 in grants for a number of cities and towns. Every year more than 60 organizations attempt to reach the minimum threshold, but to date the Commonwealth has only 19 special license plates. House bill 3136 would allow smaller organizations to participate in this good will fundraising and give back to Massachusetts people who are in need.

Most states embrace the special license plate and have much lower thresholds. As a result, hundreds of charitable entities have been able to increase funds available to fulfill their missions. States like Iowa, Michigan, New Jersey and Ohio impose minimums of no more than 500 plates. Missouri requires only 200, and Georgia will manufacture a plate for as few as one applicant. The State of Indiana has the most lenient requirements, and through a process of on the spot printing, can produce 2D printed (no raised letters) license plates for as many or as few drivers as they want. And in Indiana, over 100 special plates are offered to its citizens on behalf of charitable organizations.

Both Senator Spilka and Representative Roy have sponsored this bill and it has achieved bipartisan support. For more information, please contact Christopher Yancich, legislative aide to Rep. Jeffrey Roy. He can be reached at 617-722-2400 or Christopher.Yancich@MAhouse.gov.

ⁱ Of the initial \$40 special plate fee, \$28 is retained by the sponsoring group. The remaining \$12 goes to the Registry of Motor Vehicles to cover the cost of plate manufacture. Customers must pay an additional \$20 swap fee when they put the new plate on their vehicle. When a plate is renewed, the customer must pay the registration cost, plus the \$40 special plate fee. At renewal, the entire special plate fee goes to the sponsoring group.

ⁱⁱ Initial costs are estimated by the Registry of Motor Vehicles at \$300,000.