
The State of Wisconsin

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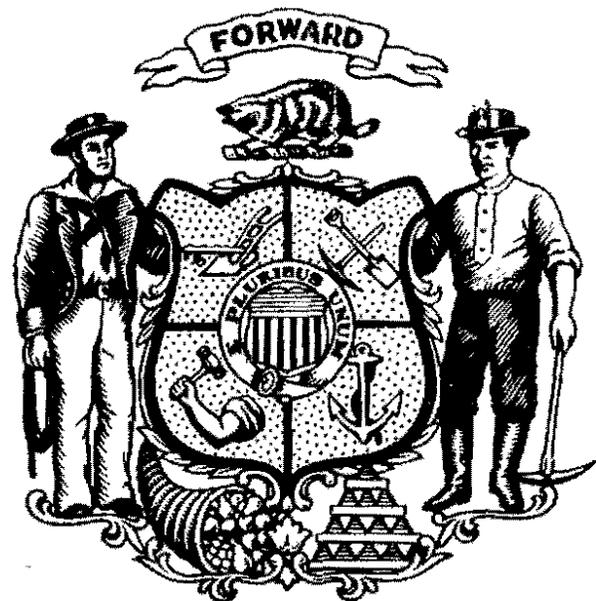
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PERSONALIZED LICENSE PLATES

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PERSONALIZED LICENSE PLATES

I. INTRODUCTION

One of the newer fads for a car owner is to write his own license tag. Examples of such tags include: Peace, Smile, Love, 2 Lazy, UR 1 2, and Lawrence Welk's plate which reads "A1 and A2". How much are you willing to pay for a personalized plate? Apparently many people, for a variety of reasons, are willing to pay a substantial amount of money for the privilege of acquiring such plates, sometimes dubbed "vanity plates". To take advantage of the situation, many states are making special plates available for fees generally ranging from \$10 to \$30 per set of plates above and beyond the normal registration fees. Approximately 40 states issue such special plates for a fee paid in addition to the regular registration charge.

Although Wisconsin does not permit a registrant to choose the name or combination on the plate, the state does allow him to request a certain number or combination from those already prepared for distribution to the public. In addition, bills have been introduced in the 1975 Wisconsin Legislature to allow the issuance of truly personalized plates and to increase the fees for the existing special plates.

In a related development, Governor Patrick Lucey recently advocated increasing the price of the special motor vehicle plates, from \$3 to \$25, which would raise an approximate \$5 million in revenue. This proposal was tied in with a suggested increase in the regular automobile license plate fee. Both of these proposals were part of the Governor's preliminary transportation package, which he proposed April 23, 1975. The bill (AB 930) introduced June 27 to implement his proposals, however, contained an increase in special license plate fees from \$3 when base plates are issued to \$10 annually.

This bulletin examines Wisconsin's current special license plate provisions, identifies the pending 1975 Wisconsin legislation relating thereto and compares and summarizes statute provisions in selected other states.

II. WISCONSIN LAW AND PENDING LEGISLATION

Origin

Although Wisconsin issues a variety of special license plates for disabled veterans, ham radio operators, antique owners and the like, the special license plate that we are concerned with is provided for in Section 341.145 of the statutes, "Application for and issuance of special license numbers."

This section was created by Chapter 572, Laws of 1965 (Assembly Bill 888). The original bill provided a \$2 fee, but a substitute amendment backed by the Motor Vehicle Department stipulated a \$10 fee. Although the substitute amendment was eventually adopted, a compromise \$3 fee was agreed upon. Another amendment was offered to set up a graduated scale of \$10 to \$50 (the lower the number, the higher the fee), but it was rejected.

Prior to the enactment of this section, the special license number service was provided to Wisconsin residents without any charge.

Current Wisconsin Law

Section 341.145 of the Wisconsin statutes provides that for a fee of \$3 (in addition to the regular registration fee), anyone may request a license plate bearing a specified number within certain prescribed limits. The \$3 fee is not assessed annually, rather only when a new base plate is issued. Only standard production numbers that would normally be issued, however, can be selected for such special plates. Wisconsin law permits the use of no more than 2 letters on license plates, except in a few specific cases, and from 1 to 5 numerals. This contrasts with most other states that issue personalized plates; they generally allow any combination of letters or numbers not to exceed 6 in number, provided that the word or combination is not obscene or offensive. In Wisconsin, therefore, a person may only request special numbers that are already prepared and available.

In addition, each special license number issued shall be reserved for the registrant in succeeding registration periods if he so desires.

According to the Division of Motor Vehicles, during the nonbase plate years new special license plates are being issued at the rate of 2,000 per year. These are expected to increase to 5,000 per year in the nonbase year period to 1980 at \$.85 processing costs plus \$1.64 per replacement license or \$7,500 annually.

Current gross revenues derived from the approximate 65,000 special plates now issued at \$3 each, amount to \$195,000. The net revenues, minus processing costs, amount to approximately \$140,000. There are about 2.5 million registered motor vehicles in Wisconsin.

Pending 1975 Wisconsin Legislation

Four bills have been introduced in the 1975 Wisconsin Legislature relating to special numbered license plates. Three of these bills would merely increase the fees for special license numbers without otherwise altering the existing statutory provisions relating thereto. The fourth proposal would not only increase the fee for such plates, but would also authorize the issuance of personalized license plates composed of letters or combinations of letters and numbers, as well as the presently permitted special numbers. As of the end of Floorperiod II on July 15, 3 of the 4 bills are pending committee action in their house of origin, the fourth bill (AB 303) is up for third reading in the Assembly.

1975 Assembly Bill 104 was introduced by Representative Kirby, Elconin, Wahner, Sanasarian, Norquist and Tuezynski and cosponsored by Senator Berger. As of the end of Floorperiod II on July 15, the bill is awaiting action by the Joint Committee on Finance.

Type of plate — This bill would make no change in the type of special plates currently being issued.

Fee — The fee for special license numbers would be raised from the present \$3 to \$10 each year a new base plate is issued.

Revenue — During the 1975-77 biennium the highway fund revenues could increase up to \$14,000 annually or \$28,000 for the biennium without an increase in administrative costs. The largest fiscal effect would occur during the next base plate year, which will be after the 1975-77 biennium, when approximately 60,000 special number registrations would be issued. The fiscal effect would be an increase in the highway fund revenues of \$420,000 in the base plate year.

1975 Assembly Bill 303 was introduced by Representatives Vanderperren, Lallensack, Early, Looby, Kedrowski and Hasenohrl. As of the end of Floorperiod II on July 15, the bill was awaiting third reading in the Assembly.

Type of plate — The type of special plates presently issued is not changed under the provisions of this bill.

Fee — This proposal sets up a graduated scale, so that the additional fee will be \$25 for a set of plates with only one numeral (in addition to the letters), \$10 for a set of plates with a 2-digit number, and \$5 for a set of plates with a number of 3 or more digits. The additional fee would apply only when base plates are issued, and would not be collected when validation stickers are issued.

Revenue — According to the Division of Motor Vehicles, this proposal, would increase highway fund revenues approximately \$6,000 annually until a new base plate is issued. This is based on the expectation that there will be no major change in the number of 1, 2 and 3 digit plates now being used.

When the next base plate is issued, it is estimated that net revenues would increase \$359,000 over current revenues.

Assembly Amendment 1, as amended by AA 2 to AA 1 to 1975 Assembly Bill 303, was introduced by Representative Groshek.

Type of plate — This amended version of the bill defines a special license number as those numbers designated by the administrator as special license numbers, except that those numbers shall be limited to numbers within the regularly established numbering system.

Fee — This amended version sets up a graduated scale, so that the additional *annual fee* would be \$10 for any set of plates with a combination of one or more letters and one numerical digit, \$5 for a set of plates with a combination of one or more letters and 2 numerical digits, and \$3 for a set of plates with a combination of one or more letters and 3 or more numerical digits.

Revenues — According to the Division of Motor Vehicles, the net revenues derived from the above fee schedule is estimated to be \$90,000 annually.

1975 Assembly Bill 930 was introduced by the Joint Committee on Finance, by request of Governor Patrick J. Lucey. As of the end of Floorperiod II on July 15, the bill was pending action by the Joint Committee on Finance.

Type of plate — Same plate as issued under present law.

Fee — The fee for the special plate would be raised from the present \$3 whenever a base plate is issued to \$10 annually.

Revenue — The highway fund would increase up to \$14,000 annually or \$28,000 for the biennium without an increase in administrative cost.

The largest fiscal effect would occur during the next base plate year when approximately 60,000 special number registrations are to be issued. The fiscal effect would be an increase in the highway fund revenues of \$420,000 in the base plate year. This change in special license fees represents only a small part of this large comprehensive transportation package bill introduced at the request of Governor Lucey. Regular license fees would also be substantially increased under provisions of this bill.

1975 Senate Bill 101 was introduced by Senator Flynn and 6 other senators and cosponsored by 4 representatives. As of the end of Floorperiod II on July 15, the bill had not as yet been reported out of the Senate Committee on Commerce.

Type of plate — The bill authorizes the issuance of personalized license plates composed of letters or combinations of letters and numbers, as well as the presently permitted special numbers. The Division of Motor Vehicles, however, may reject applications which are offensive.

Fee — The *additional* fee for personalized plates would be \$25, and such fees would be deposited in the general fund, while the regular registration fees would continue to be placed in the segregated highway fund. The additional fee would apply only when base plates are issued, and would not be payable when validation stickers are issued.

Revenues — According to the Division of Motor Vehicle's fiscal note, the revenues and expenditures are computed on automobiles only; because the division is unable, at the present time, to determine the costs involved in making personalized plates available for all the 40 plus different types of motor vehicle registration plates issued in Wisconsin.

The division anticipates an increase in the number of special licenses to 5,000 per year in the nonbase year period to 1980 at 85 cents processing costs plus \$1.64 per replacement license or \$7,500 annually. Additionally, the programming costs for the new personalized plates would be \$10,000 in 1975-76.

The general fund would be increased by an estimated \$150,000 for the 1975-77 biennium making the total net state revenue of this bill for the biennium \$113,000.

The Division of Motor Vehicles projects a net effect on the highway fund of (-) \$195,000 over the life of a new plate. This figure approximates the loss of the existing \$3 per special license plate fee which currently is deposited in the highway fund.

The division estimates, this proposal would increase the general fund revenues \$1,000,000 in the first base plate year and \$75,000 annually in intervening years.

Senate Substitute Amendment 1 to 1975 Senate Bill 101 was introduced by Senators Flynn and Cullen, by request of Representatives Early and Groshek.

Type of plate — A "personalized license plate" authorized to be issued under this bill means a registration plate for a truck which has a gross weight of not more than 6,000 lbs. or an automobile which displays a registration number composed of a combination of letters or numbers, or both, requested by the applicant. Personalized plates shall be of the same color and design as regular plates and shall consist of letters or numbers, or any combination thereof, not exceeding 6 positions and not less than 2 positions.

The Division of Motor Vehicles may refuse to issue any combination of letters or numbers, or both, which carry connotations offensive to good taste and decency. The decision of the division in respect to personalized plate applications is final and not subject to judicial review under Chapter 227 of the statutes.

Fee — In addition to the regular registration fee, the applicant for this plate shall pay a fee of \$10 for the original plate and a \$3 annual renewal fee between plate issuances. The fee for reissuance of a personalized plate shall be \$10.

Revenues — According to the Division of Motor Vehicles, there are presently approximately 65,000 special number plates that have been issued. The division expects 5,000 sets of personalized

plates will be issued annually. This will be partially offset by an estimated decrease of 2,000 special number plates that would have likely been issued under the current statutes. The estimated highway fund revenues for the 1975-77 biennium is \$493,000.

The estimated increase in highway fund administrative costs for the biennium total \$129,900. Therefore, the net state revenue of this substitute measure for the 1975-77 biennium is \$363,100.

Unlike the original bill, all the revenues collected from fees under this substitute version are deposited in the segregated highway fund rather than the general fund.

The amendment version also provides that if an individual in possession of a personalized plate does not maintain his personalized plate (\$3 fee) during a year which is not a plate issuance year, the individual shall:

1. Dispose of the personalized plate as directed by the division.
2. Pay a \$4 fee for the issuance of replacement plates in addition to the regular application fee.
3. Return the certificate of title to the division for correction.

SPECIAL LICENSE PLATE BILLS INTRODUCED IN THE 1975 WISCONSIN LEGISLATURE

1975 Bill No. and Author	Type of Plate	Fee (In addition to Regular Fees)	Estimated Net Revenues 1975-77 Biennium	Estimated Net Revenues 1st Plate Year
Assembly Bill 104 Rep. Kirby, <u>et al.</u>	Special plate taken from standard production numbers. (Same as present law)	\$10 (When plate is issued)	\$28,000	\$420,000
Assembly Bill 303 Rep. Vanderperren, <u>et al.</u>	Same as present law	Graduated Scale \$25- 1 numeral \$10- 2 numerals \$5- 3 or more (When plate is issued)	\$12,000	\$359,000
A. Amend. 1 as amended by AA 2 to AB 303 Rep. Groshek	Special plates are those designated by the administrator except that the numbers must be in the regularly established numbering system.	Annual fee of \$10- 1 numeral \$5- 2 numerals \$3- 3 or more	\$90,000	\$ 90,000
Assembly Bill 930 Jt. Committee on Finance	Same as present law	\$10 (annually)	\$28,000	\$420,000
Senate Bill 101 Sen. Flynn, <u>et al.</u>	Personalized plates consisting of numbers and letters or both requested by applicant. No application may be offensive.	\$25 (When plate is issued)	\$150,000	\$1,000,000
Senate Substitute Amendment 1 to SB 101	Personalized plate consisting of numbers and letters or both. Issued to trucks under 6,000 lbs. and autos. No application may be offensive.	\$10 initial fee \$3 annual renewal fee	\$493,000	N.A.

III. SITUATION IN SELECTED OTHER STATES

Forty states including the District of Columbia issue some type of special or personalized license plate when requested by the owner or lessee of a motor vehicle. Generally, most states restrict the issuance of such personalized plates to passenger motor vehicles. In most cases the requestor may usually choose the letters or numbers or combinations thereof that he desires, provided that it has neither already been taken nor is offensive in any manner. The additional fees range from \$3 in Wisconsin to \$200 in Hawaii.

Most states, unlike Wisconsin, issue the true, personalized plate, whereby the registrant can dictate his own license tag. In Wisconsin, the requestor is merely able to choose from standard production numbers which have already been prepared for distribution. A small number of selected states have been chosen for description here.

The following table, taken from the United States Department of Transportation, Federal Highway Administration's "License Plates - 1975", lists state special automobile license plate fees, which generally are paid annually in addition to the regular registration fees. Where there are two numbers, the first represents the original fee, while the second number is an annual renewal fee.

State Special or Personalized License Plate Fees, 1975

Alaska	\$20	Maryland	\$25	Oklahoma	\$10
Arizona	25/10	Massachusetts	9 <u>1</u> /	Oregon	50 (2 yrs.)
Arkansas	10	Michigan	25	Pennsylvania	14
California	25/10	Montana	20/5	Rhode Island	10
Connecticut	15	Nebraska	50/25	South Carolina	15
Delaware	25	Nevada	25/15	Tennessee	50
Florida	12	New Hampshire	5	Texas	10
Georgia	10	New Jersey	10	Vermont	5
Hawaii	200	New Mexico	15	Virginia	10
Idaho	25	New York	5	Washington	30/20
Kansas	25	North Carolina	10	West Virginia	5
Louisiana	50	North Dakota	100	WISCONSIN	3 <u>3</u> /
Maine	5	Ohio	35 <u>2</u> /	D.C.	10 <u>4</u> /

1/Personalized plates (letters) are issued annually for \$9 plus the regular registration fee, and special low-number 2-year plates are available for \$2 per issue in addition to the regular registration fee.

2/Reserved numbers are issued at \$5 per annum, and special 4-6 letter combinations are issued at \$35 per annum, both in addition to regular registration fee.

3/Special number plate, \$3 in addition to the regular registration for the first year of the new plate issue.

4/Initial reservation fee is \$25, plus \$10 annually, in addition to the regular registration fee.

California

Type of plate — Personalized plates consist of numbers or letters or combinations thereof not exceeding 6 positions and not less than 2 positions. Such plates shall be issued only to the registered owner or lessee of a passenger vehicle, commercial vehicle, or trailer registered with the department who makes application for an original or renewal registration. Requests for certain combinations may be refused if they are considered offensive to good taste or decency.

Fees — The charge for the original personalized plates, in addition to the regular registration fees, is \$25. A \$10 renewal fee is paid in addition to the regular renewal fee.

Revenue — All revenues derived from these fees are deposited in the California Environmental Protection Fund. For the fiscal year ending June 30, 1974, revenues derived from personalized plates amounted to \$2,443,000.

Users — Since the inception of the personalized plate in 1970, approximately 200,000 such plates have been authorized out of a total of 16 million plates issued.

Florida

Type of plate — Personalized prestige automobile license plates consist of the following types of plates:

- 1) A plate imprinted with numerals only (1 to 999 inclusive).
- 2) A plate imprinted with capital letters only (A through Z, limit of 7).
- 3) A plate imprinted with both capital letters and numerals (limit of 7 characters).

Personalized plates may be issued to owners of passenger automobiles not used for hire or commercial use who submit proper applications and fees. Requests for letters or numerals deemed offensive may be rejected by the Department of Highway Safety and Motor Vehicles.

Fees — Charges for prestige plates are \$12 annually in addition to the regular registration fees.

Revenue — For the fiscal year ending June 30, 1974 approximately \$750,000 in revenue had been derived from the sale of 18,700 personalized plates.

Users — As of early 1975, over 30,000 such plates had been issued out of approximately 5 million registered automobiles in the state.

Michigan

Type of plate — Personalized registration plates, issued by the Office of the Secretary of State for vehicles weighing less than 10,000 lbs., shall contain a combination of not more than 6 letters or numbers, but they shall have at least 2 letters. The secretary shall not issue a letter combination which might carry a connotation offensive to good taste and decency.

Fee — The charge for personalized license plates, in addition to the regular registration fees, is \$25 annually.

Revenue — All revenues derived from this source are credited to the state highway motor vehicle fund. Although exact revenue data was not readily available, if the \$25 fee is multiplied by the 2-year total of plates issued (5,000) the total gross revenues are \$125,000.

Users — Michigan's personalized license plate law went into effect January 2, 1973. For the following 2-year period, approximately 5,000 such plates have been issued. Michigan has approximately 5.5 million total motor vehicles registered, with automobiles representing about 4.5 million of that total.

Nebraska

Type of plate — All personalized prestige plates issued for passenger vehicles are subject to the following conditions:

- 1) County prefixes shall not be used.
- 2) The characters used shall consist only of letters and numerals of the same size and design used on regular plates.
- 3) A maximum of 6 characters and no more than one numeral may be used.
- 4) The license number or letters shall not express, connote, or imply any obscene or objectionable words or abbreviations.

Fee — The charge for the initial application for personalized plates is \$50, which is paid in addition to the regular registration fees. There also is a \$25 renewal fee which is paid in addition to the regular renewal fee.

Revenue — All revenues derived from the issuance of these special plates are deposited in the state's general fund. Although exact revenue statistics are not available, multiplying the \$50 fee by the number of plates issued (800) would yield a gross revenue equal to \$22,500.

Users — Since the above program was initiated in 1972, approximately 800 such plates have been issued, out of a total automobile population of 800,000.

Tennessee

Type of plate — Personalized license plates, issued by the Department of Revenue, shall consist of not less than 2 nor more than 6 characters or positions and shall not conflict with any other special plate authorized by law. Personalized plates are the same size and color as other passenger motor vehicle plates. The plates are to be displayed on that vehicle only.

Fee — The annual cost of the personalized plates, in addition to the regular registration fee, is \$50.

Revenue — Although exact revenue figures are not readily available, multiplying the \$50 fee by the number of plates sold during 1974 (450) would yield a total gross revenue of \$22,500.

Users — During the year 1974, approximately 450 special personalized plates were issued out of a total 2 million registered automobiles.

Washington

Type of plate — Personalized license plates, issued to any registered automobile owner in the state, consists of numbers or letters, or any combination thereof not exceeding 6 positions and not less than 2 positions.

The Department of Motor Vehicles may refuse to issue any combinations offensive to good taste and decency or which would be misleading or a duplication of license plates provided for elsewhere in the statutes.

Fee — In addition to the regular registration fee and any other miscellaneous fees that might be assessed, the registrant shall be charged a fee of \$30 for the original plate and \$20 for any subsequent renewal of the same.

Revenue — Although exact revenue figures are not available, multiplying the \$30 fee by the 3,000 plates issued in 1974 would yield a gross revenue of \$90,000.

Users — Since the law went into effect in January 1974, approximately 3,000 personalized automobile license plates have been issued out of a total passenger car population of 1,810,000.

IV. CONCLUSION

There is little doubt that personalized license plates are becoming more popular throughout the United States. Approximately 40 states now issue some type of special plate for fees ranging from \$3 to \$200.

Unfortunately, since most states have so recently initiated the personalized license plate program, there is apparently no reliable data available to make any comparative analyses of the relationship, if any, between the amount of the plate fee and the number of users.

According to several sources, including newspaper accounts and contacts in a few selected states that issue special plates, there tends to be a gradual increase in the number of special or personalized license plates that are being issued.

In Wisconsin, there apparently does not exist any real guide to determine what effect an increase in the special or personalized license plate fee would have on potential users.

Consequently, about all that can be said about the use of personalized license plates, in the absence of any comparative data, is that more states are authorizing the issuance of personalized plates and an increasing number of people are purchasing them.