

Assembly Bill No. 484—Committee on
Growth and Infrastructure

CHAPTER.....

AN ACT relating to special license plates; authorizing certain actions to be taken regarding a charitable organization that benefits from additional fees paid for special license plates for failure to comply with certain provisions or decisions about the conduct of the charitable organization or the use of those additional fees; and providing other matters properly relating thereto.

Legislative Counsel’s Digest:

Under existing law, if the Commission on Special License Plates determines that a charitable organization that benefits from additional fees charged for special license plates has failed to comply with certain laws governing such charitable organizations or the use of such fees, the Commission may recommend to the Department of Motor Vehicles suspending the collection of all additional fees on behalf of the charitable organization and suspending production of the particular design of special license plates, if it is still being produced. (NRS 482.38279) **Section 7** of this bill authorizes the Commission to instead recommend terminating the particular design of special license plates entirely. **Section 7** further authorizes the Commission to recommend suspending the distribution of additional fees to the charitable organization for a specified period after notifying the organization of the necessary corrective actions. If, at the end of the specified period, the Department, in consultation with the Commission, determines that the charitable organization has completed the corrective actions, the suspension may be terminated, and additional fees collected during the suspension may be forwarded to the charitable organization. If instead it is determined that the charitable organization has not completed the corrective actions, the Commission may recommend: (1) extending the suspension for a specified period; (2) terminating production and distribution of the special license plates and collection of the additional fees and distributing the additional fees collected during the suspension in a manner determined by the Department, in consultation with the Commission; or (3) distributing all additional fees, including those held during the suspension to a different charitable organization meets certain requirements. **Sections 1-6** of this bill make conforming changes.

EXPLANATION – Matter in *bolded italics* is new; matter between brackets ~~omitted material~~ is material to be omitted.

THE PEOPLE OF THE STATE OF NEVADA, REPRESENTED IN
SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. NRS 482.367002 is hereby amended to read as follows:

482.367002 1. A person may request that the Department design, prepare and issue a special license plate by submitting an application to the Department. A person may submit an application



for a special license plate that is intended to generate financial support for an organization only if:

(a) For an organization which is not a governmental entity, the organization is established as a nonprofit charitable organization which provides services to the community relating to public health, education or general welfare;

(b) For an organization which is a governmental entity, the organization only uses the financial support generated by the special license plate for charitable purposes relating to public health, education or general welfare;

(c) The organization is registered with the Secretary of State, if registration is required by law, and has filed any documents required to remain registered with the Secretary of State;

(d) The name and purpose of the organization do not promote, advertise or endorse any specific product, brand name or service that is offered for profit;

(e) The organization is nondiscriminatory; and

(f) The license plate will not promote a specific religion, faith or antireligious belief.

2. An application submitted to the Department pursuant to subsection 1:

(a) Must be on a form prescribed and furnished by the Department;

(b) Must specify whether the special license plate being requested is intended to generate financial support for a particular cause or charitable organization and, if so:

(1) The name of the cause or charitable organization; and

(2) Whether the financial support intended to be generated for the particular cause or charitable organization will be for:

(I) General use by the particular cause or charitable organization; or

(II) Use by the particular cause or charitable organization in a more limited or specific manner;

(c) Must include the name and signature of a person who represents:

(1) The organization which is requesting that the Department design, prepare and issue the special license plate; and

(2) If different from the organization described in subparagraph (1), the cause or charitable organization for which the special license plate being requested is intended to generate financial support;

(d) Must include proof that the organization satisfies the requirements set forth in subsection 1;



(e) Must be accompanied by a surety bond posted with the Department in the amount of \$5,000, except that if the special license plate being requested is one of the type described in subsection 3 of NRS 482.367008, the application must be accompanied by a surety bond posted with the Department in the amount of \$20,000;

(f) Must, if the organization is a charitable organization, not including a governmental entity whose budget is included in the executive budget, include a budget prepared by or for the charitable organization which includes, without limitation, the proposed operating and administrative expenses of the charitable organization; and

(g) May be accompanied by suggestions for the design of and colors to be used in the special license plate.

3. If an application for a special license plate has been submitted pursuant to this section but the Department has not yet designed, prepared or issued the plate, the applicant shall amend the application with updated information when any of the following events take place:

(a) The name of the organization that submitted the application has changed since the initial application was submitted.

(b) The cause or charitable organization for which the special license plate being requested is intended to generate financial support has a different name than that set forth on the initial application.

(c) The cause or charitable organization for which the special license plate being requested is intended to generate financial support is different from that set forth on the initial application.

(d) A charitable organization which submitted a budget pursuant to paragraph (f) of subsection 2 prepares or has prepared a new or subsequent budget.

↳ The updated information described in this subsection must be submitted to the Department within 90 days after the relevant change takes place, unless the applicant has received notice that the special license plate is on an agenda to be heard at a meeting of the Commission on Special License Plates, in which case the updated information must be submitted to the Department within 48 hours after the applicant receives such notice. The updating of information pursuant to this subsection does not alter, change or otherwise affect the issuance of special license plates by the Department in accordance with the chronological order of their authorization or approval, as described in subsection 2 of NRS 482.367008.



4. The Department may design and prepare a special license plate requested pursuant to subsection 1 if:

(a) The Department determines that the application for that plate complies with subsection 2; and

(b) The Commission on Special License Plates recommends to the Department that the Department approve the application for that plate pursuant to subsection 5 of NRS 482.367004.

5. Upon making a determination to issue a special license plate pursuant to this section, the Department shall notify:

(a) The person who requested the special license plate pursuant to subsection 1;

(b) The charitable organization for which the special license plate is intended to generate financial support, if any; and

(c) The Commission on Special License Plates.

6. Except as otherwise provided in NRS 482.367008, the Department may issue a special license plate that:

(a) The Department has designed and prepared pursuant to this section;

(b) The Commission on Special License Plates has recommended the Department approve for issuance pursuant to subsection 5 of NRS 482.367004; and

(c) Complies with the requirements of subsection 6 of NRS 482.270,

↳ for any passenger car or light commercial vehicle upon application by a person who is entitled to license plates pursuant to NRS 482.265 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter. A person may request that personalized prestige license plates issued pursuant to NRS 482.3667 be combined with a special license plate issued pursuant to this section if that person pays the fees for personalized prestige license plates in addition to the fees for the special license plate.

7. The Department must promptly release the surety bond posted pursuant to subsection 2:

(a) If the Department determines not to issue the special license plate; ~~or~~

(b) *If the Department distributes the additional fees collected on behalf of a charitable organization to another charitable organization pursuant to subparagraph (3) of paragraph (b) of subsection 5 of NRS 482.38279 and the surety bond has not been released to the initial charitable organization; or*

(c) If it is determined that at least 1,000 special license plates have been issued pursuant to the assessment of the viability of the



design of the special license plate conducted pursuant to NRS 482.367008, except that if the special license plate is one of the type described in subsection 3 of NRS 482.367008, the Department must promptly release the surety bond posted pursuant to subsection 2 if it is determined that at least 3,000 special license plates have been issued pursuant to the assessment of the viability of the design of the special license plate conducted pursuant to NRS 482.367008.

8. If, during a registration period, the holder of license plates issued pursuant to the provisions of this section disposes of the vehicle to which the plates are affixed, the holder shall:

(a) Retain the plates and affix them to another vehicle that meets the requirements of this section if the holder pays the fee for the transfer of the registration and any registration fee or governmental services tax due pursuant to NRS 482.399; or

(b) Within 30 days after removing the plates from the vehicle, return them to the Department.

Sec. 2. NRS 482.367004 is hereby amended to read as follows:

482.367004 1. There is hereby created the Commission on Special License Plates. The Commission is advisory to the Department and consists of five Legislators and three nonvoting members as follows:

(a) Five Legislators appointed by the Legislative Commission:

(1) One of whom is the Legislator who served as the Chair of the Assembly Standing Committee on Transportation during the most recent legislative session. That Legislator may designate an alternate to serve in place of the Legislator when absent. The alternate must be another Legislator who also served on the Assembly Standing Committee on Transportation during the most recent legislative session.

(2) One of whom is the Legislator who served as the Chair of the Senate Standing Committee on Transportation during the most recent legislative session. That Legislator may designate an alternate to serve in place of the Legislator when absent. The alternate must be another Legislator who also served on the Senate Standing Committee on Transportation during the most recent legislative session.

(b) Three nonvoting members consisting of:

(1) The Director of the Department of Motor Vehicles, or a designee of the Director.

(2) The Director of the Department of Public Safety, or a designee of the Director.



(3) The Director of the Department of Tourism and Cultural Affairs, or a designee of the Director.

2. Each member of the Commission appointed pursuant to paragraph (a) of subsection 1 serves a term of 2 years, commencing on July 1 of each odd-numbered year. A vacancy on the Commission must be filled in the same manner as the original appointment.

3. Members of the Commission serve without salary or compensation for their travel or per diem expenses.

4. The Director of the Legislative Counsel Bureau shall provide administrative support to the Commission.

5. The Commission shall recommend to the Department that the Department approve or disapprove:

(a) Applications for the design, preparation and issuance of special license plates that are submitted to the Department pursuant to subsection 1 of NRS 482.367002;

(b) The issuance by the Department of special license plates that have been designed and prepared pursuant to NRS 482.367002; and

(c) Except as otherwise provided in subsection 7, applications for the design, preparation and issuance of special license plates that have been authorized by an act of the Legislature after January 1, 2007.

↳ In determining whether to recommend to the Department the approval of such an application or issuance, the Commission shall consider, without limitation, whether it would be appropriate and feasible for the Department to, as applicable, design, prepare or issue the particular special license plate. For the purpose of making recommendations to the Department, the Commission shall consider each application in the chronological order in which the application was received by the Department.

6. On or before September 1 of each fiscal year, the Commission shall compile a list of each special license plate for which the Commission, during the immediately preceding fiscal year, recommended to the Department that the Department approve the application for the special license plate or approve the issuance of the special license plate. The list so compiled must set forth, for each such plate, the cause or charitable organization for which the special license plate generates or would generate financial support, and the intended use to which the financial support is being put or would be put. The Commission shall transmit the information described in this subsection to the Department and the Department shall make that information available on its Internet website.



7. The provisions of paragraph (c) of subsection 5 do not apply with regard to special license plates that are issued pursuant to NRS 482.3746, 482.3751, 482.3752, 482.3757, 482.3783, 482.3785, 482.3787 or 482.37901.

8. The Commission shall:

(a) Recommend to the Department that the Department approve or disapprove any proposed change in the distribution of money received in the form of additional fees ~~§~~, *including, without limitation, pursuant to subparagraph (3) of paragraph (b) of subsection 5 of NRS 482.38279*. As used in this paragraph, “additional fees” means the fees that are charged in connection with the issuance or renewal of a special license plate for the benefit of a particular cause, fund or charitable organization. The term does not include registration and license fees or governmental services taxes.

(b) If it recommends a proposed change pursuant to paragraph (a) and determines that legislation is required to carry out the change, recommend to the Department that the Department request the assistance of the Legislative Counsel in the preparation of a bill draft to carry out the change.

Sec. 3. NRS 482.367006 is hereby amended to read as follows:

482.367006 1. The fee for special license plates designed, prepared and issued pursuant to NRS 482.367002 is \$35, in addition to all other applicable registration and license fees and governmental services taxes. The license plates are renewable upon the payment of \$10.

2. In addition to all other applicable registration and license fees and governmental services taxes and the fee prescribed in subsection 1, if a special license plate is designed, prepared and issued pursuant to NRS 482.367002 to generate financial support for a particular cause or charitable organization, a person who requests a set of such license plates must pay for the initial issuance of the plates an additional fee of \$25 and for each renewal of the plates an additional fee of \$20, to be distributed in the manner described in subsection 3.

3. The Department shall deposit the additional fees collected pursuant to subsection 2 with the State Treasurer for credit to an account created in the State General Fund for the benefit of the particular cause or charitable organization for whose financial benefit the special license plate was created. The Department shall designate an appropriate state agency to administer the account. ~~The~~ *Except as otherwise provided in subsections 4 and 5 of NRS 482.38279, the* state agency designated by the Department to



administer the account shall, at least once each quarter, distribute the fees deposited pursuant to this subsection to the particular cause or charitable organization for whose benefit the special license plate was created **[] or to another charitable organization to which the fees are distributed pursuant to subparagraph (3) of paragraph (b) of subsection 5 of NRS 482.38279.**

4. Money in an account created pursuant to subsection 3 does not lapse to the State General Fund at the end of a fiscal year. The interest and income earned on money in such an account, after deducting any applicable charges, must be credited to the account.

Sec. 4. NRS 482.3824 is hereby amended to read as follows:

482.3824 1. Except as otherwise provided in NRS 482.38279, with respect to any special license plate that is issued pursuant to NRS 482.3667 to 482.3823, inclusive, and for which additional fees are imposed for the issuance of the special license plate to generate financial support for a charitable organization:

(a) The Director shall, at the request of the charitable organization that is benefited by the particular special license plate:

(1) Order the design and preparation of souvenir license plates, the design of which must be substantially similar to the particular special license plate; and

(2) Issue such souvenir license plates, for a fee established pursuant to NRS 482.3825, only to the charitable organization that is benefited by the particular special license plate. The charitable organization may resell such souvenir license plates at a price determined by the charitable organization.

(b) The Department may, except as otherwise provided in this paragraph and after the particular special license plate is approved for issuance, issue the special license plate for a trailer, motorcycle or other type of vehicle that is not a passenger car or light commercial vehicle, excluding vehicles required to be registered with the Department pursuant to NRS 706.801 to 706.861, inclusive, full trailers or semitrailers registered pursuant to subsection 3 of NRS 482.483 and mopeds registered pursuant to NRS 482.2155, upon application by a person who is entitled to license plates pursuant to NRS 482.265 or 482.272 and who otherwise complies with the requirements for registration and licensing pursuant to this chapter or chapter 486 of NRS. The Department may not issue a special license plate for such other types of vehicles if the Department determines that the design or manufacture of the plate for those other types of vehicles would not be feasible. In addition, if the Department incurs additional costs to manufacture a special license plate for such other types of vehicles,



including, without limitation, costs associated with the purchase, manufacture or modification of dies or other equipment necessary to manufacture the special license plate for such other types of vehicles, those additional costs must be paid from private sources without any expense to the State of Nevada.

2. If, as authorized pursuant to paragraph (b) of subsection 1, the Department issues a special license plate for a trailer, motorcycle or other type of vehicle that is not a passenger car or light commercial vehicle, the Department shall charge and collect for the issuance and renewal of such a plate the same fees that the Department would charge and collect if the other type of vehicle was a passenger car or light commercial vehicle. As used in this subsection, “fees” does not include any applicable registration or license fees or governmental services taxes.

3. As used in this section:

(a) “Additional fees” has the meaning ascribed to it in NRS 482.38273.

(b) “Charitable organization” means a particular cause, charity or other entity that receives money from the imposition of additional fees in connection with the issuance of a special license plate pursuant to NRS 482.3667 to 482.3823, inclusive. The term includes ~~the~~ :

(1) *The* successor, if any, of a charitable organization ~~;~~ ;
and

(2) *A charitable organization to which additional fees for special license plates are distributed pursuant to subparagraph (3) of paragraph (b) of subsection 5 of NRS 482.38279.*

Sec. 5. NRS 482.38275 is hereby amended to read as follows:

482.38275 “Intended recipient” means the particular cause, fund or charitable organization for the benefit of which additional fees are imposed. In the case of special license plates:

1. Authorized by enactment of the Legislature, the term means the particular cause, fund or charitable organization identified in statute as the required recipient of additional fees.

2. Authorized pursuant to the system of application and petition described in NRS 482.367002, the term means the particular cause, fund or charitable organization ~~identified~~ :

(a) *Identified* as the intended recipient of additional fees, as described in the application that was submitted for those special license plates pursuant to paragraph (b) of subsection 2 of that section ~~;~~ ; *or*



(b) To which the additional fees for special license plates are distributed pursuant to subparagraph (3) of paragraph (b) of subsection 5 of NRS 482.38279.

Sec. 6. NRS 482.382765 is hereby amended to read as follows:

482.382765 1. Upon receiving notification by the Department pursuant to subsection 5 of NRS 482.367002 that a special license plate that is intended to generate financial support for an organization will be issued by the Department, *or upon a determination pursuant to subparagraph (3) of paragraph (b) of subsection 5 of NRS 482.38279 to distribute additional fees from a special license plate to the charitable organization*, a charitable organization, not including a governmental entity whose budget is in the executive budget, that is to receive additional fees shall, if the charitable organization wishes to award grants with any of the money received in the form of additional fees, submit to the Commission on Special License Plates in writing the methods and procedures to be used by the charitable organization in awarding such grants, including, without limitation:

(a) A copy of the application form to be used by any person or entity seeking a grant from the charitable organization;

(b) The guidelines established by the charitable organization for the submission and review of applications to receive a grant from the charitable organization; and

(c) The criteria to be used by the charitable organization in awarding such a grant.

2. Upon receipt of the information required, the Commission shall review the procedures to determine if the methods and procedures are adequate to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient. If the Commission determines that the methods and procedures are:

(a) Adequate to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient, the Commission shall notify the charitable organization of that determination.

(b) Inadequate to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient, the Commission shall notify the charitable organization and request that the charitable organization submit a revised version of the methods and procedures to be used by the charitable organization in awarding grants.



3. A charitable organization may not award any grants of money received in the form of additional fees until the procedures and methods have been determined adequate by the Commission pursuant to subsection 2.

Sec. 7. NRS 482.38279 is hereby amended to read as follows:

482.38279 1. If the Commission on Special License Plates determines that a charitable organization has failed to comply with one or more of the provisions of NRS 482.38277 or if, in a report provided to the Commission by the Legislative Auditor pursuant to NRS 482.38278 or 482.382785, the Legislative Auditor determines that a charitable organization has committed improper practices of financial administration, has filed with the Commission or the Department forms or records that are inadequate or inaccurate, or has failed to use adequate methods and procedures to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient, the Commission shall notify the charitable organization of that determination.

2. A charitable organization may request in writing a hearing, within 20 days after receiving notification pursuant to subsection 1, to respond to the determinations of the Commission or Legislative Auditor. The hearing must be held not later than 30 days after the receipt of the request for a hearing unless the parties, by written stipulation, agree to extend the time.

3. The Commission shall issue a decision on whether to uphold the original determination of the Commission or the Legislative Auditor or to overturn that determination. The decision required pursuant to this subsection must be issued:

- (a) Immediately after the hearing, if a hearing was requested; or
- (b) Within 30 days after the expiration of the 20-day period within which a hearing may be requested, if a hearing was not requested.

4. If the Commission decides to uphold its own determination that a charitable organization has failed to comply with one or more of the provisions of NRS 482.38277 or decides to uphold the determination of the Legislative Auditor that the organization has committed improper practices of financial administration, has filed with the Commission or the Department forms or records that are inadequate or inaccurate, or has failed to use adequate methods and procedures to ensure that all money received in the form of additional fees is expended solely for the benefit of the intended recipient, the Commission shall issue its decision in writing and may recommend that the Department:



(a) *Terminate production and distribution of the particular design of the special license plate and collection of all additional fees collected on behalf of the charitable organization, and allow any holder of the special license plate to continue to renew the plate without paying the additional fee;*

(b) Suspend the ~~collection of all additional fees collected on behalf of the charitable organization; and~~
~~—(b) Suspend~~ production *and distribution* of the particular design of special license plates ~~from which the charitable organization receives~~ and collection of all additional fees ~~collected on behalf of the charitable organization,~~ if the Department is still producing that design ~~and allow any holder of the special license plate to renew the plate without paying the additional fee;~~ or

(c) *Suspend the distribution of all additional fees collected on behalf of the charitable organization for a specified period and allow the production and distribution of the special license plate and the collection of additional fees to continue if the Department is still producing that design, and allow holders of the special license plates to renew the plate with the payment of the additional fees.*

5. If ~~in accordance with subsection 4,~~ the Commission recommends that the Department *take the action described in paragraph (c) of subsection 4, the Department, in consultation with the Commission, shall inform the charitable organization in writing of the corrective actions that must be taken and upon conclusion of the suspension determine whether the charitable organization completed the corrective actions. If the Department, in consultation with the Commission, determines that the charitable organization:*

(a) *Completed the corrective actions, the Department, in consultation with the Commission, may terminate the suspension and forward to the charitable organization any additional fees collected on behalf of the charitable organization during the suspension.*

(b) *Has not completed the corrective actions, the Department, in consultation with the Commission, may:*

(1) *Extend the period of the suspension, but not more than one time;*

(2) *Terminate production and distribution of the special license plate and collection of all additional fees on behalf of the charitable organization, allow any holders of the special license plate to renew the plate without paying the additional fee and*



distribute all fees collected during the suspension in a manner determined by the Department, in consultation with the Commission; or

(3) Continue production and distribution of the special license plate and, in consultation with the Commission, distribute all additional fees collected, including any fees held during the suspension, to another charitable organization that:

(I) Submits an application to the Department on a form prescribed and furnished by the Department;

(II) Meets all applicable requirements of subsection 1 of NRS 482.367002 for a charitable organization seeking to receive financial support from a special license plate; and

(III) Provides evidence satisfactory to the Department, in consultation with the Commission, that the additional fees collected on behalf of the charitable organization will be used for a purpose similar to the purpose for which the additional fees were intended to be used by the initial charitable organization.

*6. If, in accordance with subsection 4 or paragraph (b) of subsection 5, the Commission recommends that the Department take adverse action against a charitable organization, the Commission shall notify the charitable organization, in writing, of that fact within 30 days after making the recommendation **and include a description of any necessary corrective action that must be taken by the charitable organization, if applicable.*** A charitable organization aggrieved by a recommendation of the Commission may, within 30 days after the date on which it received notice of the recommendation, submit to the Department any facts, evidence or other information that it believes is relevant to the propriety of the Commission's recommendation. Within 30 days after receiving all facts, evidence and other relevant information submitted to the Department by the aggrieved charitable organization, the Department shall render a decision, in writing, as to whether the Department accepts or rejects the Commission's recommendation. The decision of the Department is a final decision for the purpose of judicial review.

Sec. 8. This act becomes effective on July 1, 2019.



