

Follow-up Report: Reviewing Eligibility for Permanent License Plates Would Strengthen State Oversight

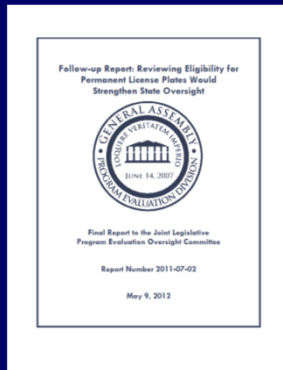
A presentation to the Joint Legislative
Program Evaluation Oversight Committee

May 9, 2012

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Handouts

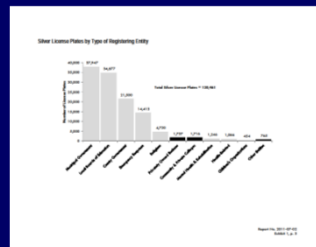
The Full Report



Today's Slides



Two-Sided Handout

The table lists various states and their policies regarding permanent license plates. It has two columns: "State" and "Requirements/Notes".

State	Requirements/Notes
Alabama	None
Alaska	None
Arizona	None
Arkansas	None
California	None
Colorado	None
Connecticut	None
Delaware	None
District of Columbia	None
Florida	None
Georgia	None
Hawaii	None
Idaho	None
Illinois	None
Indiana	None
Iowa	None
Kansas	None
Kentucky	None
Louisiana	None
Maine	None
Maryland	None
Massachusetts	None
Michigan	None
Minnesota	None
Mississippi	None
Missouri	None
Montana	None
Nebraska	None
Nevada	None
New Hampshire	None
New Jersey	None
New Mexico	None
New York	None
North Carolina	None
North Dakota	None
Ohio	None
Oklahoma	None
Oregon	None
Pennsylvania	None
Rhode Island	None
South Carolina	None
South Dakota	None
Tennessee	None
Texas	None
Utah	None
Vermont	None
Virginia	None
Washington	None
West Virginia	None
Wisconsin	None
Wyoming	None

Evaluation Team

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Overview

- Legislative options in Report No. 2011-07-01, *Follow-up Analysis of Permanent License Plates Owned by State and Non-State Entities*
 - Revoke permanent license plates registered to entities not identified in statute
 - Limit the types of non-state entities eligible for permanent license plates

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Types of Permanent License Plates

State Entities



Yellow

Non-State Entities



Silver

Permanent Silver License Plates



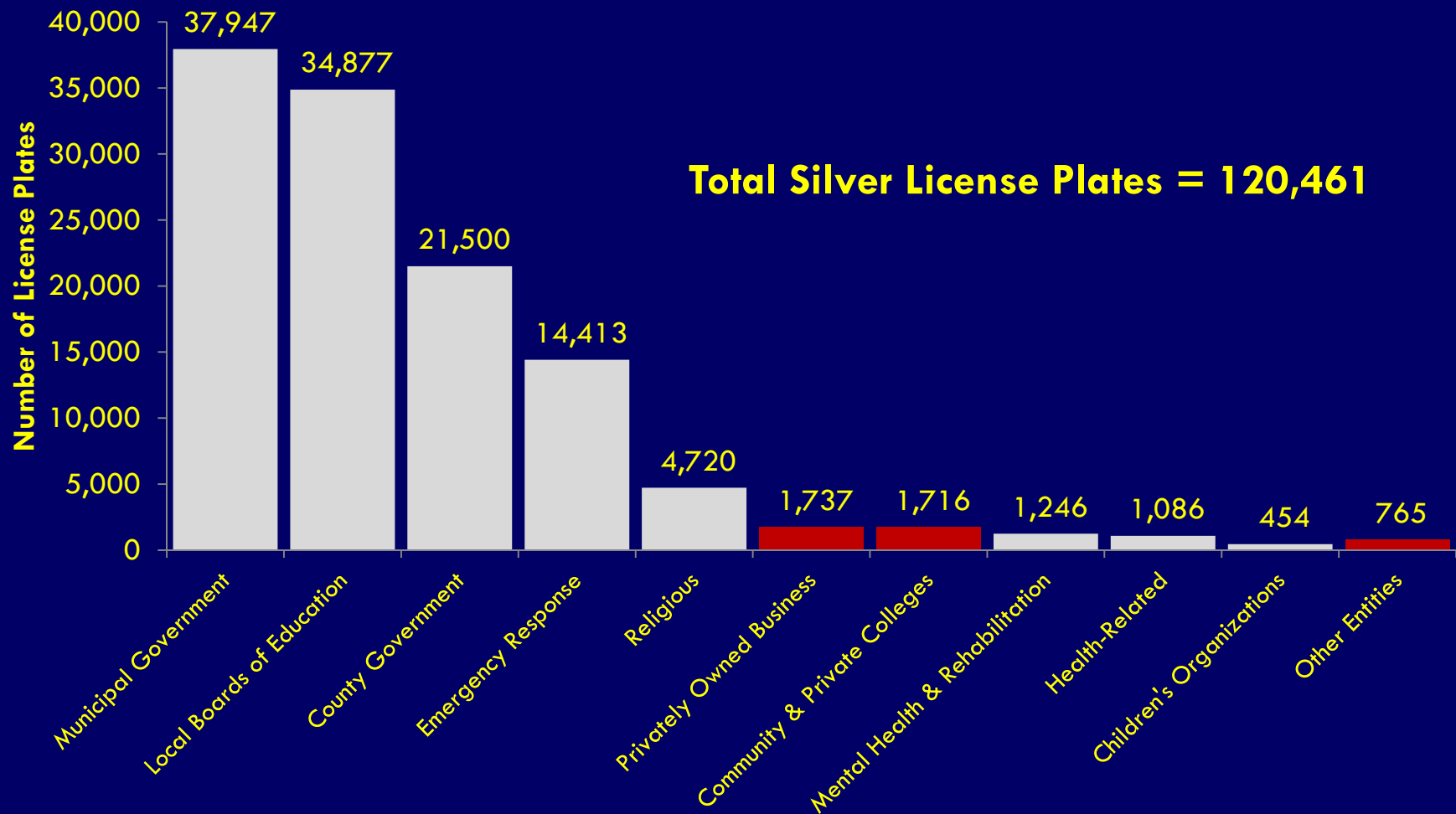
Silver License Plates

- N.C. Gen. Stat. § 20-84(b)(2)-(16) authorizes permanent plates for various non-State entities
- Requirements to obtain a silver license plate
 - Proof of ownership that meets the statutory eligibility
 - Proof of financial responsibility
 - Pay \$6 registration fee

Total Silver License Plates
120,461

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Silver License Plates by Registering Entity



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Issues with Silver License Plates

- The Program Evaluation Division identified 4,218 silver license plates belonging to entities not listed in statute
- The Joint Legislative Program Evaluation Oversight Committee requested DMV identify entities receiving unauthorized silver license plates

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Division of Motor Vehicles' Review of Silver License Plates



Review of Silver License Plates

- Over 1,000 of the 4,218 silver license plates were properly issued
 - 625 registered to entities listed in N.C. Gen. Stat. § 20-84
 - 412 registered to telephone membership corporations
- N.C. Gen. Stat. § 117-33 makes telephone membership corporations eligible for silver license plates

Report p. 4, Appendix A, p. 1, Appendix C

Obstacles to DMV Oversight

- Difficult to ensure non-state entities use a vehicle exclusively for the purpose specified in law
 - Vehicle used for disaster relief by individual or chapter of the American Red Cross
 - Trailers owned by charitable organizations and used for parades

Report pp. 4-5, Appendix A, p. 2

Obstacles to DMV Oversight

- Difficult to determine whether certain non-state entities still exist
 - Sheltered workshops
 - REACT Teams
- Statutes do not clarify that community colleges should be eligible

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Recommendations



Recommendation 1

General Assembly should consider limiting eligibility for permanent license plates to government entities and reviewing the basis for issuing permanent license plates to non-governmental entities

Consider Limiting the Eligibility for Permanent License Plates

- Limit eligibility to government entities
 - State agencies and institutions
 - Counties, cities, or towns
 - Local boards of education
 - Local community colleges
- Review basis for issuing permanent license plates to non-government entities
 - Serves a public purpose
 - Provides government services
 - Defined in state law

Report pp. 5-7

Consider Limiting Eligibility for Permanent License Plates

- Potentially eliminate over 24,000 permanent license plates
- Ineligible entities will need to apply for a license plate with an annual registration renewal
- State could generate up to \$650,000 in annual registration fees

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Recommendation 2

General Assembly should direct the Division of Motor Vehicles to cancel all permanent plates registered to non-state entities and re-issue permanent license plates to qualifying non-state entities

Re-issue Permanent License Plates to Non-State Entities

- Cancel all existing silver license plates
- Re-issue permanent license plates to eligible non-State entities by January 15, 2013
- Cost to manufacture new license plate is covered by the \$6 registration fee

Report p. 7, Appendix A p. 3

Recommendation 3

General Assembly should require that all permanent license plates be registered in the name of eligible entity and require entities to use a standard naming convention

Registering Permanent License Plates

- Permanent license plates should be registered to an organization, not an individual
- Eligible entities should use a standard naming convention
 - Recommendation from the first report on state-owned vehicles, *Inadequate Data and Fleet Information Management Weaken Accountability for North Carolina's Vehicles*

Report p. 8, Appendix A p. 3

Recommendation 4

General Assembly should authorize the Division of Motor Vehicles to revoke permanent license plates registered to non-state entities that fail to obtain an annual vehicle inspection

Strengthen DMV Authority

- DMV has authority to revoke license plates for non-compliance with liability insurance
- Additional authority will ensure vehicles with permanent license plates comply with required vehicle inspection

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Summary

- Statutory changes are needed to limit eligibility of permanent license plates and strengthen oversight
- General Assembly should
 - consider limiting permanent plates to governmental entities
 - review the basis of eligibility for non-governmental entities
 - direct DMV to cancel existing silver license plates and re-issue permanent license plates
 - revise statutes to require use of a standard naming convention
 - grant additional oversight authority to DMV

Legislative Options

- The committee may endorse any these recommendations for action
- May instruct staff to draft legislation or take other actions

**Report available online at
www.ncleg.net/PED/Reports/reports.html**



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