

Lincoln Fillmore proposes the following substitute bill:

Special Group License Plate Amendments

2025 GENERAL SESSION

STATE OF UTAH

Chief Sponsor: Val L. Peterson

Senate Sponsor: Lincoln Fillmore

LONG TITLE

General Description:

This bill changes the allocation of money from a historical support special group license plate.

Highlighted Provisions:

This bill:

- allows an individual to request, for an additional fee, a set of two license plates;
- allows a corporate brand sponsored special group license plate and a special group license plate for major league sports teams;
- allows the consolidation of license plate types for purposes of meeting the minimum circulation requirements;
- provides the allocation of money from the voluntary contribution for a historical support special group license plate, allocating revenue to the sponsoring agency and to the Transportation Investment Fund of 2005;
- requires the Motor Vehicle Division to provide notice regarding the allocation of the money from the historical support special group license plate;
- provides that a vintage vehicle is not required to make the voluntary contribution to obtain the historical support special group license plate;
- allows contributions for collegiate special group license plates to be used for the institution's compensation to student athletes for the use of the student athlete's name, image, or likeness;
- amends the definition of a vintage vehicle to exclude the requirement regarding the type of license plate to be displayed;
- requires the State Tax Commission to provide a report regarding special group license plates; and
- makes technical changes.

Money Appropriated in this Bill:

This bill appropriates \$3,500,000 in expendable funds and accounts for fiscal year 2026, all of which is from the General Fund.

Other Special Clauses:

This bill provides a special effective date.

Utah Code Sections Affected:**AMENDS:**

41-1a-401, as last amended by Laws of Utah 2024, Chapter 251

41-1a-418, as renumbered and amended by Laws of Utah 2023, Chapter 33

41-1a-1601, as enacted by Laws of Utah 2023, Chapter 33

41-1a-1602, as enacted by Laws of Utah 2023, Chapter 33

41-1a-1603, as last amended by Laws of Utah 2024, Chapter 251

41-1a-1605, as last amended by Laws of Utah 2024, Chapter 251

41-1a-1606, as enacted by Laws of Utah 2023, Chapter 33

41-1a-1608, as enacted by Laws of Utah 2023, Chapter 33

41-21-1, as last amended by Laws of Utah 2023, Chapters 22, 219

Be it enacted by the Legislature of the state of Utah:

Section 1. Section **41-1a-401** is amended to read:

41-1a-401 . License plates -- Number of plates -- Reflectorization -- Indicia of registration in lieu of or used with plates.

(1)(a) Except as provided in Subsections (1)(c), (d), and (e), the division upon registering a vehicle shall issue to the owner:

(i) one license plate for a motorcycle, trailer, or semitrailer;

(ii) one registration decal for a park model recreational vehicle, in lieu of a license plate, which shall be attached in plain sight to the rear of the park model recreational vehicle;

(iii) one registration decal for a camper, in lieu of a license plate, which shall be attached in plain sight to the rear of the camper; and

(iv) one license plate for every other vehicle.

(b) The license plate or registration decal issued under Subsection (1)(a) is for the particular vehicle registered and may not be removed during the term for which the license plate or registration decal is issued or used upon any other vehicle than the registered vehicle.

- (c)(i) Notwithstanding Subsections (1)(a) and (b) and except as provided in Subsection (1)(c)(ii), the division, upon registering a motor vehicle that has been sold, traded, or the ownership of which has been otherwise released, shall transfer the license plate issued to the person applying to register the vehicle if:
- (A) the previous registered owner has included the license plate as part of the sale, trade, or ownership release; and
 - (B) the person applying to register the vehicle applies to transfer the license plate to the new registered owner of the vehicle.
- (ii) The division may not transfer a personalized or special group license plate to a new registered owner under this Subsection (1)(c) if the new registered owner does not meet the qualification or eligibility requirements for that personalized or special group license plate under this part or Part 16, Sponsored Special Group License Plates.
- (d)(i) For a vehicle described in Section 41-1a-301, the division upon registering a vehicle shall issue a license plate or set of license plates as provided in that section.
- (ii) For any ~~[commercial vehicle that operates intrastate]~~ vehicle not described in Subsection (1)(d)(i), at the request of the registrant, the division upon registering a vehicle may issue two license plates, for display on both the front and rear of the ~~[intrastate-commercial-]vehicle~~.
- (e) The division upon registering a vehicle may, until inventory of license plate sets is exhausted, but no later than December 31, 2025, issue a set of two plates.
- (f) The division shall ensure that license plates are distributed from a central location as soon as practicable, but no later than July 1, 2025.
- (2) The division may receive applications for registration renewal, renew registration, and issue a new license plate or registration decal at any time prior to the expiration of registration.
- (3)(a)(i) Except as provided in Subsection (3)(a)(ii), all license plates to be manufactured and issued by the division shall be treated with a fully reflective material on the plate face that provides effective and dependable reflective brightness during the service period of the license plate.
- (ii) Notwithstanding Subsection (3)(a)(i), a historical support special group license plate may be treated with a place face that is partially reflective and provides effective and dependable reflective brightness during the service period of the license plate.

(b) The division shall prescribe all license plate material specifications and establish and implement procedures for conforming to the specifications.

(c) The specifications for the materials used such as the aluminum plate substrate, the reflective sheeting, and glue shall be drawn in a manner so that at least two manufacturers may qualify as suppliers.

(d) The granting of contracts for the materials shall be by public bid.

(4)(a) The commission may issue, adopt, and require the use of indicia of registration it considers advisable in lieu of or in conjunction with license plates as provided in this part.

(b) All provisions of this part relative to license plates apply to these indicia of registration, so far as the provisions are applicable.

(5) A violation of this section is an infraction.

Section 2. Section **41-1a-418** is amended to read:

41-1a-418 . Authorized special group license plates.

(1) In accordance with this chapter, the division shall issue to an eligible applicant a special group license plate in one of the following categories:

(a) a disability special group license plate issued in accordance with Section 41-1a-420;

(b) a special group license plate issued for a:

(i) vintage vehicle;

(ii) farm truck; or

(iii) special group license plate described in Section 41-1a-1602.

(2) The division may not issue a new type of special group license plate or symbol decal unless the division receives:

(a) a private donation for the start-up fee established under Section 63J-1-504 for the production and administrative costs of providing the new special group license plate or symbol decal; or

(b) a legislative appropriation for the start-up fee described in Subsection (2)(a).

(3) Notwithstanding other provisions of this chapter, the division may not require a contribution as defined in Section 41-1a-1601 for a special group license plate described in Subsection ~~[(1)(a) or (b)]~~ (1)(a), (1)(b)(i), or (1)(b)(ii).

Section 3. Section **41-1a-1601** is amended to read:

41-1a-1601 . Definitions.

As used in this part:

(1) "Applicant" means a registered owner who submits an application to obtain or renew a

sponsored special group license plate in accordance with this part.

(2)(a) "Charitable purpose" means:

- (i) relief of the poor, the distressed, or the underprivileged;
- (ii) advancement of religion;
- (iii) advancement of education or science;
- (iv) erecting or maintaining a public building, monument, or work;
- (v) reducing the burdens of government;
- (vi) reducing neighborhood tensions;
- (vii) eliminating prejudice and discrimination;
- (viii) defending human rights and civil rights secured by law; or
- (ix) combating community deterioration and juvenile delinquency.

(b) "Charitable purpose" does not include providing, encouraging, or paying for the costs of obtaining an abortion.

(3) "Collegiate special group license plate" means a sponsored special group license plate issued to a contributor to an institution.

(4) "Contributor" means an applicant who contributes the required contribution to a sponsoring organization for a sponsored special group license plate.

(5) "Corporate brand sponsored special group license plate" means a sponsored special group license plate with a sponsoring organization that is a private business.

[(5)] (6)(a) "Existing special group license plate" means a special group license plate that the division issues before January 1, 2024.

(b) "Existing special group license plate" does not include a special group license plate described in Subsection 41-1a-418(1)(a) or (b).

[(6)] (7) "Existing state agency recognition special group license plate" means an existing special group license plate issued to a registered owner who:

- (a) has a special license that supports or furthers a government purpose;
- (b) has received an honor that supports or furthers a government purpose;
- (c) has achieved an accomplishment that supports or furthers a government purpose; or
- (d) holds an elected office.

[(7)] (8) "Institution" means:

- (a) a state institution of higher education as defined in Section 53B-3-102; or
- (b) a private institution of higher education in the state accredited by a regional or national accrediting agency recognized by the United States Department of Education.

(9) "Major league sport" means the same as that term is defined in Section 11-70-101.

165 ~~[(8)]~~ (10)(a) "Private nonprofit organization" means a private nonprofit organization that:

166 (i) qualifies as being tax exempt under Section 501(c)(3) of the Internal Revenue
167 Code; and

168 (ii) has a charitable purpose.

169 (b) "Private nonprofit organization" does not include an organization that provides,
170 encourages, or pays for the costs of obtaining an abortion.

171 ~~[(9)]~~ (11) "Private nonprofit special group license plate" means a sponsored special group
172 license plate issued to a contributor to a private nonprofit organization.

173 ~~[(10)]~~ (12) "Required contribution" means:

174 (a) the minimum annual contribution amount established under Subsection
175 41-1a-1603(4)(a)(iii); or

176 (b) if the sponsoring organization establishes a minimum annual contribution amount in
177 accordance with Subsection 41-1a-1603(4)(b) that is greater than the minimum
178 required contribution amount established under Subsection 41-1a-1603(4)(a)(iii), the
179 amount the sponsoring organization establishes.

180 ~~[(11)]~~ (13) "Special group license plate" means:

181 (a) a collegiate special group license plate;

182 (b) a private nonprofit special group license plate;

183 (c) a corporate brand sponsored special group license plate;

184 (d) a major league sports team sponsored special group license plate;

185 ~~[(e)]~~ (e) a sponsored special group license plate;

186 ~~[(d)]~~ (f) a state agency recognition special group license plate; or

187 ~~[(e)]~~ (g) a state agency support special group license plate.

188 ~~[(12)]~~ (14) "Sponsored special group license plate" means a license plate:

189 (a) designed for and associated with a sponsoring organization; and

190 (b) issued to an applicant in accordance with this part.

191 ~~[(13)]~~ (15) "Sponsoring organization" means an institution, a private nonprofit organization,
192 a private business, or a state agency that is or seeks to be associated with a sponsored
193 special group license plate created under this part.

194 ~~[(14)]~~ (16) "State agency recognition special group license plate" means a sponsored special
195 group license plate issued to an applicant who:

196 (a) has a special license that supports or furthers a government purpose;

197 (b) has received an honor that supports or furthers a government purpose;

198 (c) has achieved an accomplishment that supports or furthers a government purpose; or

(d) holds an elected office.

[(15)] (17)(a) "State agency support special group license plate" means:

(i) a sponsored special group license plate issued to a contributor to a state agency to support a specific state agency program; or

(ii) an existing special group license plate issued for a special interest vehicle.

(b) "State agency support special group license plate" includes a cancer support license plate created by an act of the Legislature before December 31, 2022.

Section 4. Section **41-1a-1602** is amended to read:

41-1a-1602 . Sponsored special group license plate program.

(1) The division shall establish and administer a sponsored special group license plate program as described in this part.

(2) The division shall issue to an applicant who satisfies the requirements of this part one of the following:

(a) a collegiate special group license plate;

(b) a private nonprofit special group license plate;

(c) a corporate brand sponsored special group license plate;

(d) a major league sports team sponsored special group license plate;

[(e)] (e) a state agency support special group license plate; or

[(f)] (f) a state agency recognition special group license plate.

Section 5. Section **41-1a-1603** is amended to read:

41-1a-1603 . Application requirements -- Fees -- Contributions -- Rulemaking.

(1) An applicant for a sponsored special group license plate shall submit to the division:

(a) in a form and manner that the division prescribes, a complete application;

(b) payment of the fee for the issuance of the sponsored special group license plate established under Subsection (4)(a)(i);

(c) the required contribution for the sponsored special group license plate, unless the applicant previously paid the required contribution as part of a preorder application described in Subsection [(4)] (3); and

(d) if the sponsoring organization elects to require verification as described in Section 41-1a-1604, a verification form obtained from the sponsoring organization.

(2) An applicant who owns a vehicle with the sponsoring organization's sponsored special group license plate shall submit to the division the required contribution to renew the sponsored special group license plate.

(3)(a) An applicant who wishes to obtain a new type of sponsored special group license

plate may preorder the new type of sponsored special group license plate by:

(i) submitting to the sponsoring organization associated with the new type of sponsored special group license plate a complete preorder form created by the division; and

(ii) making the required contribution to the sponsoring organization.

(b) After the division approves the sponsoring organization's request for the new type of sponsored special group license plate under Section 41-1a-1604, an applicant who submitted a preorder in accordance with Subsection (3)(a) may apply for the sponsored special group license plate in accordance with Subsection (1).

(4)(a) The division shall, in accordance with Section 63J-1-504, establish:

(i) the fee to charge an applicant for the division's costs of issuing or renewing a sponsored special group license plate or symbol decal;[-and]

(ii) the fee to charge a sponsoring organization for the division's costs of designing and administering a new type of sponsored special group license plate, in accordance with Subsection 41-1a-1604(2)(c); and

(iii) subject to [~~Subsection (4)(b)~~] Subsections (4)(b) and (6), in an amount equal to at least \$25, the minimum annual contribution amount an applicant is required to make to obtain or renew the sponsoring organization's sponsored special group license plate.

(b) A fee paid in accordance with Subsection (4)(a)(i) shall be deposited into the License Plate Restricted Account created in [~~Subsection~~] Section 41-1a-122.

(c) A sponsoring organization may establish a required contribution amount for the sponsoring organization's sponsored special group license plate that is greater than the amount established by the division under Subsection (4)(a)(ii).

(5) An applicant's contribution is a voluntary contribution for funding the sponsoring organization's activities and not a motor vehicle registration fee.

(6) Beginning on July 1, 2025, an applicant's voluntary contribution described in Subsection (4)(a)(iii) for the historical support special group license plate described in Section 41-1a-419 is \$25 which the division shall allocate as follows:

(a) \$2 to the Utah State Historical Society as the sponsoring organization; and

(b) \$23 into the Transportation Investment Fund of 2005, created in Section 72-2-124.

(7) For a fiscal year beginning on July 1, 2025, only, the division shall transfer into the General Fund \$3,500,000 from the Sponsored Special Group License Plate Fund created in Section 41-1a-1610 from funds generated by the historical support special group

license plate.

(8) The division shall provide notice indicating the allocation of the voluntary contributions described in Subsection (6) for the historical support special group license plate as follows:

(a) on or before July 1, 2025, on the division website; and

(b) beginning on July 1, 2025, and until June 30, 2026, in any email notification of a registrant's pending vehicle registration expiration described in Section 41-1a-203.

(9) An applicant for a historical support special group license plate for a vehicle that is a vintage vehicle is not required to make the voluntary contribution to obtain the historical support special group license plate.

[(6)] (10) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the commission may make rules to establish and administer the sponsored special group license plate program.

Section 6. Section **41-1a-1605** is amended to read:

41-1a-1605 . Collegiate special group license plates.

(1) A sponsoring organization that is an institution may use funds received through the sponsored special group license plate program only for:

(a) the institution's academic scholarships[-] ; or

(b) the institution's intercollegiate athletics program for compensation for a student athlete's name, image, or likeness as described in Title 53B, Chapter 16, Part 6, Use of Student Athlete's Name, Image, and Likeness in Collegiate Athletics.

(2) The state auditor may audit each institution to verify that the money an institution collects from contributors is used only for [academic-scholarships] the uses described in Subsection (1).

(3) A sponsoring organization that is an institution may establish the contribution amount required to obtain the institution's collegiate special group license plate.

Section 7. Section **41-1a-1606** is amended to read:

41-1a-1606 . Private nonprofit special group license plates -- Corporate brand sponsored special group license plates -- Major league sports team sponsored special group license plates.

(1) A sponsoring organization that is a private nonprofit organization~~[-shall]~~:

(a) shall only use funds received through the sponsored special group license plate program for the charitable purpose described in the private nonprofit organization's application submitted to the division under Section 41-1a-1603; and

(b) may not use funds received through the sponsored special group license plate program to pay the private nonprofit organization's employee salaries or benefits, administrative costs, or fundraising expenses.

(2) A private nonprofit organization may collect a contributor's personal information for the purposes of future fundraising and any required reporting, if the private nonprofit organization requires a verification form described in Section 41-1a-1604.

(3) The voluntary contribution for a corporate brand sponsored special group license plate shall be deposited into the Transportation Fund.

(4)(a) A major league sports team based in Utah may request a sponsored special group license plate as provided in this part.

(b) The sponsoring organization for a major league sports team sponsored special group license plate may elect to use voluntary contributions for:

(i) a charitable purpose; or

(ii) a contribution to the Transportation Fund.

(c) A sponsoring organization for a major league sports team sponsored special group license plate that elects to use contribution funds for a charitable purpose:

(i) shall only use funds received through the sponsored special group license plate program for the charitable purpose of an entity registered under Section 501(c)(3) of the Internal Revenue Code as described in the sponsoring organization's application submitted to the division under Section 41-1a-1603; and

(ii) may not use funds received through the sponsored special group license plate program to pay the private nonprofit organization's employee salaries or benefits, administrative costs, or fundraising expenses.

~~[(3)]~~ (5) The state auditor may audit each private nonprofit organization or major league sports team sponsoring organization that elects to use funds for a charitable purpose to verify that the money the private nonprofit organization collects from contributors is used for the private nonprofit organization's charitable purpose in accordance with this part.

Section 8. Section **41-1a-1608** is amended to read:

41-1a-1608 . Review -- Discontinuance -- Consolidation -- Report.

(1) The division shall annually review each sponsored special group license plate to determine the number of registered vehicles with each type of sponsored special group license plate during the preceding calendar year.

(2)(a) The division shall discontinue a type of sponsored special group license plate if

for three consecutive calendar years, the division's annual review shows that fewer than 500 registered vehicles have that type of sponsored special group license plate.

(b) The division shall discontinue a sponsored special group license plate under Subsection (2)(a) beginning January 1 of the calendar year following the year of the third annual review.

(3) If the division discontinues a type of sponsored special group license plate in accordance with this section, the division may not reinstate the sponsored special group license plate unless the sponsoring organization submits a request for the discontinued sponsored special group license plate in the same manner as a request for a new type of sponsored special group license plate under Section 41-1a-1604.

(4)(a) A registered owner to whom the division issued an existing special group license plate or a sponsored special group license plate that the division discontinues in accordance with this section may continue to display the license plate upon renewing the motor vehicle's registration.

(b) A registered owner described in Subsection (4)(a) is not required to pay a required contribution to the sponsoring organization associated with the sponsored special group license plate.

(5) The division may not transfer to a new registered owner a special group license plate that is discontinued under this part.

(6) Subsection (2) does not apply to a state agency recognition special group license plate that is an existing special group license plate.

(7) If two or more special group license plates collect required contributions that are distributed to the same entity or fund, the sponsoring organization or organizations may request to consolidate the license plate types for purposes of meeting the minimum threshold described in this section.

(8) On or before November 1 of each year, the State Tax Commission shall provide a report to the Revenue and Taxation Interim Committee, including:

(a) data on the amount of revenue allocated from each license plate issued under this part;

(b) the recipients of allocated revenue from each license plate, including the amount to each recipient;

(c) the number of each type of license plate in circulation; and

(d) any other information or data the State Tax Commission finds to be relevant.

Section 9. Section **41-21-1** is amended to read:

41-21-1 . Definitions.

- (1) "Autocycle" means the same as that term is defined in Section 53-3-102.
- (2) "Motorcycle" means:
- (a) a motor vehicle having a saddle for the use of the rider and designed to travel on not more than three wheels in contact with the ground; or
 - (b) an autocycle.
- (3)(a) "Street rod" means a motor vehicle or motorcycle that:
- (i)(A) was manufactured in 1948 or before; or
 - (B)(I) was manufactured after 1948 to resemble a vehicle that was manufactured in 1948 or before; and
 - (II)(Aa) has been altered from the manufacturer's original design; or
 - (Bb) has a body constructed from non-original materials; and
 - (ii) is primarily a collector's item that is used for:
 - (A) club activities;
 - (B) exhibitions;
 - (C) tours;
 - (D) parades;
 - (E) occasional transportation; and
 - (F) other similar uses.
- (b) "Street rod" does not include a motor vehicle or motorcycle that is used for general, daily transportation.
- (4)(a) "Vintage travel trailer" means a travel trailer, camping trailer, or fifth wheel trailer that is:
- (i) 30 years old or older, from the current year; and
 - (ii) primarily a collector's item that is used for:
 - (A) participation in club activities;
 - (B) exhibitions;
 - (C) tours;
 - (D) parades;
 - (E) occasional recreational or vacation use; and
 - (F) other similar uses.
- (b) "Vintage travel trailer" does not include a travel trailer, camping trailer, or fifth wheel trailer that is used for the general, daily transportation of persons or property.
- (5)(a) "Vintage vehicle" means a motor vehicle or motorcycle that:

(i) is 30 years old or older from the current year; and

[(ii) displays:]

[(A) a unique vehicle type special group license plate issued in accordance with
Section 41-1a-418;]

[(B) for a vehicle that has a model year of 1982 or older, a historical support
special group plate; or]

[(C) an original issue license plate in accordance with Section 41-1a-416; and]

[(iii)] (ii) is primarily a collector's item that is used for:

(A) participation in club activities;

(B) exhibitions;

(C) tours;

(D) parades;

(E) occasional transportation; and

(F) other similar uses.

(b) "Vintage vehicle" does not include a motor vehicle or motorcycle that is used for
general, daily transportation.

(c) "Vintage vehicle" includes a:

(i) street rod; and

(ii) vintage travel trailer.

Section 10. **FY 2026 Appropriations.**

The following sums of money are appropriated for the fiscal year beginning July 1,
2025, and ending June 30, 2026. These are additions to amounts previously appropriated for
fiscal year 2026.

Subsection 10(a). **Expendable Funds and Accounts**

The Legislature has reviewed the following expendable funds. The Legislature
authorizes the State Division of Finance to transfer amounts between funds and accounts as
indicated. Outlays and expenditures from the funds or accounts to which the money is
transferred may be made without further legislative action, in accordance with statutory
provisions relating to the funds or accounts.

ITEM 1 To Department of Cultural and Community Engagement - Heritage and Arts
Foundation Fund

From General Fund, One-time	3,500,000
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Schedule of Programs:

Heritage and Arts Foundation Fund	3,500,000
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437 Section 11. **Effective Date.**
438 This bill takes effect on July 1, 2025.