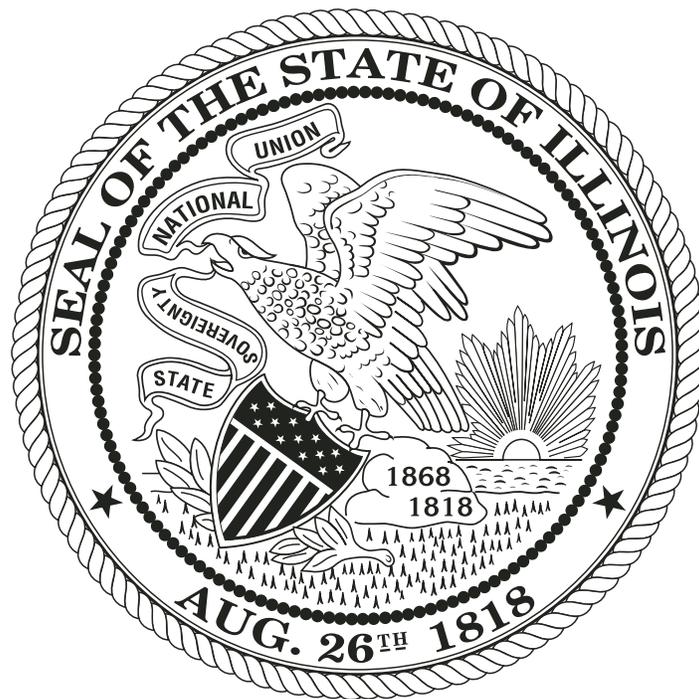


**Report to the
Members of the
94th General Assembly
on the Findings of
Senate Bill 248 (PA 94-0470)**



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On August 4, 2005, Governor Blagojevich signed Senate Bill 248 (Public Act 94-0470) which required the Office of the Secretary of State to “undertake a study to determine the feasibility of establishing a standard license plate that would (i) replace some or all special plates currently issued under the Code and (ii) identify its special plate classification by means of a sticker attached to its left side.” It further required the Secretary of State to “undertake a study of the feasibility of identifying, on the license plates issued to any vehicle of the First Division, the county in which the vehicle is registered, by use of a registration sticker or some other device or method” as well as “undertake a study of the feasibility of permitting the attachment of a special plate to the front of a vehicle of the First Division or a vehicle of Second Division weighing 8,000 pounds or less and the attachment of a standard registration plate to the rear of that vehicle”.ⁱ The legislation further stated that the study contain cost estimates and comparisons and that the findings of the study be reported to the Governor and members of the General Assembly by March 1, 2006.

For the purposes of this study, the report has been divided into three sections: (1) current use of specialty plates and the proposed use of a universal specialty plate; (2) use of a county code identifier on Illinois license plates and (3) use of a combination specialty front plate and regular license plate on the rear.

Secretary of State White sought the input and participation from professionals in the Illinois Secretary of State’s Office involved in the vehicle plating and registration processes. These professionals, with a combined 85+ years of experience in the field, reviewed Senate Bill 248 (PA 94-0470) and identified a variety of issues related to the

proposals contained in the legislative language. Each aspect was discussed, analyzed and assessed from different perspectives to identify the substantive and monetary impact they would have on the Office of the Secretary of State and the State of Illinois.

In addition to professionals within the Secretary of State's office who participated, the group also sought and obtained the perspectives of outside resources. A law enforcement survey was sent to Illinois county sheriffs, Illinois State Police district commanders, the President of the Illinois Chiefs of Police Association, and the Director of the Illinois Secretary of State Police. A second committee-drafted survey was sent to the agencies or departments across the nation that are responsible for the administration, manufacture and distribution of license plates. The information obtained from these surveys will be referenced at various locations throughout this report and a copy of the surveys and a summary of the responses received is attached to this report and incorporated as Appendix A and Appendix B respectively.

USE OF SPECIALTY PLATES VS. UNIVERSAL SPECIALTY PLATE

History of Specialty Plates in Illinois

For the purposes of this report, the numerous specialty plates currently offered to Illinois consumers will be divided into three categories (1) military service license plates (2) non-military service license plates and (3) license plates for persons with disabilities. It is the belief of the Secretary of State's office that the intent of Senate Bill 248 (PA 94-0470) was to address the issuance of a universal specialty plate for those license plates deemed non-military service specialty plates.

On July 1, 1997, the Universal Charitable License Plate statute went into effect (PA 89-0564, House Bill 3367), having been passed by the General Assembly and signed by the Governor in 1996. This legislation called for a one-time only fee collected at the initial purchase of the license plate, which would then be forwarded to various charities. Despite the passage of the legislation, the Secretary of State has not issued any plates under this statute due to lack of interest by Illinois charities.

New non-military service specialty license plates continued to be issued after the passage of the Universal Charitable License Plate legislation, due to the passage of legislation by the General Assembly, to promote various causes and honor certain groups of individuals.

The military and disability plates which would not fall under the study of Senate Bill 248 (PA 94-0470) are:

Armed Forces Reserve	Army Combat
Bronze Star	Disability/Handicapped
Disabled Veteran	EX-POW
Congressional Medal of Honor	Gold Star
Hearing Impaired	Korean War Veteran
Marines	National Guard

Pearl Harbor Survivor
Purple Heart
Silver Star
Vietnam Veteran
World War II Veteran

POW/MIA
Retired Armed Forces
US Veteran
West Point Bicentennial

Those specialty plates currently in distribution, which may be impacted through action taken by the General Assembly based on the findings of this report, include:

Alpha Kappa Alpha
Amateur Radio
Collegiate Series
Education
Firefighters Memorial
Illinois-Michigan Canal
Master Mason
Organ Donor Awareness
Pet Friendly
Route 66
Surviving Spouse of a Firefighter
Violence Prevention

Alpha Phi Alpha
America Remembers
Delta Sigma Theta
Environmental
Hospice Support
Mammogram Saves Lives
Mayoral
Park District Youth Programs
Police Memorial
Sportsmen Series
Surviving Spouse of a Police Officer
Wildlife Prairie Park

Numbers and Statistics on Illinois Specialty License Plates

Fiscal Year 2005 will see over \$3.8 million in fees collected for various charitable and special funds through the issuance of specialty license plates. The license plates discussed in this report and possibly impacted by proposals contained in Senate Bill 248 (PA 94-0470) generate \$3.7 million of these fees. For a complete list of all the specialty plates currently in distribution in Illinois along with the number of current registrations and the amount of money generated for each of the special funds, please see Appendix C.

Identification Problems with Specialty Plates By Law Enforcement

As indicated earlier in this report, the Office of the Secretary of State conducted a survey of law enforcement officials, including county sheriffs, Illinois State Police district commanders, the President of the Illinois Chiefs of Police Association and the Director of the Illinois Secretary of State Police. In the survey, the general consensus

among these professionals concluded that a problem existed in the identification of specialty plates during traffic stops and the commission of crimes. Almost 50% of those surveyed indicated that identification was a major problem due to the proliferation of specialty plates currently on registered vehiclesⁱⁱ. These identification problems lead to difficulties in recognizing the different types of plates and the inability to identify the correct registered owner of a vehicle when using the Law Enforcement Agencies Data System (LEADS). When asked about the impact of a universal plate design for all specialty plates, the overwhelming response was that it would make identification of vehicles easier.

Specialty Plates in Other States

While Illinois has a variety of specialty plates on our highways, it could be considered fairly conservative in the number of available types when compared to some other states. In the nation-wide survey conducted by the Secretary of State's office, the top five states producing the largest variety of specialty plates are Maryland (664), New Jersey (290), Virginia (180), Oklahoma (156) and Pennsylvania (111). Those states producing the least variety of specialty plates are: North Dakota (2), Wyoming (3), Nebraska (3), New Mexico (6) and California and Oregon (9). In the states producing the largest variety of plates, four of the five states use statute in order to initiate production of a particular plate. Only Pennsylvania uses both statute and administrative rule regarding issuance.

Right of Retention and Reassignment on Specialty Plates

Should the State of Illinois decide to adopt the use of a universal specialty plate over the individual specialty plates currently available, the issue of license plate retention

and reassignment will have to be addressed. Illinois law currently allows for the holder of any type of license plate to retain their current alpha/numeric series should they so desire. Currently, there are several specialty license plates that have the same alpha/numeric series. These plates are differentiated from one another by the suffix or prefix code displayed on the plate. By consolidating these categories, those codes would be eliminated and cause overlapping numbers. In these cases, the legislature will have to adopt a method or provide powers to the Secretary of State to adopt a method to determine who will be allowed to keep a particular alpha/numeric series on the universal specialty plate when they appear on more than one of the individual specialty plates.

Another consideration for the members of the General Assembly is the financial impact on the various charitable and not-for-profit organizations should the state abolish the individual specialty plate program. Many organizations are provided with generous financial support by the issuance of their particular specialty plate. Should the state terminate the individual specialty plates, charitable and not-for-profit organizations may see a decrease in the amount of financial support they currently receive.

Replating Entire Inventory of Specialty Plate Vehicles

One of the biggest financial impacts that will face the Secretary of State's office should a universal specialty license plate be implemented is the cost needed to replat the entire population of vehicles currently displaying some form of specialty plate. Currently, there are approximately 150,600 specialty plates, excluding military service-related license plates, on vehicles registered in the state of Illinois. Estimated costs to replat these vehicles would exceed \$1 millionⁱⁱⁱ.

Use of Decals as Charitable Identifiers on Universal Specialty Plates

The proposal in Senate Bill 248 (PA 94-0470) to use a charitable identification decal on a universal specialty plate already has precedent in the State of Illinois. The Secretary of State's office currently offers a Universal Veteran License Plate for military veterans, retired or in the active service^{iv}. There are currently over 19,000 universal military plates in circulation throughout the state. The Universal Military Plate is designed to allow registrants to display a decal on the license plate promoting a particular war or branch of service. The Universal Military Plate is manufactured and distributed through the Secretary of State's office to qualified registrants, however, the specific decals are offered through a third party, specifically the American Legion.

The distinction between the Universal Military License Plate and decal and the proposed Universal Non-Military Specialty License Plate and decal is the distribution and collection of decals and charitable fees. Should the General Assembly decide to use a universal specialty plate and decal system for their non-military service specialty plates, many questions and concerns will need to be addressed by the Secretary of State's office and the members of the Illinois General Assembly on the distribution of decals and collection of fees.

Fiscal Impact on Charities and Not-for-Profit Organizations

The decision with the biggest potential impact on the proposed Universal Specialty Plate is the distribution of the fees generated from the charitable decals. The current legislation for the Universal Specialty Plate allows for a one-time fee to be collected at the initial purchase of the license plate. This is also the model that could be most easily implemented. Currently, all specialty plates generate fees at the initial

purchase and through an annual fee collected at renewal. Reverting to a Universal Specialty License Plate with a charitable fee collection at the time of issuance only would have a multi-million dollar impact on those charities currently being supported through the Specialty Plate Program. Possible losses ranging from \$100,000 to \$1 million annually, depending on the number of specialty license plates currently issued for an individual charity or not-for-profit organization, could be expected. It is likely a majority of the charities and not-for-profit organizations currently receiving support through the Specialty Plate Program would be opposed to any legislation changing the current system of collection.

A solution to the problems this option presents is to allow the charitable fee to continue to be collected at both issuance and renewal, however, this would require a legislative change as the Secretary of State is currently only directed to collect at issuance under the Universal Specialty License Plate legislation.

Decal/Sticker Distribution

There is an additional problem that presents itself with the Universal Specialty Plate and the use of designating decals for the charitable companies and not-for-profit organizations, and this is the process for distribution of the decals used to support the various programs. Specifically, questions need to be addressed about the manufacture and distribution of the decals for the Universal Specialty Plate. The Secretary of State currently has 24 Vehicle Service Facilities throughout the state which sell license plates and renewal stickers including some random issue specialty plates. The collection of fees and distribution of stickers at Vehicle Service facilities would require the Secretary of State's office to have a substantial inventory of each sticker available at the 24 facilities

as well as a general restocking inventory in Springfield and Chicago. This would mean an additional cost to this agency and the people of the state of Illinois. It is estimated by the Secretary of State's Vehicle Services Department that approximately 250,000 decals would need to be available in the agency's inventory on an annual basis. The estimated cost of manufacturing 250,000 3 1/2" round or square vinyl stickers with ultraviolet ink and with a 5-6 year service life for universal specialty plates is approximately \$152,734 for the first year of issuance. This high cost is assuming that all holders of specialty license plates would have a set of new Universal Specialty Plates issued to them, along with the identifying charitable decal. Subsequent year cost estimates are approximately \$34,100 for the required inventory.

As well as inventory issues, it is also deemed that a monthly inventory reporting system would have to be implemented to monitor the distribution and use of the decals which would include the ability to match the particular charitable decal with the specific universal specialty plate number. The system would have different requirements than the inventory system currently in place for regular passenger license plates which match the inventory number of the renewal sticker with the assigned license plate number. The inventory system will also have to be adapted to reflect the ability of the consumer to change decals on an annual basis should they choose to do so. Currently, the consumer does have the ability to change specialty license plates annually should they choose to pay the additional cost, but it is anticipated by giving the consumer the ability to simply change decals to promote a different organization on an annual basis may substantially increase the number of changes on an annual basis. The cost of the programming and

implementation of this inventory system cannot be determined at this time but could be substantial.

An additional issue that will need to be addressed should a Universal Specialty Plate be used is the tracking system currently in place in the Secretary of State's office. Under the current specialty plate program, each organization's specialty plate is assigned a one or two-alpha letter as part of the license plate identification and said letter(s) appear on the face of the specialty license plate (i.e., Organ Donor is DN, Environmental is "E", Prevent Violence is "PV"). The alpha sequence is part of the internal tracking system in the Secretary of State's office which is also used by LEADS to assist law enforcement in the registration identification. Should the members of the General Assembly decide to discontinue the current Specialty Plate Program and begin using a Universal Specialty Plate, programming changes in the Secretary of State's computer system will need to be established to assist in the identification process of a Universal Specialty Plate.

Another option would be to model the program more similar to the Military Specialty Plate Program. This would require the organizations to distribute their own stickers/decals and collect their own money. Under this option, the organization could issue a new sticker each year to ensure revenue and renewal.

Enforcing Display of Decal/Stickers

Enforcement of displaying a charitable decal on a Universal Special Plate may also impact the fiscal support for charitable and not-for-profit organizations. The Secretary of State's office has encountered this type of problem with the Universal Military Plate. Over the last five years, the Secretary of State's office has replated all categories of license plates in the State of Illinois including the Universal Military Plate

which allows space on the license plate for the identifying decal. As indicated in this report earlier, decals for the Universal Military Plate are purchased through a third party and not with the Secretary of State's office. During the Universal Military Plate replating process, a noticeable reduction (approximately 50 percent) in the purchase of the identifying military decals has been reported to our office through the American Legion where the decals are available. There is no statutory requirement for the Universal Military Plate to display a decal. Without this statutory requirement, the Secretary of State's office has no authority to require vehicle registrants purchasing a Universal Military Plate to purchase the military decal. The precedent of consumers not repurchasing decals for the Military Specialty Plate after the replating process would seem to indicate that the same issue could befall a Universal Specialty Plate to the detriment of the charitable and not-for-profit organizations.

COUNTY IDENTIFIER DISPLAYED ON LICENSE PLATE

Senate Bill 248 (94-0470) asked the Secretary of State's office to research the "feasibility of identifying, on the license plate, issued to any vehicle of the First Division, the county in which the vehicle is registered, by use of a sticker or some other device or method."

Information from Other States

The research committee for Senate Bill 248 (94-0470) identified at least eleven states where the county of registration is displayed on the face of the license plate. These states are: Alabama, Florida, Idaho, Indiana, Iowa, Kansas, Kentucky, Mississippi, Ohio, Tennessee and Wyoming. In a follow-up survey to these eleven states, they indicated several variations in their methods of identifying the registration county on a licensed vehicle including: (1) embossing or printing the name of the county on the face of the license plate; (2) attaching a decal or sticker to the license plate that displays the name of the county; and (3) using a "county key indicator" displayed, in some fashion, on the face of the license plate. Each of the eleven states use the following methods:

Alabama	- County Key Indicator Embossed on the License Plate
Florida	- Name of County Embossed on License Plate Sticker with County Name Adhered to License Plate
Idaho	- County Key Indicator Embossed on the License Plate
Indiana	- County Key Indicator Embossed on the License Plate
Iowa	- Name of County Printed (plates are not embossed) on License Plate
Kansas	- County Key Indicator Sticker Adhered to License Plate
Kentucky	- Sticker with County Name Adhered to License Plate
Mississippi	- Name of County Embossed on License Plate on Standard Plates Sticker with County Name Adhered to License Plates on Specialty Plates
Ohio	- County Key Indicator Adhered to License Plate
Tennessee	- Sticker with County Name Adhered to License Plate
Wyoming	- County Key Indicator Embossed on License Plate

It is imperative that the members of the General Assembly realize in reading the following information about the use of the county name on the license plate that all of these states are mandated to collect vehicle registration renewals at the county level of government, unlike Illinois where registration fees are collected at the state level. In other words, there is not a workable example of a state that collects registration fees at the state level using a county identifier. Obviously moving fee collections for vehicle registrations would have a tremendous impact on many parts of state government so the focus of our study would be creating a new model.

Fiscal Impact of Embossing vs. Decals/Stickers

There are approximately 8,050,000 vehicles which fall under the pertinent language of Senate Bill 248 (PA 94-0470). To require the embossing of a county identifier on vehicles with Illinois license plates that fall under this category would require the replating of these eight million vehicles at a cost of approximately \$66 million.^v

The costs for adhering a decal to the license plate are substantially less than the costs of replating 8 million vehicles. It is estimated that the cost for manufacture, distribution, postage and handling of a decal or sticker to be \$0.75 per sticker for a total cost of \$6,037,500.

In addition to the most obvious costs of this proposal, there are also other costs and issues to be discussed and evaluated.

400,000 Change of Addresses Annually

Reports from the Secretary of State's Department of Information Technology (DoIT) indicate that owners of approximately 400,000 vehicles move from one county to

another during a calendar year. Each of these 400,000 vehicles would then have to have their registrations changed, as currently required by law, but the vehicle owners would also have to obtain either a new license plate with the embossed county name or a new sticker/decals with the county name.

Fiscal Impact to Consumer

Under current law, the cost to the consumer would be an additional \$29.00^{vi} each time a new embossed license plate was needed for a total cost of \$11.6 million for the 400,000 changes in registration.

As the Secretary of State's office has never established a fee for a simple change of address on a vehicle registration, all expenses incurred for the production, distribution and postage for getting a new license plate to the consumer would be incurred by the Vehicle Services Department.

The cost for the decal/sticker proposal would be minimal to the consumer; however, the consumer would be required to take the time to visit a Secretary of State facility or other distributing branch to get an updated decal/sticker for their vehicle(s). In the case where the consumer changes their address via the Secretary of State's Web Site, the cost for production, distribution and postage of getting a new county sticker to the consumer would be incurred by the Vehicle Services Department.

Fiscal Impact to the State

The incurred costs to the Secretary of State's Office would be substantial using either the embossed license plate or the decal/sticker adhered to the plate. It is calculated that the embossed license plate proposal would cost approximately \$66 million, as the proposal would make it necessary to replating the entire population of vehicles that fall

under the criteria set forth in Senate Bill 248 (94-0470). It is also estimated that approximately 70% of the registrants would require a temporary registration sticker (TRS). At a total cost of \$0.15 for each TRS, the total cost for this portion would be approximately \$845,250. Further, the 400,000 address changes for vehicles is estimated to be approximately \$1,640,000 (this is using the manufacture cost of \$4.10 per set of plates) and the postage and handling for mailing these new license plates is approximately \$300,000. The final cost for the embossed license plate proposal would be \$193,000 in expenses at Macon Resources, Inc. for the manufacture of custom dies needed to emboss the 102 different county names on the license plates.

The costs to the state for a decal/sticker county identifier would be substantially less but still contains a fiscal impact to the state in the amount of approximately \$6.33 million. These expenses are calculated with 8,050,000 county stickers needed for every license plate at \$0.75 per set of stickers issued (\$6,037,250) and the 400,000 changes of address stickers needed at an additional cost of \$300,000.

These cost calculations for embossed plates or decal/stickers ONLY provide for the cost of updating the existing vehicles currently on Illinois roadways. It does not reflect the costs the Secretary of State would incur in order to keep the many different embossed county-name plates, or different separate county-name stickers in stock to fulfill facilities needs with the 60 types of First Division plates currently in use and distributed at each of the Secretary of State's locations.

The cost analysis also does not cover the cost of printing and stocking enough decal/sticker inventory under the county decal/sticker option. Enough decals would need to be printed to stock all Vehicle Service facilities with an inventory of all 102 county

stickers so consumers would be able to purchase their appropriate county sticker in any county throughout the state. The option of printing the county decal/sticker on demand, as a consumer orders it, is an option that can be pursued, however, other states using this type of distribution system have indicated that the service life for “print on demand stickers” is substantially less (2-3 years) than stickers not printed on demand.

Other Issues To Be Considered

Currently, the Secretary of State’s office estimates there are thousands of vehicles not registered in the owner’s county of residence. This may occur for a variety of reasons including sales tax implications, residency issues including vacation homes, and emission testing policies for the county, to name just a few. The Secretary of State’s office does not have the technology or police power to verify or enforce that vehicle owners use their home address when registering their vehicles. At best, the Secretary of State can verify that the address used to register the vehicle is a deliverable address used by the United States Postal Service for mail delivery.

Use of a “County Key Indicator”

An option to be discussed as an alternative to the use of the county name on an Illinois license plate is the use of a “county key indicator.” This is an option used in several of the above-mentioned states. The “county key indicator” is a two or three digit number or a two or three alpha sequence displayed on the face of the license plate that indicates the county of residence of the vehicle owner.

In the states surveyed for this report where a county key indicator is used, there are two options available. The first is a decal/sticker with the two or three-digit number or alpha sequence displayed in one of the corners on the face of the license plate. This

decal/sticker would allow law enforcement and other interested parties to be able to quickly identify the county of registration of the vehicle to help in identification of the registered owner. This option is used in the State of Ohio which, of the states using the county key indicator, is most comparable with Illinois in geography and population.

The second option is to incorporate the county key indicator into part of the actual license plate number. In states where the population is far less than Illinois, such as Alabama, Indiana, and Wyoming, the county key indicator is part of the registered license plate number. Because Illinois has a much larger vehicle registration population than Alabama, Indiana and Wyoming, it is probably the least feasible of the two options.

The fiscal impact for either of these options is going to be comparable to the fiscal impact of using the entire county name on the license plate. The decal/sticker option would require a cumbersome inventory for the Secretary of State's office and third party distributors of registration renewals as they would be required to keep inventory for all 102 Illinois counties at all distribution locations. In addition, the Secretary of State's office would be required to keep an inventory in stock in Springfield and Chicago for the resupply of these distribution facilities. The second option of using the county key indicator as part of the actual license plate number would require a complete replating of the vehicles designated in this proposal with costs comparable to those estimated for replating the entire population to emboss the full name of the county on the license plate.

Possible Loss of the "Land of Lincoln" logo on the Illinois License Plate

In order for space to be made available for the display of the county name, either during the embossing process or with a decal/sticker, the members of the General Assembly will have to address the use of the current "Land of Lincoln" symbol at the

bottom of the Illinois license plate.^{vii} The Secretary of State's office does not support or condone the elimination of this feature from the license plate, but, at present, there does not appear to be any other available space on the face of the license plate for the display of a county name by any process.

Law Enforcement Support

When asked in the Secretary of State's law enforcement survey about the possibility of including the name of the county on a license plate, their answer was overwhelming supportive.

FRONT SPECIALTY PLATE WITH REAR STANDARD PASSENGER PLATE

Another of the proposals put forth in Senate Bill 248 (PA 94-0470) was to use the front license plate as a specialty plate (whether universal or individual specialty plate) and a standard license plate in the rear license plate area for First and Second Division vehicles weighing 8,000 pounds or less.

When studying the issues put forth on this particular proposal, two options are available: (1) using the front plate as a Universal Specialty Plate with an identifying charitable decal or (2) using the front license plate as an individual specialty plate for legislatively authorized charitable specialty plates.

Using the front license plate area for a Universal Specialty Plate with an identifying charitable decal and the rear plate as a standard identifier with an alpha/numeric sequence of numbers creates several questions that should be addressed in this report and possibly through further legislative action if necessary. An unnumbered Universal Specialty Plate only displaying an identifying charitable decal would prevent the Secretary of State's office from having to initiate a dual numbering identification system for one registered vehicle. In this instance, the alpha/numeric sequence displayed on the rear license plate would be the identifying tag for the registered vehicle.

Should the proposal consider using an alpha/numeric sequence on the front Universal Specialty Plate and a differing alpha/numeric sequence on the rear standard plate, the Secretary of State's office would have to track two registration numbers for every qualifying vehicle currently on Illinois' roadways.

Alternately, it could be proposed to allow for both the front and rear plates to have a matching alpha/numeric sequence with the front plate being a Universal Specialty Plate

design reflecting the support for a charitable or not-for-profit organization and the rear to be a standard license plate. To pursue this initiative, several changes would have to occur in the current specialty plate specifications, the most significant of which would include art design changes so the front specialty plate can display up to eight characters as the standard Illinois license plate currently offers this capability.

Right of Retention and Reassignment Issues

Pursuing this proposal would also require those currently holding a vanity or personalized specialty license plate to possibly lose their vanity or personalized status as the sequence of numbers may already be assigned to another individual holding a standard passenger plate. For instance, there are currently two Environmental Specialty Plates displaying the sequence “CUBS” and “SOX” and these same sequences are also displayed on the Violence Prevention Specialty Plate. By exercising the statutory language in the current Universal Specialty Program (in any of the proposals in Senate Bill 248), two of the four holders of the “CUBS” and “SOX” sequence would lose their preferred license plate numbers.

Production and Distribution Issues

The production and distribution of this dual front specialty plate/standard rear plate proposal, in any of the options put forth above, would require the Secretary of State’s office to match and track this dual plate system for the purpose of matching two differing plates displayed on the same vehicle. Current inventory and database files would need to be replaced to accomplish this goal. The cost of such action would be substantial.

Fiscal Impact on Charities

Another issue that must be addressed with outside groups is the possible impact the dual plate system would have on fundraising for charitable and not-for-profit organizations. When other states were surveyed on this proposal, all responses indicated that the individual issuing agencies had not been offered this initiative in their states, and there did not seem to be any indication that any of them would be pursuing it in the near future. Therefore, this report could not accurately predict the fiscal impact on charities and not-for-profit groups.

As a final comment on this proposal, law enforcement groups were surveyed about this type of change to the specialty plate program and the overwhelming response was negative. The majority of the officers and agencies responding to our survey indicated that identification of a vehicle during a traffic stop or a vehicle used in the commission of a crime would be compromised by a dual plate system, therefore, pursuit of this initiative by the General Assembly may incur a negative reaction from law enforcement groups.

LEGISLATIVE CHANGES REQUIRED FOR IMPLEMENTATION

In all of the proposals put forth in Senate Bill 248 (Public Act 94-0470), legislative changes will need to be made to either enhance or abolish existing Illinois laws in the Vehicle Code. It is clear that there are valid concerns among the members of the General Assembly and law enforcement about the abundance of specialty license plates currently on Illinois' roads. Before reviewing what specific changes would have to be made in order to implement any of the proposals, perhaps other legislative measures can be initiated to address the over abundance of the variety of specialty plates. Some of these measures could include requiring some type of bond or security by the sponsoring organization to cover the initial start up costs for design and manufacture and allowing the Secretary of State the ability to recall specialty plate types that do not meet minimum issuance numbers within a reasonable time frame. Regardless of these potential measures, the General Assembly will have to address a myriad of legislative statutes before any of the proposals contained in Senate Bill 248 (PA 94-0470) could come to fruition. The following information contains those issues and statutes the Secretary of State's office has identified.

Legislative Changes for Universal Specialty Plate Issuance

Legislative changes found by the Secretary of State's office that would need to be addressed to permit the use of one standard specialty license plate on the front and back of a registered vehicle include, but are not limited to, (1) the dissolution of statutory language allowing for the production of each of the existing specialty plates; (2) dissolution of the right of retention and reassignment statute by current license plate owners; (3) statutory language to clarify how and when fees are collected and disbursed

for charitable and not-for-profit organizations under the current Universal Specialty Plate law; and (4) how and by whom the disbursement of specialty plates and decals are to be handled.

Legislative Changes for Use of Front Specialty Plate and Rear Standard Plate

Legislative changes found by the Secretary of State's office that would need to be addressed to permit the use of one universal specialty license plate on the front and a standard license plate on the rear of a vehicle include, but are not limited to, (1) the change of statutory language to allow the display of two different types of plates on one registered vehicle; (2) dissolution of the right of retention and reassignment statute by current license plate owners; (3) clarification of language in the requirements for issuance of differing license plates on the same vehicle; (4) clarification of how and when fees are collected and disbursed for charitable and not-for-profit organizations; and (5) how and by whom the disbursement of specialty plates and decals are to be handled.

Legislative Changes for Placement of County Identifier on License Plates

Legislative changes found by the Secretary of State's office that would need to be addressed to permit displaying the name of the county of residence for a registered vehicle include, but are not limited to, (1) changes in current statutory language to permit the display of the county name (by embossment or a decal/sticker) and the location for the placement of the identifier (2) possible changes in the statute to eliminate the "Land of Lincoln" slogan currently displayed on the face of Illinois license plates; and (3) changes to the current statutory language requiring a change of address within a period of time to the Secretary of State's office, and clarifying whether new license plate and registration stickers will have to be purchased by the vehicle owner reflecting his or her

new county of residence.

CONCLUSION

Through the passage of Senate Bill 248 (PA 94-0470), the members of the General Assembly have voiced an interest and concern in the proliferation of specialty license plates currently on Illinois' roadways. The passage of this legislation is not the first time this subject matter has been addressed by the General Assembly.

In 2002, the House of Representatives adopted Floor Amendment No. 5 to Senate Bill 1588, sponsored by Representative Mike Bost. This legislation required 1,500 pre-paid applications or a performance bond to cover costs prior to the production of a specialty license plate as well as allowed the Secretary of State to recall categories of specialty plates that fell below a specified threshold. The Senate non-concurred on the House Amendment and no further action was taken before the Sine Die Motion for the 92nd General Assembly.

In 2003, Representative Bost again sponsored legislation, House Bill 11, which contained essentially the same language as Floor Amendment 5 to Senate Bill 1588. The legislation passed the House of Representatives but was not acted upon in the Senate.

As is clear throughout the content of this report, the Secretary of State's office makes no recommendations on any of the proposals contained in Senate Bill 248 (PA 94-0470). However, the members of the General Assembly should also keep in mind when considering any of the ideas contained in Senate Bill 248 (PA 94-0470) that a substantial amount of time may need to elapse between the passage of any legislation and the production of any license plates containing the concepts of Senate Bill 248 (PA 94-0470). This time may be as long as two years.

The members of the General Assembly outlined three initiatives for further research and development by this office and this report hopefully meets the expectations and requirements outlined therein.

ⁱ This language is taken directly from Senate Bill 248.

ⁱⁱ Other identification factors indicated by law enforcement include the issuance of Illinois Special Event Plates (approximately 150 per year and active for 60 days) and confusing Illinois special event plates with license plates from other states.

ⁱⁱⁱ The costs associated with replating different plate classifications will vary. Detailed information on the cost of replating specialty plates is available upon request.

^{iv} It should be noted that despite the passage of the Universal Veteran License Plate legislation, language to allow for the distribution of individual military specialty plates has been adopted by the General Assembly. The license plates currently in circulation on Illinois roadways include Vietnam Veterans, World War II, West Point Bicentennial, Army Combat and US Marine Corp.

^v The costs associated with replating different plate classifications will vary.

^{vi} Per legislation that went into effect March 1, 2005, the cost of a replacement set of plates was increased to \$9.00 and the cost of a replacement registration sticker was increased to \$20.00.

^{vii} 625 ILCS 5/3-412(b) requires the phrase “Land of Lincoln” to appear on Illinois license plates.

Law Enforcement Survey

Legislation passed last year by the Illinois General Assembly and signed by the Governor requires the Secretary of State's Office to conduct a study on various potential changes in Illinois vehicle registration and license plate policies & procedures. Below please find questions designed to get the opinion of law enforcement on a number of these potential changes. Please take a moment to complete the survey on behalf of your department.

- 1) What type of impact does the variety of Specialty plates available in Illinois have on law enforcement?**
 - 35 major problem
 - 41 minor problem
 - 6 no problem

- 2) Which of the following are most true of specialty plates in Illinois (check as many as fit)**
 - 69 Too many specialty plates make them hard to recognize
 - 50 The colorful designs sometimes make them hard to identify
 - 64 The number of plate categories makes it more difficult to look up plates on LEADS
 - 5 Specialty Plates pose no major problem for law enforcement

- 3) What effect would having a specialty plate on the front of a vehicle with a standard multi-year plate on the back have on law enforcement?**
 - 21 make it easier
 - 53 make it more difficult
 - 6 have no effect
 - 2 no answer

- 4) What effect would having a single design for all specialty plates and allowing motorist to support various causes by placing a decal(s) on their plate have on law enforcement?**
 - 62 make it easier
 - 7 make it more difficult
 - 12 have no impact
 - 1 no answer

- 5) How helpful would it be to law enforcement to have the home county identified on Illinois license plates?**
 - 42 very helpful
 - 30 somewhat helpful
 - 9 not helpful
 - 1 no answer

- 6) Which of the following options for identifying a vehicle's home county would be helpful?**

55 embossed in the plate
6 a sticker opposite the expiration date
19 a larger sticker on the bottom middle
2 no answer

- 7) **Some states have gone to license plates that have the numbers printed rather than embossed. What impact to these printed flat plates have on law enforcement?**
- 6 make it easier
 - 33 make it more difficult
 - 42 have no impact
 - 1 no answer

Follow up questions for Specialty Plates with county identifier

1. Are customers who reside in one county allowed to renew plates in a county other than their county of residence?

AL: No. Registrants are required by law to register in the county in which they reside.

ID: Yes

KS: No.

MS: No

NE: No. They must renew their plates in their county of residence. If the county of residence changes, a new set of plates with a new county identifier is issued at time of renewal.

OH: Yes. In Ohio, we have 215 contracted agents who issue vehicle registrations. We provide them with numerical stickers for each of our 88 counties. Anyone can go to any agent and register their vehicle(s). Fees may differ (since local communities can assess permissive taxes which we will collect on their behalf during the registration process) but our software calculates the proper fees based upon the location of the vehicle. We added geocoding functionality to our system several years ago, which was important. When you have municipalities straddling county lines (we have several cities in 3 counties, and numerous cities in 2 counties), it is not surprising that some people have no idea which political subdivision they reside in. In the future, we will be printing the numerical county sticker on demand and will be eliminating the need for 88 different county stickers.

TN: No.

2. If yes to previous question, how do you determine the amount of individual county stickers to stock at one location to meet the needs of renewals from outside that particular county?

AL: n/a

ID: County identifiers are actually part of the plate identification sequence. Idaho has 44 counties and the first 1-2 characters of the plate identify the county in which it was issued. (i.e., Ida County is 1A, Adams County is 2A, Bannock County is 1B). The identifiers increment by one for the next alphabetical county. Three counties are only identified with one character, V for Valley County, as there is only one county beginning with the letter V. County identifiers are set in statute and code.

KS: n/a

MS: n/a

NE: n/a

OH: We have an inventory program that projects usage based upon past sales. As you can expect, demand varies greatly for each of the 88 stickers depending on the location of the selling agent. The print on demand

system for printing stickers is intended to improve upon this system.
There is a lot of waste under our current program.

TN: n/a

3. Why has your state made the determination to put the county name or identifier (in any form) on the license plate?

AL: Using the county pre-fix designator on the license plates increases the “available” numbers for issuance. This way we are able to use the same series of license plate numbers with a different county prefix.

ID: This has been a statute for many years and was previously used by law enforcement to help identify where a driver may be from. (This is no longer relied upon a much, due to the proliferation of many specialty plates which do not have county identifiers on them)

KS: Kansas statute has required the county designation for many years. When deleting the county designation has been raised as an issue, our legislators have failed to support the change. Additionally, law enforcement reports that county designation is very helpful when making vehicle stops and follow-ups. LE is opposed to elimination of county designator decals. Years ago, the county designation was embossed into the tag. This made it impossible to move tags from one county to another, if low inventory occurred. By placing the county designation into a decal, plates may now easily be moved from one county to another if needed.

MS: Because the mileage rates vary so much from county to county.

NE: This statutory requirement began in 1954 so original reasons are unknown. I can say that today it is needed because we have a local property tax that is collected as part o the registration process. If the registrations were allowed outside of the county of residence, a process for distribution of the funds would be needed.

OH: Law enforcement, community block watch and crime programs felt it provided valuable information and alerted people to be more observant. This was a little controversial when debated in our legislation (i.e., should drivers and vehicles be subject to scrutiny just because they are from out-of-county?) Also, snowbirds and travelers from Ohio observed other states doing county stickers and we used to get comments from people asking why we don’t since they thought it was fun to interact with other people from their area of the state when traveling and the county sticker gave them a heads up as to which part of Ohio the other travelers were from.

TN: To aid law enforcement in apprehending suspects and to help counties track wheel tax and emissions requirements.

4. If you are a state that uses a sticker or decal to identify the county of registration (rather than having the name adhered to the plate during production), do the stickers or decals have security features to prevent theft? If so, what type(s) of

features are used? Are these the same type of features as you would use on the renewal sticker adhered to the license plate?

AL: Our license plates are stamped with the county designator on all standard license plates. (This does not include distinctive or personalized plates). In addition, we also provide a “month” and “year” validation decal for each county to issue with the license plate. Each “year” decal has an inventory/serial number assigned with the county designator prefix printed on the decal. This validation decal inventory/serial number is placed on the registration document for enforcement purposes. We do not have any type of security feature on our validation decals.

ID: n/a

KS: Our stickers are purchased from the 3M Corp., and are created utilizing the thermal transfer method of production. We have not asked for specific security features to be included in our decals. The decal material itself and the ink ribbons used in their production have provided sufficient security for our needs. The largest problem associated with decals is generally the theft of a decal from a plate, which would not be eliminated or improved by adding a security feature to the decal. Adding a security feature to the decal may deter fraudulent reproduction of decals; however, we have not been made aware of any significant issues in that area, in Kansas.

MS: On regular plates the county is embossed, which is over 2 million or the majority of the plates issued in Mississippi. The 500,000 specialty plates have a county number via a decal placed at the top right on those tags. These decals do not have a security feature.

NE: n/a

OH: Self-destruct when attempted to be removed from vehicle plate. No other features. We are unaware of any theft problems with county identification stickers.

TN: Security code features are printed on the plating the sheeting, class code information and barcode.

5. What is the cost for production of the sticker or decal with county name or numerical county code designation?

AL: The Alabama Department of Corrections manufactures our validation decals (month/year) at a cost to the Department of Revenue of approximately \$0.26 per decal sent.

ID: n/a

KS: Materials: \$.0496 per sticker. Labor to produce: \$.0272 per sticker, which includes the cost of shipping finished decals to the counties. Kansas is currently looking into point of purchase decal production method; however, that would only affect month and year decals, not county decals.

MS: 3.3 cents

NE: n/a

- OH: 16 cents for each sticker. We are required to purchase out stickers through the Ohio Penal Industries. They are not necessarily the most competitive. Not sure what the price would be if we could competitively bid the product.
- TN: One other thing that you might want to consider is if the original issuance of plates can be made outside the county of residence (like new vehicle purchases and dealer handling paperwork to perfect lien). Citizens will want to have their county of residence sticker added to the plate in their home counties. Tennessee has a statute that addresses this and makes it the responsibility of the citizen.

SPECIALTY PLATE CATEGORY	CURRENT REGISTRATION COUNT	FEES COLLECTED AT INITIAL ISSUE	RENEWAL FEES COLLECTED	FY05 REG FEES COLLECTED	FY05 SPECIAL FUND FEES COLLECTED
DISABILITY (HANDICAPPED)	83,893			\$ 5,313,656.00	
ARMED FORCES RESERVE	1,610			\$ 200,148.00	
RET. ARMED FORCES	9,588			\$ 727,194.00	
PEARL HARBOR	196			\$ 12,792.00	
DISABLED VET.	3,552			\$ 23,244.00	
XPOW	1,355			\$ 1,248.00	
CONG. MEDAL OF HONOR	5			\$ -	
GOLD STAR	81			\$ 465.00	
PURPLE HEART	5,370			\$ 393,900.00	
KOREAN WAR VET	2,796	\$ 9,204.00	\$ 156.00	\$ 9,360.00	\$ 1,774.00
HEARING IMPAIRED	69			\$ 4,500.00	
NAT'L GUARD	2,010			\$ 155,142.00	
AMATEUR RADIO	6,820			\$ 517,780.00	
ENVIRONMENTAL	53,430	\$ 204,360.00	\$ 3,841,656.00	\$ 4,046,016.00	\$ 1,434,604.00
PREVENT VIOLENCE	24,392	\$ 126,048.00	\$ 1,703,286.00	\$ 1,829,334.00	\$ 654,239.00
BRONZE STAR	2,633	\$ 17,160.00	\$ 234.00	\$ 17,394.00	\$ 3,306.00
SILVER STAR	197	\$ 2,418.00		\$ 2,418.00	\$ 465.00
COLLEGIATE	10,694	\$ 90,480.00	\$ 754,494.00	\$ 844,974.00	\$ 307,571.00
MASTER MASON	1,992	\$ 10,218.00	\$ 145,548.00	\$ 155,766.00	\$ 49,925.00
ILL FIRE FIGHTERS	22,390	\$ 298,740.00	\$ 1,498,926.00	\$ 1,797,666.00	\$ 430,099.00
WILDLIFE PRAIRIE PARK	914	\$ 7,020.00	\$ 65,208.00	\$ 72,228.00	\$ 26,172.00
SPORTSMEN	10,299	\$ 72,696.00	\$ 732,654.00	\$ 805,350.00	\$ 290,891.00
US VETERAN	19,121	\$ 172,926.00	\$ 1,638.00	\$ 174,564.00	\$ 33,297.00
ILL-MICH CANAL	326	\$ 3,120.00	\$ 21,996.00	\$ 25,116.00	\$ 9,214.00
MAYORAL	163	\$ 702.00	\$ 11,700.00	\$ 12,402.00	\$ 435.00
POLICE MEMORIAL	2,410	\$ 68,406.00	\$ 142,818.00	\$ 211,224.00	\$ 67,700.00
SURV. SPOUSE - FF	18	\$ 156.00	\$ 936.00	\$ 1,092.00	\$ 54.00
SURV SPOUSE - PO	12	\$ 390.00	\$ 702.00	\$ 1,092.00	\$ 93.00
MAMMOGRAMS SAVE LIVES	4,608	\$ 55,536.00	\$ 311,922.00	\$ 367,458.00	\$ 117,775.00
ORGAN DONOR AWARENESS	5,165	\$ 83,382.00	\$ 337,506.00	\$ 420,888.00	\$ 134,900.00
VIETNAM VET	3,301	\$ 60,918.00	\$ 234.00	\$ 61,152.00	\$ 11,721.00
WW II VET	763	\$ 9,204.00	\$ 78.00	\$ 9,282.00	\$ 1,772.00
WEST POINT BICENTENNIAL	222	\$ 2,652.00	\$ 14,508.00	\$ 17,160.00	\$ 882.00
POW/MIA	581	\$ 7,878.00	\$ 34,086.00	\$ 41,964.00	\$ 2,389.00
US MARINES	1,790	\$ 73,398.00	\$ 62,088.00	\$ 135,486.00	\$ 34,740.00
PET FRIENDLY	2,148	\$ 61,776.00	\$ 97,500.00	\$ 159,276.00	\$ 65,430.00
EDUCATION	510	\$ 16,770.00	\$ 22,074.00	\$ 38,844.00	\$ 19,920.00
AMERICA REMEMBERS	2,099	\$ 56,316.00	\$ 120,120.00	\$ 176,436.00	\$ 70,460.00
PARK DIST. YOUTH	612	\$ 14,586.00	\$ 35,880.00	\$ 50,466.00	\$ 19,900.00
ROUTE 66	1,214	\$ 41,340.00	\$ 50,700.00	\$ 92,040.00	\$ 38,750.00
ALPHA KAPPA ALPHA	178	\$ 1,170.00		\$ 1,170.00	\$ 600.00
		\$1,568,970.00	\$ 10,008,648.00	\$ 18,927,687.00	\$ 3,829,078.00