



Testimony Before Homeland Security Committee “Proponent” Hearing.  
October 4, 2023

Good morning, Chairman Ghanbari, Vice Chair Plummer and members of the Homeland Security Committee.

- For the record, my name is Steven Farrar and I am the CEO/President of a company called License Plates of Texas, trading as MyPlates.com.
- In Texas, it was through legislation that passed in 2007 that allowed the TxDMV to contract with a private vendor to manage this special plate program on their behalf.
- I am here today to speak in favor of House Bill 194. This bill brought to you by Rep. Kevin Miller authorizes the BMV the authority to do something similar here in Ohio. To allow the Registrar of Motor Vehicles to enter into a contract, via a competitive selection process, with a vendor to operate a special license plate program.
- It requires the vendor under the contract, to design, market, sell, and issue specialty license plates and to operate the program.

Please note:

This bill & eventual program **is only for consumers** who choose to voluntarily create and purchase a new specialty plate through this program.

It’s also important to note that:

- Manufacturing of plates will remain the same
- Deputy Registrars’ responsibilities remain the same
- BMV responsibilities remain the same
- The Registrar’s authorities are all the same
- **Nothing changes** to the process or the authority that’s in place today.



## Some Background

- Our company manages/operates the specialty license plate program in Texas.
- We were awarded the contract by the TxDMV to market, sell and design specialty license plates through a competitive RFP open tender process in 2009.
- There's one main focus, to generate new revenue for the state.
  
- We have now been managing this program for over 14 years and in that time have generated more than **\$165** million dollars in new & additional revenue to the state's general revenue fund and growing that each and every year.
  - In 2022, we delivered \$24.7M to the State's General Fund and this year we are on track to exceed **\$27M** to the fund.
  - Now averaging well over **\$2M** per month, every month going into the state's general fund in Texas.
  
- All this revenue.....All at **NO COST** to the state!!!!
- The vendor pays for and covers everything to do with operating the program from the sales/revenue that are generated by the program.
  
- In addition to the revenue, there are other benefits to the state.

## First - New Modern Services

- Our program in Texas brought about:
  - new, **innovative**, state-of-the-art, **user friendly e-commerce website** that provides citizens the ease of ordering their desired license plates online.
  - **Real-time check availability**
  - All within a safe, highly secure and easily navigated modern website
  - It's everything you could think of from a modern e-commerce site (Amazon/Zappos etc).
  - Our customers average 3 minutes from initial start to final check-out. (Very simple and easy to find what you want and checkout).
    - Integration mention (State Comptroller's Payment Gateway)

## Next - New Attractive Plate Designs / Greater Choice for the customer

- The Ohio bill will allow the vendor to create new license plates not currently offered by the BMV. Importantly, the Registrar/BMV will retain final approval and oversight over any new designs. **No authority** is taken away from the Registrar or the dept.



- We understand and recognize that a special license plate is a government document and its main purpose is for a quick and efficient process for identification. The registrar can disapprove any proposed designs that do not meet the BMV standards.
- In Texas, all of our plate designs meet the states legibility, readability and reflective standards. This bill provides the Registrar with the same authority in Ohio.

### **Manufacturing**

- As I mentioned before, and this is an important fact, when it comes to new plate designs and manufacturing: **NO CHANGE** to where the plates are made today.
  - Integration with manufacturing
- **ALL** new approved vendor specialty plates will still be made under the same manufacturing process & standards as they are today. **NO CHANGE.**

### **Another major benefit - Exemplary Customer Service**

- In Texas, our program provides a high level of service to our customers via our **customer care center**, which is staffed with our full-time dedicated professional team of agents. (Phone, Email, Click to Chat, SMS etc).
    - In Texas, our customer care center is staffed by Texans.
  - Should we be successful and selected as the chosen vendor in Ohio, our new program's customer care center and operations, set up and based in Ohio, would be staffed by Ohioans.
    - So, Ohioans talking to and servicing the needs of Ohioans.
- YES, this program will bring **new jobs** to the state.



## Marketing

- The vendor is responsible for the marketing of the plates and the program. There's the saying - **You Can't Sell a Secret!**
- So, implementing a great program, streamlining the process, providing exemplary customer service, and launching desirable license plate designs is all great, but if no one knows about it, then who will purchase the plates? Intro: private vendor.
- If a state government were to spend millions of \$\$ in advertising/marketing a "specialty" license plate program, let's face it, "vanity plates", then they would be heavily criticized by its tax paying citizens. Spending money on "vanity" plates vs essential services like roads, education, safety and security, etc.
- That's where an outsourced plate marketing and sales program to a private vendor really delivers benefits.
- In Texas, My Plates invests millions each year.
  - o Annual marketing plan
  - o All advertising campaigns are all approved by the Dept.
  - o Full oversight of everything we do.
  - o & through our marketing efforts, we have taken an obscure, confusing and poorly supported program into the forefront of customer awareness.
  - o In Texas, My Plates is the one-stop-shop for all special plates.

## No Cost!

- The private vendor program in Texas is 100% funded by the private vendor and the program earnings.
- The vendor pays for and provides all program services
  - o Marketing & website services
  - o customer service, implementation fees
  - o licensing & royalties etc.
- The aim is to create a similar no-cost program for Ohio, and this bill will do that.
- In short:
  - o the State enjoys the new revenue,
  - o the citizens enjoy the new program benefits,
  - o the private vendor foots the bill.

## No cost, No Risk, New Revenue, New & Improved Services!

Thank you for the opportunity to speak. I'm happy to answer any questions.