

LICENSE PLATE AUCTION GROUP (LPAG)
Colorado Department of Revenue
1881 Pierce, Room 110, Lakewood Colorado
August 27, 2012

Minutes to the Meeting

Members in Attendance: Maren Rubino, Rich Medina, Jonathan Oliver, Dave Ferrill; Mark Simon, Gary Sanford (by phone), Gina Robinson (by phone)
Guests in Attendance: Bob Gall, Guy Mellor, Kit Sage, Peter Pike, Mark Van Buskirk, Maurice Knaizer (by phone)

CONVENE:

The meeting was convened by Maren at 10:02 a.m.

Approval of 7/30/12 Minutes

On a motion by Jon Oliver, the minutes to the meeting of July 30 were approved without objection.

NEW BUSINESS:

Review of Consultant Report

Guy Mellor, representing the consulting firm of Rebound Solution, presented a Power Point presentation [**see attached**] concerning their recommendations of the marketing opportunities and challenges in establishing a license plate auction program in Colorado.

Committee dialogue with Guy following his presentation:

Rich: What kind of revenues might we be able to project?

Guy: A collector in Delaware in selling 1 or 2 sets of plates per week. He suggested it is possible to do a RFI (request for information) to get more detail. He will be able to provide more "intel" from other states. The State of Illinois will sell the "Illinois 1" plate

Gary: What is possible in terms of expanding marketability of plates? Is it possible to target the not-for-profit community?

Guy: He is pleased to see the inventory (of reserved combinations) we've already put together. People can secure these combinations for life. Our thinking has to be about what has value and who will buy the plates we offer at auction.

Bob: He explained he has done a review of other states' auction sites? Texas "rents" license plate combinations for 3-5 years. He offered his belief that singles plates are cheap; it's the collections that have value.

Peter Pike: Is it possible for people to re-sell a combination they have purchased. Mark responded that a person can come back through the LPAG for re-sale of that combination.

Bob explained the possibility of a "pre-auction phase, where some combinations could be available before an auction and that could have considerable value.

Small Group Update

Gina explained she had not success in finding a time to convene the group, so she will work through e-mail in developing recommendations for the LPAG. She noted she's not sure if they will suggest an internal hire or and external contractor. Maren observed that a contractor may be preferable. Mark added that the intent in the legislation was to *not* have any FTE association with the LPAG, though that may be possible in a

year or so. The group was structured in a way to be independent of other agencies (and procedures) and to have flexibility in its operation. Maurice responded that there are nonetheless some requirements the LPAG has to satisfy in terms of procurement and personnel procedures. Maren stated that clarity in such matters is often provided through the rule-making process. Maurice said the LPAG *is* a state agency, but is not sure if it was granted rule-making authority; it nonetheless can develop standards and criteria for its business practices. Mark asked if the Department of Revenue (DOR) could use its rule-making authority on behalf of the LPAG. Maurice responded that the DOR cannot promulgate rules that impinge on the LPAG. It is authorized to do an auction, which is a form of a contract. Maren suggested that Titles and Registration in DOR might be able to assist the LPAG in developing some terms and conditions on behalf of the LPAG.

Marketing Update

Gary explained that we have worked with the Office of Economic Development and International Trade on some marketing ideas. He explained he did not want to pursue a *pro bono* marketing consultant without talking further with the LPAG, though he does believe that would be a good way to proceed. However, we need to be able to be pretty specific about what we would like a marketing person to do. Gary asked if the group had any ideas today. Rich stated that it may be possible to get a college or university to do a class project. Jon brought up the issue of special characters and explained that the State Patrol command staff would agree to those, as long as the special character is on a Standard English keyboard. Maren added that we only have authority for combinations; Mark responded that we can go back to the General Assembly with recommended refinements to the LPAG's original charge. Bob noted that some states use certain symbols on "decoration," which is not part of the license plate combination.

IRS Letter

Mark explained that Maurice was going to run the draft letter by appropriate personnel in the Office of the Attorney General. Maurice responded that he did contact a colleague and he is currently following up with them on a response. Mark added that one of the key issues they want to examine is the tax deductibility of plate purchases that benefit a not-for-profit organization. Maurice stated that it appears theoretically possible to have tax deductibility, but he still wants to secure an opinion from the IRS.

OLD BUSINESS

Legal Questions

Maren inquired of Maurice how long LPAG records need to be kept. He responded it appears minutes are "permanent," but he is uncertain about recordings. However, the Open Records Law indicates such recordings can be considered "minutes." Maren stated that minutes and recording will be considered permanent records; agendas and sign-in sheets will be retained for two years.

PUBLIC TESTIMONY

Kit Sage commented about special symbols, such as the use of a dash, with some states permitting those and some prohibiting their use. He stated that Delaware is not a good example to cite, as it is possible there to use the same plates since the 1940s, some plates are not the standard 6"X12" size, and some porcelain plates are still in use. He explained that some low-number combinations have been held by a single family for many years. He also asked if a plate won in an auction could be a plate used on a vehicle *in addition* to a regular license plate.

ADJOURNMENT

Maren adjourned the meeting at 11:40 a.m.

The next meeting of the LPAG will be September 24, 2012.

Submitted – Dave Ferrill, Secretary