

## LICENSE PLATE AUCTION GROUP (LPAG)

Colorado Department of Revenue

1881 Pierce, Boards & Commissions Conference Room, Lakewood Colorado

December 30, 2013

### Minutes to the Meeting

Members in Attendance: Maren Rubino, Peter Pike, Bobby Juchem, Kelly Perez (via telephone), Mark Simon, Bob Gall, Ryan Carson, and Peter Kopp

Guests in Attendance: Kit Sage (self), Tony Anderson (DOR), LeeAnn Morrill (AG's office) (via telephone), Chris Hochmuth (DOR), and Dylan Ikenouye (DOR) and Marty Zimmerman (Zim Consulting)

### CONVENE:

- ✓ The minutes of the 11/25/2013 Meeting – moved by Bobby and 2<sup>nd</sup> by Bob G, the motion passed.
- ✓ The proposed 2014 meeting schedule was sent out via e-mail. It was moved by Bobby and 2<sup>nd</sup> by Bob G, the motion passed. Mark asked that the meeting invites be sent out to all the members and interested parties.

### OLD BUSINESS:

- ✓ Mark Simon gave the following update on the loan: All the clearances have been completed by the AG's office, the MOU has been assigned to staff for drafting, and should be done this week, once completed the money can be transferred. Kelly further commented that DPA has signed off on the Loan Agreement. The budget office in the Governor's office is reviewing it.
- ✓ Peter Pike gave the following update on the Contract: Frank Tomio (sp?) is working on a contract that can be executed with Zim Consulting. The key piece for the contract is having the funds from the loan available. Once the funds are in place the contract can be executed. Zim has done no work until the contract has been executed. Mark asked if all the pieces were in place for Zim to start once the contract had been signed/executed. Kelly and Peter weren't sure but were going to double check on it. Peter further commented that it would make sense for some sub-committee meetings to be put in place to work with the contractor.
  - Sub-committee meetings were set as follows:
    - January 8, 2014 12-1pm in Conference Room DMV100B
    - January 27, 2014 12-1 pm in Conference Room DMV100B
    - February 12, 2014 12-1pm in Conference Room DMV100B
    - February 24, 2014 12-1pm in Conference Room DMV100B
    - March 5, 2014 12-1pm in Conference Room DMV100B
    - [Call in information for these meetings will be exactly the same as for the regular LPAG meetings].
  - The Scope of these meeting will be to follow the operation aspects of the Contract.
  - The Contract is expected to go 6 months and the expectation is that Zim Consulting should have brought at least 4 plates to Auction.

A question was asked Peter Kopp, as he was new to the group, how existing vanity plates were going to be handled, how it was determined which plates would be reserved for Auction, further if there was an overview of how the LPAG was going to work. There were several responses to the question involving the entire process as to what plates were and were not available, how the LPAG could request and reserve them. Maren asked Dylan

to send out the presentation that he prepared at the beginning of LPAG to all the members. Peter's question lead to a brief discussion of Rule 36 -- License Plate Auctions. As part of that discussion, Mark asked if the LPAG would still get "first shot" at any plates that come available. Maren asked if there was a mechanism in place to notify the Department and subsequently LPAG of these plates once the 13 month period, referenced in Rule 36, come up. Dylan noted that this was a new request and he would have to work on programming with OIT regarding this to see if it's possible. Maren asked Dylan and Tony to check on this and report back.

Mark continued that he wanted to be able to check a list monthly of the "13 month" expired plates. Peter Pike asked about the plates we currently had reserved. Dylan was able to produce the list and went over it with them.

A very involved discussion took place about the process by which LPAG could request/reserve plates. There was a disagreement of interpretation as to how LPAG would be able to review, request and reserve plates in various statuses of being available or not. Mark was of the opinion that LPAG had a first right of refusal on any and all retired Personalized Plate that might be available or that might come available. Peter believed the market place should determine the demand for whether a plate was popular and of interest to LPAG. The group was reminded that Statute prohibited LPAG from interfering with the current process that the Department has in place.

Maren's concerns were that LPAG could request/reserve specific configurations versus asking for **ALL** Personalized Plates that might come available and would have to come to LPAG in a first right of refusal situation. Dylan reminded the group that the statute required LPAG to study the marketability of a plate and make a determination prior to requesting/reserving it and that they could not blindly reserve, for example 10,000 plates simply because a couple of people thought they might be valuable.

Peter Pike suggested that this was really a sustainability discussion and should go to the Contract Committee or other committee to further determine this process, as this is a significant discussion.

Mark continued on that he believed Legislative Intent was the LPAG would always have a first right of refusal to all vanity plates particularly those retired or already issued and later becoming expired. Maren did not agree, but did believe it deserved further discussion. She believed it would have an impact to the Highway Users Tax Fund (HUTF) and that LPAG was able to make their request for configurations every six months but not blanketly get a first right of refusal of all plates.

Peter Pike reiterated that this really was part of the sustainability discussion and should probably take place in a smaller committee.

Marked quoted statute: **42-1-404 (2) (a)** "The group shall study the market and determine which registration numbers are the most valuable, including both the types of plates currently issued and any type of plate that has been historically issued. Based on the study, the group shall select the most valuable registration numbers and request the department to verify whether plates with the registration numbers are currently issued. The group shall not send the request to the department more than once every six months."

Maren pointed out that there were two different things being discussed, configurations and types. Mark believed this not to be true, that he believed legislative intent was so that LPAG would have the exclusive right to pull numbers and auction them and if DMV was interpreting it any other way than that he needed to know so he could go back and tell the sponsors because he guaranteed they would run legislation to correct that. He believed their intent was configuration and not type.

Maren agreed that this deserved further discussion, but was not ready to discuss at this time.

Mark requested that the Rule (Rule 36) be taken off the table until this discussion took place. There was no objection.

Bobby proposed a Sustainability sub-committee (including a DOR presence to ensure their level of comfort) that would be able to hash out all of these processes and mechanics and report back. Bob G. agreed, and suggested that the sub-committee should include Zim and maybe the Contract sub-committee could double in the capacity for now. There was general agreement for this.

Peter K. suggested that LPAG be on the front end of the process and ALL Personalized Plates (not just those that might be re-issued) go through the LPAG to maximize revenue. Mark pointed out that would violate legislative intent by interfering with the Department's current process.

Mark asked for clarification on how revenue was generated from the Personalized Plate process to HUTF, Maren clarified.

Peter Pike asked for the currently reserved list of plates, Dylan promised to send it out to the committee.

Bob Gall asked the number 69, the fact that it's on the "Offensive" list in Colorado and that it would be impacting revenue to LPAG and could there be a compromise. Maren and Dylan described, in detail, the offensive list process and how it might affect any plate issued by the LPAG.

Maren had to excuse herself to another meeting and turned the Chair over to Bobby Juchem.

Mark asked if the Committee was ready to make its next request, Bobby tabled this to the Sustainability sub-committee

Marty Zim asked if he could get a list of the rejected plates to begin to build his data base. Dylan said that was part of the further discussion. Marty clarified his request to the "already" issued and possibly expired plates. Mark asked if there was a way to get the list of all rejected plates (for whatever reason). Dylan noted that this list was huge and could they narrow it down some (by year for example). This discussion was tabled to the sub-committee meetings of 1-8 and 1-27.

Mark asked if Dylan could put together a presentation of those events that drive plate requests (movies, sporting events, etc.) Dylan said that he could.

- ✓ Business Cards – Bob Gall: Bob asked if any other committees had cards and could they be paid for out of the funds available. It was generally reported back that there really weren't any. Bob withdrew his request.
- ✓ DOR Rule Proposal version three: This has been withdrawn pending further discussions and lack of time remaining in this meeting, although Tony did highlight the most recent changes. As part of this discussion, Mark asked if there was an update on the use of symbols. That information was not yet available but should be shortly.

Bobby introduced Marty Zim to the group. Marty gave a brief introduction of himself and of his company.

**[At this point in the meeting, GoToMeeting ended the recording arbitrarily].**

**NEW BUSINESS:**

- ✓ Future Agenda Items:
  - Adding the Contractor as a regular agenda items
  - Additional plate requests

**Other Business:**

There was none.

Bobby adjourned the meeting at 12:05 p.m.

Respectfully submitted  
Chris Hochmuth  
Administrative Services Supervisor  
Title and Registration Sections  
Department of Revenue