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Maine Legislature
Joint Standing Committee on Transportation
Clerk Darlene Simoneau
State House, Room, 126,297-4148
Augusta, Maine 04330

Regarding: LD 1124, SP 387 “An Act To Change the Threshold for Creating a Specialty License Plate from 2,000 Prepaid Orders to 1,000 Prepaid Orders and To Extend by One Year the Time Allowed for Gathering Signatures” - *Sen. Matthew Pouliot of Kennebec*

Subjects: Motor Vehicles, Number Plates, Specialty Plate Provisions

I am a resident of Augusta and an “unenrolled” voter. I offer this letter as my testimony on proposed legislation, LD 1124 and I cannot recommend passage as it is currently written without first making significant changes, discussed below.

I present my testimony in three sections:

1. **Section I.** Current vs proposed specialty license plate requirements.
2. **Section II.** My experience with the current specialty license plate requirements.
3. **Section III.** Suggested improvements to the current specialty license plate process.

Section I. Current vs. proposed specialty license plate requirements:

I have been involved for many years with Choose Life Maine, a Maine non-profit corporation and it is recognized by the IRS as a 501 (c) (3) organization. CL Maine was formed for the purpose of qualifying a specialty license plate. CL Maine failed and we are now in the process of returning prepaid monies received.

I was first asked to testify on LD 1124 by Shawn Roderick, a legislative aide to Senator Pouliot. In an email to me from Mr. Roderick on April 28, 2021 he wrote: “*Senator Pouliot put in this bill at your request and is hopeful that you will be able to testify on Tuesday.*”

After reading the text of LD 1124, I declined to testify because ***I DID NOT REQUEST THIS BILL AS IT IS WRITTEN.***

However, whereas any communication to or from a state representative could be considered public records and therefore subject to disclosure under the Freedom of

Access Act, I re-thought my decision and now offer this letter as my testimony. It is important that the record be clear on my involvement.

In a meeting I had with Senator Pouliot in December 2020, I did complain about the current requirements calling for 2,000 prepaid orders when other much more populated states have far fewer requirements (Florida has only 1,000) and I did point out that some states permit donations and or bonds when there is a shortage in prepaid orders.

After reflecting upon these discussions & emails as well as other events, I thought I should offer the committee my testimony in writing.

LD 1124 leaves intact an existing requirement for \$50,000 to be submitted to the Secretary of State. But, the existing requirement is based on 2,000 prepaid orders multiplied by a \$25 prepaid fee. While LD 1124 calls for only 1,000 prepaid orders and leaves the prepaid fee at \$25.00 raising only \$25,000. Thus, I am concerned about the imposition of monies up to an amount needed (perhaps another \$25,000) from the license plate's sponsor to pay the Secretary of State the stated amount of \$50,000.

The existing requirements do not impose any additional fees beyond the prepaid fees. What is the reason for the additional money?

LD 1124 does not provide any justification for requiring money in excess of prepaid fees. Requiring money in excess of the prepaid fees without justifying the requirement is where my disappointment with LD 1124 begins.

The additional fees have the appearance of being nothing more than a tax. Not calling it a tax does not change what it is. I.e. when it walks like a duck, talks like a duck and looks like a duck, it must be a duck.

Thus, why require the license plate's sponsor to pay additional fees (taxes), up to \$25,000 in excess of the prepaid fees? The sponsors are often non-profit, many of them are small, have limited financial means and lacking fundraising prowess (all true of Choose Life Maine). Taxing non-profit organizations that voluntarily serve the community is immoral.

One of the benefits of a specialty license plate is that it can be a terrific fundraiser. So why would the legislature make it difficult for non-profits to raise much needed funds by imposing a fee / tax of up to 100% of the prepaid fees.

Example: With \$25,000 in prepaid orders (1,000 orders x \$25) and the State requiring \$50,000 from the sponsoring organization, the sponsor must pay an additional \$25,000. The \$25,000 in additional fees divided \$25,000 in prepaid orders = 100%.

If LD 1124 had been in place when the Barbara Bush Children's Hospital had applied for their specialty license plate, an organization that size could easily afford the additional taxes as they have the financial wherewithal and fundraising prowess to raise the money. (Although still not right.) However small organizations like Choose Life Maine do not have financial wherewithal to pay an additional \$25,000 and the fees would kill the project and the organization.

My question to the bill's sponsor is, why impose an excessive tax on a small non-profit organizations?

However, when a state agency wants a specialty license plate to promote a cause and raise money (taxes in disguise), all the legislature does is pass a bill. No minimum number of prepaid orders required. Want proof, just look at the BMV website.

There are 11 license plates identified as "specialty & recognition" license plates on Maine's BMV website. Of the 11, one is a "recognition" license plate and the remaining 10 license plates are specialty license plates and only two of those (Animal Welfare & Barbara Bush) were proposed by private organizations and obtained prepaid orders, leaving 8 of them, all sponsored by some form of state committee, agency or department.

Section II. My experience with the current specialty license plate requirements.

As I indicated I have been involved with Choose Life Maine since its inception. CL Maine failed to obtain the necessary 2,000 prepaid orders to qualify a specialty license plate.

In April 2020, we did seek an extension of time to qualify our specialty license plate, first with Secretary of State Dunlap. We based our request upon the impact on our operation of the State shut down resulting from the corona virus. We asked for a one year extension but the Secretary granted only 4 months.

Subsequent to our request, the State shut down continued, the impact on the State was getting worse and CL Maine continued to have difficulty operating, thus we thought to ask our State Senator, Matt Pouliot to seek another extension for us from the Secretary of State, believing he would be more successful with that request than an ordinary citizen.

On December 2, 2020 I sent a request to Senator Pouliot and subsequently it was forwarded to Mr. Stephen Ashcroft, Director of Vehicle Services at the Bureau of Motor Vehicles by a member of the Senator's staff. Mr. Ashcroft rejected our request and mischaracterized our efforts back to the Senator as follows.

On December 7, 2020, I received an email from Shawn Roderick, Senator Pouliot's Legislative Aide providing me with the text of a response from Mr. Ashcroft. Mr.

Ashcroft wrote he “*read all the emails and will outline ... the history of the “Choose Life” specialty plate request.*” Mr. Ashcroft claimed “*Over the last nearly 20 years, this group has requested consideration of this specialty plate but, has not been able to obtain the 2,000 signatures required.*”

What Mr. Ashcroft outlined **is not true.**

- To begin with Choose Life Maine did not exist 20 years ago. As a co-founder of CL Maine, I was not living in Maine 20 years ago. CL Maine was not incorporated until February 2011 and did not immediately begin seeking prepaid orders until 2012.

Mr. Ashcroft went on to write: “*We are unaware of any efforts currently, and if those efforts are currently underway, they have not been approved.*” **This statement is completely false.** Consider:

1. Mr. Ashcroft, **himself** wrote me a letter on April 24, 2020, with an approval from Secretary Dunlap for a 4 month extension for Choose Life Maine.
2. On August 14, 2018 in a letter to me from Garry Hinkley, Director of Vehicle Services Division, Choose Life Maine’s request was approved and given until August 14, 2020 to qualify its efforts.
3. Between September 27, 2019 and October 2, 2019 I exchanged more than one email with Chantel Plummer, an Office Specialist 1 with the Bureau of Motor Vehicles.
 - Did Mr. Ashcroft really read “*all the emails*”? If he did and he disapproved an extension based upon what he has written, he should be held accountable. Maine’s citizens who have supported Choose Life Maine (from York to Fort Kent to Eastport and back) have all been cheated. Each member of the Transportation Committee likely has constituents that have placed prepaid orders for a Choose Life Maine specialty license plate.

On December 31, 2020, I received an email from Senator Pouliot with a copy of an email he said was from Mr. Ashcroft. Mr. Ashcroft wrote “*The timeline set is surely enough time to collect the required signatures and monies as evidenced by other successful Specialty Plate endeavors. Efforts that cannot meet this threshold are somewhat indicative of how that plate will perform in the long term.*”

(But, now changes to both the timeline and required signatures are being considered.)

Mr. Ashcroft’s assessment is without merit and is not based on the public record. Can he name more than two of those successful endeavors?

Contrary to his assessment of the “timeline” and “successful endeavors” consider the BMV website. It lists only 11 specialty license plates of which 8 were sponsored by the state, either by a committee, agency or department and not one of those license plates had to be pre-qualified by the gathering of signatures and collecting prepaid orders from the public, your constituents.

Beyond the one “recognition” plate, only two specialty license plates, the Animal Welfare & Barbara Bush plates (2 of 10 or 20%) had to gather signatures and collect prepaid fees. Thus 80% (8 of 10) specialty license plates were not subjected to the requirements imposed on the public.

Subsequent to correspondence from Senator Pouliot and Director Ashcroft, I directly appealed to newly installed Secretary of State Bellows requesting an extension. She rejected our request.

Section III. Suggested improvements to the current specialty license plate process.

In Mr. Ashcroft’s December 7, 2020 response to Senator Pouliot he determined the Choose Life Maine design was not viable. Quoting him he wrote “*over a span of say 5 years tells us this plate is not a viable plate to justify the expense and effort for its production.*” While making this statement, Mr. Ashcroft knew the current CL Maine design was approved by his predecessor and Secretary Dunlap in August 2018 and not “5 years” ago.

From my own experience with specialty license plates, 33 states have a Choose Life plate design on their roads and of those states 23 of them used the children’s faces portrayed in the Maine design, **a design that Mr. Ashcroft said was “not a viable plate”**.

A Choose Life license plate effort first began in Florida more than 20 years ago. With Florida’s large population upon which to seek support for specialty license plates, Florida only requires 1,000 prepaid orders and permits donations in lieu of orders if prepaid orders fall short. Choose Life Florida did not obtain the required 1,000 prepaid orders and provided a \$19,000 donation in lieu of their shortfall. Florida now has a Choose Life specialty license plate on the road.

- *I dare say despite Maine’s small population compared to Florida’s population, that Choose Life Maine with our small team, **did as good as, if not better than Choose Life Florida in obtaining prepaid orders** even though CL Florida obtained their specialty license plate and CL Maine failed because Maine’s specialty license plate requirements are unduly onerous.*
- At the time CL Maine stopped taking orders, we had close to 700 prepaid orders. While CL Florida fell short of the required 1,000 orders needing the \$19,000

donation to make up for the shortfall in order to qualify their proposed specialty license plate.

- How about Virginia, they only require 450 prepaid orders and they have more than 8.5 million people upon which specialty license plate sponsors can reach out to.
- Or how about Nebraska, they only require 250 prepaid orders and they have more than 1.9 million people.

But, Maine has only 1.3 million people and currently requires 2,000 prepaid orders and only proposes reducing it to 1,000 with a provision to require sponsors to kick in \$25,000 of additional money. Florida would have failed the proposed Maine test.

While other states allow sponsors to add contributions when they fall short obtaining prepaid orders, Maine wants additional money on top of the prepaid orders.

Many years ago there was a popular saying, "As Maine goes so goes the nation." It reflected a degree of reality in the nation. My grade school teachers frequently reminded us of that saying. However, the current specialty license plate law in Maine is just one example of how far Maine has strayed from that perspective and LD 1124 continues the shift away. Maybe the 130th Legislature will reject LD 1124 as written and take steps in the right direction. "As Maine goes so goes the nation."

There are other states, large and small with far less onerous specialty license plate requirements than Maine. Here are a few suggestions for Maine to get it right.

- Install management at the Bureau of Motor Vehicles that reports facts honestly.
- Review what other states are doing and revise Maine's requirements taking into consideration Maine's size proportionate to what those states that were reviewed, are doing.
- Do not impose additional taxes (by any name) from the sponsoring organizations (especially non-profits) just as the legislature does not exact a price from state agencies with their specialty license plates.

Sincerely,

David Alexander