

Date of Hearing: April 4, 2016

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 2469 (Frazier) – As Amended March 29, 2016

SUBJECT: Specialized license plates: breast cancer awareness

SUMMARY: Authorizes the California Department of Health Care Services (DHCS) to collect applications for a specialized license plate program for an additional 12-month period, without offering applicants refunds on their deposits. This bill contains an urgency clause.

EXISTING LAW:

- 1) Allows any state agency to apply to DMV to sponsor a specialized license plate program.
- 2) Requires DMV to issue specialized license plates for that program if the agency complies with all statutory requirements.
- 3) Prohibits DMV from establishing a specialized license plate program for an agency until it has received not less than 7,500 paid applications for that agency's specialized license plates.
- 4) Requires the agency to collect and hold applications for the plates. Once the agency has received at least 7,500 applications, it must submit the applications, along with the necessary fees, to DMV.
- 5) Prohibits advance payment to DMV of its estimated or actual administrative costs associated with the issuance of a particular specialized license plate from constituting compliance with the 7,500 application threshold requirement.
- 6) Requires the agency, if twelve months have elapsed since the approval of the agency's initial application to sponsor a specialized license plate program without receiving the required number of applications, to either:
 - a) Refund to all applicants all fees or deposits that have been collected; or,
 - b) Contact DMV to indicate the agency's intent to undertake collection of additional applications for an additional 12 month period and contact each applicant who has submitted an application to determine if the applicant wishes a refund of fees or deposits or requests the continuance of the holding of the application and fees or deposits until the agency has received 7,500 applications.
- 7) Requires funds accruing to a sponsoring state agency from the sale of specialized license plates to be expended exclusively for projects and programs that promote that agency's official policy, mission, or work.
- 8) Allows specialized license plates to feature a distinctive design, decal, or distinctive message in a two-inch by three-inch space to the left of the plate's numerical sequence and a space not larger than 5/8-inch in height below the numerical series.

- 9) Requires DHCS to apply to the DMV to sponsor a breast cancer awareness specialized license plate, as specified.

FISCAL EFFECT: Unknown

COMMENTS: Prior to 2007, any new specialized license plate required specific legislative authorization. That practice was held to be unconstitutional by the federal courts, as the Legislature approved some plates and rejected others, without using any standardized or objective criteria for those decisions. In response to the court decision, AB 84 (Leslie), Chapter 454, Statutes of 2006, established the current specialized license plate program to provide a forum for government speech that promotes California's state policies. AB 84 excludes private organizations from seeking specialized license plates as a forum for private speech, and thus addresses the court's objection. The current specialized license plate program permits a state agency to initiate the development and sponsorship of a specialized plate, thus no additional legislation is required to authorize the creation of a new plate.

Plates created under the current program and the revenue they generate must publicize or promote a state agency, or the official policy, mission, or work of a state agency. Furthermore, the process requires that at least 7,500 paid applications must be received by the state agency prior to notifying DMV. This 7,500-application threshold was previously put into statute in an attempt to ensure that DMV's startup costs would be fully covered by the portion of the registration fee surcharge that is directed to DMV and to avoid a proliferation of different types of plates, which can be troublesome from a law enforcement perspective.

Existing law authorizes a sponsoring agency to extend the 12-month period to collect the needed number of applications by another 12 months, if it contacts both DMV to indicate its intention to continue collecting applications, and each applicant who has already submitted a deposit to determine if they wish to remain on the list of applicants or receive a refund and be removed from the list.

AB 49 (Buchanan), Chapter 351, Statutes of 2014, required DHCS to apply to sponsor a breast cancer awareness specialized license plate program, with revenues from the program being deposited in the Breast Cancer Control Account in the Breast Cancer Fund.

Proponents of AB 49, and of this specialized license plate program, have yet to reach the required number of applicants, and wish to extend the deadline by another 12 months without having to offer each applicant a refund. It is unclear if the proponents of the plate will be able to acquire the necessary number of applicants by the end of the initial 12-month period, or by the end of an additional 12-month period if some applicants remove themselves from the list.

AB 2469 would authorize DHCS to obtain a 12-month extension to finish collecting the necessary 7,500 applications, without requiring the department to contact each applicant who has submitted an application to determine if they wish to remain on the list or receive a refund and be removed from the list.

According to the author, allowing DHCS to focus on acquiring new applications instead of offering refunds to current applicants will expedite their goal of reaching the necessary 7,500 applications needed to increase breast cancer awareness and funding. This bill contains an urgency clause, allowing DHCS and the plate proponents to immediately work to secure more

signatures, without waiting for the July 2016 deadline imposed by current statute to obtain an extension.

The Legislature has previously granted additional extensions to sponsoring agencies beyond the standard 24 months, up to 36 months, allowing the sponsors to successfully acquire the necessary number of applications and trigger production of the plates.

Related legislation: Currently there are five bills in the legislative process that would direct a state agency to sponsor a specialized license plate for a specific cause: AB 63 (Bonilla) to raise money for school safety, AB 270 (Nazarian) to raise money for diabetes awareness, and AB 932 (Daly) to raise money for local parks and recreation grant programs. These three bills passed out of this Committee with no 'No' votes and are currently awaiting a hearing in the Senate Appropriations Committee.

AB 1884 (Harper), would raise money for mental health awareness. AB 1884 passed out of this committee on March 14, 2016, with a vote of 16-0, and is awaiting a hearing in the Assembly Appropriations Committee.

AB 2131 (Maienschein) would raise money for California food banks. AB 2131 is currently awaiting a hearing in this committee.

Previous legislation: AB 610 (Solorio), Chapter 9, Statutes of 2012, provided an additional 12 months for the collection of the 7,500 paid applications necessary for the Veterinary Medical Board to successfully sponsor a specialized license plate, beyond the existing 24-month period. The Board's specialized license plate is now in production.

AB 49 (Buchanan), Chapter 351, Statutes of 2014, required DHCS to apply to sponsor a breast cancer awareness specialized license plate program.

SR 28 (Committee on Transportation and Housing), adopted in 2014, requested DMV to establish a task force made up of DMV, the California Highway Patrol, and local law enforcement to study and make recommendations on license plate designs appropriate for traffic safety and effective law enforcement. This resolution was adopted by the full Senate and DMV reported its findings in September 2015.

REGISTERED SUPPORT / OPPOSITION:

Support

None on file

Opposition

None on file

Analysis Prepared by: Justin Behrens / TRANS. / (916) 319-2093