

Date of Hearing: June 26, 2017

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

SB 309 (Jackson) – As Amended May 3, 2017

SENATE VOTE: 28-12

SUBJECT: License plates: Reproductive Freedom Fund

SUMMARY: Requires the State Department of Health Care Services (DHCS) to apply to the Department of Motor Vehicles (DMV) to sponsor a reproductive freedom license plate program. Specifically, **this bill:**

- 1) Requires DMV to issue specialized license plates for the reproductive freedom license plate program if DHCS complies with the requirements of existing law.
- 2) Authorizes DHCS to accept and use donated artwork from California artists for the license plate.
- 3) Establishes the California Reproductive Freedom Fund in the State Treasury and requires the fees collected pursuant to existing law for the issuance, renewal, or transfer of the specialized license plates to be deposited in the fund, after DMV deducts its administrative costs, to be appropriated to the Family Planning, Access, Care, and Treatment Program (Family PACT) administered by DHCS.

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 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.
- 7) 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.

- 8) Requires DHCS to apply to DMV to sponsor a breast cancer awareness license plate program.

FISCAL EFFECT: According to the Senate Appropriations Committee:

- 1) Estimated HCS costs of \$25,000 in 2017-18 for plate design, and up to \$50,000 in 2018-19 for staff time to collect the initial 7,500 applications and fees for the establishment of the plate program (General Fund). These costs could continue into 2019-20 if the requisite applications and fees are not collected within the first year and HCS applies to DMV for a 12-month extension. There could be additional costs if HCS executes a marketing strategy to attract applicants. If the license plate program is implemented, ongoing costs would likely be minor as funding would go towards an existing program.
- 2) Assuming 7,500 pre-paid applications are collected by HCS, DMV would incur initial administrative costs in the range of \$100,000 to \$150,000 to produce the plates and process the applications, (depending on how many plates are personalized), and an additional \$440,000 in programming and other implementation costs, likely in 2019-20 or 2020-21, partially offset by pre-paid application fees of \$375,000, leaving a net cost in the range of \$165,000 to \$215,000 in the first year (Motor Vehicle Account). These net costs would be reimbursed in the following fiscal year by registration renewal fees from holders of these plates. All ongoing costs thereafter would be fully offset by fees from renewals and issuance of new plates.
- 3) Upon full implementation of the proposed plate program, there would be ongoing revenues of approximately \$300,000 annually for allocation to the Family Planning, Access, Care, and Treatment Program (based on 7,500 plate renewals, and not accounting for administrative costs).

COMMENTS: Prior to 2007, any new specialty 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 excluded private organizations from seeking specialized license plates as a forum for private speech, and thus addressed 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.

The specialized license plate created by this bill would generate revenue for the Family PACT program, which has provided family planning and reproductive health services at no cost to low-income women and men and been administered by DHCS' Office of Family Planning since 1997. According to DHCS, the Family PACT program provides services to 1.1 million income-eligible women and men through a network of 2,200 providers. According to the author, discussed federal defunding of certain reproductive health service providers could jeopardize the preventive and reproductive health services for more than 800,000 California women and men each year. The author states that, "This bill creates a tangible way for concerned individuals to demonstrate support for the right of every woman to access safe, affordable, and quality care."

The specialized license plate program created by this bill would be the second plate program DHCS has been legislatively required to sponsor, after the Breast Cancer Awareness plate program created by AB 49 (Buchanan), Chapter 351, Statutes of 2014.

Related legislation: AB 1251 (Allen) would require the State Coastal Conservancy to apply to DMV to sponsor an Endless Summer specialized license program to raise money for a coastal conservancy awareness program. AB 1251 was set to be heard by this committee but the hearing was cancelled at the request of the author.

AB 1338 (Low) would expand the eligibility criteria regarding persons authorized to obtain a "California Firefighter" special license plate to include a surviving spouse, domestic partner, or child of a deceased firefighter or deceased retired firefighter. AB 1338 is set to be heard by the Senate Appropriations Committee on June 26, 2017.

SB 673 (Newman) would divert the revenue generated by the Pet Lover's specialized license plate program to the Department of Food and Agriculture, instead of the Veterinary Medical Board. SB 673 is scheduled to be heard by this committee today.

Previous legislation: Since 2011, 14 bills have been introduced directing a state agency to sponsor a specialized license plate for a variety of causes. Since 2014, four were passed by the Legislature and signed by Governor Brown. These bills would raise funds for Salton Sea restoration [AB 1096 (Nestade), Chapter 353, Statutes of 2014], kidney disease research [AB 2450 (Logue), Chapter 359, Statutes of 2014], breast cancer awareness [AB 49 (Buchanan), Chapter 351, Statutes of 2014], and domestic violence prevention [AB 2321 (Gomez), Chapter 358, Statutes of 2014]. None have yet gathered the necessary number of applications to enter production. In the 2015-16 Legislative Session, seven bills directing a state agency to sponsor a specialized license plate for a specific cause were introduced. Three of them, AB 63 (Bonilla) raising money for school safety, AB 270 (Nazarian) raising money for diabetes awareness, and AB 932 (Daly) raising money for local parks and recreation grant programs passed out of this Committee with no 'No' votes and died in the Senate Appropriations Committee. AB 1884 (Harper) raising money for mental health awareness, AB 2131 (Maienschein) raising money for local food banks, AB 2253 (Grove) raising money for affordable services for veterans, and AB 2303 (Holden) raising money for the Active Transportation Program all passed out of this Committee with no 'No' votes and were held on the Assembly Appropriations Committee Suspense File.

REGISTERED SUPPORT / OPPOSITION:

Support

CaliforniaHealth+ Advocates
California Association for Nurse Practitioners
California Immigrant Policy Center
California Latinas for Reproductive Justice
City and County of San Francisco
City of West Hollywood
NARAL Pro-Choice California
National Association of Social Workers, California Chapter

Opposition

California Catholic Conference
California Family Council
California Right to Life Committee

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