

Date of Hearing: January 13, 2020

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

AB 226 (Mathis) – As Amended January 6, 2020

**SUBJECT:** Specialized license plates: mental health awareness

**SUMMARY:** Requires the Department of Health Care Services (DHCS) to sponsor a mental health awareness license plate program. Specifically, **this bill:**

- 1) Requires DHCS to sponsor a mental health awareness license plate program.
- 2) Requires that the plate have a lime green mental health awareness ribbon to the left of the numerical series and a message stating “Mental Health Matters” below the series.
- 3) Creates the Mental Health Awareness Fund in the State Treasury and allocates the funds generated by the specialized license plate, after administrative costs of the Department of Motor Vehicles (DMV) are deducted, to be used by DHCS for the purposes of mental health awareness and education.

**EXISTING LAW:**

- 1) Provides for a specialized license plate program, under which the DMV may issue new special-interest license plates. Special-interest license plates may only be issued on behalf of state agencies and only if:
  - a) The license plate has “a design or contains a message that publicizes or promotes a state agency, or the official policy, mission, or work of a state agency.” The design shall also be confined to the left of and below the numerical series (i.e., no full-plate designs allowed).
  - b) The state agency submits 7,500 applications and accompanying fees to DMV for the license plate. The state agency has 12 months to collect these applications and fees, but it can extend that to a maximum of 24 months if it notifies and offers to refund fees to those who applied during the first 12 months. Once a plate is issued, DMV stops issuing that plate for the agency if the number of plates drops below 7,500.
- 2) Authorizes DMV to charge, in addition to the usual registration and license fees, the following additional fees for specialized license plates: \$50 for the initial issuance, \$40 for annual renewal, and \$98 to personalize. DMV deducts its administrative costs from the revenues generated. The net revenues derived from a specialized license plate are then available upon appropriation for the sponsoring state agency to expend exclusively on projects and programs that promote the state agency’s official policy, mission, or work.

**FISCAL EFFECT:** Unknown.

**COMMENTS:** California allows individuals to request a specialized license plate for their vehicle for an additional fee of \$50 and for a renewal fee of \$40. These plates generally have a different design than the standard plate, and are sponsored by a state agency that receives the

additional fees after DMV has received enough funds to reimburse the agency for the costs of issuing the specialized plates.

In the past, California allowed private organizations to sponsor specialized license plates by making an application to DMV and allowed DMV to refuse to issue a plate based on its content. A U.S. District Court determined that the process for creating the plates was a freedom of speech violation as the court had determined that the process California used for creating specialized license plates was private speech and DMV could not turn down sponsorships based on content.

In response, the Legislature passed and Governor Schwarzenegger signed AB 84 (Leslie), Chapter 454, Statutes of 2006, which restricted DMV to only issue specialized license plates if they were sponsored by a state agency that received 7,500 commitments from individuals to purchase the plates.

The fees generated from 7,500 plates are necessary to ensure there are enough funds to reimburse DMV for the costs of producing a new plate.

Since the passage of AB 84, the U.S. Supreme Court, in *Walker v. Texas Division, Sons of Confederate Veterans*, determined that specialized license plates are government speech, not private speech, and upheld a Texas law that was similar to California's previous process of establishing specialized license plates.

*A Bill Is Not Necessary to Create a New Specialized Plate:* A new specialized license plate does not require legislation. A state department just needs to sponsor a plate, and members of the Legislature or private individuals can ask state agencies to sponsor a new plate. If there is a good plan in place to get to the 7,500 commitments, an agency would likely be happy to sponsor a plate because it would mean additional revenue for that agency.

A good example of sponsors successfully switching their efforts from legislation to the administrative process would be the current effort to create an "Imagine No Hunger" plate with an image of John Lennon. The plate is currently being sponsored by the California Department of Social Services. AB 2131 (Maienschein) of 2016, would have required the Department of Food and Agriculture to sponsor a similar plate, but was held on the Assembly Appropriations Committee suspense file. The Department of Social Services has not collected enough commitments to create the plate, and the deadline to do so was January 4, 2020.

In 2019 The California Bicycle Coalition, which never sought legislation to create a specialized license plate, successfully got the Nutrition Education and Obesity Prevention Bureau of the California Department of Public Health to sponsor a plate to celebrate the health benefits of bicycling and is currently seeking applicants for the plate.

The current process has not stopped members of the Legislature from introducing bills requiring agencies to sponsor plates. These bills have largely been unsuccessful. Of the 12 legislatively-sponsored plates approved since 2000, only two have met the 7,500 commitment threshold. Of the four that have passed since 2014, only one reached the threshold. In the 2015-16 Legislative Session, seven bills were introduced directing a state agency to sponsor a specialized license plate. All seven died in either the Senate or Assembly Appropriations Committee. In the 2017-2018 session, 5 specialized license plates were introduced. One made it to the Governor and was vetoed. In the 2019 session, two specialized license plates were introduced and both were held in Senate Appropriations Committee.

According to the author, “Awareness is an important part of treating mental health issues in California. This bill will let Californians spread the word about this critical issue every time they get in their cars.”

*Committee Comments:* Funds generated by specialized license plates are generally sent to the Specialized License Plate Fund to be expended on projects and programs that promote the state agency’s official policy, mission, or work. Funds generated by specialized license plates that are placed in the Specialized License Plate Fund cannot expend more than 25% of those funds on administrative costs, marketing, or other promotional activities.

This bill instead creates a new fund with no restrictions or permissions on how the money should be administered other than it should be used for mental health awareness and education. The Legislature may want to consider requiring the funds generated by this plate to go to the Specialized License Plate Fund. DHCS as the sponsoring agency would still ultimately receive the funds generated by the plate.

*Prior Legislation:* AB 84 (Leslie), Chapter 454, Statutes of 2006, restricts specialized license plates to only be issued if sponsored by a state agency that received 7,500 commitments from individuals to purchase the plates.

AB 1884 (Harper, 2016) was nearly identical to this bill. That bill was held on the Assembly Appropriations suspense file.

#### **REGISTERED SUPPORT / OPPOSITION:**

##### **Support**

None on file

##### **Opposition**

None on file

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