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Creating a New Specialized License Plate

Background

California requires all registered vehicles to have a license plate in the front and back of the vehicle. The standardized plate in California has a white background with blue letters. California also has specialized license plates (SLPs). SLPs can either be personalized plates using the standard design, or may have a unique design. Some of the more popular SLPs in California include one with a whale tale, a plate with the message "honoring veterans" and a "retro" plate with a black background and yellow letters that was the standard plate from 1969 to 1980.

A new SLP does not require legislation. In the past, California allowed private organizations to sponsor specialized license plates by making an application to the Department of Motor Vehicles (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 SLPs 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 an SLP if it was 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 SLPs are government speech, not private speech, and upheld a Texas law that was similar to California's previous process of establishing specialized license plates.

How to establish a new plate

A state department is allowed to sponsor a SLP. The state agency must submit a Letter of Intent to DMV, which contains a financial plan stating the purpose(s) for which the revenue will be used. The state agency has 12-months to collect the 7,500 applications once the Letter of Intent is approved by DMV. DMV will provide you with a letter of acceptance. An additional 12-months can be granted to collect the 7,500 pre-paid applications if the state agency submits a written request for an extension. The written request must be received prior to the expiration of the original 12-month period. The total collection period to accept pre-paid applications cannot exceed 24-months.

It is the state agency's responsibility to design the license plate decal prototype. The plate prototype must be submitted prior to marketing the design. The design, logo, and message (slogan) on the plate must publicize or promote the official policy, mission, or work of the sponsoring state agency.

Up to four colors may be used in the SLP design. After the plate design is approved by DMV and CHP, DMV will authorize plate samples to be manufactured. Plate samples must be provided to CHP to ensure legibility, reflectivity, and visibility requirements are met.

If an organization wishes to create a new SLP, the organization should approach a state agency with a plate design and plan on how to get to 7,500 signatures. A member of the Legislature could assist in this process by assisting the organization in contacting a state agency.

While members of the Legislature have introduced legislation to create new SLPs, the legislation has often 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 SLP. All seven died in either the Senate or Assembly Appropriations Committee. In the 2017-2018 Legislative Session, 5 bills were introduced to establish a SLP. All but one of those bills died in the Legislature, and the one that survived was vetoed. In the 2019 Legislation Session, 2 SLP bills were introduced, both died in Senate Appropriations Committee.

Revenue Generated by the SLP Programs

Organizations and state agencies often want to introduce new SLPs in order to generate revenue for programs they support. For most SLPs, the revenue generated by the plate is deposited into the California Environmental License Plate Fund (CELPF), with the exception of the Breast Cancer Awareness Plate, which has its funds placed in the Breast Cancer Fund. The State Controller is first required to reimburse DMV for the costs incurred for performing its duties in establishing the plate. The revenue generated by the plates in 2018 is as follows:

Program Specialized License Plates	Revenue From Specialized License Plate Program
Arts	\$1,604,235.81
Coastal	\$1,286,500.00
Kids (Public Health)	\$0.00*
Kids (Social Services)	\$3,621,170.00
Lake Tahoe	\$923,012.00
Veterans Org	\$1,716,789.26
Yosemite***	\$660,676.76
Memorial (Cal OES)	\$883,658.56
Memorial (CDFA)	\$534,000.00
CalAg	\$300,403.69
Pet Lovers	\$287,856.05
California Cultural/Historical Endowment****	\$371,045.18
Breast Cancer Awareness	\$43,030.82