

Date of Hearing: June 25, 2018

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

SB 1112 (Roth) – As Amended May 25, 2018

SENATE VOTE: 38-0

SUBJECT: Specialized license plates: support services.

SUMMARY: Requires the Department of Housing and Community Development (HCD) to apply to the Department of Motor Vehicles (DMV) to sponsor a housing supportive services specialized license plate program and direct the fee revenue generated by the plate program to fund the supportive services to the target populations served by the Housing for a Healthy California (HHC) program. **Specifically**, this bill:

- 1) Requires HCD to sponsor a specialized license plate that would contain a hashtag.
- 2) Requires the hashtag to be considered an empty space that can go anywhere in the numerical sequence, but should be considered a blank space and not an additional character for the purposes of the alpha-numeric sequence.
- 3) Requires DMV to cooperate with representatives from the California Highway Patrol (CHP) and the Prison Industry Authority in the final shape and dimension of the symbol.

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.

- 3) Establishes the HHC within HCD. The purpose of the HHC program is to create supportive housing.
- 4) Defines eligibility to receive assistance under a grant awarded under the HHC program as a county resident who meets all of the following requirements:
 - a) Is homeless upon initial eligibility;
 - b) Is a Medi-Cal beneficiary;
 - c) Is eligible for Supplemental Security Income;
 - d) Is eligible to receive services under either the Whole Person Care pilot or the Health Home Program, or a locally controlled services program funding or providing services in supportive housing; and,
 - e) Is likely to improve his or her health conditions with supportive housing.

FISCAL EFFECT: Unknown

COMMENTS:

Specialized License Plates: 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 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.

#Healthy California Program: This bill requires the specialized license plate sponsored by HCD to have a hashtag (#). The hashtag has become popular in recent years as a means of highlighting subjects on social media to make them easily searchable and raise awareness to an issue or event by having it come up as a trending topic. For example, #vota has been used to promote voter turnout. #PortugalvsSpain had been tweeted over 42,000 times in the last week, expressing excitement for what media outlets are calling one of the best World Cup games in recent memory.

For the purposes of this plate, the hashtag will not be considered an alpha numeric symbol. This means that if someone already has a “vota” plate, another individual could not get a “#vota” plate.

After deducting administrative costs, the revenue generated by the plate would go toward the HCC grant program. HCC is a new program established under AB 74 (Chiu), Chapter 777, Statutes of 2017, which funds competitive grants to pay for housing construction or operating costs for chronically homeless Medi-Cal beneficiaries who meet specified criteria, including people who are eligible for Supplemental Security Income.

Related Legislation: SB 1189 (Newman) requires the Department of Parks and Recreation to apply to DMV to sponsor a specialized license plate bearing the officially licensed logo, emblem or trademark of a California professional sports franchise to fund operations and maintenance of state parks and recreation grant programs. SB 1189 is awaiting a hearing by this committee.

SB 1357 (Gaines) requires The Department of Veteran Affairs to replace the “Honoring Veterans” specialized license plate with a “Veteran” specialized license plate and restricts the plate’s sale exclusively to veterans. SB 1357 is set to be heard by this committee on June 25, 2018.

SB 1455 (Stern) requires the State Coast Conservancy (SCC) to apply to the Department DMV to sponsor an “Endless Summer” license plate for the coastal conservancy awareness program. SB 1455 is set to be heard by this committee on June 25, 2018.

AB 1251 (T. Allen) requires the SCC to apply to DMV to sponsor an “Endless Summer” license plate 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.

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 244 (Bonilla), Chapter 690, Statutes of 2013, directed CalVet to sponsor a “Veteran” specialized license plate.

REGISTERED SUPPORT / OPPOSITION:**Support**

American Legion-Department of California
California Apartment Association
OneVet OneVoice
Sacramento Stand Down Association

Opposition

None on file

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