

Date of Hearing: June 25, 2018

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

SB 1357 (Gaines) – As Amended June 19, 2018

SENATE VOTE: 36-0

SUBJECT: Vehicles: license plates: veterans.

SUMMARY: Requires The Department of Veteran Affairs (CalVet) to replace the “Honoring Veterans” specialized license plate with a “Veteran” specialized license plate and restricts the plate’s sale exclusively to veterans. Specifically, **this bill:**

- 1) Requires CalVet to adopt, and the Department of Motor Vehicles (DMV) to replace the “Honoring Veterans” specialized license plate with a “Veterans” specialized license plate by January 1, 2019.
- 2) Limits issuance of the “Veteran” message only to an applicant who provides documentation as having performed one of the following:
 - a) Honorable service in the Armed Forces of the United States; or,
 - b) A minimum of 180 days of honorable service in the California National Guard.
- 3) Requires the DMV and CalVet to establish a process for determining eligibility.
- 4) Requires the sale of all existing “Honoring Veterans” plates before new plates can be sold.

EXISTING LAW:

- 1) Requires DMV to issue special license plates under a special interest license plate program, as specified.
- 2) Authorizes any person who is the registered owner or lessee of a vehicle to apply for a special interest license plate that has a distinctive design or decal that honors all veterans or veterans who served in a particular war or armed conflict.
- 3) Provides that special interest license plates are subject to fees for issuance, renewal, or personalization that are additional to those required for nonspecialized license plates.
- 4) Requires that the fee revenue generated from veterans license plates, less DMV’s administrative costs, be deposited in the Veteran Service Officer (VSO) Fund.
- 5) Requires that money in the VSO Fund be available, upon appropriation by the Legislature, to the Department of Veterans Affairs for allocation and disbursement to counties for the operation of county veterans service offices (CVSOs).

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 generate 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. AB 2131 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 Senate or Assembly Appropriations Committee.

Veterans Plates: AB 1908 (Cook), Chapter 166, Statutes of 2010, which was sponsored by the same sponsors as this bill, gave authority to CalVet to change the message on their specialized license plate, which at the time said “Veteran” and came with decals for the various branches of the military. CalVet, under the authority granted by AB 1908, changed the “Veteran” plate to “Honoring Veterans.”

The “Honoring Veterans” plate change was made in order to attract more individuals to purchase the plate by having a broader appeal. This effort was indeed successful, as it resulted in 3,000 more individuals purchasing an “Honoring Veterans” plate. This brought in nearly \$300,000 more for the VSO Fund compared to when it was just a “Veteran” plate. The program currently has 23,392 plates and generates \$902,476 for the VSO Fund.

According to the sponsors, some in the veteran community became upset about the loss of the “Veteran” plate. The sponsors of this bill then sponsored AB 244 (Bonilla), Chapter 690, Statutes of 2013, directing CalVet to sponsor a “Veteran” plate. In order for a plate to be established, 7,500 individuals must commit to buying the plate. CalVet was unable to find enough individuals to commit to purchasing a “Veteran” plate.

This bill seeks to reverse the bill the sponsors worked on in 2010 by redirecting CalVet to switch back to a “Veteran” specialized license plate instead of “Honoring Veterans” and then restricts the plate to only be available to veterans. Veterans would likely have to go to CVSO offices to verify that they are a veteran, similar to what is currently done in order to get a “VETERAN” designation on their driver’s license. Because this bill replaces an existing plate, 7,500 new commitments will not be necessary.

Double Referral: This bill will be referred to the Assembly Veterans Affairs Committee should it pass out of this committee.

Related Legislation: SB 1112 (Roth) requires the Department of Housing and Community Development to apply to DMV to sponsor a specialized license plate that includes the hashtag symbol to fund housing supportive services. SB 1112 is set to be heard by this committee on June 25, 2018.

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 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 1908 (Cook), Chapter 166, Statutes of 2010, authorizes CalVet to modify the distinctive designs of veterans' plates (created the "honoring veterans" special interest license plate) and the associated decals, but prohibits DMV from issuing the new plates or decals until it has issued all existing inventories of plates and decals.

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

REGISTERED SUPPORT / OPPOSITION:**Support**

California Association of County Veterans Service Officers (Sponsor)
American GI Forum of California
American Legion – Department of California
AMVETS – Department of California
California State Commanders Veterans Council
Military Officers Association of America – California Council of Chapters

Opposition

None on file

Analysis Prepared by: David Sforza / TRANS. / (916) 319-2093