

Date of Hearing: June 13, 2016

ASSEMBLY COMMITTEE ON TRANSPORTATION

Jim Frazier, Chair

SB 1399 (Hueso) – As Amended April 26, 2016

**SENATE VOTE:** 36-0

**SUBJECT:** Department of Motor Vehicles: license plate alternatives pilot program

**SUMMARY:** Extends the sunset on an existing Department of Motor Vehicles (DMV) pilot program evaluating alternatives to license plates, registration stickers, and registration cards from January 1, 2017, to January 1, 2019, and the deadline for DMV to report on the pilot to the Legislature from July 1, 2018, to July 1, 2020.

**EXISTING LAW:**

- 1) Requires DMV to issue two reflectorized license plates for vehicles and specifies that:
  - a) Each plate must display the word “California,” the vehicle's registration number, and the year for which the vehicle's registration is valid, and;
  - b) For license plates other than motorcycles, the license must be rectangular in shape, 12 inches in length, and six inches in width.
- 2) Prohibits DMV from letting a contract to any non-governmental entity for purposes of manufacturing license plates.
- 3) Authorizes DMV to issue one or more stickers, tabs, or other suitable devices in lieu of a license plate as specified.
- 4) Authorizes DMV to conduct a pilot program to evaluate alternatives to vehicle license plates, registration stickers, and registration cards until no later than January 1, 2017, and requires DMV to report on the results of the pilot program to the Legislature no later than July 1, 2018.
- 5) Requires the Department of the California Highway Patrol to approve any DMV-selected alternative to license plates or registration stickers and cards.
- 6) Requires a vendor to be responsible for the cost associated with any alternative products used in the pilot program.

**FISCAL EFFECT:** Unknown

**COMMENTS:** DMV has issued license plates and registration stickers since 1959. Currently, in order to register a vehicle, the registered owner must submit proof of insurance, pay registration and other fees, and when required, provide proof that the vehicle passed a smog check inspection. DMV then issues, typically by mail, a vehicle registration card and the appropriate sticker for the vehicle's rear license plate. For annual renewal of a vehicle registration, DMV mails the registered owner a notice and reply envelope approximately 60 days prior to the vehicle's renewal date. The owner can remit fees and required documentation by

mail, via DMV's website, in person at a DMV field office, or at the office of one of DMV's private industry partners, such as the American Automobile Association (AAA). DMV registers 33 million vehicles annually, with over 10 million renewals taking place in DMV field offices each year.

In 2013, the Legislature passed and the Governor signed SB 806 (Hueso), Chapter 569, Statutes of 2013, authorizing DMV to establish a pilot program to evaluate the use of alternatives to license plates, registration stickers, and registration cards. At the time, that bill's author sought to facilitate DMV's ability to explore alternatives to the traditional metal license plate, plastic-coated registration stickers, and paper registration cards in order to improve efficiency and lower the cost of DMV vehicle registration services.

Since the enactment of SB 806, DMV has developed specifications and completed procurements for each of the three authorized alternatives. The procurement process ran longer than was anticipated when SB 806 was initially considered, and field testing for some of the technologies by the contracted vendors did not begin until as late as November 2015. Due to the abbreviated nature of the testing window, the vendors carrying out the pilot are seeking to extend the pilot's authorization. The author believes that by extending the authorization by two years, the vendors will have ample time to complete their testing as well as account for any additional delays. The additional time to conduct the pilot will allow the vendors to expand field testing and collect additional, more extensive data to share with DMV, which will then be reported by the department to the Legislature to assist in determining the viability of these technologies for future use.

Because existing statute merely authorizes DMV to establish a pilot but does not require the department to purchase any technology from the vendors, the extension of the pilot would not require extending or renegotiating any contracts that would result in costs to DMV.

*Previous legislation:* SB 806 (Hueso), Chapter 569, Statutes of 2013, authorized DMV to conduct a pilot program to evaluate alternatives to license plates, registration stickers, and registration cards.

## **REGISTERED SUPPORT / OPPOSITION:**

### **Support**

ReviverMX (Sponsor)  
Motor Vehicle Software Corporation

### **Opposition**

None on file

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