

Date of Hearing: June 26, 2014

ASSEMBLY COMMITTEE ON TRANSPORTATION  
Bonnie Lowenthal, Chair  
SB 1323 (Lieu) – As Amended: June 30, 2014

SENATE VOTE: Not relevant

SUBJECT: Specialized license plates: Pet Lover's License Plate Program

SUMMARY: Requires the Department of Motor Vehicles (DMV) to deposit fees collected for a specialized license plate issued under the Pet Lover's Specialized License Plate Program into the Pet Lover's Specialized License Plate Fund (PLF), as specified. Specifically, this bill:

- 1) Requires DMV to deposit the fees collected under the Pet Lover's Specialized License Plate Program sponsored by the Veterinary Medical Board (VMB) into the PLF.
- 2) Specifies the funds collected by any successor specialized license plate program sponsored by VMB are to be deposited into the PLF.
- 3) Establishes the PLF in the State Treasury.
- 4) Directs funds deposited in the PLF to be continuously appropriated to VMB for purposes of funding grants to providers of no-cost or low-cost animal sterilization services.
- 5) Requires VMB to consider recommendations from the California Spay and Neuter License Plate Fund Inc. in determining how to award grant funds.
- 6) Includes an urgency provision.

EXISTING LAW:

- 1) Establishes specialized license plate programs and requires DMV to issue specialized license plates to a sponsoring state agency that meets specific requirements.
- 2) Requires DMV to, in addition to the regular fees paid for an original or renewal of vehicle registration, charge specified fees for the issuance, renewal, or transfer of specialized license plates.
- 3) Requires DMV to deduct the administrative cost to implement the specialized license plate program from the abovementioned additional fees and directs the remainder of the fees to be deposited in the Specialized License Plate Fund.
- 4) Specifies that fees deposited in the Specialized License Plate Fund are to be appropriated by the Legislature and allocated to each sponsoring agency in proportion to the amount that is collected for the sponsoring agency's specialized license plate program.

FISCAL EFFECT: Unknown

COMMENTS: Prior to 2007, any new specialized license plate required specific legislative authorization. That practice was held to be unconstitutional by the federal courts in that the Legislature approved some of the plates and rejected others, while using no standardized or objective criteria for those decisions. In response to the court decision, AB 84 (Leslie), Chapter 454, Statutes of 2006, established the current specialized license plate program to provide a forum for government speech that promotes California's state policies. AB 84 excludes private organizations from seeking specialized license plates as a forum for private speech, and thus addresses the court's objection.

Specialized license plates now created and the revenue they generate must publicize or promote a state agency, or the official policy, mission, or work of a state agency. A state agency must first submit an initial application to DMV requesting sponsorship of a specialized license plate. The process then provides the sponsoring state agency 12 months to obtain the required 7,500 paid applications and must be received by the sponsoring state agency prior to notifying DMV. The 7,500 application threshold was previously put into statute for specialized license plates and was arrived at in an attempt to assure that DMV's startup costs would be fully covered by the portion of the registration fee surcharge that is directed to DMV and to avoid a proliferation of different types of plates, which can be troublesome from a law enforcement perspective. Furthermore, fees collected from the specialized license plate programs are first used to cover DMV program administrative costs with the remaining additional funds being deposited into the Specialized License Plate Fund and subject to appropriation by the Legislature.

DMV currently administers 12 specialized license plate programs, including the Pet Lover's specialized license plate program. AB 610 (Solorio), Chapter 9, Statutes of 2012, provided VMB an additional 12 month period to meet the 7,500 application threshold as required by existing law. VMB obtained the necessary applications over the additional 12 months and began issuing Pet Lover's specialized license plates in September of 2013. As of May 31, 2014, DMV has issued 8,070 Pet Lover's specialized license plates and generated \$94,844.

This bill requires DMV to deposit additional revenue generated from the Pet Lover's specialized license plate program into the newly created PLF and to be continuously appropriated to VMB. The author introduced this bill in order to streamline the funding process for the Pet Lover's plate program and to keep revenue flowing to programs that fund animal sterilization services. Currently a timing issue exists between when DMV started collecting fees for the Pet Lover's specialized license plate program and when DMV has the authority to allocate the funds to VMB. Due to this timing issue, VMB would receive program funds no earlier than July 2015. The author notes the provisions in this bill are necessary to ensure that the funds meant to go to no-cost or low-cost spay and neuter programs actually reach their intended purpose in a timely manner and do not get delayed in the state budget process.

Previous legislation:

AB 610 (Solorio), Chapter 9, Statute of 2012, provided an additional 12 months for the collection of the 7,500 paid applications necessary for VMB to successfully sponsor a the Pet Lover's specialized license plate.

REGISTERED SUPPORT / OPPOSITION:

Support

Veterinary Medical Board  
State Humane Association of California

Opposition

None on file

Analysis Prepared by: Manny Leon / TRANS. / (916) 319-2093



**SB-1323 Specialized license plates: Pet Lover's License Plate Program.** (2013-2014)

AMENDED IN ASSEMBLY JUNE 30, 2014

AMENDED IN ASSEMBLY JUNE 17, 2014

AMENDED IN SENATE APRIL 29, 2014

AMENDED IN SENATE APRIL 02, 2014

AMENDED IN SENATE MARCH 25, 2014

CALIFORNIA LEGISLATURE— 2013–2014 REGULAR SESSION

**SENATE BILL**

**No. 1323**

**Introduced by Senator Lieu**

**February 21, 2014**

An act to amend Section 5157 of the Vehicle Code, relating to vehicles, ~~and~~ making an appropriation ~~therefor.~~ *therefor, and declaring the urgency thereof, to take effect immediately.*

LEGISLATIVE COUNSEL'S DIGEST

SB 1323, as amended, Lieu. Specialized license plates: Pet Lover's License Plate Program.

Existing law establishes a specialized license plate program and requires the Department of Motor Vehicles (DMV) to issue specialized license plates to a sponsoring state agency that meets certain requirements. Existing law requires the DMV to charge specified additional fees for the issuance, renewal, or transfer of specialized license plates, and requires that these additional fees, less the DMV's administrative costs, be deposited in the Specialized License Plate Fund for appropriation and allocation to each sponsoring state agency, as specified.

This bill would require the DMV to deposit the additional fees for a specialty license plate issued under the Pet Lover's License Plate Program sponsored by the Veterinary Medical Board, or a successor specialty license plate program sponsored by the board, into the Pet Lover's Specialized License Plate Fund, which the bill would establish. The bill would require that these funds be continuously appropriated to the Veterinary Medical Board for the sole and exclusive purpose of funding grants to providers of no-cost or low-cost animal sterilization services, as specified. By continuously appropriating moneys in the fund to the board, the bill would make an appropriation.

*This bill would declare that it is to take effect immediately as an urgency statute.*

Vote: 2/3 Appropriation: yes Fiscal Committee: yes Local Program: no

THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:

**SECTION 1.** Section 5157 of the Vehicle Code is amended to read:

**5157.** (a) In addition to the regular fees for an original registration or renewal of registration, the following additional fees shall be paid for the issuance, renewal, or transfer of the specialized license plates:

(1) For the original issuance of the plates, fifty dollars (\$50).

(2) For a renewal of registration with the plates, forty dollars (\$40).

(3) For transfer of the plates to another vehicle, fifteen dollars (\$15).

(4) For each substitute replacement plate, thirty-five dollars (\$35).

(5) In addition, for the issuance of environmental license plates, as defined in Section 5103, with a specialized license plate design, the additional fees prescribed in Sections 5106 and 5108. The additional fees prescribed in Sections 5106 and 5108 shall be deposited in the California Environmental License Plate Fund.

(b) The Gold Star Family specialized license plate program as provided in subdivision (d) of Section 5156 shall not be subject to the fees specified in paragraphs (1), (2), and (5) of subdivision (a) and shall only be issued in a sequential series.

(c) Except as provided in paragraph (5) of subdivision (a), and after deducting its administrative costs under this section, the department shall deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of the specialized license plates in the Specialized License Plate Fund, which is hereby established in the State Treasury. Upon appropriation by the Legislature, the moneys in that fund shall be allocated to each sponsoring agency, in proportion to the amount in the fund that is attributable to the agency's specialized license plate program. Except as authorized under Section 5159, the sponsoring agency shall expend all funds received under this section exclusively for projects and programs that promote the state agency's official policy, mission, or work.

(d) (1) The Department of Veterans Affairs may actively request and receive donations for the Gold Star Family License Plate ~~Account~~ *Account*, which is hereby created in the Specialized License Plate Fund and which may consist of donations from public and private entities. Earnings generated by the Gold Star Family License Plate Account shall be retained by the account.

(2) Upon the determination of the department that there are sufficient funds in the Gold Star Family License Plate Account for this purpose, moneys in the Gold Star Family License Plate Account shall be available, upon appropriation by the Legislature, to the department for the necessary administrative costs of establishing the Gold Star Family specialized license plate program.

(e) Notwithstanding subdivision (c), the department shall deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of a specialty license plate issued under the Pet Lover's License Plate Program sponsored by the Veterinary Medical Board, or a successor specialty license plate program sponsored by the Veterinary Medical Board, in the Pet Lover's Specialized License Plate Fund, which is hereby established in the State Treasury. Notwithstanding Section 13340 of the Government Code, all of the moneys in the Pet Lover's Specialized License Plate Fund are continuously appropriated to the Veterinary Medical Board, without regard to fiscal years, for the sole and exclusive purpose of funding grants to providers of no-cost or low-cost animal sterilization services. The Veterinary Medical Board shall consider the recommendations of the California Spay and Neuter License Plate Fund, Inc., in determining how to award grant funds.

**SEC. 2.** *This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:*

*In order to ensure that funds from a specialized license plate program are available as soon as possible to allow the Veterinary Medical Board to support the critically important efforts of city and county animal shelters to address serious animal care and control problems facing the state, it is necessary that this act go into effect immediately.*



**Veterinary Medical Board**

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June 23, 2014

Honorable Bonnie Lowenthal, Chair  
Assembly Committee on Transportation  
State Capitol Room 112  
Sacramento, CA 95814

**Re: Senate Bill 1323 (Lieu) - Specialized license plates: Pet Lover's License Plate Program**

Dear Chair Lowenthal:

As the official state sponsor of the California Pet Lover's License Plate Program, the Veterinary Medical Board supports legislation authorizing a continuous appropriation of the revenue generated by the specialty license plates issued under Pet Lover's License Plate Program to the California Spay & Neuter License Plate Fund Inc., (Fund).

The Fund is a non-profit California corporation recognized by the Veterinary Medical Board as its agent for the administration and management of the Pet Lover's License Plate Program and should be the entity receiving the revenue from the specialty license plate funds. The Board does not receive any revenue from the funds collected, does not determine provider eligibility, nor makes decisions regarding granting funds to qualified providers of no cost or low cost spay and neuter services; this is the responsibility of the Fund. As such, the Board should not incur expenses for the administration of the Pet Lover's License Plate Program, including requesting annual distribution of funds through the budget change process.

Legislation clarifying the continuous appropriation of the funds collected for the Pet Lover's License Plate Program would ensure that the revenue derived from the program is deposited into the appropriate Fund and may be disbursed according to regulatory provision.

The Board appreciates your assistance with adopting the necessary legislative amendments.

Sincerely,

*Tom Kendall, DVM*

Tom Kendall, DVM, President  
Veterinary Medical Board

Cc: Honorable Ted Lieu, Chair Senate Business, Professions and Economic Development  
Committee  
Bill Gage Chief Consultant, Senate Business, Professions and Economic Development  
Committee  
Tracy Rhine and Greg Pruden, Legislative Unit, Department of Consumer Affairs