

ASSEMBLY BILL

No. 853

**Introduced by Assembly Member Brown
(Coauthor: Assembly Member Linder)**

February 21, 2013

An act to amend Section 5157 of, and to add Section 5156.2 to, the Vehicle Code, relating to vehicles.

LEGISLATIVE COUNSEL'S DIGEST

AB 853, as introduced, Brown. Vehicles: motorsport license plates.

Existing law, subject to exceptions, requires the Department of Motor Vehicles to, upon registering a vehicle, issue the owner 2 partially or fully reflectorized license plates. Existing law also authorizes the department to issue a variety of specialty license plates. Existing law authorizes a state agency to apply to the department to sponsor a specialized license plate program, as specified.

This bill would authorize the Commissioner of the California Highway Patrol to apply to the Department of Motor Vehicles to sponsor a program for a series of motorsports and auto-enthusiast themed license plates. The bill would provide that the original issue and renewal fee for those plates would be deposited in the Motorsport License Plate Account of the Specialized License Plate Fund, which account is created by the bill. The bill would authorize, upon appropriation by the Legislature, the funds collected to be used by the Office of Traffic Safety, as specified. The bill would make additional conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: yes.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 5156.2 is added to the Vehicle Code, to
2 read:

3 5156.2. (a) (1) Notwithstanding Sections 5154, 5155, and
4 5156, the Commissioner of the California Highway Patrol may
5 apply to the department to sponsor a program for a series of
6 motorsports and auto-enthusiast themed license plates, and the
7 department shall issue, or cause to be issued, specialized license
8 plates for that program, if the Commissioner of the California
9 Highway Patrol complies with the provisions of this article. This
10 series of plates may bear emblems, seals, vehicle images, or other
11 symbols or designs displaying motorsports and automobile
12 enthusiast themes or professional motorsports drivers. The design
13 of each specialty plate in the series shall be proposed by the
14 commissioner and approved by the department.

15 (2) The department shall not issue specialized license plates for
16 a vehicle that is exempt from the payment of registration fees
17 pursuant to Section 9101 or 9103.

18 (b) The department shall not establish a specialized license plate
19 program described in subdivision (a) until the department has
20 received at least 7,500 applications for the specialized license
21 plates. The commissioner shall collect and hold applications for
22 the plates. Once the commissioner has received at least 7,500
23 applications, the commissioner shall submit the applications, along
24 with the necessary fees, to the department. The department shall
25 not issue a specialized license plate until the commissioner has
26 received and submitted to the department not less than 7,500
27 applications collectively for that particular specialized license
28 plates within five years of the initial application to sponsor the
29 specialized license plates. Advance payment to the department by
30 the commissioner representing the department’s estimated or actual
31 administrative costs associated with the issuance of a particular
32 specialized license plate shall not constitute compliance with this
33 requirement. The commissioner shall have 12 months, following
34 the date of approval of the initial application to sponsor a
35 specialized license plate program, to receive the required number
36 of applications. If, after that 12 months, 7,500 applications have
37 not been received, the commissioner shall immediately do either
38 of the following:

1 (1) Refund to all applicants all fees or deposits that have been
2 collected.

3 (2) Contact the department to indicate the commissioner's intent
4 to undertake collection of additional applications and fees or
5 deposits for an additional period, not to exceed 12 months, in order
6 to obtain the minimum 7,500 applications. If the commissioner
7 elects to exercise the option under this paragraph, the commissioner
8 shall contact each applicant who has submitted an application with
9 the appropriate fees or deposits to determine if the applicant wishes
10 a refund of fees or deposits or requests the continuance of the
11 holding of the application and fees or deposits until that time that
12 the commissioner has received 7,500 applications. The
13 commissioner shall refund the fees or deposits to an applicant so
14 requesting. The commissioner shall not collect and hold
15 applications for a period exceeding 24 months following the date
16 of approval of the initial application to sponsor a specialized license
17 plate program.

18 (c) The department shall cause to be issued any plate in this
19 series without a minimum number of applications for a specific
20 design.

21 (d) The fees for original issuance and renewal of registration
22 for the specialty plates shall be deposited in the Motorsports
23 License Plate Account, which is hereby created in the Specialized
24 License Plate Fund, and notwithstanding subdivision (c) of Section
25 5157, shall, upon appropriation, be distributed quarterly to the
26 department for its actual costs of administering this program, and
27 the balance to the commissioner, who shall transfer the funds to
28 the Office of Traffic Safety.

29 (e) (1) The commissioner or the commissioner's designee shall
30 secure license rights for any emblem, seal, vehicle image, or other
31 motorsports or automobile enthusiast symbol or design displaying
32 automotive themes or themes of professional motorsports, or
33 professional motorsports drivers, for use on specialized license
34 plates authorized by this section. However, the commissioner shall
35 not pay or provide more than nominal monetary compensation for
36 those license rights.

37 (2) The terms of the license rights agreements shall hold the
38 state, the commissioner, and the Office of Traffic Safety harmless
39 and shall indemnify the state, the commissioner, and the Office of
40 Traffic Safety from all losses, costs, expenses, including reasonable

1 attorney's fees, claims, demands, liabilities, causes of action, and
2 damages, arising out of the unauthorized use or infringement of a
3 trademark, service mark, copyright, patent, method, device, or
4 other proprietary right, in connection with the issuance of the
5 specialized license plates authorized by this section.

6 (f) The commissioner, the department, and the Office of Traffic
7 Safety may require the hold harmless and indemnity agreements
8 to be supported by policies of commercial general liability
9 insurance, or other insurance, in amounts and by insurance
10 companies that are acceptable to the commissioner and the
11 department.

12 (g) The commissioner and the Office of Traffic Safety may
13 solicit, negotiate, and collect contributions from third parties to
14 augment the program authorized by this section.

15 SEC. 2. Section 5157 of the Vehicle Code is amended to read:

16 5157. (a) In addition to the regular fees for an original
17 registration or renewal of registration, *except as provided in*
18 *paragraph (6)*, the following additional fees shall be paid for the
19 issuance, renewal, or transfer of the specialized license plates:

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

21 (2) For a renewal of registration with the plates, forty dollars
22 (\$40).

23 (3) For transfer of the plates to another vehicle, fifteen dollars
24 (\$15).

25 (4) For each substitute replacement plate, thirty-five dollars
26 (\$35).

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

32 (6) *Notwithstanding paragraphs (1) and (2), for the original*
33 *issuance of specialty license plates pursuant to Section 5156.2,*
34 *sixty dollars (\$60), and for the renewal of registration with the*
35 *plates, fifty dollars (\$50).*

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

1 (c) Except as provided in ~~paragraph~~ *paragraphs (5) and (6)* of
2 subdivision (a), *and Section 5156.2*, and after deducting its
3 administrative costs under this section, the department shall deposit
4 the additional revenue derived from the issuance, renewal, transfer,
5 and substitution of the specialized license plates in the Specialized
6 License Plate Fund, which is hereby established in the State
7 Treasury. Upon appropriation by the Legislature, the moneys in
8 that fund shall be allocated to each sponsoring agency, in
9 proportion to the amount in the fund that is attributable to the
10 agency's specialized license plate program. Except as authorized
11 under Section 5159, the sponsoring agency shall expend all funds
12 received under this section exclusively for projects and programs
13 that promote the state agency's official policy, mission, or work.

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

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