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## SENATE COMMITTEE ON PUBLIC SAFETY

Senator Loni Hancock, Chair

2015 - 2016 Regular

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**Bill No:** AB 516                      **Hearing Date:** July 14, 2015  
**Author:** Mullin  
**Version:** June 30, 2015  
**Urgency:** No                              **Fiscal:** Yes  
**Consultant:** MK

**Subject:** *Vehicles: Temporary License Plates*

### HISTORY

**Source:** Metropolitan Transportation Commission

**Prior Legislation:** AB 2197 (Mullin) 2014 held in Assembly Appropriations

**Support:** California New Car Dealers Association; The Metropolitan Transportation Commission; Santa Clara Valley Transportation Authority; Transportation Corridor Agencies

**Opposition:** California Rural Legal Assistance Foundation (unless amended); Car Dealers Saving Lives; Consumers for Auto Reliability and Safety (unless amended); Lawyers' Committee for Civil Rights of the San Francisco Bay Area (unless amended)

**Assembly Floor Vote:** 74 - 1

### PURPOSE

*The purpose of this bill is to: 1) require the Department of Motor Vehicles (DMV) to create a process to issue temporary license plates (TLPs) by January 1, 2018; 2) require dealers to attach TLPs to all unlicensed vehicles when they are sold beginning January 1, 2018; and 3) makes the forging, altering etcetera of a temporary license plate a jail wobbler.*

*Existing law* requires car dealers, when selling a vehicle, to use the report-of-sale forms issued by the DMV, to give written notice of the sale to the DMV not later than the fifth calendar day after the sale, and to display a copy of the report of sale on the vehicle. (Vehicle Code § 4456)

*This bill* sunsets the above provision on January 1, 2018 and creates a new electronic report system that the DMV and car dealers shall use beginning on January 1, 2018.

*This bill* requires that DMV create a system to issue temporary license plates for cars sold that do not already have a license plate.

*Existing law* permits vehicles displaying a copy of the report-of-sale to be operated until the license plates are received by the purchaser or for 90 days, whichever occurs first. The penalty for failing to display the plate is a fix-it ticket. (Vehicle Code § 4456)

*This bill* provides that a vehicle displaying a report-of-sale form or temporary license plate may be operated without license plates until the license plates and registration card are received by the purchaser or a 90 day period commencing with the date of the sale of the vehicle has expired. *Existing law* authorizes dealers to charge document preparation fees of \$80 for new cars and \$65 for used cars. (Vehicle Code § 4456.5)

*This bill* increases those fees to \$90 and \$75 beginning on January 1, 2018.

*Existing law* makes the altering, forging etcetera of various DMV documents a jail wobbler. (Vehicle Code § 4463)

*This bill* would make the altering, forging etcetera of a temporary license plate a jail wobbler.

#### RECEIVERSHIP/OVERCROWDING CRISIS AGGRAVATION

For the past eight years, this Committee has scrutinized legislation referred to its jurisdiction for any potential impact on prison overcrowding. Mindful of the United States Supreme Court ruling and federal court orders relating to the state’s ability to provide a constitutional level of health care to its inmate population and the related issue of prison overcrowding, this Committee has applied its “ROCA” policy as a content-neutral, provisional measure necessary to ensure that the Legislature does not erode progress in reducing prison overcrowding.

On February 10, 2014, the federal court ordered California to reduce its in-state adult institution population to 137.5% of design capacity by February 28, 2016, as follows:

- 143% of design bed capacity by June 30, 2014;
- 141.5% of design bed capacity by February 28, 2015; and,
- 137.5% of design bed capacity by February 28, 2016.

In February of this year the administration reported that as “of February 11, 2015, 112,993 inmates were housed in the State’s 34 adult institutions, which amounts to 136.6% of design bed capacity, and 8,828 inmates were housed in out-of-state facilities. This current population is now below the court-ordered reduction to 137.5% of design bed capacity.”( Defendants’ February 2015 Status Report In Response To February 10, 2014 Order, 2:90-cv-00520 KJM DAD PC, 3-Judge Court, *Coleman v. Brown, Plata v. Brown* (fn. omitted).

While significant gains have been made in reducing the prison population, the state now must stabilize these advances and demonstrate to the federal court that California has in place the “durable solution” to prison overcrowding “consistently demanded” by the court. (Opinion Re: Order Granting in Part and Denying in Part Defendants’ Request For Extension of December 31, 2013 Deadline, NO. 2:90-cv-0520 LKK DAD (PC), 3-Judge Court, *Coleman v. Brown, Plata v. Brown* (2-10-14). The Committee’s consideration of bills that may impact the prison population therefore will be informed by the following questions:

- Whether a proposal erodes a measure which has contributed to reducing the prison population;
- Whether a proposal addresses a major area of public safety or criminal activity for which there is no other reasonable, appropriate remedy;
- Whether a proposal addresses a crime which is directly dangerous to the physical safety of others for which there is no other reasonably appropriate sanction;
- Whether a proposal corrects a constitutional problem or legislative drafting error; and

- Whether a proposal proposes penalties which are proportionate, and cannot be achieved through any other reasonably appropriate remedy.

## COMMENTS

### 1. Need for The Bill

According to the author:

Under current law cars are allowed to drive without permanent plates for up to 90 days, but in practice, many people drive without plates for even longer. Because of the state's system of simply requiring a folded up copy of the report-of-sale in the inside windshield prior to permanent plates being installed, it's impossible for law enforcement to know whether the 90-day period has lapsed. The result is that thousands of vehicles drive on our highways and local streets every day with no license plate, creating a public safety hazard and reducing toll revenue by \$15 million per year as a result of vehicles without plates using toll roads and bridges without payment.

AB 516 is not breaking new ground at the national level, it's finally bringing California into the mainstream. Specifically,

- 35 states have some form of unique temporary tag system, requiring the display of a visible, unique ID number with expiration date.
- Of the 14 that do not (other than California):
  - 10 assign the license plate to the vehicle's *owner*, rather than vehicle, enabling immediate placement of plate on a newly purchased car.
  - 4 require the vehicle to be permanently registered within 45 days or less.
- AB 516(Mullin) proposes a point-of-sale, self-financing, temporary tag system similar to that in operation in 13 states and the District of Columbia.
- Vehicles without plates are harder to locate when involved in a crime, whether a hit-and-run accident or a more serious crime. This is why last year's bill, AB 2197, was supported by the three major local law enforcement associations.
- According to the U.S. Justice Department, 50 percent of Amber Alerts in 2011 were solved as a result of a member of the public or law enforcement recognizing a vehicle. Their best practices call for including plate number in Amber Alert notices.
- The California Transportation Infrastructure Priorities report recommends Caltrans embrace pricing and express lanes to better manage congestion and operations of the state highway system while generating new revenue (Recommendation 10.3, page 12).
- This new direction depends on automated license plate readers for enforcement. It only works if all drivers play by the same rules and have license plates installed on their vehicles.

## **2. Temporary Plates**

In general this bill requires the Department of Motor Vehicles (DMV) to create a process to issue temporary license plates (TLPs) by January 1, 2018, and requires dealers to attach TLPs to all unlicensed vehicles when they are sold beginning January 1, 2018.

The author is concerned that current law allows thousands of vehicles to drive on our roads with no license plate, creating a public safety hazard and reducing toll revenue by \$15 million per year as a result of vehicles without plates using toll roads and bridges without payment.

Electronic toll payment collection systems rely upon a photo of the vehicle's license plate for enforcement. Without a plate, vehicles are able to use toll lanes and toll bridges without much fear of getting caught. Because cars are often sold without plates, and it is legal to operate without plates for 90 days, transportation agencies are concerned about revenue losses. The Metropolitan Transportation Commission estimates that it loses \$9 million annually in unpaid tolls, with statewide losses of \$15 million.

This bill was heard in, and passed 10-0, Assembly Transportation Committee on July 7 where the issues related to the creation of these new temporary license plates by DMV were discussed.

## **3. Wobbler for Altering, Forging Etcetera a Temporary License Plate**

Existing law makes it a jail wobbler to alter, forge, counterfeit, or falsify a certificate of ownership, registration card, certificate, license, license plate, special plate or permit by a foreign jurisdiction or to alter, forge, counterfeit or falsify the document, device or plate with the intent to represent it as issued by DMV or to alter, forge, counterfeit or falsify with fraudulent intent and endorsement of transfer on a certificate of ownership or other document evidencing ownership, or with fraudulent intent display or cause to be displayed or have in his or her possession a blank, incomplete, canceled, suspended, revoked altered, forged, counterfeit, or false certificate of ownership, registration card, certificate, license, license plate special plate or permit.

This bill would also make doing any of the following to the temporary license plates created under this bill a jail wobbler. Is this the appropriate penalty? The concern appears to be that a person will alter the date on a temporary license plate in order to be able to continue using it beyond 90 days. Is the altering, forging, counterfeiting or falsifying of a temporary license plate the same as altering, forging, counterfeiting or falsifying other DMV documents and thus should have the same penalty or is it somehow distinguishable?

## **4. Cannot Use the Temporary Plates Beyond 90 days**

The author and supporters are concerned with people who keep temporary or dealer plates on their cars even after they get their license plates in order to evade tolls. The thought is that with these new temporary plates it will be easier to determine when the 90 days has run and thus ticket a person who has not installed their license plates.

The opposition believes that people who have not received their plates through no fault of their own should not be subject to a penalty. The author intends to amend the bill in Committee to clarify that a person will not be held responsible if they notify DMV that they did not receive their license plates before the expiration of the 90 days.