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Memorandum

TO: Legislation Committee

DATE: July 3, 2014

FR: Executive Director

W. I. 1131

RE: AB 1864 (Daly) – Temporary License Plate Bill Study

Background
AB 1864 (Daly) requires the Department of Motor Vehicles, in consultation with the California Highway Patrol, to conduct an assessment of the need to adopt a new temporary vehicle identification system that is different from the status quo. If the DMV determines that there is such a need, the bill requires DMV to examine the costs and benefits of at least four different types of temporary vehicle identification systems, including potential methods of paying for the systems. Finally, the bill requires the DMV, in consultation with CHP, to make a recommendation to the Legislature by January 1, 2016 as to whether the state should implement a new system.

Recommendation: Oppose Unless Amended

Discussion
As noted above, AB 1864 would require state funds to be expended examining the need for an alternative system of temporarily identifying vehicles before they receive and mount their permanent license plates. Today's "system," — if it can be called that — amounts to placing a folded up copy of the report of sale (approximately 2 x 4 inches in size) in the windshield of a new vehicle. This system provides no help to law enforcement in identifying vehicles that are being driven after their permanent plates should have been received. The visible portion of the report of sale does not even indicate the date of the vehicle's purchase. As such, today it is far too easy for people to postpone placing their permanent plates on their vehicle, or even cover up their permanent plates with temporary dealer advertisements to avoid detection by law enforcement or toll plaza cameras. In addition, in the unlikely event that a vehicle is pulled over for driving without permanent plates, the violation is considered a "fix-it ticket," costing the typical vehicle owner an average of $25.

In our view, we don't need a study to answer the question of whether California needs a new system of temporarily identifying vehicles before permanent plates are installed. As currently drafted AB 1864 would result in a waste of time and taxpayer funds. However, as a precursor to legislation establishing a new system, requiring DMV and CHP to examine options for identifying vehicles at the point of sale could be helpful given both agencies' reluctance to engage in finding a solution to the problem to date.

Accordingly, we recommend an "oppose unless amended" position on AB 1864 that deletes the assessment of the need for a new system and simply requires DMV and CHP to evaluate options for a temporary license plate system that meets the following criteria:

- Requires new and used vehicle dealers to provide a temporary license plate on all vehicles sold at retail at the point of sale;
- Requires the temporary license plate to have a unique identification number that is camera-readable and placed in the license plate holder;
- Requires information to be transmitted in real time to law enforcement and made available to toll agencies;
- Minimizes implementation time; and
- Minimizes cost to consumers and the state.

The bill amendments would also require DMV to report to the Legislature on their preferred option by October 1, 2015, rather than January 1, 2016, to provide several months prior to the start of the 2016 session for MTC and other toll agencies to work with the department on implementing legislation.

Known Positions

Support
California New Car Dealers Association

Oppose
Independent Auto Dealers of California

Steve Heminger

SH: RL
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