

Date of Hearing: August 30, 2017

ASSEMBLY COMMITTEE ON APPROPRIATIONS
Lorena Gonzalez Fletcher, Chair
SB 673 (Newman) – As Amended August 24, 2017

Policy Committee: Transportation Vote: 14 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill transfers administration of the Pet Lover's specialized license plate program from the Veterinary Medical Board (VMB) to the California Department of Food and Agriculture (CDFA), and authorizes CDFA to allocate funds generated by the specialized license plate program to a non-profit organization to administer the grant program funded by license plate revenues.

FISCAL EFFECT:

- 1) Costs to CDFA of \$70,000 (special funds supported by fees paid by specialized license plate applicants) for a fifty percent time staff person to administer the program.
- 2) Potential costs to CDFA of \$55,000 (special funds supported by fees paid by specialized license plate applicants) for discretionary marketing and promotional activities, depending on the availability of funds.
- 3) Savings to VMB of \$150,000 annually (special funds supported by fees paid by specialized license plate applicants) from funds appropriated for the administration of the Pet Lover's license plate program. Of this amount, \$42,000 is allocated to the Department of Motor Vehicles (DMV) for advertising the license plate program.

COMMENTS:

- 1) **Background.** Under the authority granted by AB 84 (Leslie), Chapter 454, Statutes of 2006, VMB administratively sponsored the Pet Lover's specialized license plate program, with the plate going into production in 2013 and the revenue generated by the program used to fund low- and no-cost animal sterilization services. Because VMB lacked sufficient staff to administer the plate program itself, it sought assistance from a non-profit organization to provide general administrative support, such as marketing the plate, providing recommendations for grant criteria, and accepting and reviewing grant applications. In 2015, the Governor signed AB 192 (Allen), Chapter 497, Statutes of 2015, which established an expenditure framework for the Pet Lover's specialized license plate program and required VMB to contract with a non-profit organization for those administrative processes.
- 2) **Purpose.** According to DMV, there are currently 7,630 registered Pet Lover's license plates, and approximately \$986,000 has been deposited into the Pet Lover's Fund from the revenues generated by the plate since 2013. However, to date, no money has been allocated for grants

related to animal sterilization purposes. This is because when attempting to contract with a non-profit organization to administer the grant program pursuant to AB 192, VMB was advised of the potential for conflicts of interest arising from board members potentially benefiting from the grant funds as providers of animal sterilization services. As a result, VMB directed its staff to seek to transfer administration of the Pet Lover's specialized license plate program to CDFA. This bill provides for that transfer.

- 3) **Related Legislation.** SB 309 (Jackson), currently on this committee's Suspense File, requires the Department of Health Care Services to sponsor a reproductive freedom license plate program.

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