

Date of Hearing: May 6, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2734 (Hart) – As Amended April 6, 2026

Policy Committee: Natural Resources

Vote: 14 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

**SUMMARY:**

This bill revises the revenue allocation for the Whale Tail License Plate.

Specifically, this bill requires the Department of Motor Vehicles (DMV), after deducting its administrative costs, to deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of special environmental design license plates on or after January 1, 2027, including revenue from specified fees, as follows:

- 1) One-half in the California Beach and Coastal Enhancement Account (CBCEA) within the Environmental License Plate Fund (ELPF). Monies in the CBCEA, upon appropriation, must be allocated by the Controller to the California Coastal Commission (Commission) for expenditure for the Whale Tail Grant Program, the Adopt-A-Beach program, the Coastal Cleanup Day program, and other coastal public education programs.
- 2) One-half in the Coastal Access Account within the State Coastal Conservancy Fund (CCF) for support of the State Coastal Conservancy's (SCC) Explore the Coast (ETC) grants.

**FISCAL EFFECT:**

This bill may result in an annual redirection of approximately \$3 million (based on recent annual revenue estimates, which may increase or decrease year to year) in annual Whale Tail License Plate revenues from the ELPF to the CBCEA and the CCF to support the Commission's and SCC's coastal access and outdoor education programs. The California Natural Resources Agency (CNRA), which administers the ELPF, notes the ELPF is oversubscribed unable to accommodate any revenue transfers. For fiscal year (FY) 2026-27, CNRA projects approximately \$76 million in total resources in the ELPF and approximately \$73 million in projected expenditures, leaving a fund balance of about \$3 million at the end of the FY. CNRA argues that without additional revenues or expenditure cuts, the ELPF will likely be in a structural deficit by FY 2027-28.

Current law authorizes DMV, in consultation with the Commission, to design a special environmental license plate with a coastal motif – also known as the Whale Tail License Plate – and establishes the fee structure as follows: \$50 for the original issuance of the plate, \$40 for renewal of registration of the plate or retention of the plate, \$15 for transfer of the plate to another vehicle, and \$35 for each substitute replacement plate.

The Whale Tail License Plate generates approximately \$4 million annually. About \$2 million of this revenue comes from the sale, renewal, and replacement of plates. These funds are split

evenly between the Commission's Whale Tail Grant Program and the ELPF, which supports a variety of environmental priorities within CNRA. The other \$2 million comes from "personalization" fees, and existing law allocates 100% of these fees into the ELPF. According to the Commission, the net result of this allocation is that the Commission receives only about 25% of Whale Tail plate sale revenues and the ELPF receives approximately 75%.

The Commission notes that while the ELPF is technically oversubscribed and supports many vital, ongoing environmental programs, there is a great deal of flexibility in its annual allocation, including one-time expenditures. Given this context, as well as the fact that three new specialty sports plates (the Rams Plate, the 49ers Plate, and the Los Angeles Football Club Plate) will likely go on sale within the next year, the Commission asserts it is reasonable to assume that redirecting \$3 million from the ELPF to fund the two coastal grant programs will likely be more than offset by the continuing upward trend of the ELPF overall, leaving long-term baseline funding for departments intact.

#### COMMENTS:

1) **Purpose.** According to the author:

AB 2734 will strengthen coastal access and education programs by creating a more sustainable funding structure for Whale Tail License Plate revenue. California's Whale Tail grants and Explore the Coast grants help ensure that all Californians have access to all the physical and mental benefits of spending time outdoors and engaging with California's natural resources. Yet under current law, only 25% of the Whale Tail revenue goes to these funds, leaving underserved and barrier-facing communities with fewer opportunities to access the coast.

AB 2734 updates that structure by splitting new revenues evenly between the California Coastal Commission's Whale Tail Grant Program and the State Coastal Conservancy's Explore the Coast grants, ensuring the revenue from the Whale Tail License plate directly supports coastal access.

2) **Background.** Created in 1994 to fund the Commission's public education unit, the Whale Tail License Plate is one of California's earliest specialty plates. The Commission's Whale Tail Grant Program, California's longest-running outdoor education grant program, provides support to schools, Tribes, and nonprofits for nature-based education and hands-on stewardship activities such as habitat restoration, traditional cultural renewal, and science-centered field trips. Over 95% of Whale Tail grants engage communities facing barriers to coastal access and marine education. Whale Tail License Plate revenues also support statewide programs such as Coastal Cleanup Day, the California King Tides Project, Kids Ocean Day, and Adopt-A-Beach.

SCC's Coastal Access Account is funded by coastal development permit fees paid to the Commission by applicants. Every year, the State Controller transfers \$500,000 of the fees (plus an annual inflation adjustment) into the account. These funds are used to support SCC's ETC grants. Since 2016, SCC has awarded over 350 grants through its ETC program, totaling over \$19 million. These grants have helped an estimated 388,000 people access and

enjoy the coast, often for the first time. Like the Whale Tail grants, demand for ETC grants far outstrips available funds.

According to the Commission, the option to personalize a vehicle license plate with numbers and letters of the owner's choosing for an additional fee (also known as a "vanity plate") predates the advent of special design license plates (such as the Whale Tail, Yosemite, and Tahoe plates), which support specific causes or issues. The ELPF was created in 1970 to receive personalization fees for the purpose of funding discretionary environmental expenditures.

As more recent specialty license plates have been created, the funding allocations in the bills that established those plates have varied. As a result, only the Whale Tail and the Yosemite Plate (the two earliest plates) contribute 75% of their total revenue into the ELPF. By contrast, the California Memorial Plate, the Veterans Plate, and the Kids Plate retain all revenues for their sponsoring organizations. Others, such as the Tahoe Plate, Pet Lovers Plate, and Breast Cancer Awareness Plate retain 50% of their total revenues. One plate, the black and gold Legacy Plate, has no sponsoring organization, so it contributes 100% of its revenues to the ELPF. This is significant, as the Legacy Plate is also the most popular plate by far, outselling all other specialty plates combined by nearly five times and growing. In 2025, California drivers purchased 66,480 Legacy Plates and generated more than \$46.8 million for the ELPF.

Writing in support, a large coalition of organizations argues that, since 1998, the Whale Tail Grant Program has funded over \$11 million in grants supporting, among other things, over 200,000 field trips for students who face a variety of barriers to coastal access. Yet during that same time, the Whale Tail License Plate generated over \$95 million. The coalition writes, "The funding disparity is a result of the enabling legislation that directs the bulk of the Whale Tail revenues to the [ELPF.]" The coalition further contends:

Funding for outdoor education, coastal access, and experiential learning is especially needed now as the State's economic uncertainty remains in flux and Proposition 4 funds are restricted to supporting capital outlay projects. AB 2734 fills a critical gap by creating a modest, yet sustainable revenue source for these essential programs that connect kids to nature, with emphasis on serving disadvantaged communities.

**Analysis Prepared by:** Nikita Koraddi / APPR. / (916) 319-2081