

ASSEMBLY THIRD READING

AB 2734 (Hart)

As Amended April 6, 2026

Majority vote

SUMMARY

Revises the formula for how funds from the Whale Tail License Plate are allocated.

Major Provisions

- 1) Requires, after deducting its administrative costs, the Department of Motor Vehicles (DMV) 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, as follows:
 - a) One-half in the California Beach and Coastal Enhancement Account within the Environmental License Plate Fund (ELPF). Requires, upon an appropriation by the Legislature, the moneys in the account to be allocated by the Controller to the Coastal Commission for expenditure for the Whale Tail Grants Program, the Adopt-A-Beach program, the Coastal Cleanup Day program, and other coastal public education programs.
 - b) One-half in the Coastal Access Account within the State Coastal Conservancy Fund for support of the State Coastal Conservancy's (SCC) Explore the Coast grants.

COMMENTS

The Whale Tail License Plate is an official specialty license plate issued by the DMV. About a quarter of a million plates have been issued over the program's 20-year history with revenues totaling more than \$35 million. The funding, after subtracting the DMV's administrative costs, is divided evenly between the California Beach and Coastal Enhancement Account and the ELPF.

The Whale Tail plate still contributes approximately $\frac{3}{4}$ of its relatively minor amount of revenue to the fund, while retaining only $\frac{1}{4}$ to support Whale Tail grants, staff, and program overhead. The amount of Whale Tail funding contributed to the ELPF has now become relatively insignificant to the ELPF, but it could provide a critical lifeline for the Whale Tail grant program.

This bill would divide the license plate fees evenly with 50% for the California Beach and Coastal Enhancement Account for appropriation to the Coastal Commission for expenditure for the Whale Tail Grants Program, the Adopt-A-Beach program, the Coastal Cleanup Day program, and other coastal public education programs, and the other 50% for the Coastal Access Account for the State Coastal Conservancy's Explore the Coast grants.

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.

Arguments in Support

More than 100 environmental, environmental justice, and community organizations write that the California Legacy Plate alone generates more than enough revenue to sustain the fund, contributing 100% of its sales into the ELPF. Further, it is the most popular specialty plate in the state and has experienced exponential growth ever since it was introduced in 2016. Last year it brought in almost \$45 million in revenues for the ELPF—almost 5 times all the other specialty plates combined; and it shows no signs of slowing down. In short, even as the ELPF reaches record revenue levels, the Whale Tail Plate is still statutorily obligated to divert roughly three-quarters of its relatively modest proceeds away from the grant program it helped establish to support coastal education and stewardship, despite growing demand for those grants. AB 2734 course corrects for this inequity by amending statute to direct 100% of the Whale Tail license plate revenues to the Commission's Whale Tail Grant Program and the Conservancy's Explore the Coast Grant Program.

Arguments in Opposition

None on file

FISCAL COMMENTS

According to the Assembly Appropriations Committee, 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 California Beach and Coastal Enhancement Account and the Coastal Conservancy Fund 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.

VOTES

ASM NATURAL RESOURCES: 14-0-0

YES: Bryan, Ellis, Alanis, Connolly, Garcia, Haney, Hoover, Kalra, Macedo, Muratsuchi, Pellerin, Schultz, Wicks, Zbur

ASM APPROPRIATIONS: 15-0-0

YES: Wicks, Hoover, Aguiar-Curry, Calderon, Caloza, Dixon, Fong, Mark González, Krell, Pacheco, Pellerin, Sharp-Collins, Solache, Ta, Tangipa

UPDATED

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