

Many, but not all, specialty license plates contribute a portion of their revenues to the ELPF. Only the Whale Tail plate and the Yosemite plate contribute 75% of their revenues to the ELPF. The statutory frameworks for other specialty plates have more equitable terms, allowing the sponsoring organization to retain between 50% and 100% of their total revenue.

All sponsored specialty plates created since 2002 retain all their specialty plate base fees (which is usually about 50% of total revenue) for the sponsoring organization for which the plate was established (apart from a small administrative fee to the DMV), and allocate all of the personalization revenue to the ELPF for an average 50-50 revenue share. The sponsoring organizations of some plates, such as Memorial and Veterans, retain 100% of their revenue, both special plate fees and personalization fees (minus the DMV charges). The California 1960s Legacy Plate (Legacy Plate) has no sponsoring organization. All of its specialty fees are deposited into the ELPF.

The popular black and yellow Legacy Plate was authorized in 2012 (AB1658, Gatto) and hit the streets in 2015. The Legacy Plate has no sponsoring organization, so 100% of its revenue goes into the ELPF. The Legacy Plate rocketed to popularity immediately, outselling the Whale Tail by nearly double in the first year. The plate has proven so popular with California motorists that in 2025 it outsold all the 13 other specialty plates combined by nearly five times. In 2025, California drivers purchased 66,480 Legacy plates and generated more than \$46.8 million for the ELPF.

The Legislative Analyst's Office (LAO) reports¹ that the ELPF has experienced periodic fund condition challenges in the past. Most recently, a structural imbalance has emerged related to both expenditures and revenues. ELPF revenues have been relatively flat over the past few years. Notably, the administration indicates that when it proposed augmentations in expenditures to the fund in recent years, it assumed that revenues from additional license plates would increase sufficiently to support both those new costs and the rising costs of existing activities. However, the revenue growth the administration had anticipated has not yet materialized. The administration estimates the fund will have an annual gap of approximately \$9 million between existing revenues (~\$67 million) and current expenditures (~\$76 million).

CNRA is identifying stopgaps, including working on expanding the pool of available license plates—such as through partnerships with National Football League team foundations on specialized plates—to attract additional customers who do not yet have a specialized plate and thereby generate additional revenue for ELPF. The 49ers football team² sponsored a specialty license plate through CNRA, and the DMV has received 7,500 deposits for the plate and will begin issuing them shortly. The Los Angeles Rams have expressed interest in doing the same, which would further augment the ELPF bottom line.

Existing law:

- 1) Authorizes an organization to apply to the DMV for participation in a special interest license plate program and requires the DMV to issue special license plates if the sponsoring organization meets specified criteria, including securing 7,500

¹ https://lao.ca.gov/Publications/Report/4858#Environmental_License_Plate_Fund

² <https://www.49ers.com/news/5-things-to-know-49ers-california-license-plate>

applications within 12 months of the effective date of the enactment of the specific legislation enabling the organization to participate in the program. (Vehicle Code (VEH) §5060)

- 2) Defines “environmental license plates” as license plates or permanent trailer identification plates that have displayed upon them the registration number assigned to the passenger vehicle, commercial motor vehicle, motorcycle, trailer, or semitrailer for which a registration number was issued in a combination of letters or numbers, or both, requested by the owner or lessee of the vehicle. (VEH §5103)
- 3) Requires the DMV, in consultation with the Coastal Commission, to design and make available for issuance special environmental design license plates to bear a graphic design depicting a California coastal motif. Authorizes any person, upon payment of the additional fees, to be issued a set of special environmental design license plates. (VEH §5067)
 - a) Requires the additional fees for the special environmental design license plates to be deposited in the California Environmental License Plate Fund (ELPF). (VEH §5067(b)(5))
 - b) Requires the 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 as follows:
 - (1) One-half in the California Beach and Coastal Enhancement Account established in the ELPF. Requires, upon appropriation by the Legislature, the money in the account to be allocated by the Controller as follows:
 - (a) First to the Coastal Commission for expenditure for the Adopt-A-Beach program, the Beach Cleanup Day program, coastal public education programs, and grants to local governments and nonprofit organizations for the costs of operating and maintaining public beaches related to these programs.
 - (b) Second, from funds remaining after the required allocation in (a), to the State Coastal Conservancy for coastal natural resource restoration and enhancement projects and for other projects consistent with the provisions of the State Conservancy’s governing statutes.
 - (2) One-half in the ELPF. (VEH §5067(c))
- 4) Requires, in addition to the additional fees pursuant to VEH §5067, an applicant to be charged the additional fees for environmental license plates and those fees are deposited into the ELPF. (VEH §§5106, 5067)
- 5) Establishes the California Environmental Protection Program and establishes the eligible funding expenditures concerned with the preservation and protection of California’s environment. (Public Resources Code (PRC) §21190)

PROPOSED LAW

This bill would:

- 1) Require, after deducting its administrative costs, the DMV to deposit the additional revenue derived from the issuance, renewal, transfer, and substitution of special environmental design license plates on and after January 1, 2027, as follows:
 - a) One-half in the California Beach and Coastal Enhancement Account within the ELPF.
 - i) Require, upon appropriation by the Legislature, the moneys in the account 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 Explore the Coast grants.

ARGUMENTS IN SUPPORT

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 connect individuals, especially in underserved communities, to the coast by supporting outdoor education, hands-on learning, and environmental stewardship opportunities. This helps 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 OPPOSITION

None received

COMMENTS

Revising the allocation formula. 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.

California Beach and Coastal Enhancement Account. Fifty percent of the funds under this bill would be deposited into the California Beach and Coastal Enhancement Account for the following programs:

Whale Tail Grants Program. These grants fund projects that support experiential education and stewardship of the California coast and its watersheds, with an emphasis

on engaging communities that have less access to such opportunities due to systemic and geographic barriers. From 1998 to 2025, the Whale Tail Grant program has distributed \$25.5 million to 1,074 grants. The local government grants funded under the current statutory framework are supported through the broader Whale Tail Grants Program, so this bill maintains funding for those grants.

Adopt-A-Beach program. Heal The Bay's adopt-a-beach program is funded solely through the license plate program, allowing the organization to conduct more than 400 cleanups in the Santa Monica Bay. Those beach cleanups get people hand picking the tiny pieces of trash that beach maintenance crews are just unable to collect at that scale.

Coastal Cleanup Day program. This annual event brings together thousands of volunteers to clean beaches and waterways, contributing to the overall effort to keep the coast clean and healthy. Coastal Cleanup Day is the updated name for what used to be called Beach Cleanup Day; this funding remains unchanged under this bill.

State Coastal Conservancy Fund. The other 50% of the funds would be allocated to support of the State Coastal Conservancy's Explore the Coast grants. Since 2016, the Coastal Conservancy has awarded more than 350 grants through the Explore the Coast program, totaling more than \$19 million. These grants have helped an estimated 388,000 people access and enjoy the coast, often for the first time. Examples of Explore the Coast grants include:

- The Amah Mutsun Land Trust's Summer Camp provides Native American youth meaningful and fun experiences to enjoy their coastal ancestral territory on the San Mateo and Santa Cruz coast while learning about coastal conservation and traditional ecological knowledge.
- Salted Root's Community Soul Surfer Program offers surfing lessons, history, and ocean education for women and girls who identify as Black, Indigenous, or people of color primarily from Alameda and other Bay Area Counties.

Impact on ELPF. Because this reformulation is redirecting more money to the Coastal Commission for its programs (since 50% would no longer be split with Coastal Conservancy), and directing the 50% currently allocated to ELPF instead to the Coastal Conservancy, there will be a reduction in revenues for the ELPF, potentially adding to the concerns raised by the LAO.

However, the effect of the Legacy Plate, the state's most popular specialty plate, contributing 100% of its revenues to the ELPF has generated record funding levels, which continue to increase annually. Meanwhile, the Whale Tail plate still contributes approximately $\frac{3}{4}$ of its relatively minor amount of revenue to the ELPF, 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.

It has also been suggested that the reason for the ELPF structural imbalance is that, despite the increased revenue from the Legacy Plates, expenditures out of the ELPF continue to increase.

Technical amendment.

Proposed Section 5067(d) of the Vehicle Code would require the DMV to deposit additional revenue derived from the issuance, renewal, transfer, and substation of special environmental design license plates on and after January 1, 2027, including revenue from fees prescribed in Section 5105 and 5108, in a specified manner. However, Section 5105 does not reference fees. Instead, Section 5106 would be the proper code section to reference.

The committee may wish to amend the bill to correct this cross-reference. See *Amendment #1*.

SUGGESTED AMENDMENTS**AMENDMENT 1**

Amend Vehicle Code Section 5067(d) as follows:

(d) After deducting its administrative costs under this section, the department shall deposit the additional revenue derived from the issuance, renewal, transfer, and substation of special environmental design license plates on or after January 1, 2027, including the revenue from the fees prescribed in Section ~~5105~~ **5106** and 5108, as follows: ...

SUPPORT

Outdoor Outreach (co-sponsor)
 Salted Roots (co-sponsor)
 TreePeople (co-sponsor)
 Amah Mutsun Land Trust
 Amigos De Bolsa Chica
 Amigos De Los Rios
 Association for Environmental and Outdoor Education
 Audubon California
 Audubon Center At Debs Park
 Azul
 BIPOC Support Foundation
 Black Surf Santa Cruz, INC
 Black Surfers Collective
 BORP Adapted Sports and Recreation
 California Academy of Sciences
 California Coastal Commission
 California Coastal Protection Network
 California Coastkeeper Alliance
 California Marine Sanctuary Foundation
 California Urban Streams Alliance
 Catalina Island Marine Institute
 Children's Lifesaving Foundation
 City Surf Project
 Climate Resilient Communities
 Clockshop

Coastal Corridor Alliance
Coastal Watershed Council
Coastside Land Trust
Community Action Partnership of Kern
Concerned Resource & Environmental Workers
Conservation Corps North Bay
Crossing the Channel for CAUSE
Crystal Cove Conservancy
D.I.Y. Art
DIVERSEAFY
Ege Foundation (Eternal Generations Emerging)
EmpowHer
Environmental Action Committee of West Marin
Environmental Center of San Diego
Environmental Traveling Companions (ETC)
Escondido Creek Conservancy
Friends of Ballona Wetlands
Friends of Sausal Creek
Friends of the Dunes
GirlVentures
Golden Gate Bird Alliance
Grassroots Ecology
Green Latinos
Groundwork San Diego Chollas Creek
Guadalupe-Nipomo Dunes Center
Guided Discoveries, INC.
Heal the Bay
Hills for Everyone
Humboldt Waterkeeper
Justice Outside
Keep Coyote Creek Beautiful
Kids for the Bay
Land Trust of Napa County
Latino Outdoors
Literacy for Environmental Justice
Living Coast Discovery Center
Los Angeles Neighborhood Land Trust
Los Courage Camps
Marshmallow Minds
Mendocino Area Parks Association
Monarch School Project
Nature for All
New Heights Charter School
Northern California Public Media
Oakland Goes Outdoors
Ocean Discovery Institute
One Cool Earth
Outside the Lens
Paddle for Peace
Para Los Ninos

Payomkawichum Kaamalam
Planning and Conservation League
Plants People Community
Project Avary
Queer Surf
Ready Study Go Academy
Redwood Community Action Agency
Reel Guppy Outdoors
Resource Renewal Institute
Resources for Indian Student Education, INC.
River Jim Learning Solutions
Rosie the Riveter Trust
Sacramento Urban Forest Council
Salinas Community Science Workshop
Salmon River Restoration Council
San Diego Children and Nature
Santa Cruz Mountains Trail Stewardship
Save Our Shores
Save the Waves Coalition
Sierra Club Inspiring Connections Outdoors Sacramento
Smith River Alliance
Sonoma County Parks Foundation
Sonoma County Regional Parks
South Yuba River Citizens League
Stewards of the Coast and Redwoods
Sunday Friends Foundation
Surfrider Foundation
Sustainable Claremont
Ten Strands
Tides Center
Trees Foundation
Turtle Island Restoration Network
Un Mar De Colores
Undauntedk12
Ventana Wilderness Alliance
Ventana Wildlife Society
Ventura Land Trust
Watsonville Wetlands Watch
Wholly H2O
WILDCOAST
Yes Nature to Neighborhoods
YMCA of Greater San Francisco

OPPOSITION

None Received

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