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## Chapter 720: Throwback License Plates Give Old Cars New Flair

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## Chapter 720: Throwback License Plates Give Old Cars New Flair

*Anthony Schiavo*

### *Code Section Affected*

Vehicle Code § 5004.3 (new).  
AB 1658 (Gatto); 2012 STAT. Ch. 720.

### I. INTRODUCTION

To a car collector, a license plate is more than just identification for law enforcement; it is a piece of “classic American folk art.”<sup>1</sup> Car enthusiasts across the country buy and sell vintage plates in order to comply with their respective states’ unique “year-of-manufacture” license plate laws.<sup>2</sup> According to Michael Wiener, head of the Antique License Plate Collector’s Association, “many collectors sidestep the rules they don’t like” and use repainted plates or plates that fall short of state regulations.<sup>3</sup> Counterfeit plates may have aesthetic appeal, but they typically lack the reflective finish required for safety and vehicle identification in every state.<sup>4</sup> Concerned that pervasive counterfeit plate sales were frustrating car collectors’ efforts to comply with state laws, Assembly Member Mike Gatto proposed that California enact a program to mint vintage-style replica plates that meet current regulations.<sup>5</sup> According to Assembly Member Gatto, such a program would address the fact that “[a]side from not salting our roads, California doesn’t often do much for automobile enthusiasts.”<sup>6</sup>

### II. LEGAL BACKGROUND

#### *A. Current Law: Standard and Special Interest Plates Available in California*

California license plates serve the primary purpose of vehicle identification.<sup>7</sup> Standard vehicle registration costs forty-six dollars, and includes a randomized

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1. Tim Sultan, *Vintage Cars, Vintage Plates*, N.Y. TIMES, May 6, 2005, at F1.

2. *Id.*

3. *Id.*

4. SENATE TRANSPORTATION AND HOUSING COMMITTEE, COMMITTEE ANALYSIS OF AB 1658, at 2–3 (June 26, 2012).

5. *Id.* at 2.

6. Valerie Gotten, *Calif. Assemblyman Mike Gatto’s Bill to Bring Back Vintage License Plates Clears Significant Legislative Hurdle*, CAL. NEWSWIRE (Apr. 10, 2012), [http://californianewswire.com/2012/04/10/CNW11358\\_095009.php](http://californianewswire.com/2012/04/10/CNW11358_095009.php) (on file with the *McGeorge Law Review*).

7. CAL. VEH. CODE § 4850(a) (West 2012).

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license plate with the familiar blue-on-white color scheme.<sup>8</sup> The law also gives drivers the option to personalize their vehicles with “special interest plates.”<sup>9</sup>

The California Department of Motor Vehicles (DMV) currently offers a variety of special interest plates, which drivers may purchase for an additional registration fee that the state places into a charitable “License Plate fund.”<sup>10</sup> The DMV issues plates with colorful thematic designs that correspond to the charity that receives proceeds from the sale of that specialty plate.<sup>11</sup> Owners of vintage cars who wish to use license plates matching their cars’ manufacturing dates must purchase old plates from a third party and endure the DMV’s “year-of-manufacture” plate registration process.<sup>12</sup>

*B. Current Law: Year-of-Manufacture Vintage Plates*

If an owner of a vehicle from the year 1969 or earlier seeks to use vintage license plates, the DMV must establish that the plates are “legible and serviceable” and that they correspond to the car’s year of manufacture.<sup>13</sup> If the plates pass inspection, the DMV deems them “year-of-manufacture” plates that may be used on the corresponding vintage car for a forty-five dollar fee plus an annual ten-dollar renewal fee.<sup>14</sup>

## III. CHAPTER 720

Chapter 720 requires the DMV to create license plates in at least one of three different styles that resemble plates issued from the mid-1950s through the mid 1908s.<sup>15</sup> These specialty plates are known as “California Legacy License Plates” and the DMV issues them for a fee of fifty dollars, plus an additional ten dollar charge above the standard annual renewal fee.<sup>16</sup> The DMV places proceeds from

8. *Vehicle Registration and Vessel Fees*, CAL. DEP’T OF MOTOR VEHICLES, [http://www.dmv.ca.gov/vr/fees/reg\\_fees.htm](http://www.dmv.ca.gov/vr/fees/reg_fees.htm) (last visited July 13, 2012) (on file with the *McGeorge Law Review*); SENATE TRANSPORTATION AND HOUSING COMMITTEE, COMMITTEE ANALYSIS OF AB 1658, at 1 (June 26, 2012).

9. SENATE TRANSPORTATION AND HOUSING COMMITTEE, COMMITTEE ANALYSIS OF AB 1658, at 1 (June 26, 2012) (defining “special interest plates” as license plates that “contain a design promoting a certain policy program, such as veterans’ services”).

10. *See California Special Interest License Plates*, CAL. DEP’T OF MOTOR VEHICLES, <http://www.dmv.ca.gov/online/elp/elp.htm> (last visited July 6, 2012) (on file with the *McGeorge Law Review*) (listing the available special interest plates and their corresponding charitable causes).

11. *Id.*

12. SENATE TRANSPORTATION AND HOUSING COMMITTEE, COMMITTEE ANALYSIS OF AB 1658, at 1–2 (June 26, 2012).

13. CAL. VEH. CODE § 5004.1(a)(1) (West 2012).

14. *Id.*

15. *Id.* § 5004.3(b) (enacted by Chapter 720) (stating that the DMV must offer at least one of the following: yellow background with black lettering, black background with yellow lettering, and blue background with yellow lettering).

16. *Id.* § 5004.3(b), (c)(1) (enacted by Chapter 720).

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the issuance fees into the existing California Environmental License Plate Fund, which currently collects funds from another specialty license plate program to benefit various state environmental efforts.<sup>17</sup> Under Chapter 720, the DMV may not create any one style of license plate proposed by the California Legacy License Plate Program unless it receives 7,500 paid applications for that style before January 1, 2015; otherwise, the DMV must return all application fees and abandon the program.<sup>18</sup>

## IV. ANALYSIS

A. *Fiscal Impact*

Chapter 720 safeguards against the risks of the state's investment in the Legacy License Plate Program.<sup>19</sup> California will not establish the program until the DMV receives 7,500 prepaid applications for any of the three license plate designs, which would cover the cost of creating the new plates.<sup>20</sup> The DMV may recoup its costs from this initial revenue,<sup>21</sup> but the program also creates a consistent revenue stream by imposing annual renewal fees of forty dollars in addition to the standard fee of forty-six dollars.<sup>22</sup>

It is difficult to estimate the exact amount of revenue that the program will generate.<sup>23</sup> A similar program, offering environmental license plate themes for additional registration and renewal fees, attracts an estimated 1.3 million purchasers and generates millions of dollars annually for the Environmental License Plate Fund.<sup>24</sup> Since the Legacy License Plate Program offers vintage plates to all California drivers, not just those who own vintage cars as under the prior law, the number of potential purchasers far exceeds the number of vintage car collectors in the state.<sup>25</sup> Thus, Chapter 720 has the potential to generate millions of dollars in annual revenue to help alleviate the state's budgetary woes.<sup>26</sup>

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17. *Id.* § 5004.3(f)(2) (enacted by Chapter 720); SENATE TRANSPORTATION AND HOUSING COMMITTEE, COMMITTEE ANALYSIS OF AB 1658, at 2 (June 26, 2012).

18. VEH. § 5004.3(e) (enacted by Chapter 720).

19. *See* SENATE TRANSPORTATION AND HOUSING COMMITTEE, COMMITTEE ANALYSIS OF AB 1658, at 2 (June 26, 2012) (noting the application threshold that must be met before the program can move forward).

20. *Id.* at 3.

21. *See* VEH. § 5004.3(f)(2) (enacted by Chapter 720) (allowing the DMV to “deduct[] its administrative costs” before passing the revenue into the California Environmental License Plate Fund).

22. *Id.* § 5004.3(c) (enacted by Chapter 720); *Vehicle Registration and Vessel Fees*, *supra* note 9.

23. Walter Yost, *License Plates Seen as Way to Fund Programs*, SACRAMENTO BEE, May 4, 2006.

24. *Id.*

25. *See* VEH. § 5004.3 (enacted by Chapter 720) (excluding any type of requirement that the type of vintage plate match the car's manufacture date).

26. *See id.* (omitting the former restrictions on the types of vehicles permitted to use vintage-style plates, and thereby increasing the earning potential of the new plates).

*B. Possible Pitfalls*

While the chief goal of Chapter 720 is to reproduce vintage license plates with consumer appeal, Senate Transportation and Housing Committee members wondered whether modern California license plate requirements would detract from the “retro” look.<sup>27</sup> The California Vehicle Code requires all plates to be at least partially reflectorized by reflective paint, and current law regulates the plates’ font style to ensure legibility for law enforcement purposes.<sup>28</sup> Chapter 720 establishes a program that attempts to reproduce the original font and style as closely as possible while maintaining compliance with these modern regulations.<sup>29</sup> Statutory regulations may promote the plates’ clarity, but they may also detract from the plates’ attractiveness and reduce potential to generate state revenue.<sup>30</sup>

## V. CONCLUSION

The thriving black market of counterfeit vintage license plates is an obtrusive speed bump on the car collector’s road to compliance with California’s license plate laws.<sup>31</sup> Counterfeit license plates inundate vintage car circles, leaving many collectors unaware that their plates are illegal replicas.<sup>32</sup> Chapter 720 permits collectors to obtain appropriate license plates that adhere to state laws and safety standards.<sup>33</sup> Californians who own modern automobiles can also purchase retro plates; unlike the year-of-manufacture laws, Chapter 720 makes vintage plates available to cars of any era, make, and model.<sup>34</sup> Moreover, Chapter 720 could help the struggling California state budget by generating much needed extra revenue.<sup>35</sup>

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27. SENATE TRANSPORTATION AND HOUSING COMMITTEE, COMMITTEE ANALYSIS OF AB 1658, at 3 (June 26, 2012).

28. VEH. §§ 4850, 4852 (West 2012).

29. *Id.* § 4850.

30. SENATE TRANSPORTATION AND HOUSING COMMITTEE, COMMITTEE ANALYSIS OF AB 1658, at 3 (June 26, 2012).

31. *Id.* at 2.

32. *Id.*

33. VEH. § 5004.3 (enacted by Chapter 720).

34. *See id.* § 5004.3(c) (enacted by Chapter 720) (listing the schedule of fees for vintage plates).

35. *Id.*