



July 17, 2016

Honorable Edmund G. Brown Jr.
Governor of California
State Capitol
Sacramento, CA 95814

Re: AB 516 (Mullin): Request for Veto

Dear Governor Brown:

We write to respectfully request your veto of AB 516 (Mullin). While we support the author's intent to require dealers to provide temporary tags, the bill continues to have serious flaws that the author failed to address, despite our efforts to get the bill amended during the legislative process, to address grave concerns we raised about the harmful impact on California car buyers.

We remain particularly concerned about the adverse effects on low-income and rural consumers, and their families and communities, when they are unable to operate their vehicles legally, due to the failures of car dealers or the DMV to complete the vehicle registrations, and to ensure that car buyers receive their permanent plates within the 90 day deadline.

In case after case in communities like Fresno, consumers purchase vehicles from dealers who fail to submit the registrations to the DMV, then go out of business, leaving their customers in the lurch. Clearly it is unjust when consumers are penalized for the misdeeds of the dealers. But consumers are the ones who are left holding the bag. They are the ones who are subject to being pulled over repeatedly by police, and ticketed, and having their vehicles impounded, because they cannot get the cars properly registered in their own names.

Even when they pay all the tickets, plus the impound fees, which can be \$500 or more, they are still unable to get their vehicles back, because they are not the registered owners. That is why the vehicle was impounded in the first place. Often, the dealers get the vehicles out of impound, and turn around and resell them, over and over again, making a profit each time. This practice, known as "churning," gives dealers a perverse incentive not to register the cars on time.

Typically, low income consumers cannot afford multiple vehicles. So when their vehicle is impounded, they lose their only means of transportation to work, and to take their children to school, or to access medical care, or to purchase groceries or other necessities of life. This often leads to job loss and has a harmful ripple effect on entire families. People who live in rural communities suffer the impact even more, because when they lose their cars, they lack alternative transportation, as public transportation in rural areas tends to be woefully deficient or non-existent.

Some car dealers have the permanent plates sent to them, instead of the car buyers, and deliberately withhold the plates, in order to extract a higher price on the car, threatening to have the car buyer arrested if they do not agree to pay the dealer more, and demanding terms such as a larger down payment and / or higher interest rate on the loan. While this behavior is extortionate, it is all too common, particularly since the companies who are hired by the dealers to handle the registration process, and interface with the DMV, allow the dealers to designate themselves as the recipients of the permanent plates.

If enacted, AB 516 would:

- Increase the numbers of car buyers who are unfairly penalized when car dealers and / or the DMV fail to process their registrations and provide them with permanent license plates within the 90 days allowed by law. This is because it will become easy for police to spot vehicles with expired temporary tags, which will include a prominent, conspicuous expiration date that will be readily identifiable at a glance, or using a scanner.
- Establish a new wobbler / felony for merely altering the date on a temporary tag, even if the only alteration is to the expiration date, and the license number on the temporary tag continues to make the vehicle readily identifiable for law enforcement and public safety purposes.
- Increase the amount car dealers are permitted to charge as a “document fee” an additional \$5 per vehicle sold, even if the car buyer does not receive a temporary tag – an unjustified multi-million dollar windfall for car dealers, at the expense of California car buyers.

Finally, this measure is directly antithetical to your administration's commendable priority of decriminalizing victimless crimes.

For above reasons, we strongly urge that you veto this bill. Please feel free to contact me at 209-499-8637 or nparamo@crlaf.org with any questions. Thank you for your consideration.

Respectfully submitted,



Noe Paramo
Legislative Advocate

cc: Assemblymember Kevin Mullin
Michael Martinez
Ronda Paschal