

August 24, 2004

Hon. Bill Lockyer  
Attorney General  
1300 I Street, 17<sup>th</sup> Floor  
Sacramento, California 95814

Attention: Ms. Tricia Knight  
Initiative Coordinator

Dear Attorney General Lockyer:

Pursuant to Elections Code Section 9005, we have reviewed the proposed initiative measure entitled "I Helped Save the Golden State" Car Decal Program Act (File No. SA2004RF0025).

## Major Provisions

This measure requires the Department of Motor Vehicles (DMV) to:

- Design, in consultation with the California Highway Patrol and Department of Parks and Recreation, a set of 12 decorative decals—one decal for each month of the year—which motorists could buy and affix to their vehicles. These decals must be available for public purchase at all DMV field offices and any other locations determined by the department.
- Charge an annual fee of \$240 for each decal set, plus an additional amount determined by DMV to reimburse the department for its costs to administer the program. Revenue from decal sales would support educational, public social services, parks and recreation, and environmental protection programs.

## Fiscal Impact

The measure would have the following fiscal impact on state government.

*State Revenues and Cost.* To the extent that decal sets are purchased by the public, this measure would generate additional revenues for the state. The actual amount would depend on the number of motorists who participate in the program. For example, if DMV issues and sells 2,500 decal sets annually, \$600,000 in revenues would be generated for specified programs.

The DMV estimates that first-year costs to start up a program involving 2,500 decal sets would total about \$200,000. These costs would include developing a database program to order and track inventory, as well as costs to design and print decals. Annually thereafter, costs would total about \$25,000 to cover the cost of printing and issuing the decals. However, to the extent that these one-time and ongoing costs are passed on to buyers of the decal sets, there would be no additional cost to the state. Reimbursement of one-time costs could be spread out over a multiyear period so that first-year buyers of the decal sets do not have to cover all of the program's start up costs.

## Summary

This measure would have the following major fiscal effect:

- Unknown increase in state revenues, depending on the number of program participants, available for expenditure for specified programs.
- Unknown increased administrative costs to DMV offset by participant fees.

Sincerely,

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Elizabeth G. Hill  
Legislative Analyst

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Donna Arduin  
Director of Finance