

AMENDED IN ASSEMBLY MARCH 29, 2012

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1595**

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**Introduced by Assembly Member Cook**

February 6, 2012

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~~An act to amend Sections 6051 and 6201 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy. An act to amend Section 38012 of, to add Section 500 to, and to add Chapter 8 (commencing with Section 38600) to Division 16.5 of, the Vehicle Code, relating to vehicles.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 1595, as amended, Cook. ~~Sales and use taxes: rate reduction: unemployment rate. Vehicles: recreational off-highway vehicles.~~

*(1) Existing law establishes rules for the operation of, and requirements for equipment of, an off-highway vehicle. A violation of these rules and requirements is a crime.*

*This bill would additionally define a recreational off-highway vehicle, as defined, as an off-highway vehicle. The bill would establish additional requirements governing the operation of a recreational off-highway vehicle. Because a violation of these provisions is a crime, this bill would impose a state-mandated local program.*

*(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.*

*This bill would provide that no reimbursement is required by this act for a specified reason.*

~~Existing law imposes a state sales and use tax on retailers and on the storage, use, or other consumption of tangible personal property in this state at the rate of 6 ¼% of the gross receipts from the retail sale of tangible personal property in this state and of the sales price of tangible personal property purchased from any retailer for storage, use, or other consumption in this state.~~

~~This bill would, commencing on July 1, 2013, decrease the state sales and use tax rate by ½ of 1%. This bill would require the rate reduction to take effect only if the California unemployment rate average for the last 2 quarters of 2012 is 8% or higher, and would require the rate reduction to remain in effect only until the California unemployment rate is less than 8% for 3 consecutive quarters, as provided.~~

~~This bill would take effect immediately as a tax levy.~~

Vote: majority. Appropriation: no. Fiscal committee: yes.  
 State-mandated local program: ~~no~~-yes.

*The people of the State of California do enact as follows:*

- 1     SECTION 1. Section 500 is added to the Vehicle Code, to read:
- 2     500. “Recreational off-highway vehicle” means a motor vehicle
- 3     meeting all of the following criteria:
- 4     (a) Designed by the manufacturer for operation primarily off
- 5     of the highway.
- 6     (b) Has a steering wheel for steering control.
- 7     (c) Has nonstraddle seating provided by the manufacturer for
- 8     the operator and all passengers.
- 9     (d) (1) Has a maximum speed capability of greater than 30
- 10    miles per hour.
- 11    (2) A vehicle designed by the manufacturer with a maximum
- 12    speed capability of 30 miles per hour or less but is modified so
- 13    that it has a maximum speed capability of greater than 30 miles
- 14    per hour satisfies the criteria set forth in this subdivision.
- 15    SEC. 2. Section 38012 of the Vehicle Code is amended to read:
- 16    38012. (a) As used in this division, “off-highway motor vehicle
- 17    subject to identification” means a motor vehicle subject to the
- 18    ~~provisions of subdivision (a) of Section 38010.~~
- 19    (b) As used in this division, “off-highway motor vehicle”
- 20    includes, but is not limited to, the following:

1 (1) ~~Any~~A motorcycle or motor-driven cycle, except for any  
2 motorcycle ~~which~~ that is eligible for a special transportation  
3 identification device issued pursuant to Section 38088.

4 (2) ~~Any~~A snowmobile or other vehicle designed to travel over  
5 snow or ice, as defined in Section 557.

6 (3) ~~Any~~A motor vehicle commonly referred to as a sand buggy,  
7 dune buggy, or all-terrain vehicle.

8 (4) ~~Any~~A motor vehicle commonly referred to as a jeep.

9 (5) A recreational off-highway vehicle as defined in Section  
10 500.

11 SEC. 3. Chapter 8 (commencing with Section 38600) is added  
12 to Division 16.5 of the Vehicle Code, to read:

13  
14 CHAPTER 8. RECREATIONAL OFF-HIGHWAY VEHICLES

15  
16 38600. A person operating a recreational off-highway vehicle  
17 shall be at least 16 years of age, or be directly supervised in the  
18 vehicle by a parent or guardian or by an adult authorized by the  
19 parent or guardian.

20 38601. A person shall not operate, or allow a passenger in, a  
21 recreational off-highway vehicle unless the person and the  
22 passenger are wearing safety helmets meeting the requirements  
23 established for motorcycles and motorized bicycles pursuant to  
24 Section 27802.

25 38602. A person operating, and any passenger in, a  
26 recreational off-highway vehicle shall wear a seatbelt and shoulder  
27 belt or safety harness that is properly fastened when the vehicle  
28 is in motion.

29 38603. A person operating a recreational off-highway vehicle  
30 shall not allow a passenger to occupy a separate seat location not  
31 designed and provided by the manufacturer for a passenger.

32 38604. A person operating a recreational off-highway vehicle  
33 shall not allow a passenger to grasp the occupant handhold unless  
34 the passenger, while seated upright with his or her back against  
35 the seatback and both feet flat on the floor, can do so with the  
36 seatbelt and shoulder belt or safety harness properly fastened.

37 SEC. 4. No reimbursement is required by this act pursuant to  
38 Section 6 of Article XIII B of the California Constitution because  
39 the only costs that may be incurred by a local agency or school  
40 district will be incurred because this act creates a new crime or

1 *infraction, eliminates a crime or infraction, or changes the penalty*  
 2 *for a crime or infraction, within the meaning of Section 17556 of*  
 3 *the Government Code, or changes the definition of a crime within*  
 4 *the meaning of Section 6 of Article XIII B of the California*  
 5 *Constitution.*

6 SECTION 1. ~~Section 6051 of the Revenue and Taxation Code~~  
 7 ~~is amended to read:~~

8 6051. (a) ~~For the privilege of selling tangible personal property~~  
 9 ~~at retail a tax is hereby imposed upon all retailers at the rate of 2 ½~~  
 10 ~~percent of the gross receipts of any retailer from the sale of all~~  
 11 ~~tangible personal property sold at retail in this state on or after~~  
 12 ~~August 1, 1933, and to and including June 30, 1935, and at the~~  
 13 ~~rate of 3 percent thereafter, and at the rate of 2 ½ percent on and~~  
 14 ~~after July 1, 1943, and to and including June 30, 1949, and at the~~  
 15 ~~rate of 3 percent on and after July 1, 1949, and to and including~~  
 16 ~~July 31, 1967, and at the rate of 4 percent on and after August 1,~~  
 17 ~~1967, and to and including June 30, 1972, and at the rate of 3 ¾~~  
 18 ~~percent on and after July 1, 1972, and to and including June 30,~~  
 19 ~~1973, and at the rate of 4 ¾ percent on and after July 1, 1973, and~~  
 20 ~~to and including September 30, 1973, and at the rate of 3 ¾ percent~~  
 21 ~~on and after October 1, 1973, and to and including March 31, 1974,~~  
 22 ~~and at the rate of 4 ¾ percent thereafter.~~

23 (b) (1) ~~Notwithstanding subdivision (a), on and after July 1,~~  
 24 ~~2013, the rate shall be 3 ¼ percent.~~

25 (2) ~~The rate reduction required pursuant to paragraph (1) shall~~  
 26 ~~only take effect if the California unemployment rate average for~~  
 27 ~~the last two calendar quarters of 2012 is 8 percent or higher, and~~  
 28 ~~shall remain in effect only until the end of the calendar quarter in~~  
 29 ~~which the California unemployment rate is less than 8 percent for~~  
 30 ~~three consecutive calendar quarters.~~

31 SEC. 2. ~~Section 6201 of the Revenue and Taxation Code is~~  
 32 ~~amended to read:~~

33 6201. (a) ~~An excise tax is hereby imposed on the storage, use,~~  
 34 ~~or other consumption in this state of tangible personal property~~  
 35 ~~purchased from any retailer on or after July 1, 1935, for storage,~~  
 36 ~~use, or other consumption in this state at the rate of 3 percent of~~  
 37 ~~the sales price of the property, and at the rate of 2 ½ percent on~~  
 38 ~~and after July 1, 1943, and to and including June 30, 1949, and at~~  
 39 ~~the rate of 3 percent on and after July 1, 1949, and to and including~~  
 40 ~~July 31, 1967, and at the rate of 4 percent on and after August 1,~~

1 ~~1967, and to and including June 30, 1972, and at the rate of 3 ¾~~  
2 ~~percent on and after July 1, 1972, and to and including June 30,~~  
3 ~~1973, and at the rate of 4 ¾ percent on and after July 1, 1973, and~~  
4 ~~to and including September 30, 1973, and at the rate of 3 ¾ percent~~  
5 ~~on and after October 1, 1973, and to and including March 31, 1974,~~  
6 ~~and at the rate of 4 ¾ percent thereafter.~~

7 ~~(b) (1) Notwithstanding subdivision (a), on and after July 1,~~  
8 ~~2013, the rate shall be 3 ¾ percent.~~

9 ~~(2) The rate reduction required pursuant to paragraph (1) shall~~  
10 ~~only take effect if the California unemployment rate average for~~  
11 ~~the last two calendar quarters of 2012 is 10 percent or higher, and~~  
12 ~~shall remain in effect only until the end of the calendar quarter in~~  
13 ~~which the California unemployment rate is less than 10 percent~~  
14 ~~for three consecutive calendar quarters.~~

15 ~~SEC. 3. This act provides for a tax levy within the meaning of~~  
16 ~~Article IV of the Constitution and shall go into immediate effect.~~