

AMENDED IN ASSEMBLY MAY 6, 2014  
AMENDED IN ASSEMBLY APRIL 21, 2014  
AMENDED IN ASSEMBLY SEPTEMBER 12, 2013  
AMENDED IN SENATE MAY 28, 2013  
AMENDED IN SENATE MAY 24, 2013  
AMENDED IN SENATE MAY 8, 2013  
AMENDED IN SENATE APRIL 25, 2013

**SENATE BILL**

**No. 69**

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**Introduced by Senators Roth and Emmerson**

January 10, 2013

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An act to amend Section 97.70 of the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

SB 69, as amended, Roth. Local government finance: property tax revenue allocation: vehicle license fee adjustments.

Existing property tax law requires the county auditor, in each fiscal year, to allocate property tax revenue to local jurisdictions in accordance with specified formulas and procedures, and generally provides that each jurisdiction shall be allocated an amount equal to the total of the amount of revenue allocated to that jurisdiction in the prior fiscal year, subject to certain modifications, and that jurisdiction's portion of the annual tax increment, as defined.

Existing property tax law also requires that, for purposes of determining property tax revenue allocations in each county for the 1992–93 and 1993–94 fiscal years, the amounts of property tax revenue

deemed allocated in the prior fiscal year to the county, cities, and special districts be reduced in accordance with certain formulas. It requires that the revenues not allocated to the county, cities, and special districts as a result of these reductions be transferred to the Educational Revenue Augmentation Fund in that county for allocation to school districts, community college districts, and the county office of education.

Beginning with the 2004–05 fiscal year and for each fiscal year thereafter, existing law requires that each city, county, and city and county receive additional property tax revenues in the form of a vehicle license fee adjustment amount, as defined, from a Vehicle License Fee Property Tax Compensation Fund that exists in each county treasury. Existing law requires that these additional allocations be funded from ad valorem property tax revenues otherwise required to be allocated to educational entities.

This bill would modify these reduction and transfer provisions *for a city incorporating after January 1, 2004*, for the 2014–15 fiscal year and for each fiscal year thereafter, by providing for a vehicle license fee adjustment amount calculated on the basis of changes in assessed valuation.

By imposing additional duties upon local tax officials with respect to the allocation of ad valorem property tax revenues, this bill would impose a state-mandated local program.

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, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

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

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

1     SECTION 1. Section 97.70 of the Revenue and Taxation Code  
2     is amended to read:

3     97.70. Notwithstanding any other law, for the 2004–05 fiscal  
4     year and for each fiscal year thereafter, all of the following apply:

5     (a) (1) (A) The auditor shall reduce the total amount of ad  
6     valorem property tax revenue that is otherwise required to be

1 allocated to a county’s Educational Revenue Augmentation Fund  
2 by the countywide vehicle license fee adjustment amount.

3 (B) If, for the fiscal year, after complying with Section 97.68  
4 there is not enough ad valorem property tax revenue that is  
5 otherwise required to be allocated to a county Educational Revenue  
6 Augmentation Fund for the auditor to complete the allocation  
7 reduction required by subparagraph (A), the auditor shall  
8 additionally reduce the total amount of ad valorem property tax  
9 revenue that is otherwise required to be allocated to all school  
10 districts and community college districts in the county for that  
11 fiscal year by an amount equal to the difference between the  
12 countywide vehicle license fee adjustment amount and the amount  
13 of ad valorem property tax revenue that is otherwise required to  
14 be allocated to the county Educational Revenue Augmentation  
15 Fund for that fiscal year. This reduction for each school district  
16 and community college district in the county shall be the percentage  
17 share of the total reduction that is equal to the proportion that the  
18 total amount of ad valorem property tax revenue that is otherwise  
19 required to be allocated to the school district or community college  
20 district bears to the total amount of ad valorem property tax revenue  
21 that is otherwise required to be allocated to all school districts and  
22 community college districts in a county. For purposes of this  
23 subparagraph, “school districts” and “community college districts”  
24 do not include any districts that are excess tax school entities, as  
25 defined in Section 95.

26 (2) The countywide vehicle license fee adjustment amount shall  
27 be allocated to the Vehicle License Fee Property Tax Compensation  
28 Fund that shall be established in the treasury of each county.

29 (b) (1) The auditor shall allocate moneys in the Vehicle License  
30 Fee Property Tax Compensation Fund according to the following:

31 (A) Each city in the county shall receive its vehicle license fee  
32 adjustment amount.

33 (B) Each county and city and county shall receive its vehicle  
34 license fee adjustment amount.

35 (2) The auditor shall allocate one-half of the amount specified  
36 in paragraph (1) on or before January 31 of each fiscal year, and  
37 the other one-half on or before May 31 of each fiscal year.

38 (c) For purposes of this section, all of the following apply:

1 (1) “Vehicle license fee adjustment amount” for a particular  
2 city, county, or a city and county means, subject to an adjustment  
3 under paragraph (2) and Section 97.71, all of the following:

4 (A) For the 2004–05 fiscal year, an amount equal to the  
5 difference between the following two amounts:

6 (i) The estimated total amount of revenue that would have been  
7 deposited to the credit of the Motor Vehicle License Fee Account  
8 in the Transportation Tax Fund, including any amounts that would  
9 have been certified to the Controller by the auditor of the County  
10 of Ventura under subdivision (j) of Section 98.02, as that section  
11 read on January 1, 2004, for distribution under the law as it read  
12 on January 1, 2004, to the county, city and county, or city for the  
13 2004–05 fiscal year if the fee otherwise due under the Vehicle  
14 License Fee Law (Pt. 5 (commencing with Section 10701) of Div.  
15 2) was 2 percent of the market value of a vehicle, as specified in  
16 ~~Section~~ Sections 10752 and 10752.1 as those sections read on  
17 January 1, 2004.

18 (ii) The estimated total amount of revenue that is required to be  
19 distributed from the Motor Vehicle License Fee Account in the  
20 Transportation Tax Fund to the county, city and county, and each  
21 city in the county for the 2004–05 fiscal year under Section 11005,  
22 as that section read on the operative date of the act that amended  
23 this clause.

24 (B) (i) Subject to an adjustment under clause (ii), for the  
25 2005–06 fiscal year, the sum of the following two amounts:

26 (I) The difference between the following two amounts:

27 ~~(Ia)~~

28 (ia) The actual total amount of revenue that would have been  
29 deposited to the credit of the Motor Vehicle License Fee Account  
30 in the Transportation Tax Fund, including any amounts that would  
31 have been certified to the Controller by the auditor of the County  
32 of Ventura under subdivision (j) of Section 98.02, as that section  
33 read on January 1, 2004, for distribution under the law as it read  
34 on January 1, 2004, to the county, city and county, or city for the  
35 2004–05 fiscal year if the fee otherwise due under the Vehicle  
36 License Fee Law (Part 5 (commencing with Section 10701) of  
37 Division 2) was 2 percent of the market value of a vehicle, as  
38 specified in Sections 10752 and 10752.1 as those sections read on  
39 January 1, 2004.

40 ~~(Ib)~~

1 (ib) The actual total amount of revenue that was distributed  
2 from the Motor Vehicle License Fee Account in the Transportation  
3 Tax Fund to the county, city and county, and each city in the county  
4 for the 2004–05 fiscal year under Section 11005, as that section  
5 read on the operative date of the act that amended this  
6 ~~sub-subclause~~ *subsubclause*.

7 (II) The product of the following two amounts:

8 ~~(Ha)~~

9 (ia) The amount described in subclause (I).

10 ~~(Hb)~~

11 (ib) The percentage change from the prior fiscal year to the  
12 current fiscal year in gross taxable assessed valuation within the  
13 jurisdiction of the entity, as reflected in the equalized assessment  
14 roll for those fiscal years. For the first fiscal year for which a  
15 change in a city’s jurisdictional boundaries first applies, the  
16 percentage change in gross taxable assessed valuation from the  
17 prior fiscal year to the current fiscal year shall be calculated solely  
18 on the basis of the city’s previous jurisdictional boundaries, without  
19 regard to the change in that city’s jurisdictional boundaries. For  
20 each following fiscal year, the percentage change in gross taxable  
21 assessed valuation from the prior fiscal year to the current fiscal  
22 year shall be calculated on the basis of the city’s current  
23 jurisdictional boundaries.

24 (ii) The amount described in clause (i) shall be adjusted as  
25 follows:

26 (I) If the amount described in subclause (I) of clause (i) for a  
27 particular city, county, or city and county is greater than the amount  
28 described in subparagraph (A) for that city, county, or city and  
29 county, the amount described in clause (i) shall be increased by  
30 an amount equal to this difference.

31 (II) If the amount described in subclause (I) of clause (i) for a  
32 particular city, county, or city and county is less than the amount  
33 described in subparagraph (A) for that city, county, or city and  
34 county, the amount described in clause (i) shall be decreased by  
35 an amount equal to this difference.

36 (C) For the 2006–07 fiscal year and for each fiscal year  
37 thereafter, the sum of the following two amounts:

38 (i) The vehicle license fee adjustment amount for the prior fiscal  
39 year, if Section 97.71 and clause (ii) of subparagraph (B) did not  
40 apply for that fiscal year, for that city, county, and city and county.

- 1 (ii) The product of the following two amounts:
- 2 (I) The amount described in clause (i).
- 3 (II) The percentage change from the prior fiscal year to the
- 4 current fiscal year in gross taxable assessed valuation within the
- 5 jurisdiction of the entity, as reflected in the equalized assessment
- 6 roll for those fiscal years. For the first fiscal year for which a
- 7 change in a city’s jurisdictional boundaries first applies, the
- 8 percentage change in gross taxable assessed valuation from the
- 9 prior fiscal year to the current fiscal year shall be calculated solely
- 10 on the basis of the city’s previous jurisdictional boundaries, without
- 11 regard to the change in that city’s jurisdictional boundaries. For
- 12 each following fiscal year, the percentage change in gross taxable
- 13 assessed valuation from the prior fiscal year to the current fiscal
- 14 year shall be calculated on the basis of the city’s current
- 15 jurisdictional boundaries.
- 16 (2) *Notwithstanding paragraph (1), “vehicle license fee*
- 17 *adjustment amount,” for the 2014–15 fiscal year and each fiscal*
- 18 *year thereafter, for a city incorporating after January 1, 2004,*
- 19 *means the following:*
- 20 (A) *For the 2014–15 fiscal year, or the first year of*
- 21 *incorporation of the city, whichever is later, the quotient derived*
- 22 *from the following fraction:*
- 23 (i) *The numerator is the product of the following two amounts:*
- 24 (I) *The sum of the most recent vehicle license fee adjustment*
- 25 *amounts determined for all cities in the county.*
- 26 (II) *The population of the incorporating city.*
- 27 (ii) *The denominator is the sum of the populations of all cities*
- 28 *in the county.*
- 29 (B) *For the following fiscal year, and for each fiscal year*
- 30 *thereafter, the sum of the following two amounts:*
- 31 (i) *The vehicle license fee adjustment amount for the prior fiscal*
- 32 *year.*
- 33 (ii) *The product of the following two amounts:*
- 34 (I) *The amount described in clause (i).*
- 35 (II) *The percentage change from the prior fiscal year to the*
- 36 *current fiscal year in gross taxable assessed valuation within the*
- 37 *jurisdiction of the entity, as reflected in the equalized assessment*
- 38 *roll for those fiscal years.*
- 39 (2)

1 (3) For the 2013–14 fiscal year, the vehicle license fee  
2 adjustment amount that is determined under subparagraph (C) of  
3 paragraph (1) for the County of Orange shall be increased by  
4 fifty-three million dollars (\$53,000,000). For the 2014–15 fiscal  
5 year and each fiscal year thereafter, the calculation of the vehicle  
6 license fee adjustment amount for the County of Orange under  
7 subparagraph (C) of paragraph (1) shall be based on a prior fiscal  
8 year amount that reflects the full amount of this one-time increase  
9 of fifty-three million dollars (\$53,000,000).

10 ~~(3)~~

11 (4) “Countywide vehicle license fee adjustment amount” means,  
12 for any fiscal year, the total sum of the amounts described in  
13 paragraphs (1) ~~and~~, (2), *and* (3) for a county or city and county,  
14 and each city in the county.

15 ~~(4)~~

16 (5) On or before June 30 of each fiscal year, the auditor shall  
17 report to the Controller the vehicle license fee adjustment amount  
18 for the county and each city in the county for that fiscal year.

19 (d) For the 2005–06 fiscal year and each fiscal year thereafter,  
20 the amounts determined under subdivision (a) of Section 96.1, or  
21 any successor to that provision, shall not reflect, for a preceding  
22 fiscal year, any portion of any allocation required by this section.

23 (e) For purposes of Section 15 of Article XI of the California  
24 Constitution, the allocations from a Vehicle License Fee Property  
25 Tax Compensation Fund constitute successor taxes that are  
26 otherwise required to be allocated to counties and cities, and as  
27 successor taxes, the obligation to make those transfers as required  
28 by this section shall not be extinguished nor disregarded in any  
29 manner that adversely affects the security of, or the ability of, a  
30 county or city to pay the principal and interest on any debts or  
31 obligations that were funded or secured by that city’s or county’s  
32 allocated share of motor vehicle license fee revenues.

33 (f) This section shall not be construed to do any of the following:

34 (1) Reduce any allocations of excess, additional, or remaining  
35 funds that would otherwise have been allocated to county  
36 superintendents of schools, cities, counties, and cities and counties  
37 pursuant to clause (i) of subparagraph (B) of paragraph (4) of  
38 subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing  
39 with Section 98) had this section not been enacted. The allocations

1 required by this section shall be adjusted to comply with this  
 2 paragraph.

3 (2) Require an increased ad valorem property tax revenue  
 4 allocation or increased tax increment allocation to a community  
 5 redevelopment agency.

6 (3) Alter the manner in which ad valorem property tax revenue  
 7 growth from fiscal year to fiscal year is otherwise determined or  
 8 allocated in a county.

9 (4) Reduce ad valorem property tax revenue allocations required  
 10 under Article 4 (commencing with Section 98).

11 (g) Tax exchange or revenue sharing agreements, entered into  
 12 prior to the operative date of this section, between local agencies  
 13 or between local agencies and nonlocal agencies are deemed to be  
 14 modified to account for the reduced vehicle license fee revenues  
 15 resulting from the act that added this section. These agreements  
 16 are modified in that these reduced revenues are, in kind and in lieu  
 17 thereof, replaced with ad valorem property tax revenue from a  
 18 Vehicle License Fee Property Tax Compensation Fund or an  
 19 Educational Revenue Augmentation Fund.

20 *SEC. 2. If the Commission on State Mandates determines that*  
 21 *this act contains costs mandated by the state, reimbursement to*  
 22 *local agencies and school districts for those costs shall be made*  
 23 *pursuant to Part 7 (commencing with Section 17500) of Division*  
 24 *4 of Title 2 of the Government Code.*

25 ~~SECTION 1. Section 97.70 of the Revenue and Taxation Code~~  
 26 ~~is amended to read:~~

27 ~~97.70. Notwithstanding any other law, for the 2004-05 fiscal~~  
 28 ~~year and for each fiscal year thereafter, all of the following apply:~~

29 ~~(a) (1) (A) The auditor shall reduce the total amount of ad~~  
 30 ~~valorem property tax revenue that is otherwise required to be~~  
 31 ~~allocated to a county's Educational Revenue Augmentation Fund~~  
 32 ~~by the countywide vehicle license fee adjustment amount.~~

33 ~~(B) If, for the fiscal year, after complying with Section 97.68~~  
 34 ~~there is not enough ad valorem property tax revenue that is~~  
 35 ~~otherwise required to be allocated to a county Educational Revenue~~  
 36 ~~Augmentation Fund for the auditor to complete the allocation~~  
 37 ~~reduction required by subparagraph (A), the auditor shall~~  
 38 ~~additionally reduce the total amount of ad valorem property tax~~  
 39 ~~revenue that is otherwise required to be allocated to all school~~  
 40 ~~districts and community college districts in the county for that~~

1 fiscal year by an amount equal to the difference between the  
2 countywide vehicle license fee adjustment amount and the amount  
3 of ad valorem property tax revenue that is otherwise required to  
4 be allocated to the county Educational Revenue Augmentation  
5 Fund for that fiscal year. This reduction for each school district  
6 and community college district in the county shall be the percentage  
7 share of the total reduction that is equal to the proportion that the  
8 total amount of ad valorem property tax revenue that is otherwise  
9 required to be allocated to the school district or community college  
10 district bears to the total amount of ad valorem property tax revenue  
11 that is otherwise required to be allocated to all school districts and  
12 community college districts in a county. For purposes of this  
13 subparagraph, “school districts” and “community college districts”  
14 do not include any districts that are excess tax school entities, as  
15 defined in Section 95.

16 (2) The countywide vehicle license fee adjustment amount shall  
17 be allocated to the Vehicle License Fee Property Tax Compensation  
18 Fund that shall be established in the treasury of each county.

19 (b) (1) The auditor shall allocate moneys in the Vehicle License  
20 Fee Property Tax Compensation Fund according to the following:

21 (A) Each city in the county shall receive its vehicle license fee  
22 adjustment amount.

23 (B) Each county and city and county shall receive its vehicle  
24 license fee adjustment amount.

25 (2) The auditor shall allocate one-half of the amount specified  
26 in paragraph (1) on or before January 31 of each fiscal year, and  
27 the other one-half on or before May 31 of each fiscal year.

28 (e) For purposes of this section, all of the following apply:

29 (1) “Vehicle license fee adjustment amount” for a particular  
30 city, county, or a city and county means, subject to an adjustment  
31 under paragraph (2) and Section 97.71, all of the following:

32 (A) For the 2004-05 fiscal year, an amount equal to the  
33 difference between the following two amounts:

34 (i) The estimated total amount of revenue that would have been  
35 deposited to the credit of the Motor Vehicle License Fee Account  
36 in the Transportation Tax Fund, including any amounts that would  
37 have been certified to the Controller by the auditor of the County  
38 of Ventura under subdivision (j) of Section 98.02, as that section  
39 read on January 1, 2004, for distribution under the law as it read  
40 on January 1, 2004, to the county, city and county, or city for the

1 2004–05 fiscal year if the fee otherwise due under the Vehicle  
2 License Fee Law (Part 5 (commencing with Section 10701) of  
3 Division 2) was 2 percent of the market value of a vehicle, as  
4 specified in Sections 10752 and 10752.1 as those sections read on  
5 January 1, 2004.

6 (ii) ~~The estimated total amount of revenue that is required to be  
7 distributed from the Motor Vehicle License Fee Account in the  
8 Transportation Tax Fund to the county, city and county, and each  
9 city in the county for the 2004–05 fiscal year under Section 11005,  
10 as that section read on the operative date of the act that amended  
11 this clause.~~

12 ~~(B) (i) Subject to an adjustment under clause (ii), for the  
13 2005–06 fiscal year, the sum of the following two amounts:~~

14 ~~(I) The difference between the following two amounts:~~

15 ~~(ia) The actual total amount of revenue that would have been  
16 deposited to the credit of the Motor Vehicle License Fee Account  
17 in the Transportation Tax Fund, including any amounts that would  
18 have been certified to the Controller by the auditor of the County  
19 of Ventura under subdivision (j) of Section 98.02, as that section  
20 read on January 1, 2004, for distribution under the law as it read  
21 on January 1, 2004, to the county, city and county, or city for the  
22 2004–05 fiscal year if the fee otherwise due under the Vehicle  
23 License Fee Law (Part 5 (commencing with Section 10701) of  
24 Division 2) was 2 percent of the market value of a vehicle, as  
25 specified in Sections 10752 and 10752.1 as those sections read on  
26 January 1, 2004.~~

27 ~~(ib) The actual total amount of revenue that was distributed  
28 from the Motor Vehicle License Fee Account in the Transportation  
29 Tax Fund to the county, city and county, and each city in the county  
30 for the 2004–05 fiscal year under Section 11005, as that section  
31 read on the operative date of the act that amended this  
32 subsubclause.~~

33 ~~(II) The product of the following two amounts:~~

34 ~~(ia) The amount described in subclause (I).~~

35 ~~(ib) The percentage change from the prior fiscal year to the  
36 current fiscal year in gross taxable assessed valuation within the  
37 jurisdiction of the entity, as reflected in the equalized assessment  
38 roll for those fiscal years. For the first fiscal year for which a  
39 change in a city's jurisdictional boundaries first applies, the  
40 percentage change in gross taxable assessed valuation from the~~

1 prior fiscal year to the current fiscal year shall be calculated solely  
2 on the basis of the city's previous jurisdictional boundaries, without  
3 regard to the change in that city's jurisdictional boundaries. For  
4 each following fiscal year, the percentage change in gross taxable  
5 assessed valuation from the prior fiscal year to the current fiscal  
6 year shall be calculated on the basis of the city's current  
7 jurisdictional boundaries.

8 (ii) The amount described in clause (i) shall be adjusted as  
9 follows:

10 (I) If the amount described in subclause (I) of clause (i) for a  
11 particular city, county, or city and county is greater than the amount  
12 described in subparagraph (A) for that city, county, or city and  
13 county, the amount described in clause (i) shall be increased by  
14 an amount equal to this difference.

15 (II) If the amount described in subclause (I) of clause (i) for a  
16 particular city, county, or city and county is less than the amount  
17 described in subparagraph (A) for that city, county, or city and  
18 county, the amount described in clause (i) shall be decreased by  
19 an amount equal to this difference.

20 (C) For the 2006-07 fiscal year to the 2013-14 fiscal year,  
21 inclusive, the sum of the following two amounts:

22 (i) The vehicle license fee adjustment amount for the prior fiscal  
23 year, if Section 97.71 and clause (ii) of subparagraph (B) did not  
24 apply for that fiscal year, for that city, county, and city and county.

25 (ii) The product of the following two amounts:

26 (I) The amount described in clause (i).

27 (II) The percentage change from the prior fiscal year to the  
28 current fiscal year in gross taxable assessed valuation within the  
29 jurisdiction of the entity, as reflected in the equalized assessment  
30 roll for those fiscal years. For the first fiscal year for which a  
31 change in a city's jurisdictional boundaries first applies, the  
32 percentage change in gross taxable assessed valuation from the  
33 prior fiscal year to the current fiscal year shall be calculated solely  
34 on the basis of the city's previous jurisdictional boundaries, without  
35 regard to the change in that city's jurisdictional boundaries. For  
36 each following fiscal year, the percentage change in gross taxable  
37 assessed valuation from the prior fiscal year to the current fiscal  
38 year shall be calculated on the basis of the city's current  
39 jurisdictional boundaries.

- 1     ~~(D) For the 2014–15 fiscal year, the sum of the following two~~  
2 ~~amounts:~~
- 3     ~~(i) The amount described in clause (i) of subparagraph (B) if~~  
4 ~~Section 97.71 and clause (ii) of subparagraph (B) did not apply~~  
5 ~~for that fiscal year, for that city, county, and city and county.~~
- 6     ~~(ii) The product of the following two amounts:~~
- 7     ~~(I) The amount described in clause (i).~~
- 8     ~~(II) The percentage change from the 2004–05 fiscal year to the~~  
9 ~~2014–15 fiscal year, inclusive, in gross taxable assessed valuation~~  
10 ~~within the jurisdiction of the entity, as reflected in the equalized~~  
11 ~~assessment roll for those fiscal years.~~
- 12     ~~(E) For the 2015–16 fiscal year and each fiscal year thereafter,~~  
13 ~~the sum of the following two amounts:~~
- 14     ~~(i) The vehicle license fee adjustment amount for the prior fiscal~~  
15 ~~year.~~
- 16     ~~(ii) The product of the following two amounts:~~
- 17     ~~(I) The amount described in clause (i).~~
- 18     ~~(II) The percentage change from the immediately preceding~~  
19 ~~fiscal year to the current fiscal year in gross taxable assessed~~  
20 ~~valuation within the jurisdiction of the entity, as reflected in the~~  
21 ~~equalized assessment roll for those fiscal years.~~
- 22     ~~(2) The vehicle license fee adjustment amount that is determined~~  
23 ~~under subparagraph (C) of paragraph (1) for the 2013–14 fiscal~~  
24 ~~year, subparagraph (D) of paragraph (1) for the 2014–15 fiscal~~  
25 ~~year, and subparagraph (E) of paragraph (1) for the 2015–16 fiscal~~  
26 ~~year, for the County of Orange, shall be increased by fifty-three~~  
27 ~~million dollars (\$53,000,000). For the 2016–17 fiscal year and~~  
28 ~~each fiscal year thereafter, the calculation of the vehicle license~~  
29 ~~fee adjustment amount for the County of Orange under~~  
30 ~~subparagraph (E) of paragraph (1) shall be based on a prior fiscal~~  
31 ~~year amount that reflects the full amount of this one-time increase~~  
32 ~~of fifty-three million dollars (\$53,000,000).~~
- 33     ~~(3) “Countywide vehicle license fee adjustment amount” means,~~  
34 ~~for any fiscal year, the total sum of the amounts described in~~  
35 ~~paragraphs (1) and (2) for a county or city and county, and each~~  
36 ~~city in the county.~~
- 37     ~~(4) On or before June 30 of each fiscal year, the auditor shall~~  
38 ~~report to the Controller the vehicle license fee adjustment amount~~  
39 ~~for the county and each city in the county for that fiscal year.~~

1 ~~(d) For the 2005–06 fiscal year and each fiscal year thereafter,~~  
2 ~~the amounts determined under subdivision (a) of Section 96.1, or~~  
3 ~~any successor to that provision, shall not reflect, for a preceding~~  
4 ~~fiscal year, any portion of any allocation required by this section.~~

5 ~~(e) For purposes of Section 15 of Article XI of the California~~  
6 ~~Constitution, the allocations from a Vehicle License Fee Property~~  
7 ~~Tax Compensation Fund constitute successor taxes that are~~  
8 ~~otherwise required to be allocated to counties and cities, and as~~  
9 ~~successor taxes, the obligation to make those transfers as required~~  
10 ~~by this section shall not be extinguished nor disregarded in any~~  
11 ~~manner that adversely affects the security of, or the ability of, a~~  
12 ~~county or city to pay the principal and interest on any debts or~~  
13 ~~obligations that were funded or secured by that city’s or county’s~~  
14 ~~allocated share of motor vehicle license fee revenues.~~

15 ~~(f) This section shall not be construed to do any of the following:~~

16 ~~(1) Reduce any allocations of excess, additional, or remaining~~  
17 ~~funds that would otherwise have been allocated to county~~  
18 ~~superintendents of schools, cities, counties, and cities and counties~~  
19 ~~pursuant to clause (i) of subparagraph (B) of paragraph (4) of~~  
20 ~~subdivision (d) of Sections 97.2 and 97.3 or Article 4 (commencing~~  
21 ~~with Section 98) had this section not been enacted. The allocations~~  
22 ~~required by this section shall be adjusted to comply with this~~  
23 ~~paragraph.~~

24 ~~(2) Require an increased ad valorem property tax revenue~~  
25 ~~allocation or increased tax increment allocation to a community~~  
26 ~~redevelopment agency.~~

27 ~~(3) Alter the manner in which ad valorem property tax revenue~~  
28 ~~growth from fiscal year to fiscal year is otherwise determined or~~  
29 ~~allocated in a county.~~

30 ~~(4) Reduce ad valorem property tax revenue allocations required~~  
31 ~~under Article 4 (commencing with Section 98).~~

32 ~~(g) Tax exchange or revenue sharing agreements, entered into~~  
33 ~~prior to the operative date of this section, between local agencies~~  
34 ~~or between local agencies and nonlocal agencies are deemed to be~~  
35 ~~modified to account for the reduced vehicle license fee revenues~~  
36 ~~resulting from the act that added this section. These agreements~~  
37 ~~are modified in that these reduced revenues are, in kind and in lieu~~  
38 ~~thereof, replaced with ad valorem property tax revenue from a~~  
39 ~~Vehicle License Fee Property Tax Compensation Fund or an~~  
40 ~~Educational Revenue Augmentation Fund.~~

1 ~~SEC. 2. If the Commission on State Mandates determines that~~  
2 ~~this act contains costs mandated by the state, reimbursement to~~  
3 ~~local agencies and school districts for those costs shall be made~~  
4 ~~pursuant to Part 7 (commencing with Section 17500) of Division~~  
5 ~~4 of Title 2 of the Government Code.~~

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