

**ASSEMBLY BILL**

**No. 915**

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**Introduced by Assembly Members Dickerson, House, Oller**  
**(Coauthors: Assembly Members Cardoza and Thomson)**  
(Coauthors: Senators Johannessen, Leslie, and Monteith)

February 25, 1999

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An act to amend Section 11005 of the Revenue and Taxation Code, and to amend Sections 2105 and 2107 of the Streets and Highways Code, relating to local government, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 915, as introduced, Dickerson. Vehicle license fees: fuel taxes: allocation to cities and counties.

The Vehicle License Fee Law continuously appropriates revenues derived from the taxes imposed under its provisions, and provides for the allocation of those revenues pursuant to specified formulas to cities, cities and counties, and counties. The Motor Vehicle Fuel License Tax Law, Use Fuel Tax Law, and Diesel Fuel Tax Law each provide, as specified, for the transfer of revenues derived from taxes imposed under their provisions to the Highway Users Tax Account in the Transportation Tax Fund. Existing law continuously appropriates revenues in that account, and provides for specified apportionments of those revenues to cities, cities and counties, and counties.

This bill would, for a county that does not have any incorporated cities, distribute to the Controller for allocation to that county, the county portion of those revenues and the

city portions based on 8% of the population of that county. By providing for the receipt of additional continuously appropriated revenues by a county that does not have any incorporated cities, this bill would make an appropriation.

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

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

1 SECTION 1. Section 11005 of the Revenue and  
2 Taxation Code is amended to read:

3 11005. (a) After payment of refunds therefrom and  
4 after making the deductions authorized by Section 11003  
5 and reserving the amount determined necessary by the  
6 Pooled Money Investment Board to meet the transfers  
7 ordered or proposed to be ordered pursuant to Section  
8 16310 of the Government Code, commencing with the  
9 1989–90 fiscal year, the Controller shall deduct that  
10 amount which is necessary to make the allocation  
11 provided for in Section 77202.5 of the Government Code.  
12 Eighty-one and one-quarter percent of the balance of all  
13 motor vehicle license fees and any other money  
14 appropriated by law for expenditure pursuant to this  
15 section and deposited to the credit of the Motor Vehicle  
16 License Fee Account in the Transportation Tax Fund and  
17 remaining unexpended therein at the close of business on  
18 the last day of the calendar month shall be allocated by  
19 the Controller by the 10th day of the following month in  
20 the manner provided by subdivisions (c) and (d).

21 (b) Eighteen and three-quarters percent of the  
22 balance shall be allocated, as follows:

23 (1) (A) Commencing with the 1988–89 fiscal year, the  
24 Controller shall allocate to each city that existed but did  
25 not levy a property tax in the 1977–78 fiscal year, other  
26 than for voter-approved indebtedness, an amount equal  
27 to the total amount which each of those cities would have  
28 received in that fiscal year pursuant to Section 25761 of  
29 the Business and Professions Code, Section 4306 of the  
30 Public Utilities Code, and Section 26483 of this code, as if  
31 those sections were operative in that fiscal year in the



1 form in which they existed on June 1, 1981. For each fiscal  
2 year thereafter, the Controller shall increase the amount  
3 for each city computed pursuant to this paragraph by the  
4 percent by which the revenue to the Motor Vehicle  
5 License Fee Account increased over the revenue for the  
6 previous fiscal year.

7 (B) (i) For each fiscal year following the 1988–89  
8 fiscal year in which a city subject to subparagraph (A)  
9 receives a distribution of property tax revenue pursuant  
10 to Section 97.35, 97.37, or 97.38, the amount to be allocated  
11 to the city pursuant to subparagraph (A) shall be reduced  
12 by the amount of the distribution made pursuant to those  
13 sections.

14 (ii) No allocation shall be made to a city pursuant to  
15 subparagraph (A) in the first fiscal year in which the  
16 amount distributed to a city pursuant to Section 97.35,  
17 97.37, or 97.38 equals or exceeds the amount that would  
18 have been allocated to that city pursuant to subparagraph  
19 (A) or in any fiscal year thereafter.

20 (iii) Any amount not allocated to a city pursuant to  
21 subparagraph (A) as a result of the operation of this  
22 subparagraph shall be allocated to eligible cities in  
23 accordance with clause (iv).

24 (iv) Commencing with the 1989–90 fiscal year, the  
25 Controller shall allocate the amount determined in clause  
26 (iii) for each fiscal year to each eligible city in the  
27 proportion that the population of each eligible city bears  
28 to total population of all eligible cities.

29 For purposes of this clause, “eligible city” means any  
30 city which incorporated prior to June 5, 1987, and had an  
31 amount of property tax revenue allocated to it pursuant  
32 to subdivision (a) of Section 97 in the 1987–88 fiscal year  
33 which is less than 10 percent of the amount of property  
34 tax revenue computed for the 1987–88 fiscal year in  
35 accordance with the method described in subdivision (c)  
36 of Section 97.35.

37 The auditor shall notify the Controller of his or her  
38 determination of those cities within the county which are  
39 eligible cities.



1 (2) Each month the Controller shall allocate the  
2 remainder of the amount determined pursuant to this  
3 subdivision to counties and cities and counties in an  
4 amount for each county and city and county equal to the  
5 revenue received in the 1982–83 fiscal year pursuant to  
6 former Section 16111, subdivision (c) of former Section  
7 16113, and former Section 16113.7 of the Government  
8 Code. These amounts shall be determined by the  
9 Controller with the concurrence of the Director of  
10 Finance. The Controller shall allocate any remaining  
11 amount determined pursuant to this subdivision to  
12 counties and cities and counties in the proportion that the  
13 population of each county or city and county bears to the  
14 total population of all the counties and cities and counties  
15 of the state, as determined pursuant to subdivision (d).

16 (c) Fifty percent of the payments required by  
17 subdivision (a) shall be paid to the cities ~~and~~, cities and  
18 counties, *and counties that do not have any incorporated*  
19 *cities*, of this state in the proportion that the population  
20 of each city, or city and county, *or 8 percent of the*  
21 *population of each county that does not have any*  
22 *incorporated cities*, bears to the ~~total~~ *sum of the*  
23 *population of all cities* ~~and~~, cities and counties, *and 8*  
24 *percent of the population of all counties that do not have*  
25 *any incorporated cities*, in this state, as determined by the  
26 population research unit of the Department of Finance.  
27 For the purpose of this subdivision, the population of each  
28 city or city and county is that determined by the last  
29 federal decennial or special census, or a subsequent  
30 census validated by the population research unit or  
31 subsequent estimate prepared pursuant to Section 2107.2  
32 of the Streets and Highways Code. In the case of a city  
33 incorporated subsequent to the last federal census, or a  
34 subsequent census validated by the population research  
35 unit, the population research unit shall determine the  
36 population of the city. In the case of unincorporated  
37 territory being annexed to a city subsequent to the last  
38 federal census, or a subsequent census validated by the  
39 population research unit, the population research unit  
40 shall determine the population of the annexed territory



1 by the use of any federal decennial or special census, or  
2 estimate prepared pursuant to Section 2107.2 of the  
3 Streets and Highways Code. *For the purpose of this*  
4 *subdivision, the population of each county that does not*  
5 *have any incorporated cities is that determined by the last*  
6 *federal census, or subsequent census validated by the*  
7 *population research unit, or as determined by Section*  
8 *11005.6. In the case of the consolidation of one city with*  
9 *another subsequent to the last federal census, or a*  
10 *subsequent census validated by the population research*  
11 *unit, the population of the consolidated city, for the*  
12 *purpose of this subdivision, is the aggregate population of*  
13 *the respective cities as determined by the last federal*  
14 *census, or a subsequent census or estimate validated by*  
15 *the population research unit.*

16 (d) Fifty percent of the payments required by  
17 subdivision (a) shall be paid to the counties and cities and  
18 counties of the state in the proportion that the population  
19 of each county or city and county bears to the total  
20 population of all the counties and cities and counties of  
21 the state, as determined by the population research unit.  
22 For the purpose of this subdivision, the population of each  
23 county or city and county is that determined by the last  
24 federal census, or subsequent census validated by the  
25 population research unit, or as determined by Section  
26 11005.6.

27 (e) Money disbursed by the Controller to cities and  
28 counties pursuant to this section may be used for county  
29 or city purposes and may, but need not necessarily, be  
30 used for purposes of general interest and benefit to the  
31 state.

32 (f) Population changes based on a federal special  
33 census or a subsequent census validated by the  
34 Department of Finance shall be accepted by the  
35 Controller only if certified to ~~him~~ *the Controller* at the  
36 request of the city, city and county, or county for which  
37 the census was made and shall become effective on the  
38 first day of the month following receipt of the  
39 certification.



1 SEC. 2. Section 2105 of the Streets and Highways  
2 Code is amended to read:

3 2105. In addition to the apportionments prescribed by  
4 Sections 2104, 2106, and 2107, from the revenues derived  
5 from a per gallon tax imposed pursuant to Section 7351 of  
6 the Revenue and Taxation Code, and a per gallon tax  
7 imposed pursuant to Section 8651 of the Revenue and  
8 Taxation Code, and a per gallon tax imposed pursuant to  
9 Sections 60050 and 60115 of the Revenue and Taxation  
10 Code, the following apportionments shall be made:

11 (a) A sum equal to the net revenue from a tax of 11.5  
12 percent of any per gallon tax in excess of nine cents  
13 (\$0.09) per gallon under Section 7351 of the Revenue and  
14 Taxation Code, 11.5 percent of any per gallon tax in excess  
15 of nine cents (\$0.09) per gallon under Section 8651 of the  
16 Revenue and Taxation Code, and 11.5 percent of any per  
17 gallon tax in excess of nine cents (\$0.09) per gallon under  
18 Sections 60050 and 60115 of the Revenue and Taxation  
19 Code, shall be apportioned among the counties, including  
20 a city and county.

21 The amount of apportionment to each county,  
22 including a city and county, during a fiscal year shall be  
23 calculated as follows:

24 (1) One million dollars (\$1,000,000) for  
25 apportionment to all counties, including a city and  
26 county, in proportion to each county's receipts during the  
27 prior fiscal year under Sections 2104 and 2106.

28 (2) One million dollars (\$1,000,000) for  
29 apportionment to all counties, including a city and  
30 county, as follows:

31 (A) Seventy-five percent in the proportion that the  
32 number of fee-paid and exempt vehicles which are  
33 registered in the county bears to the number of fee-paid  
34 and exempt vehicles registered in the state.

35 (B) Twenty-five percent in the proportion that the  
36 number of miles of maintained county roads in the county  
37 bears to the miles of maintained county roads in the state.

38 (3) For each county, determine its factor which is the  
39 higher amount calculated pursuant to paragraph (1) or



1 (2) divided by the sum of the higher amounts for all of the  
2 counties.

3 (4) The amount to be apportioned to each county is  
4 equal to its factor multiplied by the amount available for  
5 apportionment.

6 (b) A sum equal to the net revenue from a tax of 11.5  
7 percent of any per gallon tax in excess of nine cents  
8 (\$0.09) per gallon under Section 7351 of the Revenue and  
9 Taxation Code, 11.5 percent of any per gallon tax in excess  
10 of nine cents (\$0.09) per gallon under Section 8651 of the  
11 Revenue and Taxation Code, and 11.5 percent of any per  
12 gallon tax in excess of nine cents (\$0.09) per gallon under  
13 Sections 60050 and 60115 of the Revenue and Taxation  
14 Code, shall be apportioned to cities, including a city and  
15 county, *and counties that do not have any incorporated*  
16 *cities*, in the proportion that the total population of the  
17 city, *or 8 percent of the population of the county that does*  
18 *not have any incorporated cities*, bears to the ~~total~~ sum of  
19 *the population of all the cities in the state and 8 percent*  
20 *of the population of all the counties in this state that do*  
21 *not have any incorporated cities.*

22 SEC. 3. Section 2107 of the Streets and Highways  
23 Code is amended to read:

24 2107. A sum equal to the net revenues derived from  
25 a per gallon tax of 1.315 cents (\$0.01315) under the Motor  
26 Vehicle Fuel License Tax Law (Part 2 (commencing with  
27 Section 7301) of Division 2), 2.59 cents (\$0.0259) under  
28 the Use Fuel Tax Law (Part 3 (commencing with Section  
29 8601) of Division 2), and 1.80 cents (\$0.0180) under the  
30 Diesel Fuel Tax Law (Part 31 (commencing with Section  
31 60001) of Division 2) of the Revenue and Taxation Code,  
32 shall be apportioned monthly to the cities ~~and~~, cities and  
33 counties, *and counties that do not have any incorporated*  
34 *cities*, of this state from the Highway Users Tax Account  
35 in the Transportation Tax Fund as provided in this  
36 section.

37 From that sum, the Controller shall allocate annually to  
38 each city, *and each county that does not have any*  
39 *incorporated cities*, that has filed a report containing the  
40 information prescribed by subdivision (c) of Section 2152,



1 and that had expenditures in excess of five thousand  
2 dollars (\$5,000) during the preceding fiscal year for snow  
3 removal, an amount equal to one-half of the amount of its  
4 expenditures for snow removal in excess of five thousand  
5 dollars (\$5,000) during that fiscal year.

6 The balance of that sum from the Highway Users Tax  
7 Account shall be allocated to each city, including a city  
8 and county, *and counties that do not have any*  
9 *incorporated cities*, in the proportion that the total  
10 population of the city, *or 8 percent of the population of*  
11 *the county that does not have any incorporated cities*,  
12 bears to the ~~total~~ *sum of the* population of all the cities in  
13 this state *and 8 percent of the population of the counties*  
14 *in this state that do not have any incorporated cities*.

15 For the purpose of this section, except as otherwise  
16 provided in this paragraph, the population in each city is  
17 the population determined for that city in the manner  
18 specified in Sections 11005 and 11005.3 of the Revenue  
19 and Taxation Code. *For the purposes of this section, the*  
20 *population in each county that does not have any*  
21 *incorporated cities is the population determined for that*  
22 *county in the manner specified in Section 11005 of the*  
23 *Revenue and Taxation Code.* Commencing with the  
24 ninth fiscal year of a city described in subdivision (a) of  
25 Section 11005.3 of the Revenue and Taxation Code, and  
26 the sixth fiscal year of a city described in subdivision (b)  
27 of that same section, the population in each city is the  
28 population determined for that city in the manner  
29 specified in Section 11005 of the Revenue and Taxation  
30 Code.

