

AMENDED IN ASSEMBLY JANUARY 14, 2000

AMENDED IN SENATE MAY 28, 1999

SENATE BILL

No. 215

**Introduced by Senator ~~Senators Karnette and Dunn~~
(Principal coauthors: ~~Senators Kelley and O'Connell~~)**

(Principal coauthors: ~~Assembly Members Baugh and
Correa~~)

(Coauthors: ~~Senators Johnston, Lewis, and Morrow~~)

(Coauthors: ~~Assembly Members Aekerman, Bates, Brewer,
Campbell, Jackson, Machado, Maddox, Maldonado,
Mazzoni, and Peseetti~~)

(Principal coauthor: ~~Assembly Member Lowenthal~~)

January 21, 1999

~~An act to add Section 97.27 to the Revenue and Taxation Code, relating to local government finance, making an appropriation therefor, and declaring the urgency thereof, to take effect immediately. An act to repeal Chapter 3.3 (commencing with Section 6261) of Part 1 of Division 2 of the Revenue and Taxation Code, relating to vehicles, and making an appropriation therefor.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 215, as amended, ~~Dunn Karnette. Property tax revenue allocations: property tax revenue shifts: single county transit districts~~ *Vehicles: smog impact fee: refunds.*

Existing law imposes a smog impact fee of \$300 on a person making application to register a motor vehicle in this state

that was previously registered outside this state, with certain exceptions. However, in the case of *Jordan v. D.M.V.* (1999) 75 Cal.App.4th 449, the court ruled that the imposition of this fee is unconstitutional.

This bill would repeal the provisions imposing the smog impact fee.

The bill would transfer \$665,000,000 from the General Fund to the Smog Impact Fee Refund Account in the State Transportation Fund, which would be created as a continuously appropriated account by AB 809 of the 1999–2000 Regular Session, for the purpose of funding refunds of the smog impact fee, thereby making an appropriation.

The bill would become operative only if AB 809 is enacted and becomes operative, as specified.

~~Existing law requires the county auditor, in each fiscal year, to allocate property tax revenues to local jurisdictions in accordance with specified formulas and procedures, and generally requires that each jurisdiction 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 modifies these provisions by requiring that, for purposes of determining property tax revenue allocations in each county for the 1992–93 fiscal year, the amounts of property tax revenue deemed allocated in the prior fiscal year to special districts, including single-county transit districts, be reduced in accordance with a specified percentage. It requires that the revenues not allocated to the 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.~~

~~This bill would, as provided, for the 1999–2000 fiscal year and each fiscal year thereafter, exclude single-county transit districts from these reduction and transfer provisions.~~

~~This bill would state the intent of the Legislature in enacting the bill's provisions.~~

~~This bill would appropriate \$630,000 from the General Fund to the Department of Finance for allocation to community~~



~~college districts for the reimbursement of revenue losses incurred by those districts in the 1999-2000 fiscal year as a result of this bill.~~

~~This bill would declare that it is to take effect immediately, as an urgency statute.~~

Vote: ²/₃. 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 97.27 is added to the Revenue~~
2 SECTION 1. *The Legislature finds and declares all of*
3 *the following:*
4 (a) *Chapter 3.3 (commencing with Section 6261) of*
5 *Part 1 of Division 2 of the Revenue and Taxation Code*
6 *imposes a three hundred dollar (\$300) smog impact fee*
7 *on used motor vehicles that were last registered outside*
8 *of this state and are not certified to meet the state's*
9 *vehicle emission control requirements. The fee is due*
10 *upon the initial registration of the vehicle in this state.*
11 (b) *The smog impact fee has been collected by the*
12 *Department of Motor Vehicles on behalf of the state since*
13 *November 1990, during which time approximately*
14 *1,700,000 vehicle owners have paid the fee resulting in a*
15 *total amount of approximately five hundred million*
16 *dollars (\$500,000,000).*
17 (c) *Lawsuits challenging the imposition of the smog*
18 *impact fee were the subject in the case of Jordan v.*
19 *Department of Motor Vehicles (1999) 75 Cal.App.4th 449,*
20 *in which the court ruled that imposition of the smog*
21 *impact fee is unconstitutional and ordered the state to*
22 *refund the fees to the plaintiffs.*
23 (d) *The Governor, in November 1999, announced that*
24 *the state would not appeal the decision of the court in the*
25 *case cited under subdivision (c) and that the state would*
26 *refund the smog impact fee, plus interest, to all persons*
27 *who have paid the fee. The Governor also instructed the*
28 *Department of Motor Vehicles to stop collecting the fee*
29 *and made provision in the proposed 2000-01 Budget Act*



1 for legislation appropriating funds to pay the smog
2 impact fee refunds with interest.

3 (e) The Legislature, through enactment of this act and
4 its companion measure, Assembly Bill 809, intends to do
5 all of the following:

6 (1) Repeal existing provisions of law that establish and
7 impose the smog impact fee.

8 (2) Require the Department of Motor Vehicles to
9 search its records and promptly identify those persons
10 who paid the smog impact fee and are eligible for a
11 refund.

12 (3) Notify all eligible recipients of the pending refunds
13 and provide a simplified verification and claims
14 procedure for those refunds.

15 (4) Immediately provide payment of the smog impact
16 fee refunds to eligible persons, including the three
17 hundred dollar (\$300) fee, any penalty fee collected for
18 late payment of the smog impact fee, and interest earned
19 on those charges.

20 (5) Appropriate the full amount of funds necessary to
21 refund the smog impact fee, any penalty fee collected for
22 late payment of the smog impact fee, and any interest due
23 to those who paid the fee.

24 SEC. 2. Chapter 3.3 (commencing with Section 6261)
25 of Part 1 of Division 2 of the Revenue and Taxation Code
26 is repealed.

27 SEC. 3. The amount of six hundred sixty-five million
28 dollars (\$665,000,000) is hereby transferred from the
29 General Fund to the Smog Impact Fee Refund Account
30 in the State Transportation Fund. Funds appropriated to
31 the account under this section shall be expended by the
32 Department of Motor Vehicles only for the purpose of
33 making the refunds required under Section 1673 of the
34 Vehicle Code.

35 SEC. 4. This act shall become operative only if
36 Assembly Bill 809 of the 1999–2000 Regular Session is
37 enacted and becomes operative and provides for a
38 program to make refunds of the smog impact fee enacted
39 under Chapter 3.3 (commencing with Section 6261) of
40 Part 1 of Division 2 of the Revenue and Taxation Code.



1 and Taxation Code, to read:

2 ~~97.27. (a) (1) Notwithstanding any other provision~~
3 ~~of this article, commencing with the 1999-2000 fiscal year,~~
4 ~~the auditor shall allocate ad valorem property tax~~
5 ~~revenues to a transit district, that is located entirely~~
6 ~~within a single county, in those amounts that would be~~
7 ~~determined if no reduction had been made with respect~~
8 ~~to that district pursuant to subdivision (c) of Section 97.2~~
9 ~~for the 1992-93 fiscal year.~~

10 ~~(2) For purposes of the allocation of ad valorem~~
11 ~~property tax revenues in the 1999-2000 fiscal year and~~
12 ~~each fiscal year thereafter, the implementation of~~
13 ~~paragraph (1) shall not require any increase in the~~
14 ~~amount of the reduction calculated for any local agency~~
15 ~~for the 1992-93 fiscal year pursuant to Section 97.2.~~

16 ~~(b) It is the intent of the Legislature in enacting this~~
17 ~~section to ensure that each transit district, whether~~
18 ~~located within multiple counties or entirely within a~~
19 ~~single county, is treated equally in the allocation of those~~
20 ~~revenues essential to the preservation of adequate and~~
21 ~~quality public services.~~

22 ~~SEC. 2. The sum of six hundred thirty thousand~~
23 ~~dollars (\$630,000) is hereby appropriated from the~~
24 ~~General Fund to the Department of Finance for~~
25 ~~allocation to community college districts to reimburse~~
26 ~~those districts for any revenue losses incurred by those~~
27 ~~districts for the 1999-2000 fiscal year as a result of this act.~~
28 ~~If the total amount of losses subject to reimbursement~~
29 ~~under this section is less than six hundred thirty thousand~~
30 ~~dollars (\$630,000), the Department of Finance shall, after~~
31 ~~making all required reimbursements, transfer the excess~~
32 ~~of six hundred thirty thousand dollars (\$630,000) over the~~
33 ~~total amount of those reimbursements to the Treasurer,~~
34 ~~for deposit into the General Fund.~~

35 ~~SEC. 3. This act is an urgency statute necessary for the~~
36 ~~immediate preservation of the public peace, health, or~~
37 ~~safety within the meaning of Article IV of the~~
38 ~~Constitution and shall go into immediate effect. The facts~~
39 ~~constituting the necessity are:~~



1 ~~In order to provide timely and essential funding for~~
2 ~~transit districts, located throughout the state, that are~~
3 ~~suffering from severe funding shortages to the detriment~~
4 ~~of basic levels of public transportation services, it is~~
5 ~~necessary that this act take effect immediately.~~

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