

ASSEMBLY BILL

No. 588

Introduced by Assembly Member Cook

February 25, 2009

An act to amend Section 11005 of the Revenue and Taxation Code, relating to local government finance.

LEGISLATIVE COUNSEL'S DIGEST

AB 588, as introduced, Cook. Local government finance.

The Vehicle License Fee Law establishes, in lieu of any ad valorem property tax upon vehicles, an annual license fee for any vehicle subject to registration in this state. Under existing law, the Controller is required to allocate vehicle license fee revenues in the Motor Vehicle License Fee Account in a specified order, as provided.

This bill would make a technical, nonsubstantive change to that provision.

Vote: majority. Appropriation: no. Fiscal committee: no.
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 Taxation Code
- 2 is amended to read:
- 3 11005. After payment of refunds therefrom and after making
- 4 the deductions authorized by Section 11003 and reserving the
- 5 amount determined necessary by the Pooled Money Investment
- 6 Board to meet the transfers ordered or proposed to be ordered
- 7 pursuant to Section 16310 of the Government Code, commencing
- 8 with the 2004–05 fiscal year, the balance of all motor vehicle

1 license fees and any other money appropriated by law for
2 expenditure pursuant to this section and deposited to the credit of
3 the Motor Vehicle License Fee Account in the Transportation Tax
4 Fund and remaining unexpended therein at the close of business
5 on the last day of the calendar month, shall be allocated by the
6 Controller by the 10th day of the following month in accordance
7 with the following:

8 (a) First, to the County of Orange. For the 2004–05 fiscal year,
9 that county shall be allocated fifty-four million dollars
10 (\$54,000,000) in monthly installments. For the 2005–06 fiscal year
11 and each fiscal year thereafter, that county shall receive, in monthly
12 installments, an amount equal to the amount allocated under this
13 section for the prior fiscal year, adjusted for the percentage change
14 in the amount of revenues credited to the Motor Vehicle License
15 Fee Account in the Transportation Tax Fund from the revenues
16 credited to that account in the prior fiscal year. Moneys allocated
17 to the County of Orange under this subdivision shall be used first
18 for the service of indebtedness as provided ~~in~~ by paragraph (1) of
19 subdivision (a) of Section 11001.5. Any amounts in excess of the
20 amount required for this service of indebtedness may be used by
21 that county for any lawful purpose.

22 (b) Second, to each city, the population of which is determined
23 under Section 11005.3 on August 5, 2004, in an amount equal to
24 the additional amount of vehicle license fee revenue, including
25 offset transfers, that would be allocated to that city under Sections
26 11000 and 11005, as those sections read on January 1, 2004, as a
27 result of that city's population being determined under subdivision
28 (a) or (b) of Section 11005.3.

29 (c) Third, to each city that was incorporated from an
30 unincorporated territory after August 5, 2004, in an amount equal
31 to the product of the following two amounts:

32 (1) The quotient derived from the following fraction:

33 (A) The numerator is the product of the following two amounts:

34 (i) Fifty dollars (\$50) per year.

35 (ii) The fraction determined as the total amount of vehicle
36 license fee revenue collected during the most recent fiscal year
37 divided by the total amount of vehicle license fee revenue collected
38 during the 2004–05 fiscal year.

39 (B) The denominator is the fraction determined as the actual
40 population, as defined in subdivision (e) of Section 11005.3, of

1 all cities during the most recent fiscal year, divided by the actual
2 population, as defined in subdivision (e) of Section 11005.3, of
3 all cities in the 2004–05 fiscal year.

4 (2) The city’s population determined in accordance with Section
5 11005.3.

6 (d) Fourth, to each city that was incorporated before August 5,
7 2004, in an amount equal to the product of the following two
8 amounts:

9 (1) The quotient derived from the following fraction:

10 (A) The numerator is the product of the following two amounts:

11 (i) Fifty dollars (\$50) per year.

12 (ii) The fraction determined as the total amount of vehicle
13 license fee revenue collected during the most recent fiscal year
14 divided by the total amount of vehicle license fee revenue collected
15 during the 2004–05 fiscal year.

16 (B) The denominator is the fraction determined as the actual
17 population, as defined in subdivision (e) of Section 11005.3, of
18 all cities during the most recent fiscal year, divided by the actual
19 population, as defined in subdivision (e) of Section 11005.3, of
20 all cities in the 2004–05 fiscal year.

21 (2) The actual population, as defined in subdivision (e) of
22 Section 11005.3, residing in areas annexed after August 5, 2004,
23 as of the date of annexation.

24 (e) Fifth, to the cities and cities and counties of this state in the
25 proportion that the population of each city or city and county bears
26 to the total population of all cities and cities and counties in this
27 state, as determined by the Demographic Research Unit of the
28 Department of Finance. For the purpose of this subdivision, the
29 population of each city or city and county shall be determined in
30 accordance with Section 11005.3.