AMENDED IN SENATE MAY 6, 2009

AMENDED IN SENATE APRIL 2, 2009

SENATE BILL No. 373

Introduced by Senator Walters
(Principal coauthor: Assembly Member Duvall)
(Coauthor: Senator Dutton)
(Coauthors: Assembly Members Bill Berryhill, DeVore, *Harkey,* Jeffries, Knight, ~~and Silva~~ *Silva, and Smyth*)

February 26, 2009

An act to amend Sections 10752 and 10752.2 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

SB 373, as amended, Walters. Vehicle license fees: new vehicles.

The Vehicle License Fee (VLF) 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, on and after May 19, 2009, and until July 1, 2013, in the amount of 1.15% of the market value of specified vehicles, the revenues derived thereof to be deposited in specified funds. Existing law provides that, on and after July 1, 2013, the annual license fee for specified vehicles subject to registration in this state shall be 0.65% of the market value of ~~the new vehicle, including a new motorcycle~~ *that vehicle*.

This bill would provide that for new vehicles, including new motorcycles, the annual license fee shall be 0.65% of the market value of the vehicle. *This bill would also state the intent of the Legislature with regard to funding levels for local law enforcement.*

This bill would take effect immediately as a tax levy.

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

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

SECTION 1. Section 10752 of the Revenue and Taxation Code, as amended by Section 4 of Chapter 18 of the ~~3rd~~ *Third* Extraordinary Session of the Statutes of 2009, is amended to read:

10752. (a) The annual amount of the license fee for any vehicle, other than a trailer or semitrailer, as described in subdivision (a) of Section 5014.1 of the Vehicle Code or a commercial motor vehicle described in Section 9400.1 of the Vehicle Code, a new vehicle, or a trailer coach that is required to be moved under permit as authorized in Section 35790 of the Vehicle Code, shall be a sum equal to the following percentage of the market value of the vehicle as determined by the department:

(1) Sixty-five hundredths of 1 percent on and after January 1, 2005, and before May 19, 2009.

(2) One percent on and after May 19, 2009.

(b) (1) The annual amount of the license fee for any commercial vehicle as described in Section 9400.1 of the Vehicle Code, shall be a sum equal to 0.65 percent of the market value of the vehicle as determined by the department.

(2) The annual amount of the license fee for any new vehicle shall be a sum equal to 0.65 percent of the market value of the new vehicle as determined by the department. For purposes of this section, “new vehicle” includes a new motorcycle.

(c) Notwithstanding Chapter 5 (commencing with Section 11001) or any other law to the contrary, all revenues (including penalties), less refunds, attributable to that portion of the rate imposed pursuant to this section in excess of 0.65 percent shall be deposited into the General Fund.

(d) This section shall cease to be operative on July 1, 2011, unless the Director of Finance makes the notification pursuant to Section 99040 of the Government Code, in which case the section shall cease to be operative on July 1, 2013.

SEC. 2. Section 10752.2 of the Revenue and Taxation Code is amended to read:

10752.2. (a) On and after May 19, 2009, in addition to the annual license fee for a vehicle, other than a commercial motor vehicle described in Section 9400.1 of the Vehicle Code or a new vehicle, including a new motorcycle, imposed pursuant to Sections 10752 and 10752.1, a sum equal to 0.15 percent of the market value of the vehicle as determined by the department, shall be added to that annual fee.

(b) Notwithstanding Chapter 5 (commencing with Section 11001) or any other law to the contrary, all revenues (including penalties), less refunds, derived from fees collected pursuant to subdivision (a) shall be deposited in the General Fund and transferred to the Local Safety and Protection Account, which is hereby established in the Transportation Tax Fund. Notwithstanding Section 13340 of the Government Code, all moneys in the account are hereby continuously appropriated, without regard to fiscal year, to the Controller for allocation pursuant to Sections 29553, 30061, and 30070 of the Government Code, Section 13821 of the Penal Code, and Sections 18220 and 18220.1 of the Welfare and Institutions Code.

(c) (1) In 2010 and each calendar year thereafter, the Director of Finance shall, no later than January 10 and upon the enactment of the Budget Act during the calendar year, make a written determination of whether any of the moneys derived from fees collected pursuant to subdivision (a) are being allocated by the state for any purpose not authorized by subdivision (b), and shall immediately submit his or her written determination to all of the following:

(A) The Director of the Department of Motor Vehicles.

(B) The Joint Legislative Budget Committee.

(C) The Senate and Assembly Appropriations Committees.

(D) The Senate and Assembly Revenue and Taxation Committees.

(2) If the Director of Finance determines that any moneys derived from fees collected pursuant to subdivision (a) are being allocated by the state for a purpose not authorized by subdivision (b), the Director of the Department of Motor Vehicles shall, upon receipt of the written determination, immediately cease collection of the fees imposed by subdivision (a), and shall resume collection of those fees only upon his or her receipt of written determination provided under paragraph (1) that specifies that none of the moneys derived from fees collected pursuant to subdivision (a) are being

allocated by the state for a purpose not authorized by subdivision (a).

(d) This section shall cease to be operative on July 1, 2011, unless the Director of Finance makes the notification pursuant to Section 99040 of the Government Code, in which case this section shall cease to be operative on July 1, 2013.

SEC. 3. It is the intent of the Legislature that funding levels for local law enforcement provided for by revenues derived from the imposition of the vehicle license fee shall be, at a minimum, equal to the funding levels approved in the 2009–10 Budget Act.

~~SEC. 3.~~

SEC. 4. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.

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