

ASSEMBLY BILL

No. 9

Introduced by Assembly Member Chesbro
(Principal coauthor: Assembly Member Galgiani)
(Principal coauthors: Senators Rubio and Wolk)
(Coauthors: Assembly Members Bradford, Monning, V. Manuel
Pérez, Solorio, Torres, Wieckowski, and Yamada)
(Coauthor: Senator Evans)

December 13, 2010

An act to amend Section 10752.2 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 9, as introduced, Chesbro. Taxation: vehicle license fees.

The Vehicle License Fee Law, in lieu of any ad valorem property tax upon vehicles, imposes an annual license fee for any vehicle subject to registration in this state in the amount of 1% of the market value of that vehicle, as provided, for a specified amount of time. Existing law also, until June 30, 2011, imposes an additional tax equal to 0.15% of the market value of specified vehicles, as determined by the Department of Motor Vehicles, to the vehicle license fee, to be deposited in the General Fund and transferred to the Local Safety and Protection Account, a continuously appropriated fund.

This bill would repeal the provision relating to the sunset date and repeal of the additional 0.15% tax, thereby depositing additional moneys into a continuously appropriated fund.

This bill would constitute a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require

for passage the approval of $\frac{2}{3}$ of the membership of each house of the Legislature.

Vote: $\frac{2}{3}$. 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 10752.2 of the Revenue and Taxation
- 2 Code is amended to read:
- 3 10752.2. (a) On and after May 19, 2009, in addition to the
- 4 annual license fee for a vehicle, other than a commercial motor
- 5 vehicle described in Section 9400.1 of the Vehicle Code, imposed
- 6 pursuant to Sections 10752 and 10752.1, a sum equal to 0.15
- 7 percent of the market value of the vehicle as determined by the
- 8 department, shall be added to that annual fee.
- 9 (b) Notwithstanding Chapter 5 (commencing with Section
- 10 11001) or any other law to the contrary, all revenues (including
- 11 penalties), less refunds, derived from fees collected pursuant to
- 12 subdivision (a) shall be deposited in the General Fund and
- 13 transferred to the Local Safety and Protection Account, which is
- 14 hereby established in the Transportation Tax Fund.
- 15 Notwithstanding Section 13340 of the Government Code, all
- 16 moneys in the account are hereby continuously appropriated,
- 17 without regard to fiscal year, to the Controller for allocation
- 18 pursuant to Sections 29553, 30061, and 30070 of the Government
- 19 Code, Section 13821 of the Penal Code, and Sections 18220 and
- 20 18220.1 of the Welfare and Institutions Code.
- 21 (c) (1) In 2010 and each calendar year thereafter, the Director
- 22 of Finance shall, no later than January 10 and upon the enactment
- 23 of the Budget Act during the calendar year, make a written
- 24 determination of whether any of the moneys derived from fees
- 25 collected pursuant to subdivision (a) are being allocated by the
- 26 state for any purpose not authorized by subdivision (b), and shall
- 27 immediately submit his or her written determination to all of the
- 28 following:
- 29 (A) The Director of the Department of Motor Vehicles.
- 30 (B) The Joint Legislative Budget Committee.
- 31 (C) The Senate and Assembly Appropriations Committees.
- 32 (D) The Senate and Assembly Revenue and Taxation
- 33 Committees.

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

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

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