REVENUE AND TAXATION CODE

225. (a) A trailer, semitrailer, logging dolly, pole or pipe dolly, or **trailer** bus, that has a valid identification plate issued to it pursuant to Section 5014.1 of the Vehicle Code, or any auxiliary dolly or tow dolly is exempt from personal property taxation.

(b) The exemption provided for in subdivision (a) does not apply to a logging dolly that is used exclusively off-highway.

(Amended Sec. 2, Ch. 826, Stats. 2001. Effective January 1, 2002.)

Exemption of Low-Value Vessel

228. (a) A vessel with a market value of four hundred dollars ($400) or less shall be free from taxation. This section shall only apply to vessels used or held for noncommercial purposes and shall not apply to lifeboats or other vessels used in conjunction with operations of vessels with a market value of more than four hundred dollars ($400). This section shall not apply to more than one vessel owned, claimed, possessed, or controlled by an assessee on the lien date.

(b) For purposes of this section, "vessel" includes every description of watercraft used or capable of being used as a means of transportation on water, except vessels described in paragraphs (1) and (2) of subdivision (c) of Section 651 of the Harbors and Navigation Code.

(c) For purposes of this section, "vessel" includes all equipment, including mode of power, and furnishings that are normally required aboard the vessel during the accomplishment of the functions for which the vessel is being utilized.

(Amended Ch. 1281, Stats. 1983. Effective September 29, 1983.)

Special Construction Equipment and Special Mobile Equipment

994. The following vehicles and equipment, with the exception of implements of husbandry which are subject to the provisions of Section 410 to 414, inclusive, shall be subject to the provisions of this section, notwithstanding the provisions of Section 10758:

(a) Steel-wheeled and track-laying equipment shall not be subject to the license fees imposed pursuant to Part 5 (commencing with Section 10701) of Division 2 of this code, but shall be assessed in the county where it has situs on the lien date.

(b) Rubber-tired equipment, except commercial vehicles and cranes registered under the Vehicle Code and which are licensed under Part 5 (commencing with Section 10701) of Division 2 of this code, which must be moved or operated under permit issued pursuant to Section 35780 of the Vehicle Code, shall be assessed in the county where it has situs on the lien date, but the assessee of such property shall be allowed to deduct from the amount of property tax the amount of any fee paid on such vehicle under Part 5 (commencing with Section 10701) of Division 2 of this code, if such fee is paid prior to the lien date for the calendar year in which the lien date occurs.

(c) Rubber-tired cranes and commercial vehicles which must be moved or operated under permit issued pursuant to Section 35780 of the Vehicle Code, and rubber-tired equipment that does not require a permit, which cranes, vehicles and equipment are registered under the Vehicle Code and licensed under Part 5 (commencing with Section 10701) of Division 2 of this code, shall not be otherwise assessed for purposes of property taxation.

(Amended Ch. 246, Stats. 1977. Effective January 1, 1978.)

Property Tax Delinquent Vessel

3205. (a) The county tax collector may, within 30 days after the delinquency date, give written notice to the owners of all property tax delinquent vessels that, in addition to standard county delinquent property tax procedures, the renewal of the certificate of number of, and the transfer of any title to or interest in, that vessel will be withheld by the Department of Motor Vehicles as provided in Section 9880 of the Vehicle Code, until the delinquent taxes have been paid on that vessel.

(b) If the county tax collector has given notice pursuant to subdivision (a), he or she shall give written notice of the delinquency, by electronic transmission or otherwise, to the Department of Motor Vehicles for its recordation pursuant to Section 9880 of the Vehicle Code. Upon receiving a possessory lien sale application filed with respect to a vessel pursuant to subdivision (a) of Section 503 of the Harbors and Navigation Code, the Department of Motor Vehicles shall, in accordance with paragraph (4) of subdivision (b) of that section, notify the applicant of any outstanding property tax lien on that vessel of which the department has been notified pursuant to this subdivision.

(c) If the county tax collector has given notice pursuant to subdivisions (a) and (b),

the county tax collector shall also provide written notice to the Department of Motor Vehicles when the delinquency has been satisfied.

(Amended Ch. 940, Stats. 1994. Effective January 1, 1995.)

Vehicle Use Tax Law

6248. On and after the effective date of this section there shall be a rebuttable presumption that any vehicle bought outside of this State which is brought into California within 90 days from the date of its purchase, and which is subject to registration under Chapter 1 (commencing with Section 4000) of Division 3 of the Vehicle Code, was acquired for storage, use, or other consumption in this State.

(Added Ch. 1858, Stats. 1963.)

6249. A member of the armed services on active duty who purchases a vehicle prior to the effective date of his discharge shall not be subject to the presumption established by Section 6248. He shall not be deemed to have purchased the vehicle for storage, use or other consumption in this State unless at the time of purchase he intended to use it in this State, such intent resulting from his own determination, rather than from official orders received as a member of the armed services transferring him to this State.

(Added Ch. 1858, Stats. 1963.)

6263. No person, other than the manufacturer who has received authorization to sell the motor vehicle in California or a person authorized by the manufacturer, shall install a vehicle emission control label on any motor vehicle. No person shall remove, alter, deface, obscure, or destroy a vehicle emission control label or any label required to be affixed to any motor vehicle certified pursuant to the National Emissions Standards Act (42 U.S.C. Sec. 7521 et seq., and Subpart A (commencing with Sec. 86.078-3) of Part 86 of Title 40 of the Code of Federal Regulations). Any person who violates any provision of this section is guilty of a misdemeanor and is subject to a fine of not more than five thousand dollars ($5,000) or imprisonment in the county jail for not more than one year, or both that fine and imprisonment

(Amended Sec. 4, Ch. 32, Stats. 2000. Effective June 8, 2000.)

6272. "Vehicle" is as defined in Section 670 of the Vehicle Code and shall include off-highway motor vehicles subject to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code.

(Amended Ch. 1816, Stats. 1971. Operative July 1, 1972.)

6275. (a) Every person making any retail sale of a mobilehome or commercial coach required to be registered annually under the Health and Safety Code, or of a vehicle required to be registered under the Vehicle Code or subject to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code, or a vehicle that qualifies under the permanent trailer identification plate program pursuant to subdivision (a) of Section 5014.1 of the Vehicle Code, or of a vessel or an aircraft as defined in this article, is a retailer for the purposes of this part of the vehicle, vessel, or aircraft, regardless of whether he or she is a retailer by reason of other provisions of this part, unless another person is the retailer, as provided in subdivision (b).

(b) Every person, licensed or certificated under the Health and Safety Code or the Vehicle Code as a dealer, is the retailer of a mobilehome or commercial coach required to be registered annually under the Health and Safety Code or of a vehicle required to be registered under the Vehicle Code or subject to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code or a vehicle that qualifies under the permanent trailer identification plate program pursuant to subdivision (a) of Section 5014.1 of the Vehicle Code, when a retail sale of the vehicle is made through him or her and that person provides to the Department of Housing and Community Development or the Department of Motor Vehicles a notice of transfer with respect to the vehicle pursuant to Section 18080.5 of the Health and Safety Code or Section 5901 or Section 38200 of the Vehicle Code. That person shall hold a seller's permit and remit tax to the board with respect to those sales in the same manner as a dealer licensed or certificated under the Vehicle Code and making sales on his or her own account. For purposes of this subdivision, "sale" does not include a lease.

(Amended Sec. 6, Ch. 861, Stats. 2000. Effective September 29, 2000. Operative December 31, 2001.)

6277. There shall be a presumption that a transfer of a vehicle to a lessee by a lessor, as defined in Section 372 of the Vehicle Code, was a sale for resale if the lessee transfers title and registration to a third party within 10 days from the date the lessee acquired title from the lessor at the expiration or termination of a lease. The presumption may be rebutted by evidence that the sale was not for resale prior to use.

It is the intent of the Legislature in enacting this section to recognize the delay in processing documents when a lessee wishes to transfer title of a leased vehicle to a third party at the expiration or termination of a lease rather than acquiring a vehicle for his or her own use.

This section does not provide an exemption for any use by a lessee after the expiration or termination of a lease.

(Added Ch. 1284, Stats. 1976. Effective January 1, 1977.)

6281. There are exempted from the taxes imposed by this part the gross receipts from the sale of, and the storage, use, or other consumption in this state of, a mobilehome or commercial coach required to be annually registered under the Health and Safety Code, or a vehicle required to be registered under the Vehicle Code or subject to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code or a vessel or aircraft, when such property is included in any transfer of all or substantially all the property held or used in the course of business activities of the person selling the property and when after such transfer the real or ultimate ownership of such property is substantially similar to that which existed before such transfer. For the purposes of this section, stockholders, bondholders, partners, or other persons holding an interest in a corporation or other entity are regarded as having the "real or ultimate ownership" of the property of that corporation or other entity.

(Amended Ch. 975, Stats. 1981. Effective January 1, 1982.)

6282. There are exempted from the computation of the amount of the sales tax the gross receipts from sales of mobilehomes or commercial coaches required to be annually registered under the Health and Safety Code or vehicles required to be registered under the Vehicle Code when the retailer is other than a person licensed or certificated pursuant to the Health and Safety Code or the Vehicle Code as a manufacturer, remanufacturer, dealer, dismantler, or lessor-retailer, subject to Section 11615.5 of the Vehicle Code.

This exemption does not extend to the rentals payable under a lease of tangible personal property.

(Amended Ch. 1286, Stats. 1983. Effective January 1, 1984.)

6282.1. Notwithstanding the provisions of Section 6282, the gross receipts from the sale of boat trailers by persons in the business of selling boats or boat trailers are not exempt from the computation of the amount of sales tax.

(Added Ch. 5, Stats. 1966. Effective April 18, 1966. Operative July 1, 1966.)

6283. There are exempted from the computation of the amount of the sales tax the gross receipts from the sale of a vehicle subject to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code or of a vessel or of an aircraft when the retailer is other than a person required to hold a seller's permit pursuant to Article 2 (commencing with Section 6066) of Chapter 2 by reason of the number, scope, and character of his or her sales of those vehicles, vessels, or of aircraft, as the case may be. This exemption does not apply to sales of vehicles required to be identified under Division 16.5 (commencing with Section 38000) of the Vehicle Code when the retailer is a person licensed or certificated pursuant to the Vehicle Code as a manufacturer, remanufacturer, dealer, or dismantler.

(Amended Ch. 1286, Stats. 1983. Effective January 1, 1984.)

6284. If a person is engaged in the business of selling vehicles, mobilehomes, commercial coaches, vessels or aircraft he or she shall not be excused from the requirements of Article 2 (commencing with Section 6066) of Chapter 2 of this part, by reason of the exemptions provided in Sections 6282 and 6283.

(Amended Ch. 1589, Stats. 1982. Effective January 1, 1983.)

6285. There are exempted from the taxes imposed by this part the gross receipts from the sale of and the storage, use, or other consumption in this state of a mobilehome or commercial coach required to be registered annually under the Health and Safety Code, or of a vehicle required to be registered under the Vehicle Code, or of a vehicle subject to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code, or a vehicle that qualifies under the permanent trailer identification plate program pursuant to subdivision (a) of Section 5014.1 of the Vehicle Code, or of a vessel or an aircraft, when either of the following occurs:

(a) The person selling the property is either the parent, grandparent, child, grandchild, or spouse, or the brother or sister if the sale between that brother or sister is between two minors related by blood or adoption, of the purchaser, and the person selling is not engaged in the business of selling the type of property for which the exemption is claimed.

(b) The sale is to a revocable trust in which all of the following occur:

(1) The seller has an unrestricted power to revoke the trust.

(2) The sale does not result in any change in the beneficial ownership of the property.

(3) The trust provides that upon revocation the property will revert wholly to the seller.

(4) The only consideration for the sale is the assumption by the trust of an existing loan for which the tangible personal property being transferred is the sole collateral for the assumed loan.

(Amended Sec. 6.1, Ch. 861, Stats. 2000. Effective September 29, 2000. Operative December 31, 2001.)

6291. Notwithstanding Section 6451, the use taxes imposed by this part with respect to the storage, use or other consumption in this state of a mobilehome or commercial coach required to be registered annually under the Health and Safety Code, or of a vehicle required to be registered under the Vehicle Code, or of a vehicle subject to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code, or a vehicle that qualifies under the permanent trailer identification plate program pursuant to subdivision (a) of Section 5014.1 of the Vehicle Code, or of a vessel or an aircraft as defined in this chapter are due and payable by the purchaser at the time the storage, use, or other consumption of the property first becomes taxable. Delinquency penalties and interest with respect to use tax for mobilehomes or commercial coaches registered annually with the Department of Housing and Community Development or for vehicles registered with the Department of Motor Vehicles shall be as provided in Section 6292. Delinquency penalties and interest with respect to use tax for vehicles subject to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code or a vehicle that qualifies under the permanent trailer identification plate program pursuant to subdivision (a) of Section 5014.1 of the Vehicle Code shall be as provided in Section 6293. Delinquency penalties and interest with respect to use tax for vessels and aircraft shall be imposed as if the due date of the tax were fixed by Section 6451.

(Amended Sec. 6.2, Ch. 861, Stats. 2000. Effective September 29, 2000. Operative December 31, 2001.)

6292. (a) Except when the sale is by lease, when a mobilehome or commercial coach required to be registered annually under the Health and Safety Code or a vehicle required to be registered under the Vehicle Code is sold at retail by other than a person licensed or certificated pursuant to the Health and Safety Code or the Vehicle Code as a manufacturer, remanufacturer, dealer, dismantler, or lessor-retailer, subject to Section 11615.5 of the Vehicle Code, the retailer is not required or authorized to collect the use tax from the purchaser, but the purchaser of the vehicle shall pay the use tax to the Department of Housing and Community Development acting for and on behalf of the board pursuant to Section 18123 of the Health and Safety Code or to the Department of Motor Vehicles acting for and on behalf of the board pursuant to Section 4750.5 of the Vehicle Code.

(b) If the purchaser makes an application to either department which is not timely, and is subject to penalty because of delinquency in effecting registration or transfer of registration of the vehicle, he or she then becomes liable also for penalty as specified in Section 6591, but no interest shall accrue.

(c) Application to the appropriate department by the purchaser relieves the purchaser of the obligation to file a return with the board under Section 6452.

(d) If the purchaser does not make application to either department, or does not pay the amount of use tax due, or files a return with the board under Section 6455 which is not timely, interest and penalties shall apply with respect to the unpaid amount as provided in Chapter 5 (commencing with Section 6451).

(Amended Ch. 236, Stats. 1991. Effective July 29, 1991, by means of an urgency clause.)

6293. (a) Except when the sale is by lease, when a vehicle subject to identification under Division 16.5 (commencing with Section 38000) of the Vehicle Code or a vehicle that qualifies under the permanent trailer identification plate program pursuant to subdivision (a) of Section 5014.1 of the Vehicle Code, is sold at retail by other than a person licensed or certificated pursuant to the Vehicle Code as a manufacturer, remanufacturer, dealer, dismantler, or lessor-retailer, subject to Section 11615.5 of the Vehicle Code, or a person required to hold a seller's permit pursuant to Article 2 (commencing with Section 6066) of Chapter 2 by reason of the number, scope, and character of his or her sales of those vehicles, the retailer is not required or authorized

to collect the use tax from the purchaser, but the purchaser of the vehicle shall pay the use tax to the Department of Motor Vehicles acting for and on behalf of the board pursuant to Section 38211 of the Vehicle Code.

(b) If the purchaser makes an application to that department which is not timely, and is subject to penalty because of delinquency in effecting identification or transfer of ownership of the vehicle, he or she then becomes liable also for penalty as specified in Section 6591 of this code, but no interest shall accrue.

(c) Application to that department by the purchaser relieves the purchaser of the obligation to file a return with the board under Section 6452.

(d) If the purchaser does not make application to that department, or does not pay the amount of use tax due, or files a return with the board under Section 6455 which is not timely, interest and penalties shall apply with respect to the unpaid amount as provided in Chapter 5 (commencing with Section 6451).

(Amended Sec. 6.3, Ch. 861, Stats. 2000. Effective September 29, 2000. Operative December 31, 2001.)

6294. (a) When an undocumented vessel required to be registered under the Vehicle Code is sold at retail by other than a person holding a seller's permit and regularly engaged in the business of selling vessels, the retailer is not required or authorized to collect the use tax from the purchaser, but the purchaser of the vessel must pay the use tax to the Department of Motor Vehicles acting for, and on behalf of, the board pursuant to Section 9928 of the Vehicle Code.

(b) If the purchaser makes an application to the department which is not timely, and is subject to penalty because of delinquency in effecting registration or transfer of registration of the undocumented vessel, he or she then becomes liable also for penalty as specified in Section 6591, but no interest shall accrue.

(c) Application to the department by the purchaser shall relieve the purchaser of the obligation to file a return with the board under Section 6452.

(d) If the purchaser does not make application to either department, or does not pay the amount of use tax due, or files a return with the board under Section 6455 which is not timely, interest and penalties shall apply with respect to the unpaid amount as provided in Chapter 5 (commencing with Section 6451).

(Added Ch. 665, Stats. 1982. Effective January 1, 1983.)

6366.2. (a) There are exempted from the taxes imposed by this part the gross receipts from the sale of and the storage, use, or other consumption in this state of any new motor vehicle sold to a purchaser who is a resident of a foreign country and who arranges for the purchase through an authorized vehicle dealer in the foreign country prior to arriving in the United States, if the following conditions are met:

(1) The purchaser is issued an in-transit permit pursuant to Section 6700.1 of the Vehicle Code.

(2) Prior to the expiration of the in-transit permit issued to the purchaser, the retailer ships or drives the motor vehicle to a point outside the United States by means of facilities operated by the retailer, or by delivery to a carrier, customs broker or forwarding agent for shipment to that point.

(b) For purposes of this section, "carrier" means a person or firm engaged in the business of transporting for compensation tangible personal property owned by other persons, and includes both common and contract carriers. "Forwarding agent" means a person or firm engaged in the business of preparing property for shipment or arranging for its shipment.

(Added Ch. 762, Stats. 1989. Operative January 1, 1990.)

6367. There are exempted from the taxes imposed by this part the gross receipts from occasional sales of tangible personal property and the storage, use, or other consumption in this state of tangible personal property, the transfer of which to the purchaser is an occasional sale. This exemption does not apply to the gross receipts from the sale of, or to the storage, use, or other consumption in this state of, a mobilehome or commercial coach required to be annually registered under the Health and Safety Code, a vessel or aircraft, as defined in Article 1 (commencing with Section 6271) of Chapter 3.5 of this part, or a vehicle required to be registered under the Vehicle Code or a vehicle required to be identified under Division 16.5 (commencing with Section 38000) of the Vehicle Code or a vehicle that qualifies under the permanent trailer identification plate program pursuant to subdivision (a) of Section 5014.1 of the Vehicle Code. This section shall not preclude the exemption afforded under Section 6281.

(Amended Sec. 6.4, Ch. 861, Stats. 2000. Effective September 29, 2000. Operative December 31, 2001.)

6369.4. There are exempted from the taxes imposed by this part the gross receipts from the sale, and the storage, use, or other consumption, in this state of items and materials when used to modify a vehicle for physically handicapped persons.

(Added Ch. 959, Stats. 1978. Effective September 20, 1978 as a tax levy.)

New Trucks and Trailers Purchased from Foreign Dealers for Foreign Use but Delivered in State

6388. Where a new or remanufactured truck, truck tractor, semitrailer, or trailer, any of which has an unladen weight of 6,000 pounds or more, or a new or remanufactured trailer coach or a new or remanufactured auxiliary dolly, is purchased from a dealer located outside this state for use without this state and is delivered by the manufacturer or remanufacturer to the purchaser within this state, and the purchaser drives or moves the vehicle from the manufacturer's or remanufacturer's place of business in this state to any point outside this state within 30 days from and after the date of the delivery, there are exempted from the taxes imposed by this part the gross receipts from the sale of and the storage, use or other consumption of the vehicle within the state, if the purchaser furnishes the following to the manufacturer or remanufacturer:

(a) Written evidence of an out-of-state registration for the vehicle.

(b) The purchaser's affidavit attesting that he or she is not a resident of California and that he or she purchased the vehicle from a dealer at a specified location without the state for use outside this state.

(c) The purchaser's affidavit that the vehicle has been moved or driven to a point outside this state within 30 days of the date of the delivery of the vehicle to him or her.

(Amended Ch. 1286, Stats. 1983. Effective January 1, 1984.)

6388.5. Notwithstanding Section 6388, whenever a new or remanufactured trailer or semitrailer with an unladen weight of 6,000 pounds or more that has been manufactured or remanufactured outside this state is purchased for use without this state and is delivered by the manufacturer, remanufacturer, or dealer to the purchaser within this state, and the purchaser drives or moves the vehicle to any point outside this state within 30 days from and after the date of delivery, or whenever a new or remanufactured trailer or semitrailer with an unladen weight of 6,000 pounds or more that has been manufactured or remanufactured in this state is purchased for use without this state and is delivered by the manufacturer, remanufacturer, or dealer to the purchaser within this state, and the purchaser drives or moves the vehicle to any point outside this state within 75 days from and after the date of delivery, there are exempted from the taxes imposed by Part 1 (commencing with Section 6001), Part 1.5 (commencing with Section 7200), and Part 1.6 (commencing with Section 7251) the gross receipts from the sale of and the storage, use, or other consumption of the vehicle within the state, if the purchaser or the purchaser's agent furnishes the following to the manufacturer, remanufacturer, or dealer:

(a) (1) Written evidence of an out-of-state license and registration for the vehicle.

(2) In cases where the vehicle is subject to the permanent trailer identification plate program under Section 5014.1 of the Vehicle Code and is used exclusively in interstate or foreign commerce, or both, written evidence of the purchaser's or lessee's United States Department of Transportation number or Single State Registration System filing may be substituted for the written evidence described in paragraph (1).

(b) The purchaser's affidavit attesting that he or she purchased the vehicle from a dealer at a specified location for use exclusively outside this state, or exclusively in interstate or foreign commerce, or both.

(c) The purchaser's affidavit that the vehicle has been moved or driven to a point outside this state within the appropriate period of either 30 days or 75 days of the date of the delivery of the vehicle to him or her.

(Amended Sec. 2.5, Ch. 826, Stats. 2001. Effective January 1, 2002.)

6404. (a) The loan by any retailer of any tangible personal property to any school district for an educational program conducted by the district is exempt from the use tax.

(b) The loan by any retailer of any motor vehicle to the California State Colleges or the University of California for the exclusive use in an approved driver education teacher preparation certification program conducted by the state college or university is exempt from the use tax.

(c) The loan by any retailer of a motor vehicle to be used exclusively for driver training in an accredited private or parochial secondary school in a driver education and training program approved by the State Department of Education as a regularly conducted course of study is exempt from the use tax.

(d) The loan by any retailer of any motor vehicle to a veterans hospital or such other nonprofit facility or institution to provide instruction in the operation of specially equipped motor vehicles to disabled veterans is exempt from the use tax.

(e) If the retailer makes any other use of the property except retention, demonstration or display while holding it for sale in the regular course of business, the use is taxable to the retailer under Chapter 3 (commencing with Section 6201) of this part as of the time the property is first so used, and the sales price of the property to the retailer is the measure of the tax.

(Amended Ch. 1546, Stats. 1970. Effective September 20, 1970.)

6410. The storage, use, or other consumption in this state of new or used trailers or semitrailers which involves the moving or operation laden of those trailers or semitrailers in accordance with a one-trip permit issued pursuant to Section 4003.5 of the Vehicle Code is exempted from the use tax.

(Added Ch. 715, Stats. 1986. Effective January 1, 1987.)

6422.1. The board may provide for exemption certificates and other tax clearance certificates to be issued by it or by retailers selling vehicles as defined in Article 1 of Chapter 3.5 of this part, commercial coaches as defined in Section 18001.8 of the Health and Safety Code or mobilehomes as defined by Section 18008 of the Health and Safety Code. Such certificates shall be used to allow a completion of registration of a vehicle by the Department of Motor Vehicles or a commercial coach or mobilehome by the Department of Housing and Community Development. The certificates may indicate that the board finds that no use tax is due or is likely to become due with respect to the storage, use or other consumption of the vehicle, commercial coach, or mobilehome, or that the tax has been paid or is to be paid in a manner not requiring the withholding of a registration or transfer of registration. The certificates shall be in such form as the board may prescribe and shall be executed, issued and accepted for clearance of registration on such conditions as the board may prescribe. The issuance, alteration, forgery or use of any such certificate in a manner contrary to the requirements of the board constitutes a misdemeanor.

(Amended Ch. 1589, Stats. 1982. Effective January 1, 1983.)

6591. (a) Any person who fails to pay any tax to the state or any amount of tax required to be collected and paid to the state, except amounts of determinations made by the board under Article 2 (commencing with Section 6481) or Article 3 (commencing with Section 6511) of this chapter, within the time required shall pay a penalty of 10 percent of the tax or amount of the tax, in addition to the tax or amount of tax, plus interest at the modified adjusted rate per month, or fraction thereof, established pursuant to Section 6591.5, from the date on which the tax or the amount of tax required to be collected became due and payable to the state until the date of payment.

(b) Any person who fails to file a return in accordance with the due date set forth in Section 6451 or the due date established by the board in accordance with Section 6455, shall pay a penalty of 10 percent of the amount of taxes, exclusive of prepayments, with respect to the period for which the return is required.

(c) The penalties imposed by this section shall be limited to a maximum of 10 percent of the taxes for which the return is required, exclusive of any prepayments, for any one return.

(Amended Sec. 29, Ch. 1087, Stats. 1996. Effective January 1, 1997.)

6593. If the board finds that a person's failure to make a timely return or payment was due to a disaster, and occurred notwithstanding the exercise of ordinary care and the absence of willful neglect, the person may be relieved of the interest provided by Sections 6459, 6480.4, 6480.8, 6513, 6591, and 6592.5.

Any person seeking to be relieved of the interest shall file with the board a statement under penalty of perjury setting forth the facts upon which he or she bases his or her claim for relief.

(Amended Ch. 1109, Stats. 1993. Effective January 1, 1994.)

6909. (a) The Controller shall transfer the amount of six hundred sixty-five million two hundred sixty-one thousand dollars ($665,261,000) from the General Fund to the Smog Impact Fee Refund Account, which is hereby created in the Special Deposit Fund.

(b) Notwithstanding Section 13340 of the Government Code, the moneys in the Smog Impact Fee Refund Account in the Special Deposit Fund are hereby continuously appropriated, without regard to fiscal years, to the Department of Motor Vehicles for the purpose of making refunds to persons who paid the smog impact fee formerly required by Chapter 3.3 (commencing with Section 6261) upon registering a vehicle in

California. Each refund shall also include the amount of any penalties incurred by the payer with respect to the fee, and shall also include interest as specified in Sections 1673.2 and 1673.4 of the Vehicle Code. In addition, the appropriate level of court costs, fees, and expenses in the settlement of the case of Jordan v. Department of Motor Vehicles (1999) 75 Cal.App.4th 449, shall be determined through binding arbitration, and all of those fees, costs, or expenses shall be paid with funds from the account.

(c) The amount of any refund made under Section 1673.2 or Section 1673.4 of the Vehicle Code that is returned to the Department of Motor Vehicles because the recipient's mailing address as shown by the records of the department is incorrect shall be retained in the Smog Impact Fee Refund Account in the Special Deposit Fund until either of the following occurs:

(1) The department is able to ascertain the correct address of the recipient, at which time the refund shall be mailed to that address.

(2) The date upon which those funds are transferred from the Smog Impact Fee Refund Account in the Special Deposit Fund back to the General Fund.

(d) Any unencumbered balance remaining in the account on or after June 30, 2004, shall revert to the General Fund.

(e) The Legislature hereby finds and declares that the amount appropriated under subdivision (b) is a refund of taxes, as described in subdivision (a) of Section 8 of Article XIII of the Constitution, and, as a result, is not included within the "appropriations subject to limitation" of the state, as defined in that subdivision (a).

(Added Sec. 5, Ch. 32, Stats. 2000. Effective June 8, 2000.)

7205.1. (a) Notwithstanding any other provision of law, in connection with any use tax imposed pursuant to this part with respect to the lease (as described in Sections 371 and 372 of the Vehicle Code) of a new or used motor vehicle (as defined in Section 415 of the Vehicle Code) by a dealer or leasing company, the place of use for the reporting and transmittal of the use tax shall be determined as follows:

(1) If the lessor is a California new motor vehicle dealer (as defined in Section 426 of the Vehicle Code), or a leasing company, the place of use of the leased vehicle shall be deemed to be the city in which the lessor's place of business (as defined in Section 7205 and the regulations promulgated thereunder) is located.

(2) If a lessor, who is not a person described in paragraph (1), purchases the vehicle from a person as so described, the place of use of the leased vehicle shall be deemed to be the city in which the place of business (as defined in Section 7205 and the regulations promulgated thereunder) of the person from whom the lessor purchases the vehicle is located.

(3) The place of use as determined by this subdivision shall be the place of use for the duration of the lease contract, notwithstanding the fact that the lessor may sell the vehicle and assign the lease contract to a third party.

(b) Except as described in subdivision (a), this section shall not apply if the dealer or leasing company entering into the lease agreement is located outside of California.

(c) (1) The provisions of this section that are applicable to a California new motor vehicle dealer shall apply to lease transactions entered into on or after January 1, 1996.

(2) The provisions of this section, applicable to a leasing company, shall apply to lease transactions entered into on or after January 1, 1999.

(d) As used in this section, the following definitions shall apply:

(1) "City" means a city, city and county, or county.

(2) "Leasing company" means a motor vehicle dealer (as defined in Section 285 of the Vehicle Code), that complies with all of the following:

(A) The dealer originates lease contracts, described in subdivision (a), that are continuing sales and purchases.

(B) The dealer does not sell or assign those lease contracts that it originates in accordance with subparagraph (A).

(C) (i) The dealer has annual motor vehicle lease receipts of fifteen million dollars ($15,000,000) or more per location.

(ii) For purposes of this subparagraph, only those periodic payments required by the lease shall be considered in determining whether a lessor has annual receipts of fifteen million dollars ($15,000,000) or more. Amounts received by lessors attributable to capitalized cost reductions or amounts paid by a lessee upon his or her exercising an option shall not be considered in determining whether a lessor has annual lease receipts of fifteen million dollars ($15,000,000) or more.

(e) If the lessor is not a dealer described in paragraph (1) of subdivision (a), or a person who is described in paragraph (2) of subdivision (a) as purchasing from a

dealer, the use tax shall be reported to and distributed through the countywide pool of the county in which the lessee resides.

(Amended Sec. 1, Ch. 140, Stats. 1998. Effective January 1, 1999.)

PART 1.55. MOTOR CARRIERS

CHAPTER 1. MOTOR CARRIERS OF PROPERTY PERMIT FEE

(Added Sec. 48, Ch. 1042, Stats. 1996. Effective September 29, 1996.)

7231. (a) This chapter may be cited as the Motor Carriers of Property Permit Fee Act.

(b) The Legislature finds and declares that a safe and efficient transportation system is essential to the welfare of the state, and an important part of the system is service rendered by motor carriers of property.

(Amended Sec. 6, Ch. 652, Stats. 1997. Effective January 1, 1998.)

7232. (a) Every motor carrier of property shall annually pay a permit fee to the Department of Motor Vehicles. The fees contained in this section are due and shall be paid by each carrier at the time of application for an initial motor carrier permit, and upon annual renewal, with the Department of Motor Vehicles, pursuant to the Motor Carriers of Property Permit Act, as set forth in Division 14.85 (commencing with Section 34600) of the Vehicle Code. The Department of Motor Vehicles may, upon initial application for a motor carrier permit, assign an expiration date not less than six months, nor more than 18 months, from date of application, and may charge one-twelfth of the annual fee for each month covered by the initial permit. The fee paid by each motor carrier of property shall be based on the number of commercial motor vehicles operated in California by the motor carrier of property.

(b) As used in this chapter, "motor carrier of property" means any person who operates any commercial motor vehicle as defined in subdivision (d). "Motor carrier of property" does not include household goods carriers, as defined in Section 5109 of the Public Utilities Code, persons providing only transportation of passengers, or a passenger stage corporation transporting baggage and express upon a passenger vehicle incidental to the transportation of passengers.

(c) As used in this chapter, "for-hire motor carrier of property" means a motor carrier of property, as defined in subdivision (b), who transports property for compensation.

(d) As used in this chapter, "commercial motor vehicle" means any self-propelled vehicle listed in subdivisions (a), (b), (f), (g), and (k) of Section 34500 of the Vehicle Code, any motor truck of two or more axles that is more than 10,000 pounds gross vehicle weight rating, and any other motor vehicle used to transport property for compensation. "Commercial motor vehicle" does not include vehicles operated by household goods carriers, as defined in Section 5109 of the Public Utilities Code, pickup trucks as defined in Section 471 of the Vehicle Code, two-axle daily rental trucks with gross vehicle weight ratings less than 26,001 pounds when operated in noncommercial use or a motor truck or two-axle truck trailer operated in noncommercial use with a gross vehicle weight rating (GVWR) of less than 26,001 pounds used solely to tow a camp trailer, trailer coach, fifth wheel travel trailer, or utility trailer.

(e) The "number of commercial motor vehicles operated by the motor carrier of property" as used in this section means all of the commercial motor vehicles owned, registered to, or leased by the carrier. For interstate and foreign motor carriers of property the fees set forth in subdivision (a) shall be apportioned based on the percentage of fleet miles traveled in California in intrastate commerce. In the absence of records to establish intrastate fleet miles, the fees set forth in subdivision (a) shall be apportioned on total fleet miles traveled in California.

(f) For purposes of this chapter, "private carrier" means a motor carrier of property, as defined in subdivision (b), who does not transport any goods or property for compensation.

(g) (1) Fees contained in this chapter shall not apply to a motor carrier of property while engaged solely in interstate or foreign transportation of property by motor vehicle. No motor carrier of property shall engage in any interstate or foreign transportation of property for compensation by motor vehicle on any public highway in this state without first having registered the operation with the Department of Motor Vehicles or with the carrier's base registration state, if other than California, as determined in accordance with final regulations issued by the Interstate Commerce Commission pursuant to the Intermodal Surface Efficiency Act of 1991 (49 U.S.C. Sec. 11506). To register with the Department of Motor Vehicles, carriers specified in this

subdivision shall comply with the following:

(A) When the operation requires authority from the Interstate Commerce Commission under the Interstate Commerce Act, or authority from another federal regulatory agency, a copy of that authority shall be filed with the initial application for registration. A copy of any additions or amendments to the authority shall be filed with the Department of Motor Vehicles.

(B) If the operation does not require authority from the Interstate Commerce Commission under the Interstate Commerce Act, or authority from another federal regulatory agency, an affidavit of that exempt status shall be filed with the application for registration.

(2) The Department of Motor Vehicles shall grant registration upon the filing of the application pursuant to applicable law and the payment of any applicable fees, subject to the carrier's compliance with this chapter.

(3) This subdivision does not apply to household goods carriers, as defined in Section 5109 of the Public Utilities Code, and motor carriers engaged in the transportation of passengers for compensation.

(Amended Sec. 11, Ch. 1007, Stats. 1999. Effective January 1, 2000. Supersedes Ch. 1005.)

7233. No city, county, or city and county, shall assess, levy, or collect an excise or license tax of any kind, character, or description whatever upon the transportation business conducted on or after the effective date of this chapter, by any for-hire motor carrier of property.

(Amended Sec. 48, Ch. 1042, Stats. 1996. Effective September 29, 1996.)

7234. (a) The uniform business license tax fee imposed by this chapter is in lieu of all city, county, or city and county excise or license taxes of any kind, character, or description whatever, upon the transportation business of any for-hire motor carrier of property.

(b) This section does not prohibit the imposition by any city, county, or city and county, of any excise or license tax authorized under Division 2 (commencing with Section 6001).

(Added Sec. 48, Ch. 1042, Stats. 1996. Effective September 29, 1996.)

7235. The Safety Fee imposed by this chapter shall be paid by all motor carriers of property, as defined in Section 34601 of the Vehicle Code.

(Amended Sec. 1, Ch. 973, Stats. 2000. Effective January 1, 2001.)

7236. (a) All funds collected by the Department of Motor Vehicles pursuant to Section 7232 shall be deposited in the State Treasury to the credit of the ***Motor Vehicle Account in the State Transportation Fund***. The following fees shall be paid to the department:

(1) For-hire motor carriers of property shall pay, according to the following schedule, fees indicated as safety fee and uniform business license tax fee, based on the size of their motor vehicle fleet.

(2) Private carriers of property with a fleet size of 10 or less motor vehicles shall pay a fee of thirty-five dollars ($35). Private carriers of property with a fleet size of 11 or more motor vehicles shall pay, according to the following schedule, fees indicated as safety fee, based on the size of their motor vehicle fleet. Any carrier that does not pay a uniform business license tax fee shall not operate as a for-hire motor carrier.

(3) A seasonal permit may be issued to a motor carrier of property upon payment of fees indicated as safety fee and one-twelfth of the fee indicated as uniform business license tax fee, rounded to the next dollar, for each month the permit is valid. The original seasonal permit shall be valid for a period of not less than six months, and may be renewed upon payment of a five dollar ($5) fee, and one-twelfth of the fee indicated as a uniform business license tax fee for each additional month of operation.

Fleet Size-Commercial Motor Vehicles Fee	Safety Fee	Uniform Business License Tax
1	$60	$60
2-4	$75	$125
5-10	$200	$275
11-20	$240	$470
21-35	$325	$650

Fleet Size-Commercial Motor Vehicles Fee	Safety Fee	Uniform Business License Tax
36-50	$430	$880
51-100	$535	$1,075
101-200	$635	$1,300
201-500	$730	$1,510
501-1000	$830	$1,715
1001-2,000	$930	$1,900
2,001-over	$1,030	$2,000

Notwithstanding the above fee schedule, motor carriers of property with 10 or fewer trucks shall not pay fees higher than they would have paid under the fee structure in place as of January 1, 1996. Notwithstanding Section 34606 of the Vehicle Code, fees for these carriers shall not be subject to increase by the Department of Motor Vehicles.

(b) The Department of Motor Vehicles shall transfer funds deposited in the ***Motor Vehicle Account in the State Transportation Fund*** as follows:

(1) Funds derived from Uniform Business License Tax Fees shall be transferred to the General Fund.

(2) Funds derived from Safety Fees shall remain in the ***Motor Vehicle Account in the State Transportation Fund*** and shall be available for appropriation by the Legislature to cover costs incurred by the Department of Motor Vehicles and the Department of the California Highway Patrol in regulating motor carriers of property pursuant to Division 14.85 (commencing with Section 34600) of the Vehicle Code.

(c) It is the intent of the Legislature that the fee schedule established in subdivision (a) shall not discriminate against small fleet or individual vehicle operators or result in a disproportionate share of those fees being assigned to small fleet or individual vehicle operators.

(Amended Sec. 2, Ch. 805, Stats. 2002. Effective January 1, 2003. Operative July 1, 2003)

Chapter 2. Motor Carrier Safety Improvement Fund

(Added Sec. 48, Ch. 1042, Stats. 1996. Effective September 29, 1996.)

7237. This chapter is enacted for the purpose of creating a special fund to cover the costs to the Department of the California Highway Patrol to deter commercial motor vehicle cargo thefts and provide security of highway carriers and cargoes throughout the state.

(Added Sec. 48, Ch. 1042, Stats. 1996. Effective September 29, 1996.)

7238. All money or fees deposited in the Motor Carriers Safety Improvement Fund shall be available for appropriation by the Legislature to cover the costs to the Department of the California Highway Patrol to deter commercial motor vehicle cargo thefts and provide security of highway carriers and cargoes throughout the state.

(Added Sec. 48, Ch. 1042, Stats. 1996. Effective September 29, 1996.)

7262.7. (a) In addition to the tax levied pursuant to Part 1.5 (commencing with Section 7200), and any other tax authorized by this part, the Board of Supervisors of the County of Stanislaus may impose a transactions and use tax by adoption of an ordinance in accordance with this part if each of the following conditions are met:

(1) The ordinance imposing the tax is submitted to and approved by the voters of the county in accordance with Article 3.7 (commencing with Section 53720) of Chapter 4 of Part 1 of Division 2 of Title 5 of the Government Code.

(2) The tax is imposed at a rate of one-eighth of 1 percent for a period not to exceed five years.

(3) The revenues collected from the tax shall be used only for funding countywide library programs and operations.

(b) The Board of Supervisors of the County of Stanislaus may impose a transactions and use tax in any succeeding period not to exceed five years per period if all of the conditions specified in subdivision (a) are met for that succeeding period.

(Added Ch. 244, Stats. 1994. Effective January 1, 1995.)

8708. The board or its authorized representative may issue a California fuel trip permit to interstate users for entry into this state. The California fuel trip permit shall be valid for four consecutive days and includes any reentry into the state during the four-day period. The fee for issuance of a California fuel trip permit is thirty dollars

($30). Other provisions of this article and Article 1 (commencing with Section 8751) of Chapter 4 do not apply to the holder of a California fuel trip permit who uses only fuel brought into this state in the fuel tank of a qualified motor vehicle and fuel purchased from, and delivered into the fuel tank of the qualified motor vehicle by, a vendor. Any use fuel tax paid to a vendor for fuel taken out of the state in the fuel tank of a qualified motor vehicle operated under a California fuel trip permit shall not be refunded to the holder of the permit, notwithstanding any other provisions of this part.

The board may enter into an interagency agreement with the Department of Motor Vehicles providing for the issuance of California fuel trip permits by that department.

(Amended Sec. 17, Ch. 609, Stats. 1998. Effective January 1, 1999.)

Use Fuel Tax Law

8995. The Department of Motor Vehicles may transfer the registered ownership of any motor vehicle using fuel taxable under this part only after a certificate of excise tax clearance has been issued by the board. The certificate may be issued after the payment of all amounts due under this part, according to the records of the board as of the date of the certificate, or after the payment of the amounts is secured to the satisfaction of the board.

An excise tax clearance certificate shall not be required to transfer the registered ownership of a passenger vehicle as defined in Section 465 of the Vehicle Code.

(Amended Ch. 260, Stats. 1979. Effective July 17, 1979.)

9256. Before registration of any motor vehicle, the Department of Motor Vehicles shall ascertain from the applicant for registration, whether or not the motor vehicle sought to be registered is propelled by a fuel the use of which is subject to the excise tax imposed under this part. If the motor vehicle is propelled by the use of such a fuel, the department shall notify the board.

Computation of Vehicle License Fee

10751. A license fee is hereby imposed for the privilege of operating upon the public highways in this state any vehicle of a type which is subject to registration under the Vehicle Code. Vehicles of banks, including national banking associations, shall be subject to all provisions of the Vehicle Code to the same extent and same manner as other vehicles, and shall be subject to this part.

(Amended Ch. 575, Stats 1975. Effective September 6, 1975. Operative March 8, 1976.)

10752. 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 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 2 percent of the market value of the vehicle as determined by the department.

(Amended Sec. 3, Ch. 826, Stats. 2001. Effective January 1, 2002.)

10752.1. The annual amount of the license fee for a trailer coach which is required to be moved under permit as authorized in Section 35790 of the Vehicle Code shall be a sum equal to 2 percent of the market value of the vehicle as determined by the department.

(Added Ch. 1051, Stats. 1974. Effective January 1, 1975.)

10753. (a) Upon the first sale of a new vehicle to a consumer and upon each sale of a used vehicle to a consumer, the department shall determine the market value of the vehicle on the basis of the cost price to the purchaser as evidenced by a certificate of cost, but not including California sales or use tax or any local sales, transactions, use, or other local tax. "Cost price" includes the value of any modifications made by the seller.

(b) Notwithstanding subdivision (a), the department shall not redetermine the market value of used vehicles, or modify the vehicle license fee classification of used vehicles determined pursuant to Section 10753.1 or 10753.2, when the seller is the parent, grandparent, child, grandchild, or spouse of the purchaser, and the seller is not engaged in the business of selling vehicles subject to registration under the Vehicle Code, or when a lessor, as defined in Section 372 of the Vehicle Code, transfers title and registration of a vehicle to the lessee at the expiration or termination of a lease.

(c) (1) In the event any commercial vehicle is modified or additions are made to the chassis or body at a cost of two thousand dollars ($2,000) or more, but not including any change of engine of the same type or any cost of repairs to a commercial vehicle, the owner of the commercial vehicle shall report any modification or addition to the department and the department shall classify or reclassify the commercial vehicle in its proper class as provided in Section 10753.1 or 10753.2, taking into consideration

the increase in the market value of the commercial vehicle due to those modifications or additions, and any reclassification resulting in increase in market value shall be based on the cost to the consumer of those modifications or additions. In the event any vehicle is modified or altered resulting in a decrease in the market value thereof of two hundred dollars ($200) or more as reported to and determined by the department, the department shall classify or reclassify the vehicle in its proper class as provided in Section 10753.1 or 10753.2.

(2) Paragraph (1) does not apply under any of the following conditions:

(A) When the cost of any modification or addition to the chassis or body of a commercial vehicle is less than two thousand dollars ($2,000).

(B) When the cost is for modifications or additions necessary to incorporate a system approved by the State Air Resources Board as meeting the emission standards set forth in subdivisions (a) and (b) of former Section 39102 and former Section 39102.5 of the Health and Safety Code as they read on December 31, 1975.

(C) When the cost is for modifications that are necessary to enable a disabled person to use or operate the vehicle.

(3) For purposes of this subdivision, "commercial vehicle" means a "commercial vehicle," as defined in Section 260 of the Vehicle Code, that is regulated by the Department of the California Highway Patrol pursuant to Sections 2813 and 34500 of the Vehicle Code.

(d) This section also applies to a system as specified in subdivision (c) that is approved by the State Air Resources Board as meeting the emission standards specified in subdivisions (a) and (b) of former Section 39102 and former Section 39102.5 of the Health and Safety Code as they read on December 31, 1975, for vehicles 6,001 pounds or less, manufacturer's gross vehicle weight, controlled to meet exhaust emission standards when sold new, when that system is used in any vehicle over 6,001 pounds or any vehicle 6,001 pounds or less not controlled to meet exhaust emission standards.

(e) The temporary attachment of any camper, as defined in Section 243 of the Vehicle Code, to a vehicle is not a modification or addition for the purposes of subdivision (c).

(f) The attachment to a vehicle of radiotelephone equipment furnished by a telephone corporation, as defined in Section 234 of the Public Utilities Code, is not a modification or addition for the purpose of subdivision (c), when that equipment is not owned by the owner of the vehicle.

(g) For purposes of this section, "vehicle" does not include trailers or semitrailers.

(Amended Sec. 3, Ch. 596, Stats. 2000. Effective January 1, 2001.)

10753.2. (a) After determining the cost price to the purchaser, as provided in this article, the department shall classify or reclassify every vehicle, other than a trailer or semitrailer, as described in subdivision (a) of Section 5014.1 of the Vehicle Code, in its proper class according to the classification plan set forth in this section.

(b) For the purpose of this part, a classification plan is established consisting of the following classes: a class from zero dollars ($0) to and including forty-nine dollars and ninety-nine cents ($49.99); a class from fifty dollars ($50) to and including one hundred ninety-nine dollars and ninety-nine cents ($199.99); and thereafter a series of classes successively set up in brackets having a spread of two hundred dollars ($200), consisting of a number of classes that will permit classification of all vehicles.

(c) The market value of a vehicle, other than a trailer or semitrailer, as described in subdivision (a) of Section 5014.1 of the Vehicle Code, for each registration year, starting with the year the vehicle was first sold to a consumer as a new vehicle, or the year the vehicle was first purchased or assembled by the person applying for original registration in this state, or the year the vehicle was sold to the current registered owner as a used vehicle, shall be as follows: for the first year, 100 percent of a sum equal to the middle point between the extremes of its class as established in subdivision (b); for the second year, 90 percent of that sum; for the third year, 80 percent of that sum; for the fourth year, 70 percent of that sum; for the fifth year, 60 percent of that sum; for the sixth year, 50 percent of that sum; for the seventh year, 40 percent of that sum; for the eighth year, 30 percent of that sum; for the ninth year, 25 percent of that sum; and for the 10th year, 20 percent of that sum; and for the 11th year and each succeeding year, 15 percent of that sum; provided, however, that the minimum tax shall be the sum of one dollar ($1). Notwithstanding this subdivision, the market value of a trailer coach first sold on and after January 1, 1966, which is required to be moved under permit as authorized in Section 35790 of the Vehicle Code, shall be determined by the schedule in Section 10753.3.

(d) This section shall cease to be operative on the first day of the month following the month in which the Department of Motor Vehicles is notified by the Department of Finance of a final judicial determination by the California Supreme Court or any California court of appeal of either of the following:

(1) The allocation of funds from the Vehicle License Fee Account or the Vehicle License Fee Growth Account of the Local Revenue Fund established during the 1991–92 Regular Session is in violation of Section 15 of Article XI of the California Constitution.

(2) The state is obligated to reimburse counties for costs of providing medical services to medically indigent adults pursuant to Chapters 328 and 1594 of the Statutes of 1982.

(Amended Sec. 5, Ch. 826, Stats. 2001. Effective January 1, 2002.)

10753.3. (a) Except as otherwise provided in subdivision (b), the market value of a trailer coach which must be moved under permit, for each registration year of its life, shall be as follows: for the first year, 85 percent of a sum equal to the middle point between the extremes of its class as established in subdivision (b) of Section 10753.2; for the second year, 70 percent of such sum; for the third year, 55 percent of such sum; for the fourth year, 45 percent of such sum; for the fifth year, 40 percent of such sum; for the sixth year, 35 percent of such sum; for the seventh year, 30 percent of such sum; for the eighth year, 25 percent of such sum; for the ninth year, 24 percent of such sum; for the 10th year, 23 percent of such sum; for the 11th year, 22 percent of such sum; for the 12th year, 21 percent of such sum; for the 13th year, 20 percent of such sum; for the 14th year, 19 percent of such sum; for the 15th year, 18 percent of such sum; for the 16th year, 17 percent of such sum; for the 17th year, 16 percent of such sum; for the 18th year and each succeeding year, 15 percent of such sum.

(b) For the purposes of this section, the market value of vehicles which have been previously registered and which, because they are being converted to year-round registration, become subject to registration twice during the 1976 calendar year, shall be deemed to be the same throughout the 1976 calendar year and shall not change until the registration subsequently expires.

(Added Ch. 1051, Stats. 1974. Effective January 1, 1975.)

10753.4. (a) Notwithstanding any other provisions of law, every dealer who sells a trailer coach required to be moved under permit shall state on a certificate attached to the sales contract the cost price upon which the vehicle license fee is computed separately from the cost of accessories or other charges for such trailer coach.

(b) The department shall determine what items shall be included and what items shall not be included in the cost price upon which the vehicle license fee is computed for a trailer coach required to be moved under a permit and the manner of computation of such cost price. The department shall notify every dealer authorized to sell a trailer coach required to be moved under a permit of (1) the requirement that the sales contract state the cost price upon which the vehicle license fee is computed separately from the cost of accessories or other charges for such trailer coaches and (2) the manner in which such cost price is to be determined.

(Added Ch. 1043, Stats. 1976. Effective January 1, 1977.)

10753.5. Notwithstanding any other provisions of this part, the annual amount of the license fee for a vehicle ***that has been assigned a special identification plate or plates as*** described in Section 5004 of the Vehicle Code shall be two dollars ($2).

(Amended Sec. 1, Ch. 528, Stats. 2002. Effective January 1, 2003.)

10753.6. (a) Notwithstanding any other provisions of this part, the cost of any modifications to any vehicle which are necessary to enable a disabled person to use or operate such vehicle shall be excluded from the determination of the market value of the vehicle, for purposes of determining the license fee imposed by any provision of this part.

(b) (1) The department, pursuant to the request of a qualified disabled owner of a vehicle which was registered prior to the effective date of this section, shall exclude from the market value of such vehicle the cost of any modification or alteration required to adapt such vehicle to such disabled person's needs as either a driver or passenger, if such cost was previously included in the determination of the market value of such vehicle.

(2) There shall be no reduction in the amount of vehicle license fees or market value determination pursuant to this section with regard to fees imposed prior to the effective date of this section.

(3) For purposes of paragraph (1), a "qualified disabled owner" means a disabled person who qualifies for a distinguishing license plate or placard under Section

22511.5 of the Vehicle Code whose vehicle was registered prior to the effective date of this section.

(Added Ch. 373, Stats. 1977. Effective August 24, 1977 as a tax levy.)

10753.7. (a) Upon the sale or transfer of ownership of a used vehicle currently registered in this state, if any license fee due thereon has already been paid, no adjustment of the current year license fee shall be made.

(b) Any adjustment of vehicle license fees, based upon a redetermination of market value pursuant to subdivision (a) of Section 10753 and modification of vehicle license fee classification pursuant to Section 10753.1 or 10753.2, shall occur upon the expiration of current registration and shall be reflected in the fees due for the first renewal of registration following the sale or transfer of ownership of that used vehicle.

(Added Ch. 87, Stats. 1991. Effective July 1, 1991.)

10753.8. (a) In addition to the license fee for any vehicle calculated pursuant to Section 10752, a surcharge in an amount equal to 2.2 percent of the fee under Section 10752 shall be added to that fee for any original registration occurring on or after August 1, 1991, and before August 1, 1992, and for any renewal of registration with an expiration date on or after August 1, 1991, and before August 1, 1992.

(b) This section shall cease to be operative on the first day of the month following the month in which the Department of Motor Vehicles is notified by the Department of Finance of a final judicial determination by the California Supreme Court or any California court of appeal of either of the following:

(1) The allocation of funds from the Vehicle License Fee Account or the Vehicle License Fee Growth Account of the Local Revenue Fund established during the 1991 92 Regular Session is in violation of Section 15 of Article XI of the California Constitution.

(2) The state is obligated to reimburse counties for costs of providing medical services to medically indigent adults pursuant to Chapters 328 and 1594 of the Statutes of 1982.

(Added Ch. 87, Stats. 1991. Effective July 1, 1991.)

Vehicle License Fee

10754. (a) Notwithstanding any other provision of law, the total amount of the vehicle license fee otherwise required with respect to a vehicle shall be offset in accordance with those provisions set forth below that are operative pursuant to subdivision (b):

(1) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total amount of fees otherwise due at the time of registration of that vehicle by an amount equal to 25 percent of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction of funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(2) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total amount of fees otherwise due at the time of registration of that vehicle by an amount equal to 35 percent of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle

License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction of funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(3) (A) For any initial or original registration of any vehicle, never before registered in this state, for which the final due date for the license fee is on or after January 1 of any calendar year for which this paragraph is operative, and for any renewal of registration with an expiration date on or after January 1 of any calendar year for which this paragraph is operative, the department shall offset the total amount of fees otherwise due at the time of registration of that vehicle by an amount equal to $67^{1}/_{2}$ percent of the amount computed pursuant to Section 10752 or 10752.1, or Section 18115 of the Health and Safety Code.

(B) Upon proper payment of license fees to the Department of Motor Vehicles, the amount of the offset for each vehicle shall be transferred into the Motor Vehicle License Fee Account in the Transportation Tax Fund, and into the Local Revenue Fund, pursuant to Section 11000 or Section 11000.1, as applicable.

(C) During any period in which insufficient moneys are available to be transferred from the General Fund to fully fund the offsets required by subparagraph (A), within 90 days of a reduction in funding, the department shall reduce the amount of each offset computed pursuant to that subparagraph by multiplying that amount by the ratio of the amount of moneys actually available to be transferred from the General Fund to pay for those offsets to the amount of moneys that is necessary to fully fund those offsets.

(b) The offset provisions set forth in subdivision (a) shall be operative as provided by the following:

(1) Paragraph (1) of subdivision (a) shall be operative for vehicle license fees with a final due date in the calendar year beginning on January 1, 1999.

(2) Paragraph (2) of subdivision (a) shall be operative for vehicle license fees with a final due date on or after January 1, 2000 and before July 1, 2001.

(3) Paragraph (3) of subdivision (a) shall be operative for vehicle license fees with a final due date on or after July 1, 2001.

(c) (1) For purposes of this section, "department" means the Department of Motor Vehicles with respect to a vehicle license fee offset for a vehicle subject to registration under the Vehicle Code, and the Department of Housing and Community Development with respect to a vehicle license fee offset for a manufactured home, mobilehome, or commercial coach described in Section 18115 of the Health and Safety Code.

(2) For purposes of this section, the “final due date” for a license fee is the last date upon which that fee may be paid without being delinquent.

(Amended Sec. 1, Ch. 5, Stats. 2001. Effective April 19, 2001.)

10754.1. For purposes of applying paragraph (1) of subdivision (b) of Section 10754, the vehicle license fees, due in 1998 on or before December 31 of that year for a vehicle subject to the International Registration Program as described in Section 8052 of the Vehicle Code, are deemed to have had a final due date in the 1999 calendar year. It is the intent of the Legislature that this section be implemented to apply the 25 percent offset specified in paragraph (1) of subdivision (a) of Section 10754 to the vehicle license fees described in the preceding sentence. The department shall apply the amount of each vehicle license fee reduction resulting from this section against the amount of vehicle license fees due and payable on the part of the relevant registrant in 1999.

(Added Sec. 1, Ch. 76, Stats. 1999. Effective July 7, 1999.)

10754.2. Notwithstanding any other provision of law to the contrary, all of the following apply to vehicle license fees with a final due date on or after January 1, 2001: (a) (1) For each vehicle license fee for the initial or original registration of any vehicle, never before registered in this state, or for any renewal of registration, with a final due date in 2001 or 2002, for which the vehicle license fee offset required by Section 10754 is less than 671/2 percent, the Department of Motor Vehicles shall concurrently calculate an offset, in addition to the offset required by Section 10754, that is equal to the difference between the following: (A) A vehicle license fee offset of 671/2 percent. (B) A vehicle license fee offset of the greater of 35 percent or that percentage required

by Section 10754. (2) The Department of Motor Vehicles shall, for each calendar month, report to the Department of Finance and the Controller the amount of each offset calculated pursuant to paragraph (1) for that calendar month and the name and address of the taxpayer to whom that additional offset applies. The Controller shall, within 30 days after receiving a monthly report from the Department of Motor Vehicles, make payment of the reported additional offsets to the identified taxpayers. The Governor may direct the Controller to include, with each payment pursuant to this paragraph of an additional vehicle license fee offset, a notice stating that the additional vehicle license fee offsets required by this paragraph constitute a Prosperity Dividend approved by the Legislature and signed by Governor Davis. (3) (A) For each vehicle license fee, for the initial or original registration of any vehicle, never before registered in this state, or for any renewal of registration, with a final due date in 2001 or 2002, the vehicle license fee offset implemented pursuant to Section 10754 shall be not less than 35 percent. (B) For each vehicle license fee, for the initial or original registration of any vehicle, never before registered in this state, or for any renewal of registration with a final due date in 2003 or any calendar year thereafter, there shall be a 671/2 percent offset as described in paragraph (5) of subdivision (a) of Section 10754, as that section read on January 1, 2000. In no event may the 671/2 percent offset established by this subparagraph be reduced pursuant to paragraph (4) of subdivision (c) of Section 10754, or any successor to that paragraph. (b) (1) The additional vehicle license fee offsets established by subdivision (a) shall be funded from those amounts to be appropriated by statute. (2) Revenue losses to cities, counties, and cities and counties resulting from this section shall be reimbursed by the Controller from the General Fund in the same manner as provided in Section 11000. The amounts of General Fund transfers required by this subdivision are deemed to be vehicle license fee proceeds and vehicle license fee revenues for those same purposes as set forth in subdivision (d) of Section 11000, and are subject to the same pledges, liens, encumbrances, and priorities as described in that subdivision.

(Amended Sec. 2, Ch. 107, Stats. 2000. Effective July 10, 2000.)

10755. Whenever, by reason of the assignment or reassignment of an expiration date by the Director of Motor Vehicles, the registration year for the vehicle is less than, or more than, 12 months, the fee for the vehicle shall be decreased or increased by one-twelfth of the annual fee for each month of such period less than, or in excess of, 12 months.

(Amended Ch. 889, Stats. 1973. Effective September 28, 1973.)

10756. If any vehicle which is exempt under Section 10781 or 10782 ceases to be so exempt by reason of change of ownership, the application shall be deemed an application for original registration for the purposes of determining the expiration date of the registration and subsequent renewals thereof.

(Amended Ch. 1330, Stats. 1974. Operative December 1, 1975.)

10757. (a) No additional license fee shall be imposed under this part upon any vehicle upon the transfer of ownership of the vehicle, except as provided under Section 9563 of the Vehicle Code, if any license fee due thereon has already been paid for the year in which the transfer of ownership occurs.

(b) In the event that additional fees are required on a vehicle due to a prior departmental error, no penalty shall be assessed against the application for the transfer of registration when the required additional fees are paid.

(Amended Ch. 1353, Stats. 1971. Effective March 4, 1972.)

10758. The license fee imposed under this part is in lieu of all taxes according to value levied for state or local purposes on vehicles of a type subject to registration under the Vehicle Code whether or not the vehicles are registered under the Vehicle Code.

"Vehicle of a type subject to registration under the Vehicle Code," as used in this section, includes, but is not limited to, (a) any motor vehicle in the inventory of vehicles held for sale by a manufacturer, remanufacturer, distributor, or dealer in the course of his or her business, (b) any unoccupied trailer coach in the inventory of trailer coaches held for sale by a manufacturer, remanufacturer, distributor, or dealer in the course of his or her business, or (c) any vehicle described in Section 5004 of the Vehicle Code, not used in a trade, profession, or business, whether or not the vehicle has been issued special identification plates.

(Amended Ch. 1286, Stats. 1983. Effective January 1, 1984.)

10759. In computing any fee, offset, or penalty imposed by this chapter, whether on a proration or otherwise, a fraction of a dollar is disregarded, unless it equals or

exceeds fifty cents ($0.50), in which case it is treated as one full dollar ($1). Computation of any penalty shall be made from the fee after the same has been computed as provided in this section.

Any fee, offset, or penalty in an amount of forty-nine cents ($0.49) or less shall be deemed to be one dollar ($1).

(Amended Sec. 3, Ch. 322, Stats. 1998. Effective August 20, 1998.)

10759.5. (a) For purposes of determining the vehicle license fee imposed by this part, there are exempted from the determination of market value, the incremental costs of new light-duty motor vehicles propelled by alternative fuels, and certified by the State Air Resources Board as producing emissions that meet the emission standard for ultra-low-emission vehicles or lower as defined by the board. This exemption shall apply to the subsequent payments of the vehicle license fee.

(b) For purposes of this section, "incremental cost" means the amount determined by the State Energy Resources Conservation and Development Commission as the reasonable difference between the cost of the motor vehicle defined in subdivision (a) and the cost of a comparable gasoline or diesel fuel vehicle. This determination shall constitute the maximum incremental cost for purposes of the exemption in subdivision (a), and may be reduced by the actual sales price of the vehicle. The actual incremental cost shall be stated in the contract for sale or lease with the purchaser, and shall be reported to the commission quarterly.

(c) This section shall become operative on January 1, 1999, and shall remain in effect only until January 1, 2009, and as of that date is repealed.

(Amended Sec. 2, Ch. 566, Stats. 2002. Effective January 1, 2003.)

NOTE: The preceding section shall remain in effect only until January 1, 2009, and as of that date is repealed.

Trailer Coaches

10768. Sections 10853, 10854, 10855 and 10856 of this part do not apply to the license fee imposed with respect to trailer coaches.

10769. Whenever any trailer coach is in this State without the license fee having first been paid as required by Section 10851 of this part, the fee is delinquent.

10770. (a) If the fee for an original registration is not paid within 20 days after it becomes delinquent, a penalty equal to 20 percent of the fee shall be added and collected with the fee.

(b) A penalty of 20 percent of the license fee shall be added on any application for original or renewal of year-round or annual registration made later than midnight of the date of expiration or on or after the date penalties become due. This penalty shall be computed after the vehicle license fee has been combined with the registration and weight fees as provided in Sections 9250 and 9400 of the Vehicle Code.

(c) Notwithstanding subdivision (a), any penalty that became due prior to January 1, 1978, shall be computed at the rate of penalty which was then in effect.

(Amended Sec. 2, Ch. 601, Stats. 1998. Effective January 1, 1999.)

Exemptions

10781. The license fee imposed by this part does not apply to any vehicle owned by the United States, by any foreign government, by a consul or other official representative of any foreign government, by the state, by any political subdivision of the state, or by any city, city and county, county, district, public corporation, or by a public fire department organized as a nonprofit corporation and used exclusively for firefighting purposes or exclusively as an ambulance.

(Amended Ch. 1445, Stats. 1967. Effective November 8, 1967.)

10781.1. The license fee imposed by this part does not apply to any vehicle that is owned by a federally recognized Indian tribe, if the vehicle is used exclusively within the boundaries of lands under the jurisdiction of that Indian tribe, including the incidental use of that vehicle on highways within those boundaries.

(Added Sec. 1, Ch. 911, Stats. 1999. Effective January 1, 2000.)

10782. (a) The license fee imposed by this part does not apply to any vehicle operated by the state, or by any county, city and county, city, district, or political subdivision of the state, or the United States, as a lessee under a lease, lease-sale, or rental-purchase agreement which grants possession of the vehicle to the lessee for a period of 30 consecutive days or more.

(b) The license fee imposed by this part does not apply to any privately owned schoolbus, as defined in Section 545 of the Vehicle Code, which is either:

(1) Owned by a private nonprofit educational organization and operated in

accordance with the rules and regulations of the Department of Education exclusively in transporting school pupils, or school pupils and employees, of such private nonprofit educational organization, or

(2) Operated in accordance with the rules and regulations of the Department of Education exclusively in transporting school pupils, or school pupils and employees, of any public school or private nonprofit educational organization pursuant to a contract between a public school district or nonprofit educational organization and the owner or operator of the schoolbus.

This subdivision shall not, however, be applicable to any schoolbus which is operated pursuant to any contract which requires the public school district or nonprofit educational organization to pay any amount representing the costs of registration and weight fees unless and until the contract is amended to require only the payment of an amount representing the fee required by this section.

(Amended Ch. 1204, Stats. 1974. Effective September 23, 1974.)

10783. (a) The license fee imposed by this part does not apply to a passenger vehicle, a motorcycle, or a commercial vehicle of less than 8,001 pounds unladen weight, unless the vehicle is used for transportation for hire, compensation, or profit, if the vehicle is owned by any disabled veteran, as defined in Section 295.7 of the Vehicle Code, any former American prisoner of war, or any veteran who is a Congressional Medal of Honor recipient.

(b) The exemption granted by subdivision (a) shall extend to not more than one vehicle owned by the veteran, or former American prisoner of war, and is applicable to the same vehicle as described in subdivision (b) of Section 9105 of the Vehicle Code.

(c) (1) The Department of Motor Vehicles may require any disabled veteran applying for an exemption under this section to submit a certificate signed by a physician or surgeon substantiating the disability.

(2) The Department of Motor Vehicles may require any person applying for an exemption under this section for either of the following reasons to do any of the following:

(A) By reason of the person's status as a former American prisoner of war, to show, by satisfactory proof, his or her former prisoner-of-war status.

(B) By reason of the person's status of receiving the Congressional Medal of Honor, to show, by satisfactory proof, that he or she is a Congressional Medal of Honor recipient.

(d) This section shall become operative on July 1, 1999.

(Added Sec. 2, Ch. 563, Stats. 1998. Effective January 1, 1999. Operative July 1, 1999.)

10784. (a) The license fee imposed by this part does not apply to any mobilehome as defined in Sections 18008 and 18211 of the Health and Safety Code which is sold and installed on a foundation system, pursuant to Section 18551 of the Health and Safety Code, for occupancy as a residence.

(b) Any mobilehome exempted from the provisions of this part shall be subject to local property taxation.

(Added Ch. 1160, Stats. 1979. Effective January 1, 1980.)

10785. (a) The license fee imposed by this part shall not apply to any new mobilehome as defined in Sections 18008 and 18211 of the Health and Safety Code, which is sold and installed for occupancy as a residence, in accordance with Section 18613 of the Health and Safety Code, on or after July 1, 1980.

(b) Any new mobilehome exempted from the provisions of this part shall be subject to local property taxation.

(Added Ch. 1180, Stats. 1979. Effective January 1, 1980.)

10786. The license fee imposed by this part does not apply to any vehicle owned by an educational institution of collegiate grade, not conducted for profit, having an enrollment of 5,000 students or more and having an acreage of 5,000 acres or more, if such vehicle is used for fire-fighting purposes within the limits of the acreage of such institution, and is operated principally on roads owned by such institution.

(Amended Ch. 982, Stats. 1951.)

10787. The license fee imposed by this part does not apply to any vehicle operated by the Civil Air Patrol, when the vehicle has been transferred to the Civil Air Patrol by the United States Government, or any agency thereof, if by federal regulation or directive the use of such vehicle is restricted to defined activities of the Civil Air Patrol, and if by federal regulation or directive the vehicle must be returned to the United States Government when no longer required or suited for use by the Civil Air Patrol.

(Added Ch. 1, Stats. 1959.)

10788. (a) With respect to mobilehomes or trailer coaches subject to the provisions of this part, which are owned by, and which constitute the principal place of residence of, a disabled veteran who is blind in both eyes, has lost the use of two or more limbs, or is totally disabled as a result of injury or disease incurred in military service or the unmarried surviving spouse of such a veteran:

(1) The first twenty thousand dollars ($20,000) of the market value of the mobilehome or trailer coach shall be exempt from the license fee imposed by this part, or

(2) In the case of a disabled veteran or the unmarried surviving spouse whose household income, as defined in Section 20504, does not exceed the amounts specified in Section 20585, the first thirty thousand dollars ($30,000) of the market value of the mobilehome or trailer coach, shall be exempt from the license fee imposed by this part.

(b) For purposes of this section, "veteran" is defined as specified in subdivision (o) of Section 3 of Article XIII of the Constitution.

(c) No veteran shall be eligible for this exemption unless he or she was a resident of California at the time of his or her entry into military or naval service, or unless he or she was a resident of the state on November 7, 1972, if he or she is blind or has lost the use of two or more limbs, or on January 1, 1975, if he or she was totally disabled.

(d) As used in this section "mobile home" and "trailer coach" which are owned by the veteran includes:

(1) Property owned by the veteran with the veteran's spouse as a joint tenancy, tenancy in common or as community property;

(2) Property owned by the veteran or the veteran's spouse as separate property;

(3) Property owned with one or more other persons to the extent of the interest owned by the veteran, the veteran's spouse, or both the veteran and the veteran's spouse;

(4) Property owned by the veteran's unmarried surviving spouse with one or more other persons to the extent of the interest owned by the veteran's unmarried surviving spouse.

(e) For purposes of this section, "blind in both eyes" means having a visual acuity of 5/200 or less; "losing the use of a limb" means that the limb has been amputated or its use has been lost by reason of ankylosis, progressive muscular dystrophies, or paralysis; and "totally disabled" means that the United States Veterans Administration or the military service from which such veteran was discharged has rated the disability at 100 percent or has rated the disability compensation at 100 percent by reason of being unable to secure or follow a substantially gainful occupation.

(Added Ch. 371, Stats. 1980. Effective July 9, 1980 as a tax levy.)

10789. The license fee imposed by this part does not apply to the following:

(a) Any vehicle purchased with federal funds under the authority of paragraph (2) of subsection (b) of Section 1612 of Title 49 of the United States Code or Chapter 35 (commencing with Section 3000) of Title 42 of the United States Code for the purpose of providing specialized transportation services to senior citizens and handicapped persons by public and private nonprofit operators of specialized transportation services, including a consolidated transportation service agency designated pursuant to Section 15975 of the Government Code.

(b) Any vehicle operated solely for the purpose of providing specialized transportation services to senior citizens and persons with disabilities, by a nonprofit, public benefit consolidated transportation service agency designated under Section 15975 of the Government Code. The exemption provided by this subdivision shall not apply to more than 600 vehicles at any given time.

(Amended Sec. 1, Ch. 667, Stats. 1997. Effective January 1, 1998.)

Collections and Refunds

10851. Except as otherwise provided, the vehicle license fee is due and payable to the department each year on or before the expiration date assigned by the director. The fee shall be paid to the department at the time provided in the Vehicle Code for the registration or renewal of registration of the vehicle.

(Repealed and added Ch. 1330, Stats. 1974. Effective July 1, 1977.)

10852. The department shall collect the license fee and shall give to each person paying the license fee a receipt which shall sufficiently designate and identify the vehicle upon which the fee is paid.

10853. Whenever any vehicle is operated upon any highway of this State without the license fee having first been paid as required by this part, the fee is delinquent.

10854.1. If a check in payment of a fee or penalty is not paid by the bank on which it is drawn on its first presentation, the person tendering the check remains liable for the payment of the fee, or fee and penalty, as if he had not tendered the check. The department in its discretion may redeposit a check in payment of fee or fee and penalty not more than once without assessing additional penalties.

(Amended Ch. 214, Stats. 1969. Effective November 10, 1969.)

10856. (a) Except as provided in Section 9553 of the Vehicle Code, upon receipt of the application for renewal of registration, the department shall collect the required fee for the current registration year. No penalty shall be imposed if the department receives the application prior to or on the date the vehicle is first operated, moved, or left standing upon any highway during its current registration year and the applicant has timely filed, pursuant to subdivision (a) of Section 4604 of the Vehicle Code, a certification that the vehicle will not be operated, moved, or left standing upon any highway during the current registration year without first making an application for registration of the vehicle, including full payment of fees.

(b) If an application for renewal of registration is accompanied by an application for transfer of title, that application may be made without incurring a penalty for delinquent payment of fees not later than 20 days after the date the vehicle is first operated, moved, or left standing on any highway if a certification pursuant to subdivision (a) of Section 4604 of the Vehicle Code was timely filed with the department.

(c) Upon receipt of an application for original registration, the department shall collect the required fee for the current registration year. No penalty shall be imposed if the department receives the application and fee within 20 days after the fee becomes due.

(Amended Sec. 1, Ch. 600, Stats. 1998. Effective January 1, 1999.)

10857. No penalty fee shall be assessed for the delinquent payment of a vehicle license fee, when subsequent to the date on which the fee became due, the vehicle is repossessed on behalf of any legal owner, if the license fee is paid within 60 days of taking possession.

(Amended Ch. 200, Stats. 1984. Effective January 1, 1985.)

10858. (a) When a transferee or purchaser of a vehicle applies for transfer of registration, as provided in Section 5902 of the Vehicle Code, and it is determined by the department that vehicle license fee penalties accrued prior to the purchase of the vehicle and that the transferee or purchaser was not cognizant of the nonpayment of the vehicle license fee for the current or prior registration years, the department may waive the vehicle license fee penalties upon payment of the vehicle license fees due.

(b) Other provisions of this code notwithstanding, the Director of Motor Vehicles may, at his discretion, investigate into the circumstances of any application for registration to ascertain if penalties had accrued through no fault or intent of the owner. Provided such circumstances prevail, the director may waive any penalties upon payment of the license fee then due.

(c) When a transferee or purchaser of a vehicle applies for transfer of registration of a vehicle, and it is determined by the department that license fees for the vehicle for any year are unpaid and due, that the fees became due prior to the transfer or purchase of the vehicle by the transferee or purchaser, and that the transferee or purchaser was not cognizant of the fact that the fees were unpaid and due, the department may waive the fees and any penalty thereon when both of the following conditions exist:

(1) The license plate assigned to the vehicle displays a validating device issued by the department, and the validating device contains the year number of the registration year for which the transferee or purchaser is requesting a waiver of fees and penalties.

(2) The transferee or purchaser has submitted to the department the registration card that indicates the vehicle is registered for the registration year indicated on the validating device displayed on the license plate assigned to the vehicle.

(d) Upon the transfer of a vehicle for which license fees and any penalties thereon are unpaid and due, such fees and penalties are, notwithstanding the provisions of Article 2 (commencing with Section 10876), the personal debt of the transferor of the vehicle who did not pay the fees and penalties when they became due or accrued. The fees and penalties may be collected by the department in an appropriate civil action if the department has waived the fees and penalties pursuant to subdivision (c).

(Amended Ch. 759, Stats. 1983. Effective January 1, 1984.)

Seizure and Sale

10876. Every license fee and any penalty added thereto, from the date on which the fee becomes due, shall constitute a lien upon the vehicle for which due and upon any other vehicle owned by the owner of that vehicle.

(Amended Ch. 759, Stats. 1983. Effective January 1, 1984.)

10877. The department shall collect the fee and any penalty by seizure and sale of the vehicle as provided in Article 6 (commencing with Section 9800) of Chapter 6 of Division 3 of the Vehicle Code, or by appropriate civil action.

(Amended Ch. 759, Stats. 1983. Effective January 1, 1984.)

10878. (a) Notwithstanding Sections 10877 and 10951, on and after July 1, 1993, the responsibility and authority for the collection of the following delinquent amounts, and any interest, penalties, or service fees added thereto, shall be transferred from the department to the Franchise Tax Board:

(1) Registration fees.

(2) Transfer fees.

(3) License fees.

(4) Use taxes.

(5) Penalties for offenses relating to the standing or parking of a vehicle for which a notice of parking violation has been served on the owner, and any administrative service fee added to the penalty.

(6) Any court-imposed fine or penalty assessment, and any administrative service fee added thereto, that is subject to collection by the department.

(b) Any reference in this part to the department in connection with the duty to collect these amounts shall be deemed a reference to the Franchise Tax Board.

(c) The amounts collected under subdivision (a) may be collected in any manner authorized under the law as though they were a tax imposed under Part 10 (commencing with Section 17001) that is final, including, but not limited to, issuance of an order and levy under Article 4 (commencing with Section 706.070) of Chapter 5 of Division 2 of Title 9 of Part 2 of the Code of Civil Procedure in the manner provided for earnings withholding order for taxes. Part 10 (commencing with Section 17001), 10.2 (commencing with Section 18401), or 10.7 (commencing with Section 21001), or any other applicable law shall apply for this purpose in the same manner and with the same force and effect as if the language of Part 10, 10.2, or 10.7, or the other applicable law is incorporated in full into this authority to collect these amounts, except to the extent that the provision is either inconsistent with the collection of these amounts or is not relevant to the collection of these amounts.

(d) Even though the amounts authorized by this section are collected as though they are taxes, amounts so received by the Franchise Tax Board shall be deposited into an appropriate fund or account upon agreement between the Franchise Tax Board and the department. The amounts shall be distributed by the department from the appropriate fund or account in accordance with the laws providing for the deposits and distributions as though the moneys were received by the department.

(e) For any collection action under this section, the Franchise Tax Board may utilize the contract authorization, procedures, and mechanisms available either with respect to the collection of taxes, interest, additions to tax, and penalties pursuant to Section 18837 or 19376, or with respect to the collection of the delinquencies by the department immediately prior to the time this section takes effect.

(f) The Legislature finds that it is essential for fiscal purposes that the program authorized by this section be expeditiously implemented. Accordingly, Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code shall not apply to any standard, criteria, procedure, determination, rule, notice, or guideline established or issued by the Franchise Tax Board in implementing and administering the program required by this section.

(g) Any standard, criteria, procedure, determination, rule, notice, or guideline, that is not subject to the provisions of Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code pursuant to subdivision (f), shall be approved by the Franchise Tax Board, itself.

(h) The Franchise Tax Board may enter into any agreements or contracts necessary to implement and administer the provisions of this section. The Franchise Tax Board in administering this section may delegate collection activities to the department. Any contracts may provide for payment of the contract on the basis of a percentage of the amount of revenue realized as a result of the contractor's services under that contract. However, the Franchise Tax Board, in administering this part, may not enter into contracts with private collection agencies as authorized under Section 19377.

10879. In the case of leased vehicles, for purposes of Section 10877, this section, and Article 6 (commencing with Section 9800) of Chapter 6 of Division 3 of the Vehicle Code, the following shall apply:

(a) (1) Except as provided in subdivision (b), in the event the lessor designates the address of the lessee under subdivision (a) of Section 4453.5 of the Vehicle Code and provides the Department of Motor Vehicles with the address of the lessor, at a time and in the form and manner required by the department, the lessee shall be solely liable for the following, and any interest, penalties, or service fees added thereto:

(A) Penalties resulting from the delinquent registration of the leased vehicle.

(B) Penalties for offenses relating to the standing or parking of a vehicle for which a notice of parking violation has been served on the owner.

(C) Any court-imposed fines or penalty assessments that are subject to collection by the department.

(2) Except as provided in paragraph (3), the lien described in Section 9800 of the Vehicle Code shall remain in full force and effect for all unpaid penalties, fines, and fees described in this subdivision, including related interest, if any.

(3) Upon a bona fide sale or transfer of the vehicle, the lien on the vehicle being sold or transferred shall be released if the lessor has paid the registration and license fees within 30 days after the lessor is issued notice and demand by the Franchise Tax Board in accordance with subdivision (b).

(4) Any amount that is owed by the lessee under paragraph (1) at the time the lien is released in accordance with paragraph (3) shall constitute a lessee liability enforceable under Section 9805 of the Vehicle Code and collectible in accordance with Section 10878 of this code.

(b) If, within 30 days after notice and demand is issued to the lessor by the Franchise Tax Board, the lessor fails to pay the registration and license fees required to register the vehicle, all of the following shall apply to the lessor:

(1) The lessor shall remain solely liable for those registration and license fees.

(2) The lessor shall be jointly and severally liable with the lessee for the amounts described in paragraph (1) of subdivision (a).

(3) The lessor shall not be subject to relief under Section 4760 or 9561 of the Vehicle Code or any other law.

Refunds

10901. Whenever the department or the Department of Housing and Community Development erroneously collects any license fee or portion of a fee not required to be paid under this part, or erroneously applies any offset provided under this part, the erroneously collected amount shall be refunded to the person paying it upon application therefor made within three years after the date of the payment. If the department or the Department of Housing and Community Development discovers an error, it may make a refund in the absence of an application therefor.

(Amended Sec. 4, Ch. 322, Stats. 1998. Effective August 20, 1998.)

10902. (a) In the event of a constructive total loss, in which the repair value exceeds the market value of the vehicle less the anticipated salvage value, or a nonrepairable vehicle, or an unrecovered total loss, due to a theft, of a vehicle, the in-lieu fee portion of the vehicle license fee that has been paid, less any offset provided in Section 10754, shall be refunded to the current registered owner (the owner of the salvage value of the vehicle), or credited against the vehicle license fee owed on the owner's replacement vehicle. The amount refunded or credited shall be based upon one-twelfth of the annual in-lieu fee, less any offset provided by Section 10754, for each full month that remains until the registration expires.

(b) No refund or credit shall be made pursuant to this section unless the vehicle owner has signed a declaration under penalty of perjury that he or she has not been cited or convicted of violating Section 23152 or 23153 of the Vehicle Code (relating to driving under the influence of alcohol or drugs) or Section 23103 as specified in Section 23103.5 of that code (which involves a substitute for an original citation of driving under the influence) in connection with the owner's vehicle loss. If the owner has been cited under any of these code sections, the owner shall be entitled to the refund or credit upon presentation of either proof of dismissal of the citation or a finding of not guilty.

(c) The Department of Motor Vehicles may charge to vehicle owners requesting a refund or credit pursuant to this section a fee in an amount sufficient to cover the administrative costs of processing the request.

(d) In the case of a request for refund or credit with respect to a stolen vehicle, the vehicle owner shall not be entitled to a refund or credit prior to 60 days from the date

the theft of the vehicle is reported to the police. If a refund is received or a credit is applied to another vehicle and the stolen vehicle is subsequently recovered, the owner shall return the amount refunded or credited. If the owner receives a refund or credit, and the destroyed or stolen vehicle is scrapped and subsequently repaired by another person, the new owner shall pay the full vehicle license fee.

(e) The Department of Motor Vehicles shall adopt regulations for the administration of the refunds and credits provided by this section.

(Amended Sec. 5, Ch. 322, Stats. 1998. Effective August 20, 1998.)

10903. (a) Notwithstanding Section 13340 of the Government Code, there is hereby appropriated from the General Fund the sum of two billion fifty-two million dollars ($2,052,000,000) for transfer by the Controller, upon notification by the Director of Finance during the 2000–01 fiscal year, to the Special Reserve Fund for Vehicle License Fee Tax Relief, which is hereby created as a special fund. The amounts appropriated by this subdivision for transfer to the Special Reserve Fund for Vehicle License Fee Tax Relief shall be expended as follows:

(1) Eight hundred and eighty-seven million dollars ($887,000,000) for the payment of additional vehicle license fee offsets for the 2000–01 fiscal year.

(2) One billion one hundred sixty-five million dollars ($1,165,000,000) for the payment of additional vehicle license fee offsets for the funding of those transfers required by subdivision (a) of Section 11000 for the 2001–02 fiscal year.

(b) The Department of Motor Vehicles shall provide both of the following notices to the Controller in connection with each monthly report pursuant to Section 10754.2 of additional vehicle license fee offsets calculated by that department pursuant to that section:

(1) A notice for each month of the total dollar amount of the additional vehicle license fee offsets calculated by the department during that month pursuant to Section 10754.2.

(2) A notice of the total dollar amount of the additional vehicle license fee offsets calculated by the department pursuant to Section 10754.2 for the calendar year to the date of each monthly report provided pursuant to Section 10754.2.

(Amended Sec. 4, Ch. 5, Stats. 2001. Effective April 19, 2001.)

11000. (a) Beginning on the operative date of Section 9551.2 of the Vehicle Code, the Controller shall do both of the following:

(1) Transfer from the General Fund to the Motor Vehicle License Fee Account in the Transportation Tax Fund an amount equal to 75.67 percent of the amount of offsets that are applied by the department pursuant to Sections 9551.2 and 9554.1 of the Vehicle Code.

(2) Transfer from the General Fund to the Local Revenue Fund, established pursuant to Section 17600 of the Welfare and Institutions Code, in the Transportation Tax Fund an amount equal to 24.33 percent of the amount of offsets that are applied by the department pursuant to Sections 9551.2 and 9554.1 of the Vehicle Code.

(b) The department shall notify the Controller of the total amount of the offsets applied by the department pursuant to Section 9551.2 of the Vehicle Code concurrently with the department's transfer for deposit of vehicle license fee revenues as required by law.

(c) For purposes of Section 15 of Article XI of the California Constitution, the General Fund revenues that are transferred as required by paragraph (1) of subdivision (a) shall constitute successor tax revenues to the vehicle license fees offset in this part and shall be allocated in the same manner as revenue derived from taxes imposed pursuant to this part.

(d) For purposes of Article 1 (commencing with Section 25350) of Chapter 5 of Part 2 of Division 2 of Title 3 of the Government Code, Section 11003, and Chapter 6 (commencing with Section 17600) of Part 5 of Division 9 of the Welfare and Institutions Code, the General Fund transfer amounts specified in paragraphs (1) and (2) of subdivision (a) are hereby deemed to be vehicle license fee proceeds and vehicle license fee revenues. These General Fund transfer amounts are subject to the same pledges, liens and encumbrances, and priorities set forth in Section 25350 and following of, Section 53584 and following of, and Section 5450 and following of, the Government Code.

(e) Nothing in this section amends or intends to amend or impair Section 25350 and following of, Section 53584 and following of, the Government Code, or any other statute dealing with the interception of funds.

(Added Sec. 6, Ch. 322, Stats. 1998. Effective August 20, 1998.)

Distribution of Proceeds

11001. (a) All money collected by the department for accepted applications under this part shall be reported monthly to the Controller and, at the same time, deposited in the State Treasury to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund.

Any reference in any law or regulation to the Motor Vehicle License Fee Fund shall be deemed to refer to the Motor Vehicle License Fee Account in the Transportation Tax Fund.

(b) The amount of any penalties collected by the department, as provided in Sections 9553 and 9554 of the Vehicle Code and Sections 10770 and 10854 of this code, shall, for purposes of subdivision (a), be deemed to be a percentage of the total fees allocated under this section and under Section 42270 of the Vehicle Code equal to that percentage of the weight fee, registration fee, and vehicle license fee obtained when applying the total of these fees collected, excluding use tax, against the individual weight fees, registration fees, and vehicle license fees collected on each application. Penalties which cannot be allocated in accordance with this subdivision shall be allocated according to subdivision (c).

(c) The amount of any penalties collected by the department, as provided in Sections 9553 and 9554 of the Vehicle Code and Sections 10770 and 10854 of this code which cannot be allocated pursuant to subdivision (b), shall, for purposes of subdivision (a), be deemed to be a percentage of the total fees allocated under this section and under Section 42270 of the Vehicle Code equal to that percentage of the ratio based on the fees previously allocated under this section and under Section 42270 of the Vehicle Code in the fiscal year preceding the calendar year for which the penalties are to be allocated. That ratio shall be reevaluated periodically and shall be adjusted to reflect any change in the fee structure that may be provided in this code or in Division 3 (commencing with Section 4000) of the Vehicle Code.

(Amended Ch. 123, Stats. 1984. Effective January 1, 1985.)

11001.5. (a) Notwithstanding Section 11001, and except as provided in subdivision (b), 24.33 percent of the moneys collected by the department under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(b) Notwithstanding Section 11001, net funds collected as a result of procedures developed for greater compliance with vehicle license fee laws in order to increase the amount of vehicle license fee collections shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Vehicle License Fee Collection Account of the Local Revenue Fund as established pursuant to Section 17600 of the Welfare and Institutions Code. All revenues in excess of fourteen million dollars ($14,000,000) in any fiscal year shall be allocated to cities and counties as specified in subdivisions (c) and (d) of Section 11005.

(c) Notwithstanding Section 11001, 25.72 percent of the moneys collected by the department on or after August 1, 1991, and before August 1, 1992, under this part shall be reported monthly to the Controller, and at the same time, deposited in the State Treasury to the credit of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code. All other moneys collected by the department under this part shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(d) This section shall cease to be operative on the first day of the month following the month in which the Department of Motor Vehicles is notified by the Department of Finance of a final judicial determination by the California Supreme Court or any California court of appeal of either of the following:

(1) The allocation of funds from the Vehicle License Fee Account or the Vehicle License Fee Growth Account of the Local Revenue Fund established during the 1991 92 Regular Session is in violation of Section 15 of Article XI of the California Constitution.

(2) The state is obligated to reimburse counties for costs of providing medical services to medically indigent adults pursuant to Chapters 328 and 1594 of the Statutes of 1982.

(Amended Ch. 100, Stats. 1993. Effective October 4, 1993.)

11002. The money in the Motor Vehicle License Fee Fund is hereby appropriated as provided in this chapter.

11003. The amount appropriated by the Legislature for the use of the Department of Motor Vehicles and the Franchise Tax Board for the enforcement of this part shall be transferred from the Motor Vehicle License Fee Account in the Transportation Tax Fund to the Motor Vehicle Account in the State Transportation Fund. That amount shall be determined so that the appropriate costs for registration and motor vehicle license fee activities are apportioned between the recipients of revenues in proportion to the revenues received by those recipients.

(Amended Ch. 1243, Stats. 1994. Effective September 30, 1994.)

11003.1. All license fees on trailer coaches levied and collected by the Department of Motor Vehicles pursuant to Section 10751 shall be deposited in the State Treasury to the credit of the General Fund.

(Amended Ch. 699, Stats. 1992. Effective September 15, 1992.)

11003.2. Upon receiving the report from the Department of Motor Vehicles the county auditor shall transmit it to the county assessor. The assessor shall indicate on the report, or otherwise, the city, school district or code area in which each trailer has situs and return the report to the auditor.

(Amended Ch. 1191, Stats. 1972. Effective March 7, 1973.)

11003.3. (a) Upon receiving the report from the Department of Motor Vehicles the Controller shall, on a monthly basis after deducting from the amount reported the proportionate amount transferred pursuant to Section 11003, transfer the remainder of the amount reported to the credit of a special account in the General Fund. The money in such special account is hereby appropriated to the Controller who shall disburse to the auditor of each county the net amount of money shown by the report to have been collected under this part on trailer coaches having situs within the county.

(b) Monthly allocations made in accordance with subdivision (a) shall be deducted from the amounts payable indicated on the semiannual reports required by Section 11003.1.

(c) The money disbursed to the auditor and distributed by him to the county or a city pursuant to Section 11003.4 may be used for county or city purposes, and may, but need not necessarily, be used for purposes of general interest and benefit to the state.

(Amended Ch. 354, Stats. 1978. Effective January 1, 1979.)

11003.4. As soon as the report is returned to the auditor he shall distribute the amounts received by him under Section 11003.3 in the following manner:

(a) If the trailer coaches have situs in a city and any school districts, the proceeds shall be distributed one-third to the city, one-third to the school districts, and one-third to the county.

(b) If the trailer coaches have situs outside the city, but in any school districts, the proceeds shall be distributed one-half to the school districts and one-half to the county.

(c) If the trailer coaches have situs in an elementary school district and a high school district, the proceeds allotted to the school districts shall be divided equally between the elementary school district and the high school district, to the exclusion of all other educational districts.

The details of the method of distribution shall be supplied by the county auditor, shall be approved by the board of supervisors, and shall fairly carry out the purposes of this section.

(Amended Ch. 107, Stats. 1968. Effective May 10, 1968.)

11004. On or before the first day of December of each fiscal year, on order of the Controller, there shall be transferred from the Motor Vehicle License Fee Fund to the General Fund and set apart sufficient money in the amount of the semiannual interest necessary to be paid during the following month of January on bonds of the State issued under:

(a) The "State Highways Act," approved by the Governor March 22, 1909, and by a majority of the electors at the general election held November 8, 1910.

(b) The "State Highways Act of 1915," approved by the Governor May 20, 1915, and by a majority of the electors at the general election held November 7, 1916.

(c) Section 2 of Article XVI of the Constitution as approved by a majority of the electors at a special election held July 1, 1919.

(d) Section 3 of Article XVI of the Constitution, as approved by a majority of the electors at the general election held November 2, 1920.

On or before the first day of June of each fiscal year, on order of the Controller, there shall be transferred from the Motor Vehicle License Fee Fund to the General Fund and

set apart sufficient money in the amount of the semiannual interest and the annual redemption charges necessary to be paid during the following month of July on the bonds referred to in this section.

(Amended Ch. 237, Stats. 1949.)

11004.5. The Controller shall deduct from the allocations he would otherwise make pursuant to Section 11005, the amounts chargeable to each city, county, and city and county under Section 40516 of the Vehicle Code, and transfer that amount to the Motor Vehicle Fund in augmentation of the funds available for the support of the Department of California Highway Patrol.

The Controller shall make such deductions at the time of the first allocation which occurs after the filing with him of the charges certified by the Commissioner of the California Highway Patrol. If the amount of the deduction for any city, county, or city and county exceeds the amount of the allocation for such city, county, or city and county, the balance of the deduction in excess of the amount of the apportionment shall be carried over and applied to the next succeeding allocation or allocations until exhausted.

(Amended Ch. 3, Stats. 1959.)

11005. (a) After payment of refunds therefrom and after making the deductions authorized by Section 11003 and reserving the amount determined necessary by the Pooled Money Investment Board to meet the transfers ordered or proposed to be ordered pursuant to Section 16310 of the Government Code, 81.25 percent of the balance of all motor vehicle license fees and any other money appropriated by law for expenditure pursuant to this section and deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and remaining unexpended therein at the close of business on the last day of the calendar month shall be allocated by the Controller by the 10th day of the following month in the manner provided by subdivisions (c) and (d).

(b) Eighteen and three-quarters percent of the balance shall be allocated each month to counties and cities and counties, as follows: an amount for each county and city and county equal to the revenue received in the 1982-83 fiscal year pursuant to former Section 16111, subdivision (c) of former Section 16113, and former Section 16113.7 of the Government Code. These amounts shall be determined by the Controller with the concurrence of the Director of Finance. The Controller shall allocate any remaining amount determined pursuant to this subdivision to counties and cities and counties in the proportion that the population of each county or city and county bears to the total population of all the counties and cities and counties of the state, as determined pursuant to subdivision (d).

(c) Fifty percent of the payments required by subdivision (a) shall be paid to the cities and cities and counties of this state in the proportion that the population of each city or city and county bears to the total population of all cities and cities and counties in this state, as determined by the population research unit of the Department of Finance. For the purpose of this subdivision, the population of each city or city and county is that determined by the last federal decennial or special census, or a subsequent census validated by the population research unit or subsequent estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. In the case of a city incorporated subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the city. In the case of unincorporated territory being annexed to a city subsequent to the last federal census, or a subsequent census validated by the population research unit, the population research unit shall determine the population of the annexed territory by the use of any federal decennial or special census, or estimate prepared pursuant to Section 2107.2 of the Streets and Highways Code. In the case of the consolidation of one city with another subsequent to the last federal census, or a subsequent census validated by the population research unit, the population of the consolidated city, for the purpose of this subdivision, is the aggregate population of the respective cities as determined by the last federal census, or a subsequent census or estimate validated by the population research unit.

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

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

(f) Population changes based on a federal or state special census validated by the Department of Finance shall be accepted by the Controller only if certified to him or her at the request of the Department of Finance. The request shall be made only if the census is greater than the current certified population and shall become effective on the first day of the month following receipt of the certification.

(Amended Ch. 154, Stats. 1988. Effective January 1, 1989.)

11005.1. (a) Any city or city and county may expend any money received by it pursuant to Section 11005 for:

(1) Planning, acquiring, constructing, operating, or maintaining a rapid transit system itself or jointly with one or more other cities, counties, cities and counties, or public rapid transit districts, agencies, or authorities; or

(2) Making contributions to any public rapid transit district, agency, or authority exercising jurisdiction within the city or city and county for use in planning, acquiring, constructing, operating, or maintaining a rapid transit system.

(b) A county may expend such money in making contributions to any city or public rapid transit district, agency, or authority within the county for use in planning, acquiring, constructing, operating, or maintaining a rapid transit system.

(Added Ch. 1852, Stats. 1963.)

11005.5. The payments provided under Section 11005 shall not be made to any incorporated city which has not held an election of municipal officers within a period of 10 years preceding the date of such payment. Payments heretofore accumulated on behalf of any such city shall be apportioned to all other cities in the manner provided by Section 11005.

(Added Ch. 854, Stats. 1953.)

11005.6. Any city, county, or city and county may apply to the population research unit of the Department of Finance to estimate its population. The department may make the estimate if in the opinion of the department there is available adequate information upon which to base the estimate. Not less than 25 days nor more than 30 days after the completion of the estimate, the Department of Finance shall file a certified copy thereof with the Controller if the estimate is greater than the current certified population. Such a certification may be made once each fiscal year.

All payments under Section 11005 for any allocation subsequent to the filing of the estimate shall be based upon the population so estimated until a subsequent certification is made by the Department of Finance or a subsequent federal decennial census is made.

Population changes based on a federal or state special census or estimate validated by the Department of Finance shall be accepted by the Controller only if certified to him or her at the request of the Department of Finance. The request shall be made only if the census or estimate is greater than the current certified population and shall become effective on the first day of the month following receipt of the certification.

The Department of Finance may assess a reasonable charge, not to exceed the actual cost thereof, for the preparation of population estimates pursuant to this section, which is a proper charge against the city, county, or city and county applying therefor. The amount received shall be deposited in the State Treasury as a reimbursement to be credited to the appropriation from which the expenditure is made.

As of May 1, 1988, any population estimate prepared by the Department of Finance pursuant to Section 2227 may be used for all purposes of this section unless a written request not to certify is received by the department from the city, city and county, or county within 25 days of completion of the estimate.

(Amended Ch. 154, Stats. 1988. Effective January 1, 1989.)

11006. (a) Commencing on December 31, 2001, the Controller, in consultation with the Department of Motor Vehicles and the Department of Finance, shall recalculate the distribution of the amount of motor vehicle license fees paid by commercial vehicles that are subject to Section 9400.1 of the Vehicle Code and transfer those sums as follows in the following order:

(1) An amount sufficient to cover all allocations and interception of funds associated with all pledges, liens, encumbrances and priorities as set forth in Section 25350.6 of the Government Code, which shall be transferred so as to pay that allocation.

(2) An amount sufficient to continue allocations to the State Treasury to the credit of the Vehicle License Fee Account of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code, which would be in the same

amount had the amendments made to Section 10752 of the Revenue and Taxation Code made by the act that added this section had not been enacted, which shall be deposited in the State Treasury to the credit of the Vehicle License Fee Account Local Revenue Fund of the Local Revenue Fund, as established pursuant to Section 17600 of the Welfare and Institutions Code.

(3) An amount sufficient to continue allocations to the State Treasury to the credit of the Vehicle License Fee Growth Account of the Local Revenue Fund, as established pursuant to Section 17604 of the Welfare and Institutions Code, which would be in the same amount had the amendments made to Section 10752 of the Revenue and Taxation Code made by the act that added this section had not been enacted, which shall be deposited in the State Treasury to the credit of the Vehicle License Fee Growth Account of the Local Revenue Fund, as established pursuant to Section 17604 of the Welfare and Institutions Code.

(4) An amount sufficient to cover all allocations and interception of funds associated with all pledges, liens, encumbrances and priorities, other than those referred to in paragraph (1), as set forth in Section 25350 and following of, Section 53584 and following of, 5450 and following of, the Government Code, which shall be transferred so as to pay those allocations.

(b) The balance of any funds not otherwise allocated pursuant to subdivision (a) shall continue to be deposited to the credit of the Motor Vehicle License Fee Account in the Transportation Tax Fund and allocated to each city, county, and city and county as otherwise provided by law.

(c) In enacting paragraphs (1) and (4) of subdivision (a), the Legislature declares that paragraphs (1) and (4) of subdivision (a), shall not be construed to obligate the State of California to make any payment to a city, city and county, or county from the Motor Vehicle License Fee Account in the Transportation Tax Fund in any amount or pursuant to any particular allocation formula, or to make any other payment to a city, city and county, or county, including, but not limited to, any payment in satisfaction of any debt or liability incurred or so guaranteed if the State of California had not so bound itself prior to the enactment of this section.

(Added Sec. 10, Ch. 861, Stats. 2000. Effective September 29, 2000. Operative December 31, 2001.)

Local Vehicle License Fees

11101. This part is applicable only in a county which has adopted a general plan providing for a network of county expressways and has financed the first phase of the construction of such highways from a county highway bond issue totaling at least seventy million dollars ($70,000,000). This part is necessary to provide needed revenue to continue further construction of such an expressway system without increasing the property tax.

11102. As used in this part, “department” means the Department of Motor Vehicles.

11103. Notwithstanding the provisions of Section 10758 of this code, the board of supervisors of a county may, by ordinance, adopt a vehicle license fee pursuant to this part. After a local vehicle license fee has been levied pursuant to this part, it may not be collected more than twice unless the board of supervisors shall have submitted to the voters at a general or special election and at least a majority of those voting have voted affirmatively on the following question:

“Shall the local vehicle license fee be continued as the means to finance the county expressway program?”

11104. No vehicle license fee ordinance adopted pursuant to this part shall be effective for any calendar year prior to 1968, nor unless it is adopted and a certified copy thereof delivered to the Department of Motor Vehicles at least four months prior to the first day of January for the calendar year for which it is to be operative.

11105. A vehicle license fee ordinance adopted pursuant to this part may be repealed by action of the board of supervisors of the county. A repeal of any vehicle license fee ordinance adopted pursuant to this part shall not be effective for any calendar year unless the board of supervisors takes action to repeal the ordinance at least four months prior to the first day of January the year for which it is to be repealed.

11106. The vehicle license fee ordinance adopted under this part shall be imposed for the privilege of operating upon the public highways in the county any vehicle of a type which is subject to registration under the Vehicle Code unless specifically exempt under the terms of the ordinance, and shall include provisions in substance as follows:

(a) A provision fixing the annual amount of the license fee which shall be an amount not exceeding ten dollars ($10) for every vehicle of a type subject to registration under the Vehicle Code. The ordinance may provide a different fee for any class of vehicles provided no fee shall exceed ten dollars ($10) per vehicle.

(b) Provisions identical to those contained in Part 5 (commencing with Section 10701) of Division 2 of this code, insofar as they relate to vehicle license fees and are applicable, except that the name of the county as the taxing agency shall be substituted for that of the state, and that the term "vehicle of a type subject to registration under the Vehicle Code" does not include (1) any vehicle in the inventory of vehicles held for sale by a manufacturer, distributor or dealer in the course of his business until such time as the vehicle is sold, (2) any trailer coach, or (3) any class of vehicles specifically made exempt from the vehicle license fees authorized by this part by the terms of the ordinance imposing such fees.

(c) A provision that all amendments, subsequent to the effective date of the county vehicle, license fee ordinance, to Part 5 (commencing with Section 10701) of Division 2 of this code relating to vehicle license fees and not inconsistent with this part, shall automatically become a part of the county vehicle license fee ordinance.

(d) A provision that the county contract with the Department of Motor Vehicles to perform all functions incident to the administration or operation of the vehicle license fee ordinance of the county.

(e) A provision that the vehicle license fee ordinance shall become operative on the first day of January of the year next succeeding the year in which the ordinance is adopted subject to the provisions of Section 11104.

(f) A provision that the total revenue derived from any vehicle license fee ordinance, less any costs charged by the Department of Motor Vehicles for its services, shall be distributed to the county for the construction (as defined in Section 29 of the Streets and Highways Code) of a county expressway system or the select system of a county.

11107. All vehicle license fees shall be collected by the Department of Motor Vehicles pursuant to a contract with the county and shall be transmitted to the county by the department periodically as promptly as feasible, and the department shall charge the county for the department's services specified in this section and Section 11106 such amount as will reimburse the department for the the actual additional cost to it in rendering the services. Refunds to licenses pursuant to Part 5 of Division 2 of this code as incorporated in the vehicle license fee ordinance shall be made and administered as provided in such contract.

(Added Ch. 1221, Stats. 1967. Effective August 17, 1967.)

11108. A person shall, for the purposes provided in this part, be presumed to be operating a vehicle on the public highways only in the county of residence as it is reflected in the registration records of the Department of Motor Vehicles and he shall be subject to a vehicle license fee under this part only in that county. The department is authorized to establish administrative procedures for the collection of vehicle license fees. In determining the place of residence of a person the department shall be entitled to rely upon the address reflected in its records unless any such person or persons or county or district shall establish to the satisfaction of the department that the place of residence is elsewhere.

(Added Ch. 1221, Stats. 1967. Effective August 17, 1967.)

Local Vehicle License Fee Surcharge

11151. (a) For purposes of this part, "department" means the Department of Motor Vehicles.

(b) For purposes of this part, "county" means the City and County of San Francisco.

11152. The county may impose a local vehicle license fee surcharge if both of the following occur:

(a) The board of supervisors finds both of the following:

(1) That there is traffic congestion within the county that can be alleviated by the operation of public transit and that the cost of funding public transit exceeds the revenues to be collected from a vehicle license fee surcharge.

(2) That the imposition of the vehicle license fee surcharge will reduce the need for any public transit fare increases during the period that the vehicle license fee surcharge is in effect.

(b) The ordinance or resolution proposing the surcharge is adopted by two-thirds of the voters of the county voting on the issue.

11152.5. If public transit fares are increased at any time while the vehicle license fee surcharge authorized by this part is in effect, the surcharge may not continue to be imposed.

This part shall become inoperative on the date those fares are increased and shall be repealed on January 1 next following that date. The board of supervisors shall notify the department of any increase in public transit fares occurring while the surcharge is in effect.

11153. A vehicle license fee surcharge ordinance or resolution adopted pursuant to this part shall be operative on January 1 of the year following adoption of the ordinance or resolution. A local vehicle license fee surcharge shall apply to any original registration occurring on or after that January 1, and to any renewal of registration with an expiration date on or after that January 1.

11154. The local vehicle license fee surcharge shall be imposed for the privilege of operating upon the public highways in the county any vehicle of a type that is subject to registration under the Vehicle Code, except those vehicles expressly exempted from payment of vehicle registration fees and commercial vehicles weighing more than 4,000 pounds, unladen, and shall include provisions in substance as follows:

(a) A provision that the annual amount of the local vehicle license fee surcharge shall be a sum equal to not more than 15 percent of the vehicle license fee imposed pursuant to Part 5 (commencing with Section 10701).

(b) A provision that the county contract prior to the effective date of the local vehicle license fee surcharge ordinance or resolution with the department to perform all functions incident to the administration or operation of the local vehicle license fee surcharge ordinance or resolution of the county.

11155. All local vehicle license fee surcharge revenues, less refunds, collected by the department pursuant to a contract with a county, after deduction of the administrative costs incurred by the department in carrying out this part, shall be paid to that county.

11156. A person shall, for the purposes provided for in Section 11154, be presumed to be operating a vehicle on the public highways only in the county in which he or she resides, or, in the case of other than a natural person, only in the county in which the vehicle is principally garaged, and he or she shall be subject to a local vehicle license fee surcharge only in that county.

(Added Ch. 966, Stats. 1993. Effective January 1, 1994.)

17139.5. For taxpayers who were not allowed to deduct the vehicle smog impact fee imposed by Section 6262 when paid or incurred, any interest paid by this state in conjunction with the refund of the smog impact fee shall be excluded from gross income.

(Added Sec. 2, Ch. 31, Stats. 2000. Effective June 8, 2000.)

36020. Notwithstanding the provisions of Section 10758 and Part 5.5 of Division 2 of this code, the board of supervisors of a county may, one time only, by ordinance, adopt a vehicle license fee pursuant to this article which shall be operative for one calendar year only.

(Added Ch. 1221, Stats. 1967. Effective August 17, 1967.)

Retail Transactions and Use Tax

37021. If authorized by the voters as provided in this part, a transactions and use tax ordinance may be adopted in accordance with the provisions of Part 1.6 (commencing with Section 7251) of this division. However, the tax rate imposed under such an ordinance shall be either one-fourth or one-half of 1 percent, whichever is authorized by the voters.

(Repealed and added Ch. 825, Stats. 1971. Effective March 4, 1972.)

37022. Prior to the operative date of any ordinance imposing a transactions and use tax pursuant to this article, the rapid transit district shall contract with the State Board of Equalization to perform all functions incident to the administration and operation of the ordinance. If the rapid transit district shall not have contracted with the State Board of Equalization prior to the operative date of its ordinance, it shall nevertheless so contract and in such case the operative date shall be the first day of the first calendar quarter following the execution of the contract.

(Repealed and added Ch. 825, Stats. 1971. Effective March 4, 1972.)

37023. For the purposes of a transaction tax imposed by an ordinance adopted pursuant to this article, all retail transactions are consummated at the place of business of the retailer unless the tangible personal property sold is delivered by the retailer or his agent to an out-of-state destination or to a common carrier for delivery to an out-of-state destination. The gross receipts from such transactions shall include delivery charges, when such charges are subject to the state sales and use tax,

regardless of the place to which delivery is made. In the event a retailer has no permanent place of business in the state or has more than one place of business, the place or places at which the retail transactions are consummated for the purpose of a transactions tax imposed by an ordinance adopted pursuant to this article shall be determined under rules and regulations to be prescribed and adopted by the State Board of Equalization.

(Added Ch. 940, Stats. 1968. Effective November 13, 1968.)

37025. The words "transaction" or "transactions" as used in this article have the same meaning respectively as the words "sale" or "sales," and the word "transactor" as used in this article has the same meaning as "seller," as "sale" or "sales" and "seller" are used in Part 1 (commencing with Section 6001) of this division.

(Added Ch. 940, Stats. 1968. Effective November 13, 1968.)

37027. All transactions and use taxes collected by the State Board of Equalization pursuant to contract with the rapid transit district shall be transmitted by the state board to the rapid transit district periodically as promptly as feasible, and the state board shall charge the rapid transit district for services rendered in such amount as will reimburse the state board for the cost to it in rendering such services.

(Added Ch. 940, Stats. 1968. Effective November 13, 1968.)