



Bill Analysis

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Sponsor:

Bill Number: AB 658

Related Bills: See Legislative
History

Introduced: February 14, 2025

SUBJECT

Mandatory Reporting for Increase in Vehicles Registration Fees

SUMMARY

The bill would, under the Vehicle Code, add a provision to require the California Department of Motor Vehicles (DMV) to complete and post an Affordability Impact Analysis on its internet website within six months from the date vehicle registration fee increase become effective.

This analysis only addresses the provisions that would impact the Franchise Tax Board (FTB).

RECOMMENDATION

No position—The three-member Franchise Tax Board has not formally voted or taken a position on this bill.

SUMMARY OF AMENDMENTS

Not applicable.

REASON FOR THE BILL

The reason for the bill is to create a comprehensive report that would provide full disclosure and transparency to understand the impact of registration fees on the overall affordability crisis in California.

ANALYSIS

This bill would add a provision to the Vehicle Code that requires the DMV to complete and post on its website an affordability impact analysis report within six months from the date a vehicle registration fee increase becomes effective. This affordability impact analysis report would include the number and amount of delinquent registration debt referred to the FTB for collections through bank levies and wage garnishments and the total amount of registration debt collected by the FTB and sent to the DMV over the past five years.

Effective/Operative Date

This bill would be effective and operative January 1, 2026.

*Federal/State Law**Federal Law*

No comparable provision in federal law.

State Law

Current state law provides FTB the responsibility and authority to collect the following delinquent amounts for vehicle code violations, including any interest, penalties, or services fees on:

1. Registration fees
2. Transfer fees
3. License fees
4. Use taxes
5. Penalties for offenses related to 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. Unpaid tolls, toll evasion penalties and any related administrative or service fees
7. Any court-imposed fine or penalty assessment and any administrative service fees

Current state law also authorizes the FTB to use administrative collection tools to collect delinquent tax and nontax debt liabilities. Collection actions include, but are not limited to, attaching bank accounts and garnishing wages.

Implementation Considerations

None noted.

Technical Considerations

None noted.

Policy Considerations

None noted.

LEGISLATIVE HISTORY

No legislation similar to this bill has been identified.

PROGRAM BACKGROUND

None noted.

OTHER STATES' INFORMATION

None noted.

FISCAL IMPACT

The Franchise Tax Board's costs to implement this bill have yet to be determined. As the bill moves through the legislative process, costs will be determined.

ECONOMIC IMPACT

Revenue Estimate

This bill as introduced on February 14, 2025, would not impact state income or franchise tax revenue.

LEGAL IMPACT

None noted.

EQUITY IMPACT

None noted.

APPOINTMENTS

None noted.

SUPPORT/OPPOSITION

To be determined.

ARGUMENTS

To be determined.

LEGISLATIVE CONTACT

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