

STATE OF CALIFORNIA



MEMO

To: ANTHONY A. BATARSE, JR., CHAIR
VICTORIA RUSNAK, MEMBER
FISCAL COMMITTEE

Date: May 15, 2014

From: WILLIAM G. BRENNAN
JACKIE GRASSINGER

Subject: STATUS REPORT CONCERNING THE BOARD'S COLLECTION OF
THE ARBITRATION CERTIFICATION PROGRAMS' ANNUAL FEE

BACKGROUND

The New Motor Vehicle Board ("Board") is required to administer the collection of fees to fully fund the Department of Consumer Affairs (DCA), Arbitration Certification Program (ACP). These fees are collected from manufacturers and distributors licensed in California that distribute passenger vehicles weighing less than 10,000 pounds. Each year, the ACP notifies the Board of the dollar amount necessary to fully fund its program during the current fiscal year. The Board sends a letter to each manufacturer and distributor licensed to do business in California, requesting the number of new vehicles sold, leased or otherwise distributed in the state in the preceding calendar year. Manufacturers are required to provide the Board with this information on or before May 1. The Board determines the fee to be assessed per vehicle by dividing the dollar amount necessary to fund the program by the number of vehicles distributed. The Board then sends an invoice to each manufacturer and distributor requesting the total amount assessed.

STATUS OF COLLECTION

On November 19, 2013, the ACP requested that the Board collect \$1,181,000 to fund its program. This figure was divided by 1,733,178 which was the number of vehicles distributed in 2012 that were under the ACP's jurisdiction. \$5,000 is added in to cover the Board's costs for administering the collection. This resulted in a fee of \$.685 per vehicle.

Invoices were sent to 45 manufacturers and distributors on March 6, 2014. The collection was completed on May 9, 2014, with a total of \$1,187,114 collected and deposited in ACP's account.

This memorandum is being provided for informational purposes only, and no Board action is required. If you have any questions concerning this matter, please contact me at (916) 324-6197.

cc: Glenn Stevens, President