

May 2, 2016

The Honorable Lorena Gonzalez
Chair, Assembly Appropriations Committee
State Capitol, Room 2114
Sacramento, CA 95814

Re: **AB 2321** (Rodriguez) *Private Vehicles/Vessels: Use Tax - Request for "Aye" Vote*

Dear Assembly Member Gonzalez:

MuniServices is pleased to support AB 2321 (Rodriguez) which will improve the allocation of the local Bradley-Burns portion of use taxes collected on vehicle and vessel transactions between private parties. MuniServices requests an 'aye' vote when AB 2321 comes before the Assembly Appropriations Committee.

The bill addresses a technical problem that occurs when the DMV's information transmitted to the BOE does not contain certain useful information (including the tax area code associated with the city or county unincorporated area associated with the purchaser's address) to enable the BOE to allocate the Bradley Burns local tax to the appropriate jurisdiction. This challenge does not exist for local transactions and use taxes that are also collected from the purchaser when levied by the city or unincorporated area where the purchaser lives. In these instances, the DMV provides the additional location information to the BOE that enables the local revenue to be appropriately allocated. At the time of this letter, 31 counties, 132 cities and 7 towns impose a local transaction and use tax. AB 2321 would provide the BOE the needed information to address this technical issue without the need for substantial change to the current process or technology.

Any costs associated with this measure will be borne by local governments which contract with the BOE to administer local tax revenues, including the local Bradley Burns. The relationship between the DMV and BOE is established by an annual interagency contract in which the DMV is reimbursed for each transaction processed. AB 2321 improves the accuracy of the Bradley Burns allocation while providing that the agencies will be reimbursed for the necessary work.

For these reasons, MuniServices requests an 'aye' vote when AB 2321 comes before the Assembly Revenue and Taxation Committee. For over 35 years, MuniServices has partnered with over 200 our State's local agencies governments as a full-service provider of revenue enhancement services – helping municipalities preserve, enhance and manage their revenue base. Should you have any questions or require additional information please contact me or my colleague Fran Mancia, Vice President, Government Relations at 559.288.7296 or fran.mancia@muniservices.com.

Sincerely,



Brenda Narayan, Director of Government Relations
916.261.5147 or brenda.narayan@muniservices.com

Assembly Member Freddie Rodriguez
Members, Assembly Appropriations Committee
Chuck Nicol, Consultant, Assembly Appropriations Committee
Eric Swanson, Consultant, Assembly Republican Caucus