

# CHANGES WITHOUT REGULATORY EFFECT UNDER CALIFORNIA CODE OF REGULATIONS, TITLE 1, SECTION 100

## Statement of Explanation

### Title 18. Public Revenues

#### Regulation 3500, *Application of the Fee Collection Procedures Law*

##### **A. Factual Basis**

California Code of Regulations, title 18, section (Regulation) 3500, *Application of the Fee Collection Procedures Law*, lists fees and taxes collected by the California Department of Tax and Fee Administration (Department) pursuant to the Fee Collection Procedures Law (Rev. & Tax. Code (RTC) § 55001 et seq.).<sup>1</sup> Regulation 3500 was adopted January 27, 2010, and was last amended March 17, 2016.

Assembly Bill No. (AB) 2153 (Stats. 2016, ch. 666) added Health and Safety Code (HSC) section 25215.25 to impose a California Battery Fee on specified purchases of replacement lead-acid batteries and HSC section 25215.35 to impose a Manufacturer Battery Fee on specified sales of lead-acid batteries, beginning April 1, 2017, and HSC section 25215.45 specifies that the fees “shall be collected by the [Department] in accordance with the Fee Collection Procedures Law.”<sup>2</sup> Therefore, the Department proposes to add references to the “California Battery Fee” and “Manufacturer Battery Fee” to Regulation 3500’s list of fees and taxes collected pursuant to the Fee Collection Procedures Law and add a reference to HSC 25215.45 to Regulation 3500’s reference note.

Proposition (Prop.) 64 (2016) added RTC section 34011 to impose a Cannabis Excise Tax on purchases of cannabis or cannabis products, beginning January 1, 2018, and RTC section 34012 to impose a Cannabis Cultivation Tax on specified harvested cannabis, beginning January 1, 2018, and RTC section 34013 specifies that the Department “shall administer and collect the taxes . . . pursuant to the Fee Collection Procedures Law.”<sup>3</sup> Therefore, the Department proposes to add references to the “Cannabis Excise Tax” and “Cannabis Cultivation Tax” to Regulation 3500’s list of fees and taxes collected pursuant to the Fee Collection Procedures Law and add a reference to RTC section 34013 to Regulation 3500’s reference note.

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<sup>1</sup> The administration and enforcement of the Fee Collection Procedures Law was transferred to the Department by Government Code (GC) section 15570.22, effective July 1, 2017, and the references to the “board” in the Fee Collection Procedures Law are deemed to refer to the Department by GC section 15570.24.

<sup>2</sup> The authority to administer and collect the California Battery Fee and Manufacturer Battery Fee pursuant to the Fee Collection Procedures Law was transferred to the Department by GC section 15570.22, effective July 1, 2017, and the references to the “board” in HSC sections 25215.25, 25215.35, and 25215.45 are deemed to refer to the Department by GC section 15570.24.

<sup>3</sup> The authority to administer and collect the Cannabis Excise Tax and Cannabis Cultivation Tax pursuant to the Fee Collection Procedures Law was transferred to the Department by GC section 15570.22, effective July 1, 2017. Senate Bill No. 94 (Stats. 2017, ch. 27) replaced the references to “marijuana” with references to “cannabis” in RTC sections 34011, 34012, and 34013 as added by Prop. 64. AB 133 (Stats. 2017, ch. 253) replaced the references to the “board” with references to the “department” in RTC sections 34011 and 34012 and AB 1741 (Stats. 2018, ch. 228) replaced the references to the “board” with references to the “department” in RTC section 34013.

The Department has determined that the proposed changes to Regulation 3500 are appropriate for processing under California Code of Regulations, title 1, section (Rule) 100 because they make the regulation consistent with the addition of section 25215.45 to the HSC by AB 2153 and the addition of section 34013 to the RTC by Prop. 64, and do not materially alter any requirement, right, responsibility, condition, prescription or other regulatory element of any California Code of Regulations provision.

## **B. Proposed Amendments**

The following Rule 100 changes are proposed to title 18 of the California Code of Regulations:

### TEXT OF PROPOSED CHANGES

#### **Regulation 3500. Application of the Fee Collection Procedures Law.**

The fees and taxes collected pursuant to the Fee Collection Procedure Law include the California Battery Fee, California Tire Fee, Cannabis Cultivation Tax, Cannabis Excise Tax, Covered Electronic Waste Recycling Fee, Local Charges required to be collected by sellers other than direct sellers pursuant to the Local Prepaid Mobile Telephony Services Collection Act, Lumber Products Assessment, Manufacturer Battery Fee, Marine Invasive Species Fee, Natural Gas Surcharge, Prepaid Mobile Telephony Services Surcharge required to be collected by sellers other than direct sellers, and Water Rights Fee.

Authority cited: Section 55301, Revenue and Taxation Code. Reference: Section 25215.45, Health and Safety Code; Sections 4629.5, 42464.2 and 42882, Public Resources Code; Section 893, Public Utilities Code; Sections 34013, 42020, 42103, and 44003, Revenue and Taxation Code; and Section 1537, Water Code.