

News for California Drivers: Vehicle License Fees Have Gone Up *Effective May 19, 2009*

If you recently received a renewal letter for your vehicle registration, you might have noticed a slight increase in the amount over prior years. The Legislature authorized the California Department of Motor Vehicles (DMV) to increase the Vehicle License Fee (VLF) from .65 percent to 1.15 percent of the price of the vehicle – a change which went into effect May 19, 2009. The DMV wants to help you understand what this new change means, and how it will impact your pocketbook for the next few years.

The VLF was established by the Legislature in 1935 in lieu of a property tax on vehicles. Legislators created a formula which is based upon the purchase price of the vehicle or the value of the vehicle when acquired. The new VLF increase applies to all cars, motorcycles, boats, recreational vehicles, and trailer homes. Exempt from the VLF increase are commercial vehicles such as “big rigs” that weigh over 10,001 pounds, trailers and semi-trailers in the Permanent Trailer Identification (PTI) program.

So what does this mean for you? Well, you should expect to see an increase generally in the range of \$5 per \$1,000 of the vehicle price (when purchased). For example, if you bought your vehicle in 2008 for \$15,000, your VLF would have been about \$97 last year. That same car now has a VLF of about \$172 - an increase of approximately \$75. The increased VLF will continue through June 30, 2011, but may be extended to June 30, 2013, pending the state budget. A percentage of the revenue received from the VLF will be used to help the DMV improve its services both online and in field offices across California.

If your registration was due on or is due after May 19 and you have not received your billing notice please visit www.dmv.ca.gov and click on the *More Online Services* link to find out when your vehicle registration renewal fees are due. You can even calculate an estimate of your vehicle registration renewal fees and determine the VLF amount. And, as long as you're eligible for it and you receive your renewal notice with the special Renewal Identification Number (RIN) on it, you will still be able to renew your vehicle registration online.

It is important to the DMV that California drivers are informed about driver related changes that will affect them, both on and off the road. The best way to learn the most up-to-date information is to regularly visit the DMV Web site, www.dmv.ca.gov. There you can learn about new laws and regulations make an appointment when you must visit a local field office, and take care of other DMV-related transactions online.

For more information on the new Vehicle License Fee increase or other DMV news please visit www.dmv.ca.gov. Save Time. Go Online