



Occupational Licensing Industry News

OLIN 2021-03

Consumer Motor Vehicle Recovery Fund

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Issue Date: September 17, 2021

New Information

Beginning October 1, 2021, the Department of Motor Vehicles (DMV) will resume collection of a \$1 fee for each vehicle sold by a dealer or lessor-retailer.

Billing Process

This memo supersedes OLIN 2008-06 Billing Information for Consumer Recovery Fund. Billing procedures are as follows:

- DMV will mail invoices for all sales, including branch location sales, to the main business location or approved mailing address.
- Vehicle sales for October, November, and December 2021 will be invoiced beginning January 2022. Billing for subsequent quarters will continue as indicated in the Invoice Schedule Table below.
- DMV will **not** collect more than \$2500 from a dealer or lessor-retailer within a calendar year.
- A dealer or lessor-retailer with lower volume vehicle sales (less than 20 in a quarter) may be billed as fees accumulate, either at the end of a quarter or annually.
- Fees are due upon receipt. Payments **must** be made by check or money order in the exact amount invoiced and mailed to the DMV-Occupational Licensing (OL) Collections address shown on the invoice (see sample invoice attached).

NOTE: Payment of these fees cannot be accepted at DMV field offices, industry service centers, by telephone, or online.

Invoice Schedule Table

<i>Fees Due for</i>	<i>Will Be Invoiced in</i>
Quarter 1 (January, February, March)	April
Quarter 2 (April, May, June)	July
Quarter 3 (July, August, September)	October
Quarter 4 (October, November, December)	January*
* This invoice will include any fees not previously billed.	

Suspension or Revocation

DMV may take action to suspend or revoke the occupational license issued to a dealer or lessor-retailer for failure to pay the invoiced amount. Past due fees will be collected from the dealer's or lessor-retailer's surety company, which may result in automatic cancellation of the occupational license.

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Background

Senate Bill (SB) 729 (Padilla, Ch. 437, Stats. 2007) created the Consumer Motor Vehicle Recovery Corporation (hereafter referred to as “Recovery Corporation”), which is responsible for administering the Consumer Motor Vehicle Recovery Fund (hereafter referred to as “Fund”). The Fund is available to consumers who suffer an economic loss as a result of a motor vehicle dealer or a lessor-retailer ceasing to sell and/or lease motor vehicles or filing bankruptcy and failing to cover financial obligations. The operation of the Recovery Corporation is subject to examination by the Attorney General and their representatives.

DMV is required to collect a \$1 fee for each vehicle sold by a dealer or a lessor-retailer within 90 days of being notified by the Recovery Corporation that the balance of the Fund is less than 2 million dollars. Revenue from the fees is remitted to the Recovery Corporation until the balance of the Fund has reached 5 million dollars.

References

Vehicle Code §§4456.3, 11612(b), 11617(a), 11705(8), 11711(b), and 11721(b)
OLIN 2008-04 Consumer Protection–Motor Vehicle Dealer’s Recovery Fund

Distribution

Notification that this memo is available at **dmv.ca.gov** under Vehicle Industry Services, was made via the California DMV Automated Email Alert System in September 2021 to the following:

- Dealers
- Lessor-Retailers
- Registration Services

Contact

Questions regarding this memo may be directed to OL Collection Unit at (916) 229-3138.

Attachment (1)

**DEPARTMENT OF MOTOR VEHICLES
CONSUMER MOTOR VEHICLE RECOVERY CORPORATION
RECOVERY FUND INVOICE**

License No.: 00046
Business Name: My Vehicle Sales

Issue Date: 06/30/2021
Invoice Number: CMVRF 2106 00007

CALCULATION SUMMARY FOR THIS INVOICE



Transaction Period	Report of Sale Transactions	
From: 4/1/2021 Through: 6/30/2021	324	\$324
Recovery Fund Fee Collection		
<p>Pursuant to the California Vehicle Code (CVC) §4456.3, effective July 1, 2008, licensed dealers/lessor-retailers shall pay a \$1 fee for each vehicle sold and reported to DMV on a new or used report of sale. The recovery fund fees collected by DMV shall be paid to the Consumer Motor Vehicle Recovery Corporation. DMV shall not charge a dealer/lessor-retailer more than \$2,500 within a calendar year. Invoices will be issued quarterly, however dealers selling lower volumes may only receive one invoice per year. The Department, after notice and hearing, may suspend or revoke the license issued to a dealer/lessor-retailer for failure to pay the fees required in CVC §4456.3</p> <p>For billing inquiries or questions, call OL Collections at (916) 229-3138.</p>		

2021 INVOICE SUMMARY

Invoice No.	Invoice Date	Balance Due	Adjustments	Payments	Credit Date	Due	
CMVRF 2106 00007	06/30/2021	\$324		\$0		\$324	\$0
CMVRF 2103 00007	03/31/2021	\$248		\$248	07/30/2021	\$0	\$0
Note: Past due amounts will be submitted for collection from your surety company, which may result in the automatic cancellation of your license pursuant to California Vehicle Code Sections 11617 (a) (2) and 11721 (b).							

OL 70D (NEW 06/2008)
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THIS BILL IS DUE AND PAYABLE TO DMV UPON RECEIPT

----- Detach Here -----

 Keep top portion for your records. Return bottom portion with payment. Do not staple, clip, or tape together.
 

Consumer Motor Vehicle Recovery Corporation Recovery Fund

Instructions: Make check/money order payable to DMV, write the license number on the payment, detach the payment stub and **mail** in the enclosed return envelope.

Payments cannot be accepted at local DMV offices.

License Number	Invoice Number	Invoice Date	Balance Due	Amount Enclosed
00046	CMVRF 2106 00007	06/30/2021	\$324	

My Vehicle Sales
111 My Street
My Town, CA 99999

DMV - OL Collections
PO Box 932342 MS-L224
Sacramento, CA 94232-3420