

This bill:

- 1) Authorizes the City of Laguna Woods to use the amount of abandoned vehicle abatement funds received from the fee imposed by the service authority that formerly operated in the County of Orange, and the interest accrued thereon, for purposes of enforcing provisions of the Vehicle Code.

COMMENTS:

- 1) *Purpose of the bill.* According to the author's office, "The City of Laguna has not had a single case of an abandoned vehicle needing abatement in over 17 years. The funds are from the SAAV funds are accruing interest and not being used. This legislation will authorize City of Laguna to spend the funds towards other transportation and safety related issues."
- 2) *What are Abandoned Vehicle Abatement Fees?* Existing law gives local governments the power to create service authorities for the abatement of abandoned vehicles. This law allows a county and its constituent cities to establish a service authority for the abatement of abandoned vehicles and to impose a \$1 surcharge on vehicle registrations, plus another \$2 on commercial vehicles, within the county to fund the service authority.

A county may establish the authority and impose the fee only if two conditions are met: (1) the county board of supervisors approves the action by a two-thirds vote, and (2) a majority of the county's cities—representing a majority of the county's population—also adopt approving resolutions. The fee remains in effect for 10 years and may be extended using the same approval process. Currently, 37 counties in California participate in the program.

The Abandoned Vehicle Abatement Fee is collected by DMV and sent to the State Controller's Office. The State Controller's Office then allocates the money in the Abandoned Vehicle Trust Funds to each county service authority in proportion to the revenues received from the fee imposed by the service authority. The service authorities disburse the money in the Abandoned Vehicle Trust Fund to each of their jurisdictions based on the percentage of abandoned vehicles abated.

- 3) *City of Laguna Woods' funds.* The City of Laguna Woods is a city in Orange County with a population just over 17,000. The Orange County Transportation Authority (OCTA) previously administered the Orange County Service Authority for Abandoned Vehicles (SAAV), which was established in 1991 and funded through a \$1 annual vehicle registration fee. The program was

reauthorized once, but ultimately sunset in April 2012 after the OCTA Board directed staff not to extend it. Prior to its dissolution, all SAAV funds were distributed to participating cities and the County in accordance with state law. One of participating cities was Laguna Woods.

The City of Laguna Woods currently has over \$42,000 in unspent Abandoned Vehicle Abatement Fee revenue. According to the city, they have not had a single case of an abandoned vehicle needing abatement in over 17 years. Because the funds can only be used for abandoned vehicle abatement, the money has sat unused, collecting interest, for years.

- 4) *Enforcing the Vehicle Code.* The City of Laguna Woods, the sponsor of SB 897, would like to use their remaining abandoned vehicle abatement fees to enforce any provision of the Vehicle Code. This bill would grant the city significant flexibility to use the roughly \$42,000. The Vehicle Code contains a wide array of transportation-related statutes, including statutes on speeds, bicycles, licensing, commercial vehicles, and vehicle sales, among many other provisions. Although this bill would extend to the City of Laguna Woods substantial flexibility to use the abandoned vehicle abatement funds, the city reports that their intention is to use the funds primarily to increase enforcement of speeding.

RELATED/PREVIOUS LEGISLATION:

AB 486 (Ruskin, Chapter 389, Statutes of 2007) – This bill expanded the circumstances under which a county service authority for the abatement of abandoned vehicles may use the revenue it generates from imposing a \$1 annual vehicle registration surcharge, required that the use of the funds be audited each year, and modified the statutory authority to abate abandoned vehicles.

FISCAL EFFECT: Appropriation: No Fiscal Com.: No Local: No

POSITIONS: (Communicated to the committee before noon on Wednesday, April 8, 2026.)

SUPPORT:

City of Laguna Woods (sponsor)

OPPOSITION:

None received.

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