OVERVIEW

- CA Assembly Bill (AB) 2153 - Lead-Acid Battery Recycling Act of 2016 (Act).
- Battery dealers/retailers and manufacturers are affected by the Act.
- The Act imposes two separate $1 fees on the sale and purchase of lead-acid batteries (those commonly found in vehicles).
  - California Battery Fee
  - Manufacturer Battery Fee
- Fees Begin April 1, 2017.
- The Board of Equalization (BOE) is responsible for the administration of these new fees in cooperation with the Department of Toxic Substances Control (DTSC).
How will the revenue be used?

Investigate, evaluate, clean up, remediate, remove, monitor, or otherwise respond to any area in the state that may have been contaminated by the operation of a lead-acid battery recycling facility.
What is a lead-acid battery?

- Primarily composed of both lead & sulfuric acid (liquid-solid-gel)
- Weight - over 5 kilograms (about 11 lbs.) & 6 or more volts
- Used as a:
  - Starting battery for delivering a high burst of energy to start an internal combustion engine,
  - Motive power battery to provide the power for propulsion of a vehicle, including watercraft,
  - Stationary storage or standby energy to be used in a system where the battery acts as electrical storage or a source of emergency/backup power.
  Please note: Not subject to the California battery fee.
  - Source of auxiliary power to support the electrical systems in a vehicle (Vehicle Codes §670 and 36000) or an aircraft.
What is a replacement lead-acid battery?

A new lead-acid battery that replaces the original equipment or vehicle battery.

A replacement lead-acid battery does not include the following batteries:

- spent
- discarded
- refurbished
- reconditioned
- rebuilt
- reused
Who is a dealer/retailer of lead-acid batteries?

Every person who engages in the retail sale of replacement lead-acid batteries directly to consumers in California.

Dealer includes a manufacturer of new lead-acid batteries who sells to consumers in California.
What is a retail sale?

A retail sale is the transfer of tangible personal property for consideration, not intended for resale. (RTC 6006 & 6007)
Retail sale of a lead-acid battery does not include any battery:

- Temporarily stored or used in California, for exclusive use outside of California.

- Incorporated into new equipment to be resold.

- Provided by a warranty or a vehicle service contract. (Insurance Code Section 12800)

- Used in a medical device. (21 U.S.C. 321(h))

Or

- When the California battery fee has already been paid.
Dealer/retailer requirements:

**California Battery Fee**

- Charge/collect the $1 California battery fee from consumers who purchase replacement lead-acid batteries.
  - Dealers may retain 1.5% of the fee as cost reimbursement.

- Charge a refundable deposit when a consumer buys a replacement lead-acid battery and does not exchange their old battery at the same time.
  - Deposit is subject to sales tax if the transaction is taxable.
  - The deposit must be refunded if a used lead-acid battery is returned within 45 days. (HSC §25215.2)

- Separately state the fee and refundable deposit on all invoices except sales for resale.
  - Sales of multiple batteries may be listed on one line.
**Dealer/retailer requirements:**

**California Battery Fee**

- Accept up to 6 used lead-acid batteries of the same type, from one person without charging a fee. (1/1/17)

- Post specific written notice in the public sales area or include the following statement on the purchaser’s receipt. (HSC §25215.2(c))

> This dealer is required by law to charge a nonrefundable $1 California battery fee and a refundable deposit for each lead-acid battery purchased. A credit of the same amount as the refundable deposit will be issued if a used lead-acid battery is returned at the time of purchase or up to 45 days later along with this dealer’s receipt.

The following are not required to post written notice:

- Businesses that do not normally sell batteries
- Auto repair shops that install batteries as part of service
- Roadside service

Please note: The $1 California battery fee increases to $2. (4/1/22)
Who is a lead-acid battery manufacturer?

The person who manufactures and sells or distributes lead-acid batteries in California.

or

The person who imports the lead-acid battery into California for sale or distribution.
Manufacturer requirements:

Manufacturer Battery Fee

- Pay the $1 manufacturer battery fee for each lead-acid battery sold to a dealer, wholesaler, distributor, or other person in California from April 1, 2017 through March 31, 2022.

- Collect the $1 California battery fee when they sell to consumers.

- Notify their dealers, wholesalers, distributors, or other persons they sell to in California of the Lead Acid-Acid Battery Recycling Act requirements by January 1, 2017.
Manufacturer requirements:

**Manufacturer Battery Fee**

- Place a recycling symbol and additional information on all replacement lead-acid batteries sold in California beginning July 1, 2017. (HSC §25215.65)

- The manufacturer battery fee becomes inoperative on April 1, 2022.
Registration & Reporting

Dealers/retailers and manufacturers must register & report fees electronically to the BOE.
Register a business activity with BOE
(Seller's Permit, Temporary Seller's Permit, Underground Storage Tank Fee and all other accounts)

Add a new location to an existing account

Register for an International Fuel Tax Agreement (IFTA) Account

Register for a Timber Yield Tax Account

Apply for and purchase a California Fuel Trip Permit

Apply and purchase Annual Flat Rate Decals for private passenger vehicles

Pay use tax file an exemption or request a tax clearance
(Vehicle, Vessel, Aircraft, or Manufactured Home/mobile home)

Pay use tax and/or the lumber products assessment on one time purchase

Register to pay taxes on Internet purchases of cigarette and/or tobacco products

Renew License/Additional or Replacement Decals
(User ID login required. An express login code is not a valid User ID.)
Repair Shop or Service Station Responsibilities

- Charge/collect a $1 California battery fee on all retail sales of new lead-acid batteries.

- California battery fee does not apply to batteries:
  - When the fee has already been paid.
  - For use exclusively outside California.
  - Incorporated into new equipment.
  - From a warranty or vehicle service contract.
  - Used for a medical device.
  - Used as stationary storage or standby for:
    - Storage for electrical generation equipment
    - A source of emergency power
    - Other backup power
Repair Shop or Service Station Responsibilities

- Dealers may retain 1.5% of the fee as cost reimbursement.
- Charge a refundable, taxable, deposit.
- Separately list the fee and deposit.
- Accept used lead-acid batteries without charging a fee.
- Increase the fee to $2 April 1, 2022.
More Information


- If you have additional questions, you may call the BOE Customer Service Center at 1-800-400-7115 (TTY:711) Monday through Friday, 8:00 a.m. to 5:00 p.m. (Pacific time), excluding state holidays.

- The DTSC Fees Unit can be contacted directly at Fees@dtsc.ca.gov. You may also contact DTSC’s Regulatory Assistance Officers at (800) 728-6942 or by email at RAO@dtsc.ca.gov.

Carol Bailey 916.327.7064         Angela DiMeola-Leach 916.341.6978
Carol.bailey@boe.ca.gov               Angela.DiMeola-leach@boe.ca.gov