

CMVRC Notice to Discontinue Collection

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New Information

The Consumer Motor Vehicle Recovery Corporation (CMVRC) has notified the Department of Motor Vehicles (DMV) that the Consumer Motor Vehicle Recovery Fund (CMVRF) has reached \$5 million.

Pursuant to *Vehicle Code* §4456.3, DMV **must** cease collecting the fee within 90 days.

Procedures

DMV will **not** process payments of the \$1 fee received on or after June 8, 2025. Payments will be returned to dealers and lessor-retailers.

Background

The CMVRC administers a recovery fund to safeguard consumers and maintain public confidence in the vehicle dealer industry. DMV collects a fee of \$1 per vehicle sold by a dealer or lessor-retailer and deposits the fees into the CMVRF. Billing is limited to \$2,500 annually per dealer or lessor-retailer. Once the recovery fund is less than \$2 million, the CMVRC will notify DMV to resume collection of the fee.

References

Vehicle Code §§4456.3, 11604, 11703, 11705, Chapter 11 §§12200–12217

Senate Bill (SB) 729 (Padilla, Ch. 437, Stats. 2007)

OLIN 2008–04 Consumer Protection - Motor Vehicle Dealer's Recovery Fund

Distribution

Notification of this memo (available at **dmv.ca.gov** by searching Vehicle Industry Services) was sent through the California DMV Automated Email Alert System in May 2025 to:

- Dealers
- Registration Services

Contact

Direct questions related to this memo to Occupational Licensing Operations at (877) 563-5213.