

New California Laws Impacting Military

Car Loans: The limit on car loan interest rates charged by auto dealers for loans of more than \$1,650 is lifted. Previously rates could be no higher than about 21%.

Car Insurance: Proof of insurance must be shown to register a motor vehicle or if stopped by police. Failure to show proof of insurance can result in fines of up to \$240 and loss of your driver's license.

Driver's License: Licenses now expire on the fifth birthday instead of the fourth birthday following the date of the application for license or renewal. The fee for a driver's licenses rose from \$12 to \$15.

Bad checks: Businesses can charge a \$25 fee for a first bad check and a \$35 fee for the second. The check writer will pay triple damages plus the amount of the check if the amount of the check, the service charge and the cost of mailing is not paid.

Tenants: Landlords can charge prospective tenants a screening fee to cover the costs of obtaining and evaluating information about them. The fee cannot exceed \$30, and can only be charged if a unit is currently available for rent. Property owners must give the applicant a receipt for the screening fee and a copy of any credit report if requested and to return the fee if the background check is not performed.

Retirement Income: Nonresident's retirement income is no longer subject to California tax.

Combat Pay: California conforms to recent federal legislation that increases the combat pay exclusion from gross income available to officers and extends a variety of special tax benefits to military personnel serving in Bosnia and Herzegovina, Croatia or Macedonia. See your Unit Tax Advisor for more information.

Domestic Violence: Anyone arrested for domestic violence must appear before a judge rather than being cited and released.