If you are a dealer/retailer, manufacturer, importer, or purchaser of lead-acid batteries for sale in California, you may be subject to the new lead-acid battery fees. The Lead-Acid Battery Recycling Act (Act) of 2016 (Health and Safety Code (HSC) section 25215) enacted by Assembly Bill (AB) 2153, imposes two new fees on lead-acid batteries, the type commonly found in vehicles.

Effective April 1, 2017, the Act imposes a $1.00 California battery fee on the purchase of a replacement lead-acid battery and a $1.00 manufacturer battery fee on the sale of a lead-acid battery to a dealer, wholesaler, distributor or other person in California. On April 1, 2022, the California battery fee will increase to $2.00 and the manufacturer battery fee will no longer be due. The California State Board of Equalization (BOE) is responsible for the administration of these new fees in cooperation with the Department of Toxic Substances Control (DTSC).

The California battery fee requires dealers/retailers to:

- Charge and collect a $1.00 California battery fee from consumers who purchase a replacement lead-acid battery beginning April 1, 2017. Dealers may retain 1.5 percent of the fee as reimbursement for costs associated with collection of the fee.
- Charge a refundable deposit, subject to sales tax, when a consumer purchases a replacement lead-acid battery and does not simultaneously provide a used lead-acid battery to the dealer. Dealers will refund or retain the deposit according to HSC section 25215.2 beginning April 1, 2017.
- Separately state the fee and refundable deposit on the invoice for all sales of replacement lead-acid batteries. If more than one battery is sold in a single transaction, dealers may combine the fee into a single-line item.
- Post a specific written notice, unless exempt, regarding the nonrefundable $1.00 California battery fee and refundable deposit, where it is clearly visible to the public or on the purchaser’s receipt beginning April 1, 2017. The language for this notification is set forth in HSC section 25215.2 (c).
- Accept up to six used lead-acid batteries of the same type, from one person without charging a fee (HSC section 25215.2).

The manufacturer battery fee requires manufacturers to:

- Pay a $1.00 manufacturer battery fee for each lead-acid battery they sell in California from April 1, 2017, through March 31, 2022.
- Charge and collect the $1.00 California battery fee from the consumer when they make retail sales of lead-acid batteries, such as through a sales outlet, catalog, Internet website, or any other similar electronic means, beginning April 1, 2017.
- Place a recycling symbol and additional information on all replacement lead-acid batteries sold in California in accordance with HSC section 25215.65 beginning July 1, 2017.

Both dealers and manufacturers are required to register, report electronically, and pay the fees to the BOE.

What is a lead-acid battery?

A lead-acid battery, the type commonly found in vehicles, is a battery weighing more than five kilograms (about 11 pounds), primarily composed of both lead and sulfuric acid (liquid, solid, or gel), with a capacity of six or more volts, that is used as:

- A starting battery for delivering a high burst of energy to start an internal combustion engine,
- A motive power battery to provide the power for propulsion of a vehicle, including watercraft,
- A stationary storage or standby battery to be used in a system where the battery acts as electrical storage or a source of emergency or backup power, or
• A source of auxiliary power to support the electrical systems in a vehicle (defined in Vehicle Code sections 670 and 36000) or an aircraft.

What is a replacement lead-acid battery?
A replacement lead-acid battery is a new lead-acid battery sold at retail after the original sale or lease of the equipment or vehicle in which the lead-acid battery is intended to be used. It does not include a spent, discarded, refurbished, reconditioned, rebuilt, or reused lead-acid battery.

Who is a dealer/retailer of lead-acid batteries?
A dealer means any person who engages in the retail sale of replacement lead-acid batteries directly to persons in California. A dealer includes a manufacturer of a new lead-acid battery who sells that lead-acid battery at retail directly to a person through any means, including, but not limited to, a transaction conducted through a sales outlet, catalog, Internet website, or any other similar electronic means.

What are the exclusions/exemptions for the California battery fee?
• A sale for resale,
• A battery for which the California battery fee has previously been paid,
• A replacement lead-acid battery temporarily stored or used in California for the sole purpose of preparing it for use only outside the state and it is subsequently transported and used solely outside of the state,
• A battery for incorporation into new equipment for subsequent resale,
• The replacement of a battery according to a warranty or a vehicle service contract, as defined under section 12800 of the Insurance Code, or
• A battery intended for use with, or contained within, a medical device as defined in the federal Food, Drug, and Cosmetic Act (21 U.S.C. 321 (h)).

• The California battery fee is not imposed on any battery used as a stationary storage or standby battery that is designed to be used in systems where the battery acts as either:
  • Electrical storage for electricity generation equipment, or
  • A source of emergency power, or
  • Otherwise serves as a backup in case of failure or interruption in the flow of power from the primary source.

Who is a lead-acid battery manufacturer?
A lead-acid battery manufacturer means:
• The person who manufactures the lead-acid battery and who sells, offers for sale, or distributes the lead-acid battery in the state, or
• The person who imports the lead-acid battery into the state for sale or distribution.

Will there be any changes to the current rate?
• The $1.00 California battery fee will increase to $2.00 on April 1, 2022.
• The manufacturer battery fee ends on March 31, 2022.

Where can I go for more information?
For additional information about AB 2153 or the lead-acid battery fees (including how to register, file, and pay,) please review the BOE’s Lead-Acid Battery Fees Guide, which will soon be available online at www.boe.ca.gov. 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), except state holidays.