

AMENDED IN SENATE JUNE 17, 2002
AMENDED IN SENATE MAY 14, 2002
AMENDED IN ASSEMBLY JANUARY 29, 2002
AMENDED IN ASSEMBLY JANUARY 14, 2002
AMENDED IN ASSEMBLY MAY 24, 2001
AMENDED IN ASSEMBLY MAY 14, 2001
AMENDED IN ASSEMBLY APRIL 30, 2001

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

ASSEMBLY BILL

No. 680

**Introduced by Assembly Members ~~Steinberg and Thomson~~
Member Steinberg
(Coauthor: Assembly Member Kehoe)**

February 22, 2001

An act to add Article 10 (commencing with Section 65500) to Chapter 3 of Division 1 of Title 7 of the Government Code, and to add Chapter 1.5 (commencing with Section 7215) to Part 1.5 of Division 2 of the Revenue and Taxation Code, relating to land use.

LEGISLATIVE COUNSEL'S DIGEST

AB 680, as amended, Steinberg. Land use: sales *and use* tax and property tax revenue allocation.

The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes a county to impose a local sales and use tax at a rate of 1.25%, and similarly authorizes a city, located within a county imposing such

a tax rate, to impose a local sales *and use* tax rate of 1% that is credited against the county rate. Existing law requires a city, county, or city and county imposing a local sales and use tax pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law to contract with the State Board of Equalization to administer the local sales and use tax. Existing law also requires the board, at least twice during each calendar quarter, to transmit local sales and use tax revenue to the city, county, or city and county in which the revenue was collected.

This bill would, pursuant to specified definitions and procedures, require the board to distribute sales *and use* tax revenue, derived from the application of a 1% tax rate by a qualified or electing county or city in the greater Sacramento region, among those same counties and cities on the basis of (1) the amount of sales *and use* tax revenue that those counties and cities received in the ~~2002-2003~~ calendar year, *as annually adjusted for inflation, as provided*, and (2) the relative populations of those counties and cities, as determined by the board and the population research unit of the Department of Finance. The bill would provide that up to $\frac{1}{3}$ of the sales *and use* tax revenue growth be shifted away from those counties and cities in the region that fail to become housing eligible, as defined, and require those revenues to instead be allocated to the Sacramento Area Council of Governments (SACOG) for the funding of regional projects, as defined, *unless certain revenue targets are not met, in which case this bill would provide that all of these revenues be allocated in the manner prescribed by existing law.* ~~The bill would also establish the Sacramento Regional Smart Growth Fund Allocation Program to provide funding incentives for responsible regional growth policies, as specified.~~ By imposing allocation duties upon SACOG, this bill would create a state-mandated local program.

This bill would also state the intent of the Legislature to create the *Greater Sacramento Regional Open Space and Recreation Conservancy* to acquire open-space land.

This bill would make legislative findings and declarations as to the necessity of a special statute, and as to the public purposes served by this bill.

This bill also would require the Legislative Analyst's office, in conjunction with the State Board of Equalization, to report to the Legislature regarding the impact of the bill, as specified, in the greater Sacramento region.

This bill would also provide that its operation be postponed, as specified, if a statute is enacted in any year from 2002 to 2010 that



decreases the amount of certain revenues that would have been received by cities and counties in the greater Sacramento region under the law in effect on January 1, 2002. This bill would also provide that its provisions become inoperative on the operative date of a revenue-sharing agreement, as specified, between all of the cities and counties in the greater Sacramento region.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement, including the creation of a State Mandates Claims Fund to pay the costs of mandates that do not exceed \$1,000,000 statewide and other procedures for claims whose statewide costs exceed \$1,000,000.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to these statutory provisions.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

The people of the State of California do enact as follows:

1 SECTION 1. Article 10 (commencing with Section 65500) is
2 added to Chapter 3 of Division 1 of Title 7 of the Government
3 Code, to read:

4
5 Article 10. Sacramento Regional Smart Growth Act of 2002

6
7 65500. For purposes of this article, the following definitions
8 apply:

9 (a) "Greater Sacramento region" means the region
10 encompassing the total combined area of the County of El Dorado,
11 the County of Placer, the County of Sacramento, the County of
12 Sutter, the County of Yolo, and the County of Yuba, but does not
13 include the region, as defined in subsection (a) of Article II of
14 Public Law 96-551, governed by the Tahoe Regional Planning
15 Agency, as described in Article III of Public Law 96-551.

16 (b) "Regional project" includes, but is not limited to, the
17 following:

18 (1) Regional transportation projects.



- 1 (2) Transit-oriented development.
- 2 (3) Infill development.
- 3 (4) Development to provide a balance between jobs and
- 4 housing.
- 5 (5) Mixed use development.
- 6 (6) Quality of life projects, including, but not limited to, theater
- 7 and the arts.
- 8 (7) Open-space acquisition.
- 9 (8) *Housing developments composed of housing for persons*
- 10 *and families at a variety of income levels.*
- 11 (9) *Community redevelopment projects.*
- 12 (10) Other regional land use projects as determined to be
- 13 necessary by the Sacramento Area Council of Governments.
- 14 65501. Those moneys apportioned to the Sacramento Area
- 15 Council of Governments pursuant to subparagraph (C) of
- 16 paragraph (2) of subdivision (b) of Section 7215.1 of the Revenue
- 17 and Taxation Code shall be allocated among qualified cities and
- 18 qualified counties, as defined in Section 7215.1 of the Revenue
- 19 and Taxation Code, to fund *and administer* regional projects, as
- 20 defined in Section 65500, *that are specified on a list adopted by*
- 21 *the Sacramento Area Council of Governments.*
- 22 65502. (a) It is the intent of the Legislature to enact a program
- 23 to establish the Greater Sacramento Regional Open Space and
- 24 Recreation Conservancy for the purpose of acquiring open-space
- 25 land, as defined in Section 65560.
- 26 ~~(b) It is the further intent of the Legislature that the Greater~~
- 27 ~~Sacramento Regional Open Space and Recreation Conservancy be~~
- 28 ~~funded with revenue from the following sources:~~
- 29 ~~(1) Upon an appropriation by the Legislature, revenue derived~~
- 30 ~~from bonds issued pursuant to Chapter 875 of the Statutes of 2001.~~
- 31 ~~(2) Regional impact fees, as described in subdivision (c).~~
- 32 ~~(c) It is the further intent of the Legislature to enact a program~~
- 33 ~~by which regional impact fees are imposed upon developers of~~
- 34 ~~residential and commercial development in the greater~~
- 35 ~~Sacramento region, except residential infill developments and~~
- 36 ~~residential housing developments for persons of low and moderate~~
- 37 ~~income. The amount of these fees may not exceed the benefits~~
- 38 ~~derived by the developers upon which the fees are imposed, and~~
- 39 ~~shall be based upon the following considerations:~~



1 ~~(1) The proximity of the development to urban population~~
2 ~~centers.~~

3 ~~(2) The proximity of the development to various types of~~
4 ~~farmland, including, but not limited to, prime farmland, farmland~~
5 ~~of statewide significance, unique farmland, farmland of local~~
6 ~~importance, or other categories of farmland as defined by the~~
7 ~~Farmland Conservancy Program as administered by the~~
8 ~~Department of Conservation.~~

9 ~~(3) Existing development fees that are imposed by local~~
10 ~~governments in the greater Sacramento region that have the same~~
11 ~~fundamental purpose as the fees contemplated by this section. In~~
12 ~~the case of a local fee so imposed, those fees shall offset the fees~~
13 ~~contemplated by this section by up to two-thirds, but in no event~~
14 ~~shall a developer pay less than one-third of the regional impact fee~~
15 ~~contemplated by this section.~~

16 ~~(4) The complexity of existing development fee structures in~~
17 ~~the greater Sacramento region.~~

18 SEC. 2. Chapter 1.5 (commencing with Section 7215) is
19 added to Part 1.5 of Division 2 of the Revenue and Taxation Code,
20 to read:

21

22 CHAPTER 1.5. GREATER SACRAMENTO REGION PER CAPITA
23 REVENUE ALLOCATIONS
24

25 ~~7215. The Legislature hereby finds and declares all of the~~
26 ~~following:~~

27 ~~(a) The situs-based allocation of local sales tax revenue has~~
28 ~~caused serious fiscal problems and public service inefficiencies, as~~
29 ~~well as a fiscalization of governmental land use decisions that~~
30 ~~focuses upon maximizing sales and use tax revenue from retail~~
31 ~~establishments, rather than upon land use needs in the community.~~

32 ~~(b) Among other things, the situs-based allocation of local sales~~
33 ~~tax revenue has led to unhealthy competition among local~~
34 ~~jurisdictions for retail development, and to local government~~
35 ~~revenue streams that do not correspond to the level of public~~
36 ~~services supported by those revenue streams.~~

37 ~~(c) The adverse results of the situs-based allocation of local~~
38 ~~sales tax revenue has impacted each county and city imposing a~~
39 ~~sales tax, and has not been remedied by either existing law or by~~
40 ~~local actions or agreements. Instead, existing law and the~~



1 ~~dynamics of local government finance have maintained or even~~
2 ~~exacerbated the adverse fiscal, governmental, and public service~~
3 ~~consequences of a situs-based allocation of local sales tax revenue.~~

4 ~~(d) The greater Sacramento region provides a unique and~~
5 ~~instructive perspective on the issue of local sales tax revenue~~
6 ~~allocation, inasmuch as the greater Sacramento region continues~~
7 ~~to be subject to both extremely rapid development and new~~
8 ~~incorporations of jurisdictions with authority, under current law,~~
9 ~~to impose a local sales tax. These dynamics establish the greater~~
10 ~~Sacramento region as a region that is uniquely suited for the trial~~
11 ~~and implementation of a proposed regional local sales tax revenue~~
12 ~~allocation program aimed at eliminating the adverse fiscal,~~
13 ~~political, and public service consequences of the situs-based~~
14 ~~allocation of local sales tax revenue.~~

15 ~~(e) It is the intent of the Legislature, in enacting this act, to~~
16 ~~implement a pilot program of local sales tax allocation in the~~
17 ~~unique circumstances currently presented by the greater~~
18 ~~Sacramento region, that will allow state and local governments to~~
19 ~~jointly establish, test, and refine an alternative system of local sales~~
20 ~~tax revenue allocation. It is the further intent of the Legislature that~~
21 ~~this pilot program not be implemented statewide until after the~~
22 ~~report described in Section 3 of the act adding this section is~~
23 ~~submitted to the Legislature.~~

24 *7215. (a) It is the intent of the Legislature in enacting this act*
25 *to implement a program of local sales and use tax allocation in the*
26 *greater Sacramento region because of the unique circumstances*
27 *currently presented in that region.*

28 *(b) The Legislature may not enact a statewide sales and use tax*
29 *revenue allocation program that allocates local sales and use tax*
30 *revenue on a regional per capita basis.*

31 *(c) This act may not be used to facilitate the enactment of a*
32 *local sales and use tax revenue sharing program in any part of the*
33 *state that is outside the greater Sacramento region.*

34 *7215.1. Notwithstanding any other provision of this part, all*
35 *of the following apply:*

36 *(a) The board shall segregate into a separate account that*
37 *amount of sales and use tax revenue, net of refunds, that is*
38 *collected pursuant to returns filed in accordance with this part in*
39 *the greater Sacramento region as a result of the application of a 1*
40 *percent sales or use tax rate imposed pursuant to this part by either*



1 a qualified county or a qualified city, or by a county or city making
2 an election under subdivision (e).

3 (b) ~~For~~ *Except as provided in paragraph (3), for the first*
4 *calendar quarter of 2004 and each calendar quarter thereafter, the*
5 *board shall apportion the revenue segregated pursuant to*
6 *subdivision (a) as follows:*

7 (1) Each qualified county or qualified city shall be apportioned
8 its base quarter revenue amount.

9 (2) The remaining revenues segregated pursuant to subdivision
10 (a) shall be allocated as follows:

11 (A) One-third of the revenues shall be apportioned, in two or
12 ~~more installments, among qualified counties and qualified cities~~
13 *more installments, among the qualified counties and qualified*
14 *cities in which the taxable sales or uses occurred, in the manner*
15 *required by Section 7204.*

16 (B) One-third of the revenues shall be apportioned, in two or
17 more installments, among qualified counties and qualified cities
18 in shares determined by multiplying that portion of the revenues
19 by the most recent jurisdictional share determined for each
20 qualified county and qualified city pursuant to Section 7215.2.

21 (C) One-third of the revenues shall also be apportioned in
22 shares determined in the same manner as required by subparagraph
23 (A), except that any share that is so calculated with respect to a
24 qualified county or qualified city that is not housing eligible for
25 that calendar year shall instead be apportioned to the Sacramento
26 Area Council of Governments for apportionment as provided in
27 Section 65501 of the Government Code.

28 (3) (A) *If in any calendar quarter commencing on or after*
29 *January 1, 2005, the board determines that the amount of sales and*
30 *use tax revenue segregated pursuant to subdivision (a) is less than*
31 *the amount segregated pursuant to that subdivision in the*
32 *corresponding calendar quarter in the immediately preceding*
33 *calendar year, adjusted for inflation as described in subparagraph*
34 *(B), then sales and use tax revenue in that calendar quarter shall*
35 *be transmitted in the manner required by Section 7204.*

36 (B) *In each calendar quarter commencing on or after January*
37 *1, 2005, for purposes of making the determination described in*
38 *subparagraph (A), the board shall do all of the following:*



1 (i) Determine the amount of sales and use tax revenue
2 segregated pursuant to subdivision (a) in the corresponding
3 calendar quarter in the immediately preceding calendar year.
4 (ii) Determine the sum of the following amounts:
5 (I) The amount determined pursuant to clause (i).
6 (II) The product of the following:
7 (ia) The amount determined pursuant to clause (i).
8 (ib) An inflation factor that is the percentage change, rounded
9 to the nearest one-thousandth of 1 percent, from December of the
10 immediately preceding year to December of the current year in the
11 California Consumer Price Index for all items, as determined by
12 the California Department of Industrial Relations.

13 (c) For purposes of this chapter, all of the following apply:
14 ~~(1) “Base quarter revenue amount” means an amount of sales~~
15 (1) (A) “Base quarter revenue amount” means an amount of
16 sales and use tax revenue that is equal to the amount of sales and
17 use tax revenue that a qualified county or qualified city in the
18 greater Sacramento region received in the corresponding calendar
19 quarter in the year 2003, except that for newly incorporated cities
20 the “base quarter revenue amount” is the corresponding calendar
21 quarter in the year prior to incorporation. Sacramento region
22 received pursuant to returns filed in the corresponding calendar
23 quarter in the year 2003, adjusted for inflation pursuant to
24 subparagraph (B), except that for newly incorporated cities the
25 “base quarter revenue amount” is the amount of sales and use tax
26 revenue collected in the incorporated area in the corresponding
27 calendar quarter in the year immediately preceding
28 incorporation, adjusted for inflation as provided in subparagraph
29 (B). If in any calendar quarter in the year 2003, the sales and use
30 tax revenue received by a qualified county or a qualified city,
31 pursuant to returns filed in that quarter, is less than the amount of
32 sales and use tax revenue received by that county or city in the
33 corresponding calendar quarter in the year 2002, pursuant to
34 returns filed in that quarter, the “base quarter revenue amount” of
35 that county or city for that quarter is the arithmetic mean of the
36 amounts of sales and use tax revenue collected in the
37 corresponding calendar quarter during the year 2000, the year
38 2001, the year 2002, and the year 2003, as adjusted for inflation
39 pursuant to subparagraph (B).



1 (B) On and after January 1, 2005, the “base quarter revenue
2 amount” for a qualified county or qualified city is the sum of the
3 following amounts:

4 (i) The “base quarter revenue amount” determined for that
5 county or city under subparagraph (A).

6 (ii) The product of the following:

7 (I) The “base quarter revenue amount” described in
8 subparagraph (A).

9 (II) An inflation factor that is the percentage change, rounded
10 to the nearest one-thousandth of 1 percent, from December of the
11 immediately preceding year to December of the current year in the
12 California Consumer Price Index for all items, as determined by
13 the California Department of Industrial Relations.

14 (2) “Greater Sacramento region” means the region
15 encompassing the total combined area of the County of El Dorado,
16 the County of Placer, the County of Sacramento, the County of
17 Sutter, the County of Yolo, and the County of Yuba, but does not
18 include the region, as defined in subsection (a) of Article II of
19 Public Law 96-551, governed by the Tahoe Regional Planning
20 Agency, as described in Article III of Public Law 96-551.

21 (3) “Qualified city” means a city in the greater Sacramento
22 region that imposes a sales *and use* tax pursuant to this part; *and*
23 that has a population growth rate of more than one-half of 1
24 percent, ~~and that has not met the requirements of Section 7215.3.~~

25 (4) “Qualified county” means a county in the greater
26 Sacramento region that imposes a sales *and use* tax pursuant to this
27 part, ~~that~~ *and* has a population growth rate of more than one-half
28 of 1 percent, ~~and that has not met the requirements of Section~~
29 ~~7215.3-~~ *percent.*

30 (5) A “qualified city” or “qualified county” is “housing
31 eligible” for a calendar year if the city or county ~~meets all of the~~
32 ~~following criteria:~~

33 ~~(A) The governing body of the city or county has done either~~
34 ~~of the following:~~

35 ~~(i) Caused to be issued residential building permits for new~~
36 ~~construction in the jurisdiction that, by regulatory agreement~~
37 ~~recorded against the property, is affordable to, and occupied by,~~
38 ~~low or very low income households (as defined annually for the~~
39 ~~region by the United States Department of Housing and Urban~~
40 ~~Development), at least one half of which shall be affordable to~~



1 very low income households, or the jurisdiction has caused to be
2 issued permits for substantial rehabilitation (over seven thousand
3 five hundred dollars (\$7,500) per unit construction contract value)
4 of existing residential units that are, by regulatory agreement
5 affordable to, and occupied by, low-income and very low income
6 households, that in the aggregate are equal to 5 percent or more of
7 their building permits for residential units built within the last year,
8 or averaging 5 percent over a three-year period.

9 (ii) ~~Adopted a mixed income housing ordinance that assures~~
10 ~~construction of units affordable to a minimum of 5 percent very~~
11 ~~low and 5 percent low-income households, for a total minimum of~~
12 ~~10 percent, in any new residential development of more than 10~~
13 ~~units.~~

14 (iii) ~~A qualified city or a qualified county with a population of~~
15 ~~15,000 people or less, is exempt from the requirements of this~~
16 ~~subparagraph.~~

17 (B) ~~The city or county provides domestic violence shelters and~~
18 ~~shelter or year-round services for the homeless population in the~~
19 ~~city or county, as determined on the basis of the minimum of 15~~
20 ~~percent of the nationally recognized Urban Institute homeless~~
21 ~~population estimation formula (1 percent of the population within~~
22 ~~a given jurisdiction). A qualified city or qualified county with a~~
23 ~~population of 15,000 people or less is exempt from the~~
24 ~~requirements of this subparagraph.~~

25 (C) ~~The city or county filed an inventory of potential infill~~
26 ~~development or open-space acquisition sites in its jurisdiction, and~~
27 ~~an action plan for proceeding on those opportunities, in the form~~
28 ~~and manner approved by the Sacramento Area Council of~~
29 ~~Government Board of Directors. In each year thereafter, the Board~~
30 ~~of Directors of the Sacramento Area Council of Government shall~~
31 ~~certify both the receipt of the action plan, and that the city or~~
32 ~~county has made substantial progress toward meeting the action~~
33 ~~plan. *is in compliance with the housing element contained in its*~~
34 ~~*general plan.*~~

35 (d) A city or county in the greater Sacramento region, that
36 imposes a sales *and use* tax pursuant to this part but is not a
37 qualified city or a qualified county, shall be allocated sales *and use*
38 tax revenue as otherwise required by this part in the absence of this
39 section.



1 (e) Notwithstanding any other provision of this section, a city
2 or a county in the greater Sacramento region that imposes a sales
3 *and use* tax pursuant to this part and that has a *an annual*
4 population growth rate of less than one-half of 1 percent may elect,
5 by a resolution enacted by a majority of its governing body, to
6 participate in the allocation of sales *and use* tax revenue according
7 to this section.

8 7215.2. (a) No later than March 1 of 2004 and each year
9 thereafter, and within 30 days of determining new population
10 estimates pursuant to subparagraph (B) of paragraph (2) of
11 subdivision (c), the board shall calculate the jurisdictional shares,
12 determined pursuant to subdivision (b), for those counties and
13 cities imposing a sales *and use* tax pursuant to this part in the
14 greater Sacramento region.

15 (b) The board shall, for each county or city imposing a sales
16 *and use* tax pursuant to this part in the greater Sacramento region,
17 determine a jurisdictional share in accordance with the following
18 formula:

19 (1) Determine the total population of the greater Sacramento
20 region.

21 (2) Determine the total population of the relevant county or
22 city. In the case of a county, total population means the total
23 population of only the unincorporated area of that county.

24 (3) Divide the amount determined pursuant to paragraph (2) by
25 the amount determined pursuant to paragraph (1), *rounded to the*
26 *nearest one-thousandth of 1 percent*.

27 (c) (1) Except as otherwise provided in paragraph (2), the
28 population determinations described in subdivision (b) shall be
29 made upon the basis of annual population estimates that are made
30 by the population research unit in the Department of Finance for
31 purposes of this section, and are transmitted to the board not later
32 than February 1 in each year.

33 (2) (A) For the 2003 calendar year, the population
34 determinations described in subdivision (b) shall be made on the
35 basis of the later of the following:

36 (i) The most recent population estimates for counties and cities
37 in the greater Sacramento region, as otherwise required or
38 authorized by law, that have been made by the population research
39 unit in the Department of Finance.



1 (ii) The most recent census validated by the population
2 research unit in the Department of Finance.

3 (B) The population research unit in the Department of Finance
4 shall newly estimate the population of the affected city, and any
5 other affected city or county in the greater Sacramento region, and
6 provide those new estimates to the board within 30 days after any
7 of the following occur:

8 (i) A newly incorporated city in the greater Sacramento region
9 imposes a sales *and use* tax pursuant to this part.

10 (ii) A city in the greater Sacramento region that imposes a sales
11 *and use* tax pursuant to this part completes the annexation of
12 additional territory.

13 (iii) A consolidation of one city in the greater Sacramento
14 region with another city in that region results in a consolidated city
15 that imposes a sales *and use* tax pursuant to this part.

16 7215.3. A county in the greater Sacramento region, as defined
17 in Section 7215.1, is not a qualified county for purposes of that
18 section if all of the following conditions are met:

19 ~~(a) That county meets the requirements set forth in~~
20 ~~subparagraph (B) of paragraph (5) of subdivision (e) of Section~~
21 ~~7215.1.~~

22 ~~(b)~~

23 (a) That county enacts ordinances and substantially complies
24 with these ordinances requiring all of the following:

25 (1) That a fair share of the greater Sacramento region’s
26 residential housing needs for persons of low and moderate income
27 will be located in that county.

28 (2) That all new residential and commercial development occur
29 within the existing boundaries of a city within that county.

30 (3) That for every acre of new residential and commercial
31 development in the county, one acre be set aside in that county as
32 open-space land, as defined in Section 65560 of the Government
33 Code.

34 ~~(c)~~

35 (b) The county and two or more of the cities in that county have
36 entered into a revenue sharing agreement, pursuant to Article 1
37 (commencing with Section 55700) of Chapter 5 of Part 2 of
38 Division 2 of Title 5 of the Government Code.

39 ~~(d)~~



1 (c) For purposes of this section, “new” residential and
2 commercial development is development that occurs on or after
3 January 1, 2004.

4 ~~(e) Notwithstanding any other provision of this section, a~~
5 ~~qualified city, within a county that meets the criteria of~~
6 ~~subdivisions (a) to (c), inclusive, may elect, by a resolution~~
7 ~~enacted by a majority of its governing body, to participate in the~~
8 ~~allocation of sales tax revenue pursuant to Section 7215.1.~~

9 SEC. 3. On or before January 1, 2010, the Legislative
10 Analyst’s office, in conjunction with the State Board of
11 Equalization shall report to the Legislature regarding the
12 reallocation of local sales *and use* tax revenue pursuant to this act.
13 To the extent possible, the Legislative Analyst’s office shall
14 incorporate comments from the Sacramento Area Council of
15 Governments regarding the impact of this act on affected local
16 jurisdictions. The report shall include, but not be limited to, the
17 following:

18 (a) Estimates of the fiscal impact of this act on local
19 governments in the greater Sacramento region.

20 (b) To the extent that data are available, representative case
21 studies documenting whether land use decisions made by local
22 jurisdictions in the greater Sacramento region were affected by this
23 act.

24 ~~(c) Recommendations regarding whether to continue the sales~~
25 ~~tax allocation formulas specified in this act, and, if applicable,~~
26 ~~suggestions for amending this act to better achieve the~~
27 ~~Legislature’s intent to promote smart growth land use policy.~~

28 ~~(d) An analysis of the number of permits issued for low and~~
29 ~~very low income affordable housing, shelter and services for the~~
30 ~~homeless, infill development projects, open space acquisition,~~

31 (c) *An analysis of the number of permits issued for very low,*
32 *low-, moderate-, and above-moderate income affordable housing*
33 *and regional projects by local governments in the greater*
34 *Sacramento region.*

35 ~~SEC. 4. (a) It is the intent of the Legislature to enact in this~~
36 ~~section a program to encourage cities and counties in the greater~~
37 ~~Sacramento region, as described in this act, to participate in~~
38 ~~responsible regional growth by rewarding, in accordance with~~
39 ~~subdivision (b), those jurisdictions within the region that meet the~~
40 ~~criteria set forth in paragraph (5) of subdivision (c) of Section~~



1 7215.1 of the Revenue and Taxation Code or that are exempt from
2 the requirements of that paragraph.

3 (b) ~~The Sacramento Regional Smart Growth Fund Allocation
4 Program is hereby established, and shall be known and may be
5 cited as the CAPSMART Program. During the 2004 State
6 Transportation Improvement Program funding cycle, and every
7 two years thereafter, the Department of Transportation may
8 designate Interregional Transportation Improvement Program
9 funds as smart growth principles incentive funding for eligible
10 projects that support smart growth principles and strategies and are
11 identified as priority transportation spending projects by the
12 Sacramento Area Council of Governments. The Sacramento Area
13 Council of Governments shall review requests from individual
14 jurisdictions in a process to be developed by the Sacramento Area
15 Council of Governments using criteria developed by the
16 Department of Transportation, and to be implemented in
17 coordination with existing Sacramento Area Council of
18 Governments RTIP procedures. Allocations and decision
19 guidelines developed by the Sacramento Area Council of
20 Governments, in consultation with cities and counties, shall meet
21 California Transportation Commission Guidelines, and applicable
22 national and state requirements. The Sacramento Area Council of
23 Governments shall forward CAPSMART funding
24 recommendations to the Department of Transportation which shall
25 make those changes, additions, or deletions as it deems
26 appropriate, and then may include the projects in the state
27 discretionary portion of the State Transportation Improvement
28 Program.~~

29 (c) ~~Any multicounty region in California that adopts regional
30 tax sharing agreements or multicounty smart growth principles, as
31 defined in subdivision (d), shall be entitled to both of the
32 following:~~

33 (1) ~~Beginning in the 2008-09 fiscal year and upon
34 appropriation by the Legislature, 1 percent of the funds allocated
35 to the Transportation Investment Fund pursuant to Assembly
36 Constitutional Amendment 4 of the 2001-02 Regular Session.~~

37 (2) ~~Ten points awarded for applications to the State Department
38 of Housing and Community Development for the Jobs Housing
39 Balance Program, the Cal Home Program, and the Multi-Family
40 Housing Assistance Program.~~



1 ~~(d) “Smart growth principles” include, but are not limited to,~~
2 ~~programs designed to end the fiscalization of land use, including~~
3 ~~programs that address regional equity in tax income; the provision~~
4 ~~of social services; enhancing open space and agricultural land~~
5 ~~acquisition; transit oriented development; and infill development.~~

6 ~~SEC. 5.—~~

7 *SEC. 4.* The Legislature finds and declares that a special law
8 is necessary and that a general law cannot be made applicable
9 within the meaning of Section 16 of Article IV of the California
10 Constitution because the unique fiscal, jurisdictional, and public
11 service dynamics in the greater Sacramento region provide a
12 unique opportunity to implement and refine possible solutions to
13 the fiscal, planning, and public service problems resulting from the
14 imposition of multiple local sales *and use* taxes.

15 ~~SEC. 6.—The Legislature finds and declares that requiring the~~

16 *SEC. 5.* *The Legislature finds and declares that, due to the*
17 *unique circumstances in the greater Sacramento region, requiring*
18 *the allocation of local sales and use tax revenue in the greater*
19 *Sacramento region on a per capita basis serves a specific public*
20 *purpose of each county or city imposing a sales and use tax in that*
21 *region by reducing the unhealthy competition that currently exists*
22 *between these entities for new retail establishments, helping to*
23 *equate revenue streams with public service requirements, and*
24 *allowing land use decisions to be made solely on the basis of land*
25 *use planning considerations.*

26 ~~SEC. 7.—~~

27 *SEC. 6.* Notwithstanding Section 17610 of the Government
28 Code, if the Commission on State Mandates determines that this
29 act contains costs mandated by the state, reimbursement to local
30 agencies and school districts for those costs shall be made pursuant
31 to Part 7 (commencing with Section 17500) of Division 4 of Title
32 2 of the Government Code. If the statewide cost of the claim for
33 reimbursement does not exceed one million dollars (\$1,000,000),
34 reimbursement shall be made from the State Mandates Claims
35 Fund.

36 ~~SEC. 8.—~~

37 *SEC. 7.* (a) This act shall not become operative if, during any
38 legislative session commencing with the 2001–02 Regular Session
39 to the 2009–10 Regular Session, inclusive, or any extraordinary



1 session that runs concurrently with those regular sessions, either
 2 of the following ~~occurs~~ occurs:

3 (1) A bill is chaptered that decreases the amount of ad valorem
 4 property tax revenue that otherwise would have been allocated to
 5 a city or county within the greater Sacramento region, as defined
 6 in Section 7215.1 of the Revenue and Taxation Code, under the
 7 law in effect on January 1, 2002, for the purpose of increasing the
 8 amount of ad valorem property tax revenue that is allocated to an
 9 Educational Revenue Augmentation Fund.

10 (2) A bill is chaptered that decreases the amount of vehicle
 11 license fee revenue that otherwise would have been received by a
 12 city or a county within the greater Sacramento region, as defined
 13 in Section 7215.1 of the Revenue and Taxation Code, under the
 14 statutes in effect on January 1, 2002, or decreases the amount of
 15 General Fund moneys that would have been received by a city or
 16 county within the greater Sacramento region, as defined in Section
 17 7215.1 of the Revenue and Taxation Code, under Section 11000
 18 of the Revenue and Taxation Code as that section read on January
 19 1, 2002.

20 (b) If this act fails to become operative as a result of subdivision
 21 (a), this act shall become operative on the date that one or more
 22 bills are chaptered that remove the applicable condition or
 23 conditions described in subdivision (a) by doing the applicable of
 24 the following:

25 (1) Increases the amount of ad valorem property tax revenue
 26 otherwise allocated to a city or county within the greater
 27 Sacramento region, as defined in Section 7215.1 of the Revenue
 28 and Taxation Code, to the amount that would have been allocated
 29 to that city or county under the statutes in effect on January 1, 2002.

30 (2) Increases the amount of vehicle license fee revenue
 31 received by a city or a county within the greater Sacramento
 32 region, as defined in Section 7215.1 of the Revenue and Taxation
 33 Code, to that amount of vehicle license fee revenues that would
 34 have been received by that city or county under the statutes in
 35 effect on January 1, 2002; or increases the amount of General Fund
 36 moneys received by a city or county under Section 11000 of the
 37 Revenue and Taxation Code to that amount that would have been
 38 received by those cities or counties under that section as it read on
 39 January 1, 2002.

40 ~~SEC. 9.—~~



1 *SEC. 8.* This act shall become inoperative on the operative
2 date of a tax revenue-sharing agreement, entered into according
3 to state law, between all of the cities and all of the counties in the
4 greater Sacramento region, as defined in Section 7215.1 of the
5 Revenue and Taxation Code.

6 _____

7 **CORRECTIONS**

8 **Text — Pages 10.**

9 _____

10

O

