

AMENDED IN ASSEMBLY APRIL 23, 2002

CALIFORNIA LEGISLATURE—2001–02 REGULAR SESSION

**ASSEMBLY BILL**

**No. 2400**

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**Introduced by Assembly Member Salinas**

February 21, 2002

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~~An act to relating to fair debt collection practices. An act to add Chapter 2.61 (commencing with Section 7286.22) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation.~~

LEGISLATIVE COUNSEL'S DIGEST

AB 2400, as amended, Salinas. ~~Debt collection~~ *Transactions and use taxes: County of Monterey.*

*Existing law authorizes various local governmental entities, subject to certain limitations and approval requirements, to levy transactions and use taxes in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law.*

*This bill would additionally authorize the County of Monterey to establish a local public finance authority that would be authorized, as provided and subject to the approval of the voters voting on the issue at an election, to levy a tax pursuant to the Transactions and Use Tax Law at a rate not to exceed 1%. This bill would also provide that any tax so imposed may not become operative before January 1, 2004.*

*This bill would make legislative findings and declarations as to the necessity of a special statute.*

~~Existing law, the Rosenthal Fair Debt Collections Practices Act, prohibits debt collectors from collecting or attempting to collect a debt by means of threats or harassment. A debt collector who violates these~~

provisions is liable for actual damages and subject to a civil penalty in an amount not greater than \$1,000.

~~This bill would express the intent of the Legislature to enact a program to monitor and enforce the act. The bill would also set forth findings and declarations of the Legislature.~~

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

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

1 ~~SECTION 1.~~ (a) ~~The Legislature hereby finds and declares~~  
2 *SECTION 1. Chapter 2.61 (commencing with Section*  
3 *7286.22) is added to Part 1.7 of Division 2 of the Revenue and*  
4 *Taxation Code, to read:*

5  
6 *CHAPTER 2.61. COUNTY OF MONTEREY LOCAL PUBLIC FINANCE*  
7 *AUTHORITY TRANSACTIONS AND USE TAX*  
8

9 *7286.22. (a) (1) The County of Monterey may establish a*  
10 *local public finance authority for the purpose of financing the*  
11 *implementation of the general plan in that county if the board of*  
12 *supervisors of that county adopts a resolution, by a majority vote*  
13 *of the membership of that board, to establish that local public*  
14 *finance authority and to authorize that authority to impose the tax*  
15 *described in subdivision (b).*

16 *(2) The local public finance authority shall be governed by a*  
17 *board of directors, selected in the manner as determined by the*  
18 *board of supervisors of the County of Monterey, consisting of the*  
19 *following membership:*

20 *(A) Five members from the board of supervisors of the County*  
21 *of Monterey.*

22 *(B) One member, not including a member described in*  
23 *subparagraph (A) or (C), from each of the 12 cities within that*  
24 *county.*

25 *(C) One member, not including a member described in*  
26 *subparagraph (A) or (B), from the Monterey County Water*  
27 *Resources Agency.*

28 *(b) If a local public finance authority is established pursuant*  
29 *to subdivision (a), that authority may levy a tax at a rate not to*  
30 *exceed 1 percent in accordance with the Transactions and Use Tax*



1 Law (Part 1.6 (commencing with Section 7251)), if all of the  
2 following conditions are met:

3 (1) An ordinance or resolution proposing that tax is approved  
4 by a two-thirds vote of the membership of the board of directors of  
5 the authority, provided that at least three of the members voting in  
6 favor of the ordinance or resolution are members described in  
7 subparagraph (A) of paragraph (2) of subdivision (a).

8 (2) The ordinance or resolution so approved specifies how the  
9 proceeds from the tax will be allocated among local agencies in the  
10 county and expended for the implementation of the county's  
11 general plan.

12 (3) The ordinance or resolution proposing the tax is approved,  
13 by that percentage as required by law, by the qualified voters of the  
14 county voting on the ordinance or resolution.

15 (c) (1) If a tax is levied pursuant to subdivision (b), the local  
16 public finance authority may exercise all powers necessary to  
17 perform the collection, administration, and allocation duties with  
18 respect to that tax in a manner consistent with the Transactions and  
19 Use Tax Law (Part 1.6 (commencing with Section 7251)).

20 (2) Notwithstanding any other provision of law, the imposition  
21 and collection of any tax approved pursuant to subdivision (b)  
22 shall commence no sooner than the first day of the first calendar  
23 quarter commencing not more than 90 days after the results of the  
24 election described in paragraph (3) of subdivision (b) are certified  
25 by the county registrar.

26 (d) (1) The County of Monterey shall call a special election,  
27 for the purposes described in paragraph (3) of subdivision (b), to  
28 be held on a date not less than 88 days, nor more than 103 days,  
29 after the ordinance or resolution is approved pursuant to  
30 paragraph (1) of subdivision (b).

31 (2) (A) If the ordinance or resolution described in subdivision  
32 (b) is approved by voters as described in paragraph (3) of  
33 subdivision (b) in a special election described in paragraph (1),  
34 the local public finance authority shall reimburse the County of  
35 Monterey, from the proceeds of the tax so approved, for all costs  
36 incurred by that county in conducting the special election.

37 (B) If the ordinance or resolution described in subdivision (b)  
38 is not approved by voters as described in paragraph (3) of  
39 subdivision (b) in a special election described in paragraph (1),  
40 each local agency in that county, including that county, that would



1 have received proceeds from the tax, had that tax been approved  
2 by voters, shall reimburse the County of Monterey for costs  
3 incurred by that county in conducting that election. Each  
4 applicable local agency's share of this reimbursement amount  
5 shall correspond to the portion of revenue that would have been  
6 allocated to that local agency had that tax been approved.

7 (e) Notwithstanding any other provision of law, a tax imposed  
8 pursuant to this chapter may not become operative before January  
9 1, 2004.

10 SEC. 2. The Legislature finds and declares that a special law  
11 is necessary and that a general law cannot be made applicable  
12 within the meaning of Section 16 of Article IV of the California  
13 Constitution because of the uniquely difficult fiscal pressures  
14 being experienced by the County of Monterey in providing  
15 essential public services related to implementing that county's  
16 general plan.

17 ~~all of the following with respect to the Rosenthal Fair Debt  
18 Collection Practices Act:~~

- 19 ~~(1) Enforcement of the act is inadequate and ineffective.~~
- 20 ~~(2) Consumers are unprepared to respond to allegations levied~~  
21 ~~by collection agencies in violation of the act.~~
- 22 ~~(3) Consequently, many citizens of this state experience undue~~  
23 ~~hardship and serious financial difficulties.~~

24 ~~(b) It is the intent of the Legislature to enact a program to~~  
25 ~~monitor and enforce the act. It is further the intent of the~~  
26 ~~Legislature that this program will be a resource for consumers who~~  
27 ~~believe that their rights under the act are being violated.~~

