

**ASSEMBLY BILL**

**No. 343**

**Introduced by Assembly Member Huff**

February 10, 2005

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An act to add Section 7284.5 to the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 343, as amended, Huff. Utility user taxes: exemption.

Existing law authorizes the board of supervisors of any county to levy a utility user tax on the consumption of electricity, gas, water, sewer, telephone, telegraph, and cable television services in the unincorporated area of the county.

This bill would exempt from any utility user tax imposed by any jurisdiction, as defined, the consumption of ~~compressed~~ natural gas by a local agency or a school district for transportation purposes *if that natural gas is dispensed by a gas compressor that is separately metered and is dedicated to serve the local agency or the school district*. This bill would make legislative findings and declarations regarding the statewide purposes of the bill.

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. Section 7284.5 is added to the Revenue and
- 2 Taxation Code, to read:
- 3 7284.5. (a) The consumption of ~~compressed~~ natural gas by a
- 4 local agency or a school district for transportation purposes is

1 exempt from any utility user tax that is imposed by any local  
2 jurisdiction, *if that natural gas is dispensed by a gas compressor*  
3 *that is separately metered and is dedicated to serve the local*  
4 *agency or the school district.*

5 (b) For purposes of this section, “local jurisdiction” means any  
6 city, county, city and county, including any chartered city,  
7 county, or city and county, district, or public or municipal  
8 corporation.

9 SEC. 2. The Legislature finds and declares that exempting the  
10 consumption of ~~ecompressed~~ natural gas by local agencies and  
11 school districts from local utility user taxes will ensure statewide  
12 uniformity and fairness in the cost of providing vital local  
13 government services. Therefore, exempting the consumption of  
14 ~~ecompressed~~ natural gas by local agencies and school districts  
15 from local utility user taxes is a matter of statewide concern.