

AMENDED IN ASSEMBLY MARCH 9, 2011

CALIFORNIA LEGISLATURE—2011–12 REGULAR SESSION

ASSEMBLY BILL

No. 686

Introduced by Assembly Member Huffman

February 17, 2011

An act to amend ~~Section 7285~~ *Sections 7285, 7285.5, 7285.9, and 7285.91* of the Revenue and Taxation Code, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

AB 686, as amended, Huffman. Local *sales and use* taxes: transaction and use ~~tax~~: *taxes*.

Existing law authorizes the board of supervisors of a county *and the governing body of a city* to levy, increase, or extend a transactions and use tax for ~~general purposes~~ at a rate of 0.25%, or a multiple thereof, if approved by ~~a $\frac{2}{3}$ vote of the board and by a majority vote of the county's~~ *the required vote of the board or governing body and the required vote of qualified voters*.

This bill would ~~decrease the rate at which the board of supervisors of a county may levy, increase, or extend a transactions and use tax for general purposes to~~ *instead authorize the levy, increase, or extension of a transactions and use tax at a rate of 0.125% or a multiple thereof*.

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 7285 of the Revenue and Taxation Code
- 2 is amended to read:

1 7285. The board of supervisors of any county may levy,
 2 increase, or extend a transactions and use tax for general purposes
 3 at a rate of 0.125 percent or a multiple thereof, if the ordinance
 4 proposing that tax is approved by a two-thirds vote of all members
 5 of the board of supervisors and the tax is approved by a majority
 6 vote of the qualified voters of the county voting in an election on
 7 the issue. The board of supervisors may levy, increase, or extend
 8 more than one transaction and use tax under this section, if the
 9 adoption of each tax is in the manner prescribed in this section.
 10 The transactions and use tax shall conform to Part 1.6 (commencing
 11 with Section 7251).

12 *SEC. 2. Section 7285.5 of the Revenue and Taxation Code is*
 13 *amended to read:*

14 7285.5. (a) As an alternative to the procedure set forth in
 15 Section 7285, the board of supervisors of any county may levy,
 16 increase, or extend a transactions and use tax for specific purposes.
 17 The tax may be levied, increased, or extended at a rate of ~~0.25~~
 18 0.125 percent, or a multiple thereof, for the purpose for which it
 19 is established, if all of the following requirements are met:

20 (1) The ordinance proposing that tax is approved by a two-thirds
 21 vote of all members of the board of supervisors and is subsequently
 22 approved by a two-thirds vote of the qualified voters of the county
 23 voting in an election on the issue.

24 (2) The transactions and use tax conforms to the Transactions
 25 and Use Tax Law Part 1.6 (commencing with Section 7251).

26 (3) The ordinance includes an expenditure plan describing the
 27 specific projects for which the revenues from the tax may be
 28 expended.

29 (b) A county shall be deemed to be an authority for purposes
 30 of Chapter 1 (commencing with Section 55800) of Part 3 of
 31 Division 2 of Title 5 of the Government Code.

32 *SEC. 3. Section 7285.9 of the Revenue and Taxation Code is*
 33 *amended to read:*

34 7285.9. The governing body of any city may levy, increase, or
 35 extend a transactions and use tax for general purposes at a rate of
 36 ~~0.25~~ 0.125 percent or a multiple thereof, if the ordinance proposing
 37 that tax is approved by a two-thirds vote of all members of that
 38 governing body and the tax is approved by a majority vote of the
 39 qualified voters of the city voting in an election on the issue. The
 40 governing body may levy, increase, or extend more than one

1 transaction and use tax under this section, if the adoption of each
2 tax is in the manner prescribed in this section. The transactions
3 and use tax shall conform to Part 1.6 (commencing with Section
4 7251).

5 *SEC. 4. Section 7285.91 of the Revenue and Taxation Code is*
6 *amended to read:*

7 7285.91. As an alternative to the procedure set forth in Section
8 7285.9, the governing body of any city may levy, increase, or
9 extend a transactions and use tax for specific purposes. The tax
10 may be levied, increased, or extended at a rate of ~~0.25~~ 0.125
11 percent, or a multiple thereof, for the purpose for which it is
12 established, if all of the following requirements are met:

13 (a) The ordinance proposing that tax is approved by a two-thirds
14 vote of all members of the governing body and is subsequently
15 approved by a two-thirds vote of the qualified voters of the city
16 voting in an election on the issue.

17 (b) The transactions and use tax conforms to the Transactions
18 and Use Tax Law Part 1.6 (commencing with Section 7251).

19 (c) The ordinance includes an expenditure plan describing the
20 specific projects for which the revenues from the tax may be
21 expended.