

Assembly Bill No. 1324

CHAPTER 795

An act to add and repeal Chapter 3.8 (commencing with Section 7293) of Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor September 29, 2014. Filed with
Secretary of State September 29, 2014.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1324, Skinner. Transactions and use taxes: City of El Cerrito.

Existing law authorizes cities and counties, subject to certain limitations and approval requirements, to levy a transactions and use tax for general purposes, in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes that may be imposed in accordance with that law in the county not exceed 2%.

This bill would authorize the City of El Cerrito, if certain requirements are met, to impose a transactions and use tax for general purposes at a rate of no more than 0.5% that, in combination with other specified taxes, would exceed the combined rate limit. Under the bill, this authorized tax rate would not be included in the calculation of the 2% limitation.

These provisions would be repealed by their own terms on January 1, 2022, if the ordinance is not approved, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the City of El Cerrito.

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

SECTION 1. Chapter 3.8 (commencing with Section 7293) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.8. LOCAL GOVERNMENT FINANCE IN THE CITY OF EL CERRITO

7293. (a) Notwithstanding any other law, the City of El Cerrito may impose a transactions and use tax for general purposes at a rate of no more than 0.5 percent that, in combination with all taxes imposed pursuant to Part 1.6 (commencing with Section 7251), would exceed the limit established in Section 7251.1, if all of the following requirements are met:

(1) The city adopts an ordinance proposing the transactions and use tax subject to any applicable voter approval requirement.

(2) The city ordinance proposing the transactions and use tax is submitted to the electorate of the adopting city, as applicable, and is approved by the voters voting on the ordinance as required by Article XIII C of the California Constitution. The election on the ordinance proposing the transactions and use tax may occur on or after November 4, 2014.

(3) The transactions and use tax conforms to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), other than Section 7251.1.

(4) The transactions and use tax is imposed on or after January 1, 2015.

(5) Notwithstanding paragraph (4), an ordinance proposing a transactions and use tax pursuant to this section shall become operative as provided in Section 7265.

(b) Notwithstanding Section 7251.1, the tax rate authorized in subdivision (a) shall not be considered for purposes of the combined rate limit established by that section.

7294. If, as of January 1, 2022, an ordinance proposing a transactions and use tax has not been approved as required by paragraph (2) of subdivision (a) of Section 7293, this chapter shall be repealed as of that same date.

SEC. 2. The Legislature finds and declares that a special law is necessary and that a general law cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique fiscal and public service pressures being experienced in the City of El Cerrito.