

AMENDED IN ASSEMBLY AUGUST 17, 2015

AMENDED IN ASSEMBLY JULY 16, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

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**Assembly Constitutional Amendment**

**No. 4**

**Introduced by Assembly Member Frazier**  
(Coauthor: Senator Wolk)

February 27, 2015

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Assembly Constitutional Amendment No. 4—A resolution to propose to the people of the State of California an amendment to the Constitution of the State, by amending Section 4 of Article XIII A thereof, and by amending Section 2 of Article XIII C thereof, relating to taxation.

LEGISLATIVE COUNSEL'S DIGEST

ACA 4, as amended, Frazier. Local government transportation projects: special taxes: voter approval.

The California Constitution conditions the imposition of a special tax by a city, county, or special district upon the approval of  $\frac{2}{3}$  of the voters of the city, county, or special district voting on that tax, except that certain school entities may levy an ad valorem property tax for specified purposes with the approval of 55% of the voters within the jurisdiction of these entities.

The California Constitution prohibits the Legislature from imposing taxes for local purposes, but allows the Legislature to authorize local governments to impose them. The Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose local sales and use taxes in conformity with the Sales and Use Tax Law, and existing law authorizes local governments to impose transactions and

use taxes in accordance with the Transactions and Use Tax Law, which generally conforms to the Sales and Use Tax Law.

This measure would provide that the imposition, extension, or increase of a sales and use tax imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law or a transactions and use tax imposed in accordance with the Transactions and Use Tax Law by a ~~local government~~ county, city, city and county, or special district for the purpose of providing funding for local transportation projects, as defined, requires the approval of 55% of its voters voting on the proposition. The measure would also make conforming and technical, nonsubstantive changes. This measure would also provide that it would become effective immediately upon approval by the voters and would apply to any local measure imposing, extending, or increasing a sales and use tax or transactions and use tax for local transportation projects submitted at the same election.

Vote: 2/3. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

1 *Resolved by the Assembly, the Senate concurring,* That the  
2 Legislature of the State of California at its 2015–16 Regular  
3 Session commencing on the first day of December 2014, two-thirds  
4 of the membership of each house concurring, hereby proposes to  
5 the people of the State of California that the Constitution of the  
6 State be amended as follows:

7 First— That Section 4 of Article XIII A thereof is amended to  
8 read:

9 SEC. 4. Except as otherwise provided by Section 2 of Article  
10 XIII C, a city, county, or special district, by a two-thirds vote of  
11 its voters voting on the proposition, may impose a special tax  
12 within that city, county, or special district, except an ad valorem  
13 tax on real property or a transactions tax or sales tax on the sale  
14 of real property within that city, county, or special district.

15 Second— That Section 2 of Article XIII C thereof is amended  
16 to read:

17 SEC. 2. Notwithstanding any other provision of this  
18 Constitution:

19 (a) A tax imposed by any local government is either a general  
20 tax or a special tax. A special district or agency, including a school  
21 district, has no authority to levy a general tax.

1 (b) A local government shall not impose, extend, or increase  
2 any general tax unless and until that tax is submitted to the  
3 electorate and approved by a majority vote. A general tax is not  
4 deemed to have been increased if it is imposed at a rate not higher  
5 than the maximum rate so approved. The election required by this  
6 subdivision shall be consolidated with a regularly scheduled general  
7 election for members of the governing body of the local  
8 government, except in cases of emergency declared by a unanimous  
9 vote of the governing body.

10 (c) Any general tax imposed, extended, or increased, without  
11 voter approval, by any local government on or after January 1,  
12 1995, and prior to November 6, 1996, may continue to be imposed  
13 only if that general tax is approved by a majority vote of the voters  
14 voting in an election on the issue of the imposition, which election  
15 is held no later than November 6, 1998, and in compliance with  
16 subdivision (b).

17 (d) (1) Except as otherwise provided in paragraph (2), a local  
18 government shall not impose, extend, or increase any special tax  
19 unless and until that tax is submitted to the electorate and approved  
20 by two-thirds of the voters voting on the proposition. A special  
21 tax is not deemed to have been increased if it is imposed at a rate  
22 not higher than the maximum rate so approved.

23 (2) (A) The imposition, extension, or increase of a sales and  
24 use tax imposed pursuant to the Bradley-Burns Uniform Local  
25 Sales and Use Tax Law, or its successor, or a transactions and use  
26 tax imposed in accordance with the Transactions and Use Tax  
27 Law, or its successor, by a ~~local government~~ *county, city, city and*  
28 *county, or special district* for the purpose of providing funding for  
29 local transportation projects under its jurisdiction, as may otherwise  
30 be authorized by law, requires the approval of 55 percent of the  
31 voters voting on the proposition. A sales and use tax or transactions  
32 and use tax for the purpose of providing funding for local  
33 transportation projects is not deemed to have been increased if it  
34 is imposed at a rate not higher than the maximum rate previously  
35 approved in the manner required by law.

36 (B) For purposes of this paragraph, “local transportation project”  
37 means the planning, design, development, financing, construction,  
38 reconstruction, rehabilitation, improvement, acquisition, lease,  
39 operation, or maintenance of local streets, roads, and highways,  
40 state highways and freeways, and public transit systems.

1 (3) This subdivision, and the amendments made to Section 4 of  
2 Article XIII A by the act adding this subdivision, shall become  
3 effective immediately upon approval by the voters and shall apply  
4 to any local measure imposing, extending, or increasing a sales  
5 and use tax imposed pursuant to the Bradley-Burns Uniform Local  
6 Sales and Use Tax Law or a transactions and use tax imposed in  
7 accordance with the Transactions and Use Tax Law for the funding  
8 of local transportation projects that is submitted at the same  
9 election.

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