

AMENDED IN ASSEMBLY APRIL 12, 2016

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

ASSEMBLY BILL

No. 2678

Introduced by Assembly Member Gray
*(Coauthors: Assembly Members Bigelow, Cooper, Dodd, Gallagher,
Mathis, and Salas)*

February 19, 2016

An act to ~~add~~ amend, repeal, and add Section 19620.2 of the Business and Professions Code, and to add and repeal Sections 6453.1 and 7101.4 to of the Revenue and Taxation Code, relating to ~~state-designated~~ *state-designated* fairs, and making an appropriation therefor.

LEGISLATIVE COUNSEL'S DIGEST

AB 2678, as amended, Gray. ~~State-designated~~ *State-designated* fairs: funding.

Existing law establishes the Fair and Exposition Fund to, among other things, allocate moneys for the support of the network of California fairs. Existing law requires certain license fees from satellite wagering to be deposited into a separate account in the Fair and Exposition Fund, and continuously appropriates those moneys for specified fair-related purposes, including, among others, the payment of expenses incurred in establishing and operating satellite wagering facilities at fairs and for health and safety repair and other projects at fairs. *The balance of moneys in that fund, after appropriation by the Legislature for specified oversight and auditing costs are continuously appropriated for capital outlay for specified fair projects.* Existing sales and use laws impose taxes on retailers measured by the gross receipts from the sale of tangible personal property sold at retail in this state, or on the storage, use, or other consumption in this state of tangible personal property purchased

from a retailer for storage, use, or other consumption in this state measured by sales price, and requires that revenues, less refunds, derived from a specified rate of that tax be transferred to specified funds and then the balance to the General Fund.

This bill would require a tax return filed for the purposes of the Sales and Use Tax Law to segregate the gross receipts of the seller and the sales price of the property on a form prescribed by the State Board of Equalization when the place of sale or use in this state is on or within the real property of a ~~state-designated~~ *state-designated* fair, as defined, or any real property of a ~~state-designated~~ *state-designated* fair that is leased to another party.

~~This~~

~~The bill would require, except as specified, that 30% of all revenues, less refunds and costs of administration, derived from those segregated sales and use tax amounts that would have been deposited into the General Fund instead be deposited into that separate account in the Fair and Exposition Fund and continuously appropriated for those same types of fair-related purposes.~~ *specified fair projects.*

The bill would repeal these provisions on January 1, 2022.

Vote: $\frac{2}{3}$. Appropriation: yes. Fiscal committee: yes.
State-mandated local program: no.

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

1 SECTION 1. Section 19620.2 of the Business and Professions
2 Code is amended to read:
3 19620.2. (a) Any unallocated balance from Section 19620.1
4 and any revenue deposited in the Fair and Exposition Fund
5 pursuant to Section 7101.4 of the Revenue and Taxation Code is
6 hereby appropriated without regard to fiscal years for allocation
7 by the Secretary of Food and Agriculture for capital outlay to
8 California fairs for fair projects involving public health and safety,
9 for fair projects involving major and deferred maintenance, for
10 fair projects necessary due to any emergency, for projects that are
11 required by physical changes to the fair site, for projects that are
12 required to protect the fair property or installation, such as fencing
13 and flood protection, and for the acquisition or improvement of
14 any property or facility that will serve to enhance the operation of
15 the fair.

1 (b) A portion of the funds subject to allocation pursuant to
2 subdivision (a) may be allocated to California fairs for general
3 operational support. It is the intent of the Legislature that these
4 moneys be used primarily for those fairs whose sources of revenue
5 may be limited for purposes specified in this section.

6 (c) *This section shall be repealed on January 1, 2022.*

7 *SEC. 2. Section 19620.2 is added to the Business and*
8 *Professions Code, to read:*

9 *19620.2. (a) Any unallocated balance from Section 19620.1*
10 *is hereby appropriated without regard to fiscal years for allocation*
11 *by the Secretary of Food and Agriculture for capital outlay to*
12 *California fairs for fair projects involving public health and safety,*
13 *for fair projects involving major and deferred maintenance, for*
14 *fair projects necessary due to any emergency, for projects that are*
15 *required by physical changes to the fair site, for projects that are*
16 *required to protect the fair property or installation, such as fencing*
17 *and flood protection, and for the acquisition or improvement of*
18 *any property or facility that will serve to enhance the operation*
19 *of the fair.*

20 (b) *A portion of the funds subject to allocation pursuant to*
21 *subdivision (a) may be allocated to California fairs for general*
22 *operational support. It is the intent of the Legislature that these*
23 *moneys be used primarily for those fairs whose sources of revenue*
24 *may be limited for purposes specified in this section.*

25 (c) *This section shall become operative on January 1, 2022.*

26 **SECTION 1.**

27 *SEC. 3. Section 6453.1 is added to the Revenue and Taxation*
28 *Code, to read:*

29 6453.1. (a) For purposes of this part only, the return shall
30 segregate the gross receipts of the seller and the sales price of the
31 property ~~on a form prescribed by the board~~ when the place of sale
32 in this state or use in this state for purposes of this part is on or
33 within the real property of a ~~state-designated~~ *state-designated* fair
34 or any real property of a ~~state-designated~~ *state-designated* fair that
35 is leased to another party.

36 (b) For purposes of this section, ~~“state-designated~~
37 *“state-designated fair”* means a state designated fair as defined in
38 Sections 19418, 19418.1, 19418.2, and 19418.3 of the Business
39 and Professions Code.

40 (e) ~~The board shall develop a form for purposes of this section.~~

1 ~~(d)~~
 2 (c) Notwithstanding any provision of the Bradley-Burns Uniform
 3 Local Sales and Use Tax Law (Part 1.5 (commencing with Section
 4 7200)) or the Transactions and Use Tax Law (Part 1.6
 5 (commencing with Section 7251)), this section shall not apply with
 6 respect to any tax levied by a county, city, or district pursuant to,
 7 or in accordance with, either of those laws.

8 (d) *This section shall be repealed on January 1, 2022.*

9 ~~SEC. 2.~~

10 SEC. 4. Section 7101.4 is added to the Revenue and Taxation
 11 Code, to read:

12 7101.4. (a) Notwithstanding Section 7101 or any other law,
 13 except as otherwise required to be transferred pursuant to the
 14 California Constitution or Sections 6051.2, 6051.8, 6051.15,
 15 6201.2, 6201.8, 6201.15, and 7101.3 or subdivision (a) of Section
 16 7102, 30 percent of all revenues, less refunds and costs of
 17 administration, derived under this part that were segregated
 18 pursuant to Section 6453.1, upon receipt shall be transferred to the
 19 Fair and Exposition Fund in the State ~~Treasury, and shall be~~
 20 ~~deposited into the separate account in the fund specified in Section~~
 21 ~~19606.1 of the Business and Professions Code. Treasury.~~ Any
 22 amounts deposited ~~into that account~~ in the Fair and Exposition
 23 Fund pursuant to this section shall be continuously appropriated
 24 and allocated as provided in ~~Section 19606.1 of the Business and~~
 25 ~~Professions Code, except that any amounts transferred to the Fair~~
 26 ~~and Exposition Fund pursuant to subdivision (g) of Section 19606.1~~
 27 ~~shall be allocated in accordance with Section 19620.2 of the~~
 28 Business and Professions Code.

29 (b) *This section shall be repealed on January 1, 2022.*