

Senate Bill No. 705

CHAPTER 579

An act to add Chapter 3.9 (commencing with Section 7295) and Chapter 3.91 (commencing with Section 7297) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor October 7, 2015. Filed with
Secretary of State October 7, 2015.]

LEGISLATIVE COUNSEL'S DIGEST

SB 705, Hill. Transactions and use taxes: County of San Mateo: Transportation Agency for Monterey County.

Existing law authorizes various local governmental entities, 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%. Existing law, the Bay Area County Traffic and Transportation Funding Act, authorizes nine specified counties in the San Francisco Bay Area, including the County of San Mateo, to establish a county transportation authority and levy a retail transactions and use tax of either 0.5% or 1% for specified transportation purposes if certain requirements are met, including that the ordinance levying the tax meets the requirements of the Transactions and Use Tax Law and is approved by $\frac{2}{3}$ of the electors voting on the measure.

This bill would authorize the County of San Mateo to, in accordance with the Bay Area County Traffic and Transportation Funding Act, impose a transactions and use tax for countywide transportation programs at a rate of no more than 0.5% that, in combination with other specified taxes, would exceed the combined rate limit. The bill would also authorize the Transportation Agency for Monterey County to impose a transactions and use tax for the support of countywide transportation programs at a rate of no more than 0.375% that, in combination with other specified taxes, would exceed the combined rate limit.

These provisions would be repealed by their own terms on January 1, 2026, if an ordinance is not approved, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of San Mateo and the Transportation Agency for Monterey County.

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

SECTION 1. Chapter 3.9 (commencing with Section 7295) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.9. LOCAL GOVERNMENT FINANCE IN THE COUNTY OF SAN MATEO

7295. Notwithstanding any other law, the County of San Mateo may, in accordance with the requirements of the Bay Area County Traffic and Transportation Funding Act (Division 12.5 (commencing with Section 131000) of the Public Utilities Code) relating to the imposition of transactions and use taxes, impose a transactions and use tax for the support of countywide transportation programs at a rate of no more than 0.5 percent that would, in combination with all taxes imposed in accordance with Part 1.6 (commencing with Section 7251), exceed the limit established in Section 7251.1.

7296. If the ordinance proposing the transactions and use tax is not approved as required by Section 7295, this chapter shall be repealed as of January 1, 2026.

SEC. 2. Chapter 3.91 (commencing with Section 7297) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.91. LOCAL GOVERNMENT FINANCE IN THE COUNTY OF MONTEREY

7297. Notwithstanding any other law, the Transportation Agency for Monterey County may impose a transactions and use tax for the support of countywide transportation programs at a rate of no more than 0.375 percent that would, in combination with all taxes imposed in accordance with Part 1.6 (commencing with Section 7251), exceed the limit established in Section 7251.1, if all of the following requirements are met:

(a) The Transportation Agency for Monterey County adopts an ordinance proposing the transactions and use tax by any applicable voting approval requirement.

(b) The ordinance proposing the transactions and use tax is submitted to the electorate and is approved by the voters voting on the ordinance in accordance with Article XIII C of the California Constitution.

(c) 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.

7298. If the ordinance proposing the transactions and use tax is not approved as required by subdivision (b) of Section 7297, this chapter shall be repealed as of January 1, 2026.

SEC. 3. (a) The Legislature finds and declares that the special law contained in Section 1 of this measure 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 pressures experienced by the San Mateo County Transportation Authority in providing essential transportation programs.

(b) The Legislature finds and declares that the special law contained in Section 2 of this measure 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 pressures experienced by the Transportation Agency for Monterey County in providing essential transportation programs.