

Introduced by Senator De León

(Principal coauthors: Senators Allen, Hall, Hernandez, Lara, and Liu)

(Principal coauthors: Assembly Members Bloom, Chau, Holden, Jones-Sawyer, and Nazarian)

February 27, 2015

An act to add Section 130350.7 to the Public Utilities Code, relating to transportation.

LEGISLATIVE COUNSEL'S DIGEST

SB 767, as introduced, De León. Los Angeles County Metropolitan Transportation Authority: transactions and use tax.

Existing law authorizes the Los Angeles County Metropolitan Transportation Authority (MTA) to impose, in addition to any other tax that it is authorized to impose, a transactions and use tax at a rate of 0.5% for the funding of specified transportation-related projects and programs, subject to various requirements, including the adoption of an expenditure plan and voter approval. Existing law authorizes the MTA to seek voter approval to extend the transactions and use tax pursuant to an amended ordinance, subject to various requirements, including adoption of an amended expenditure plan that, among other things, updates certain cost estimates and identifies expected completion dates for projects and programs under the previous expenditure plan, and also requires the amended expenditure plan to be included in an updated long range transportation plan, as specified.

This bill would authorize the MTA to impose an additional transportation transactions and use tax at a rate of 0.5% subject to various requirements, including the adoption of an expenditure plan and voter approval.

The Transactions and Use Tax Law limits to 2% the combined rate of all transactions and use taxes imposed in any county, with certain exceptions.

This bill would exempt the transactions and use tax authorized by the bill from this limitation.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

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

1 SECTION 1. Section 130350.7 is added to the Public Utilities
2 Code, to read:

3 130350.7. (a) The Los Angeles County Metropolitan
4 Transportation Authority (MTA), in addition to any other tax it is
5 authorized to impose or has imposed, may impose a transactions
6 and use tax at the rate of 0.5 percent, for a period to be determined
7 by the MTA, that is applicable in the incorporated and
8 unincorporated areas of Los Angeles County.

9 (b) The ordinance imposing the tax shall contain all of the
10 following:

11 (1) An expenditure plan that lists the transportation projects and
12 programs to be funded from net revenues from the tax. The
13 expenditure plan shall appear in the ordinance as an exhibit.

14 (2) Provisions conforming to the Transactions and Use Tax Law
15 (Part 1.6 (commencing with Section 7251) of Division 2 of the
16 Revenue and Taxation Code), except as otherwise provided in
17 subdivision (f).

18 (3) A provision limiting the MTA’s costs of administering the
19 ordinance and the net revenues from the tax to 1.5 percent of the
20 total tax revenues.

21 (4) A requirement that the net revenues from the tax, defined
22 to mean the total tax revenues less any refunds, costs of
23 administration by the State Board of Equalization, and the MTA’s
24 administration costs, shall be used by the MTA to fund
25 transportation projects and programs identified in the expenditure
26 plan.

27 (c) The ordinance shall be adopted by the MTA board, which
28 shall also adopt a resolution that submits the ordinance to the
29 voters.

1 (d) The ordinance shall become operative pursuant to Section
2 130352 if approved by two-thirds of the voters voting on the
3 measure, pursuant to subdivision (d) of Section 2 of Article XIII
4 C of the California Constitution.

5 (e) The MTA may incur bonded indebtedness payable from the
6 net revenues of the tax pursuant to the bond issuance provisions
7 of this chapter and any successor act.

8 (f) The tax authorized by this section shall be imposed pursuant
9 to the Transactions and Use Tax Law (Part 1.6 (commencing with
10 Section 7251) of Division 2 of the Revenue and Taxation Code),
11 notwithstanding the combined rate limitation in Section 7251.1 of
12 the Revenue and Taxation Code.

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