

AMENDED IN ASSEMBLY JULY 8, 2015

AMENDED IN SENATE JUNE 1, 2015

SENATE BILL

No. 767

Introduced by Senator De León

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

(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 amended, 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 *specified* rate of *up to 0.5% or 1.0% if certain conditions exist and* subject to various requirements, including the adoption of an expenditure plan and voter approval, as specified.

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, tax,~~ for a period to be
 7 determined by the MTA, that is applicable in the incorporated and
 8 unincorporated areas of Los Angeles County. *The tax authorized*
 9 *by this section shall not exceed either of the following:*
 10 (1) *The rate of 0.5 percent if a tax authorized by Section*
 11 *130350.5 or 130350.6 is in effect.*
 12 (2) *The rate of 1.0 percent if a tax authorized by Section*
 13 *130350.5 or 130350.6 is not in effect.*
 14 (b) The ordinance imposing the tax shall contain all of the
 15 following:
 16 (1) An expenditure plan that lists the transportation projects and
 17 programs to be funded from net revenues from the tax. The
 18 expenditure plan shall appear in the ordinance as an exhibit. The
 19 expenditure plan shall include all of the following:
 20 (A) The most recent cost estimates for each project and program
 21 identified in the expenditure plan.
 22 (B) The identification of the accelerated cost, if applicable, for
 23 each project and program in the expenditure plan.
 24 (C) The approximate schedule during which the MTA anticipates
 25 funds will be available for each project and program.

1 (D) The expected completion dates for each project and program
2 within a three-year range.

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

7 (3) A provision limiting the MTA's costs of administering the
8 ordinance and the net revenues from the tax to 1.5 percent of the
9 total tax revenues.

10 (4) A requirement that the net revenues from the tax, defined
11 to mean the total tax revenues less any refunds, costs of
12 administration by the State Board of Equalization, and the MTA's
13 administration costs, shall be used by the MTA to fund
14 transportation projects and programs identified in the expenditure
15 plan.

16 (5) *The rate of the tax, which shall not exceed the applicable*
17 *maximum rate described in subdivision (a).*

18 (c) The MTA shall do all of the following:

19 (1) Develop a transparent process to determine the most recent
20 costs estimates for each project and program identified in the
21 expenditure plan.

22 (2) At least 30 days before submitting the ordinance described
23 in subdivision (b) to the voters, post the expenditure plan on its
24 Internet Web site in a prominent manner.

25 (d) The ordinance shall be adopted by the MTA board, which
26 shall also adopt a resolution that submits the ordinance to the
27 voters.

28 (e) The ordinance shall become operative pursuant to Section
29 130352 if approved by two-thirds of the voters voting on the
30 measure, pursuant to subdivision (d) of Section 2 of Article XIII
31 C of the California Constitution.

32 (f) (1) If the voters approve the ordinance authorized by this
33 section, the expenditure plan included as an exhibit to the ordinance
34 pursuant to paragraph (1) of subdivision (b) shall also be included
35 in the revised and updated Long Range Transportation Plan within
36 one year of the date the ordinance takes effect. The revised and
37 updated Long Range Transportation Plan shall also include capital
38 projects and capital programs that are adopted by each subregion
39 that are submitted to the MTA for inclusion in the revised and
40 updated Long Range Transportation Plan, if the cost and schedule

1 details are provided by the subregions, in a manner consistent with
2 the requirements of the plan. Inclusion of a capital project or a
3 capital program in the Long Range Transportation Plan is not a
4 commitment or guarantee that the project or program shall receive
5 any future funding.

6 (2) For purposes of this subdivision, “subregion” shall have the
7 same meaning as that term is defined in the Long Range
8 Transportation Plan process in effect as of January 1, 2008.

9 (g) The MTA may incur bonded indebtedness payable from the
10 net revenues of the tax pursuant to the bond issuance provisions
11 of this chapter and any successor act.

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