

AMENDED IN ASSEMBLY DECEMBER 18, 2008

CALIFORNIA LEGISLATURE—2009—10 FIRST EXTRAORDINARY SESSION

SENATE BILL

No. 6

Introduced by Senator Ducheny

December 8, 2008

~~An act relating to the Budget Act of 2008. An act to amend Section 29530 of the Government Code, and to add Section 7203.25 to the Revenue and Taxation Code, relating to local government finance.~~

LEGISLATIVE COUNSEL'S DIGEST

SB 6, as amended, Ducheny. ~~Budget Act of 2008. County sales and use taxes: rate increase.~~

~~This bill would express the intent of the Legislature to enact statutory changes relating to the Budget Act of 2008.~~

The Bradley-Burns Uniform Local Sales and Use Tax Law (Bradley-Burns Law) authorizes a county and a city and county to impose a local sales and use tax, and similarly authorizes a city, located within a county imposing such a tax rate, to impose a local sales tax rate that is credited against the county rate. Existing law requires a city, county, or city and county imposing a local sales and use tax pursuant to the Bradley-Burns Law to contract with the State Board of Equalization to administer the local sales and use tax. Existing law authorizes a county or city and county to contract with the State Board of Equalization to establish a local transportation fund in the county treasury for the deposit of $\frac{1}{4}$ of 1% of the revenues collected for the county or city and county under the Bradley-Burns Law for specified transportation purposes.

This bill would authorize a county or city and county to impose an additional $\frac{1}{4}$ of 1% sales and use tax rate under the Bradley-Burns

Law. This bill would require a county or city and county that imposes this additional rate to deposit all revenues derived therefrom, less specified administrative costs, into a local transportation fund, as specified. This bill would also require a county or a city and county that imposes this additional tax to comply with the applicable voter-approval requirements of a specified provision of the California Constitution.

The California Constitution authorizes the Governor to declare a fiscal emergency and to call the Legislature into special session for that purpose. The Governor issued a proclamation declaring a fiscal emergency, and calling a special session for this purpose, on December 1, 2008.

This bill would state that it addresses the fiscal emergency declared by the Governor by proclamation issued on December 1, 2008, pursuant to the California Constitution.

This bill would become operative only if Assembly Bill 2 of the 2009-10 First Extraordinary Session of the Legislature is chaptered

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

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

1 SECTION 1. Section 29530 of the Government Code is
2 amended to read:
3 29530. (a) If the board of supervisors so agrees by contract
4 with the State Board of Equalization, the board of supervisors shall
5 establish a local transportation fund in the county treasury and
6 shall deposit in the fund all revenues transmitted to the county by
7 the State Board of Equalization under Section 7204 of the Revenue
8 and Taxation Code, which are derived from that portion of the
9 taxes imposed by the county at a rate in excess of 1 percent, and
10 on and after July 1, 2004, until the rate modifications in subdivision
11 (a) of Section 7203.1 of the Revenue and Taxation Code cease to
12 apply, at a rate in excess of three-quarters of 1 percent, pursuant
13 to Part 1.5 (commencing with Section 7200) of Division 2 of that
14 code, less an allocation of the cost of the services of the State Board
15 of Equalization in administering the sales and use tax ordinance
16 related to the rate in excess of 1 percent, and on and after July 1,
17 2004, until the rate modifications in subdivision (a) of Section
18 7203.1 of the Revenue and Taxation Code cease to apply, to the

1 rate in excess of three-quarters of 1 percent, and of the Director
2 of Transportation and the Controller in administering the
3 responsibilities assigned to him or her in Chapter 4 (commencing
4 with Section 99200) of Part 11 of Division 10 of the Public Utilities
5 Code.

6 *(b) (1) The board of supervisors of a county or city and county
7 that imposes a tax pursuant to Section 7203.25 of the Revenue and
8 Taxation Code shall contract with the State Board of Equalization
9 to establish a local transportation fund in the county or city and
10 county treasury, and shall deposit in the fund all revenues
11 transmitted to the county or city and county by the State Board of
12 Equalization under Section 7204 of the Revenue and Taxation
13 Code that are derived from that portion of the taxes imposed by
14 the county or city and county under Section 7203.25 of the Revenue
15 and Taxation Code, less an allocation of the cost of the services
16 of the State Board of Equalization in administering the sales and
17 use tax ordinance related to that rate and the Director of
18 Transportation and the Controller in administering the
19 responsibilities assigned to him or her in Chapter 4 (commencing
20 with Section 99200) of Part 11 of Division 10 of the Public Utilities
21 Code.*

22 *(2) The board of supervisors of a county or city and county that
23 has established a local transportation fund under subdivision (a)
24 is deemed to have established the local transportation fund
25 described in paragraph (1). The board of supervisors shall deposit
26 into that fund all revenues described in paragraph (1).*

27 ~~(b)~~

28 *(c) Any interest or other income earned by investment or
29 otherwise of the local transportation fund shall accrue to and be a
30 part of the fund.*

31 *SEC. 2. Section 7203.25 is added to the Revenue and Taxation
32 Code, to read:*

33 *7203.25. (a) Notwithstanding any other provision of law, on
34 and after the effective date of this section, a county and a city and
35 county may, for the purposes specified in subdivision (b) of Section
36 29530 of the Government Code, impose a sales and use tax rate
37 of one-quarter of 1 percent, in addition to the rates authorized by
38 Sections 7202 and 7203, for the privilege of selling tangible
39 personal property at retail in the county or city and county, and
40 upon the storage, use or other consumption in the county or city*

1 and county of tangible personal property purchased from any
2 retailer for storage, use or other consumption in the county or city
3 and county.

4 (b) A county and city and county that imposes a tax pursuant
5 to subdivision (a) shall comply with both of the following:

6 (1) All other applicable provisions of this part.

7 (2) The applicable voter-approval requirements of Section 2 of
8 Article XIII C of the California Constitution when the county or
9 city and county imposes, extends, or increases the tax authorized
10 by this section.

11 SEC. 3. This act addresses the fiscal emergency declared by
12 the Governor by proclamation on December 1, 2008, pursuant to
13 subdivision (f) of Section 10 of Article IV of the California
14 Constitution.

15 SEC. 4. This act shall become operative only if Assembly Bill
16 2 of the 2009-10 First Extraordinary Session of the Legislature is
17 chaptered.

18 ~~SECTION 1. It is the intent of the Legislature to enact statutory~~
19 ~~changes relating to the Budget Act of 2008.~~

20 ~~SEC. 2. This act addresses the fiscal emergency declared by~~
21 ~~the Governor by proclamation on December 1, 2008, pursuant to~~
22 ~~subdivision (f) of Section 10 of Article IV of the California~~
23 ~~Constitution.~~