

Repeal Sections 7286.28, 7286.40, 7286.47, 7286.56, and 7286.65 of the Transactions and Use Tax Law to eliminate special statutes that are redundant due to subsequent legislation that authorized cities to levy transactions and use taxes for general and special purposes. (Technical)

Source: Legislative Section

Existing Law

Senate Bill 566 (Ch. 709, Stats. 2003), effective January 1, 2004, authorizes cities to levy transactions and use taxes for general or special purposes, subject to voter approval. Prior to the enactment of SB 566, cities needed specific legislative approval in order to place a sales tax ordinance before the voters of that city. SB 566 provided cities with the same authority that exists for counties and eliminated the need for all of the special "city" legislation.

SB 566 added both Sections 7285.9 and 7285.91 to the Transactions and Use Tax Law. Section 7285.9 authorizes a city to levy a transactions and use tax at a rate of 0.25 percent, or multiple thereof, for general purposes, if the ordinance imposing that tax is approved by a majority of the local electorate. Section 7285.91 authorizes a city to levy a transactions and use tax at a rate of 0.25 percent, or multiple thereof, for special purposes, if the ordinance imposing that tax is approved by a two-thirds vote of the local electorate.

Under existing law, Section 7286.47 authorizes the City of Redding to levy a transactions and use tax at a rate of 0.25 percent for general purposes, subject to a majority voter approval. Since City of Redding can levy a general purpose tax at a rate of 0.25 percent under the general statute (Section 7285.9), this special statute is no longer needed. Similarly, Sections 7286.28 (City of Salinas), 7286.40 (City of Lakeport), 7286.56 (Town of Yucca Valley), and 7286.65 (City of Madera) authorize specified cities to impose a special tax at a rate of 0.25 percent, or multiples of 0.25 percent, subject to two-thirds voter approval. These cities can levy a special purpose tax at a rate of 0.25 percent, or multiples of 0.25 percent, under the general statute (Section 7285.91).

This Proposal

This proposal would repeal Sections 7286.28, 7286.40, 7286.47, 7286.56, and 7286.65 of the Transactions and Use Tax Law to eliminate special statutes that are now redundant due to subsequent legislation that authorized any city to levy a transactions and use tax for general or special purposes, subject to the required voter approval. Because cities can levy a transactions and use tax under Sections 7285.9 (general purpose) or 7285.91 (special purpose), these special enabling statutes are no longer necessary, and, therefore should be repealed.

Section 7286.28 of the Revenue and Taxation Code is repealed:

~~Section 7286.28. (a) Subject to the expenditure restrictions in subdivision (b), the City of Salinas may levy a tax at a rate of 0.25 percent in accordance with the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), if both of the following conditions are met:~~

~~(1) An ordinance proposing that tax is approved by a majority vote of all of the members of the city council.~~

~~(2) The proposing ordinance is approved by a two-thirds vote of qualified voters of the city voting in an election on the issue.~~

~~(b) The net revenues derived from a tax imposed pursuant to this section shall be exclusively expended for the provision of identifiable capital facilities, furnishings, and equipment.~~

Section 7286.40 of the Revenue and Taxation Code is repealed:

~~Section 7286.40. (a) Subject to subdivision (b), the City of Lakeport may levy a transactions and use tax at a rate of 0.25 percent, or a multiple thereof, not to exceed 1 percent, if an ordinance or resolution proposing that tax is approved by a majority vote of all the members of the city council and the tax is approved by a two-thirds vote of the qualified voters of the city voting in an election on the issue.~~

~~(b) (1) Any transactions and use tax levied under this section shall be levied pursuant to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)).~~

~~(2) The net revenues derived from a tax levied under this section shall be expended only for the repair, replacement, construction, or reconstruction of the city's streets and roads system.~~

Section 7286.47 of the Revenue and Taxation Code is repealed:

~~Section 7286.47. (a) Subject to subdivision (b), the City of Redding may levy a transactions and use tax at a rate of 0.25 percent, if an ordinance proposing that tax is approved by a two-thirds vote of all the members of the city council and the tax is approved by a majority vote of the qualified voters of the city voting in an election on the issue.~~

~~(b) (1) Any transactions and use tax levied under this section shall be levied pursuant to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)).~~

~~(2) The net revenues derived from a tax levied under this section shall be expended for general governmental purposes.~~

Section 7286.56 of the Revenue and Taxation Code is repealed:

~~7286.56. (a) Subject to subdivision (b), the Town of Yucca Valley may levy a transactions and use tax at a rate of 0.25 percent, or a multiple thereof, not to exceed 1 percent, if an ordinance or resolution proposing that tax is approved by a majority vote of all the members of the town council and the tax is approved by a two-thirds vote of the qualified voters of the town voting in an election on the issue.~~

~~(b) (1) Any transactions and use tax levied under this section shall be levied pursuant to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)).~~

~~(2) The net revenues derived from a tax levied under this section shall be expended exclusively for transportation and the repair, replacement, construction, or reconstruction of the town's parks.~~

Section 7286.65 of the Revenue and Taxation Code is repealed:

~~7286.65. (a) Subject to subdivision (b), the City of Madera may levy a transactions and use tax at a rate of 0.25 percent, if an ordinance or resolution proposing that tax is approved by a majority vote of all the members of the city council and the tax is approved by a two-thirds vote of the qualified voters of the city voting in an election on the issue.~~

~~(b) (1) The transactions and use tax imposed pursuant to this chapter shall conform to Part 1.6 (commencing with Section 7251).~~

~~(2) The net revenues derived from a tax imposed by this section shall be expended only for public safety services, as defined in Section 30052 of the Government Code, and shall be in addition to, and not supplant, the level of funding for public safety services that was provided from other revenue sources by the City of Madera for the 1996-97 fiscal year.~~