

Assembly Bill No. 1679

CHAPTER 731

An act to add Chapter 2.4 (commencing with Section 7286.01) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation.

[Approved by Governor October 10, 2023. Filed with Secretary of State October 10, 2023.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1679, Santiago. Transactions and use taxes: County of Los Angeles: homelessness.

Existing law authorizes cities and counties, subject to certain limitations and approval requirements, to levy a transactions and use tax for general or specific 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 local transactions and use tax law for the County of Los Angeles, known as Measure H, establishes a local tax at a rate of 0.25%, and the revenue from that tax is dedicated to addressing and preventing homelessness.

This bill would authorize the County of Los Angeles to impose a transactions and use tax at a rate of no more than 0.50% that, in combination with other transactions and use taxes, would exceed the above-described combined rate limit of 2%, if the county adopts an ordinance proposing the tax and the ordinance proposing the tax is approved by the voters, subject to applicable voter approval requirements. The bill would also require all revenue from the tax to be dedicated to addressing and preventing homelessness, as provided, and would require the local ordinance, upon approval by the electorate, to repeal Measure H. The bill would specify that a transactions and use tax established pursuant to its provisions would not be considered for purposes of the 2% combined rate limitation. The bill would state the intent of the Legislature that any transactions and use tax adopted pursuant to these provisions include robust oversight and accountability provisions. The bill would repeal this authorization on December 31, 2028, if an ordinance proposing the tax has not been approved by that date.

This bill would make legislative findings and declarations as to the necessity of a special statute for the County of Los Angeles.

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

SECTION 1. Chapter 2.4 (commencing with Section 7286.01) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 2.4. COUNTY OF LOS ANGELES TRANSACTIONS AND USE TAX

7286.01. (a) Notwithstanding any other law, the County of Los Angeles may impose a transactions and use tax at a rate of no more than 0.50 percent that would, in combination with all taxes imposed in accordance with the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), exceed the limit established in Section 7251.1, if all of the following requirements are met:

(1) The county adopts an ordinance proposing the transactions and use tax by any applicable voting approval requirement, including by citizen's initiative.

(2) The ordinance proposing the transactions and use tax is submitted to the electorate and is approved by the voters voting on the ordinance pursuant to Section 11 of Article II or Section 2 of Article XIII C of the California Constitution, as applicable.

(3) 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.

(4) All revenues from the tax shall be dedicated to services to people experiencing homelessness or at risk of homelessness, to homelessness prevention, or to providing affordable housing.

(5) Upon approval by the electorate, the ordinance would repeal the transactions and use tax established by Measure H in the County of Los Angeles, approved by the voters on the March 7, 2017, ballot.

(b) Notwithstanding Section 7251.1, a transactions and use tax rate imposed pursuant to subdivision (a) shall not be considered for purposes of the combined rate limitation established by Section 7251.1.

(c) It is the intent of the Legislature that any transactions and use tax adopted pursuant to the authority granted by this section include robust oversight and accountability provisions.

7286.02. If, as of December 31, 2028, an ordinance proposing a transactions and use tax has not been approved in the County of Los Angeles as required by Section 7286.01, this chapter shall be repealed as of that same date.

SEC. 2. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique circumstances facing the County of Los Angeles with regard to homelessness and affordable housing.

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