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**SB-797 Peninsula Corridor Joint Powers Board: transactions and use tax.** (2017-2018)

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**Senate Bill No. 797**

**CHAPTER 653**

An act to add Chapter 2.95 (commencing with Section 7286.65) to Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to transportation.

[ Approved by Governor October 10, 2017. Filed with Secretary of State October 10, 2017. ]

**LEGISLATIVE COUNSEL'S DIGEST**

SB 797, Hill. Peninsula Corridor Joint Powers Board: transactions and use tax.

Existing law authorizes various local governmental entities, subject to certain limitations and approval requirements, to levy transactions and use taxes for general 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%.

This bill would authorize the Peninsula Corridor Joint Powers Board, by a resolution approved by  $\frac{2}{3}$  of the board and with the approval of specified entities, to levy a tax pursuant to the Transactions and Use Tax Law at a rate not to exceed 0.125%, with net revenues from the tax to be used by the board for operating and capital purposes of the Caltrain rail service, subject to  $\frac{2}{3}$  voter approval of a regional measure submitted by the board to voters of the Counties of San Francisco, San Mateo, and Santa Clara. The bill would authorize the board to exceed the 2% limit described above to impose the retail transactions and use tax.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Counties of San Francisco, San Mateo, and Santa Clara.

Vote: majority Appropriation: no Fiscal Committee: no Local Program: no

**THE PEOPLE OF THE STATE OF CALIFORNIA DO ENACT AS FOLLOWS:**

**SECTION 1.** Chapter 2.95 (commencing with Section 7286.65) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

**CHAPTER 2.95. Peninsula Corridor Joint Powers Board**

**7286.65.** (a) Upon the affirmative vote of two-thirds of the directors of the Peninsula Corridor Joint Powers Board, a joint powers authority formed pursuant to the Joint Exercise of Powers Act (Chapter 5 (commencing with Section 6500) of Division 7 of Title 1 of the Government Code), the board may, by resolution and consistent with subdivision (b), submit to the voters of the Counties of San Francisco, San Mateo, and Santa Clara a regional measure proposing only a retail transactions and use tax, at a rate not to exceed 0.125 percent and in accordance with the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251) of

this code) and Article XIII C of the California Constitution, with net revenues from the tax to be used by the board for the operating and capital purposes of the Caltrain rail service.

(b) The measure shall only be submitted to the voters upon approval by the boards of supervisors of the Counties of San Francisco, San Mateo, and Santa Clara, consistent with each county's applicable procedures, and approval by the San Francisco Municipal Transportation Agency, the San Mateo County Transit District, and the Santa Clara Valley Transportation Authority by a majority vote of each transportation entity's governing board.

(c) The measure shall be approved if two-thirds of all of the voters voting on the measure approve it.

(d) The board may impose a retail transactions and use tax pursuant to subdivision (a) that, in combination with all taxes imposed in accordance with the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), exceeds the limit established in Section 7251.1.

**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 need to provide a dedicated local funding source for the Caltrain rail service.