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AB-1052 Sacramento Regional Transit District: taxes. (2023-2024)

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Assembly Bill No. 1052

CHAPTER 674

An act to amend Sections 102331, 102332, 102333, 102350, and 102351 of, and to add Section 102336 to, the Public Utilities Code, relating to transportation.

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

LEGISLATIVE COUNSEL'S DIGEST

AB 1052, McCarty. Sacramento Regional Transit District: taxes.

Existing law, the Sacramento Regional Transit District Act, creates the Sacramento Regional Transit District, with specified powers and duties relative to providing transit services in the Sacramento region. Existing law authorizes the district to levy or collect a property tax within any city or the unincorporated area, or any part thereof, in the district, upon the approval by a $\frac{2}{3}$ vote of the electorate, as provided. Existing law authorizes the board of directors of the district to adopt a retail transactions and use tax ordinance, subject to the approval of $\frac{2}{3}$ of the electors at a special election.

This bill would revise and recast those provisions related to the imposition of property taxes and retail transactions and use taxes by the district, by, among other things, explicitly authorizing the district to impose a property tax or retail transactions and use tax in the entirety of, or a portion of, the incorporated and unincorporated territory. If the tax only applies to a portion of an area of the district, the bill would require the incorporated area of each city and of contiguous cities within the district to be either wholly included within or wholly excluded from that portion that is taxed and would require the entire unincorporated area of the district to be either wholly included within or wholly excluded from that portion that is taxed.

Existing law specifies a procedure for the legislative body of a city, county, or district to propose to the voters an ordinance or resolution to adopt a special tax and, upon the approval of $\frac{2}{3}$ of the votes cast by voters voting upon the proposition, the city, county, or district may impose the tax.

This bill would authorize the district to impose a special tax pursuant to those procedures. The bill would authorize the district to impose the special tax in the entirety of, or a portion of, the incorporated and unincorporated territory. The bill would require the incorporated area of each city and of contiguous cities within the district to be either wholly included within or wholly excluded from that portion that is taxed and would require the entire unincorporated area of the district to be either wholly included within or wholly excluded from that portion that is taxed.

This bill would require the district, in exercising the property tax, special tax, and retail transactions and use tax authority described above, to use the tax proceeds for public transportation purposes, as provided, in those areas taxed. The bill would explicitly state that the elections to impose the property tax, special tax, and retail transactions and use tax shall only include the voters of those areas of the district in which the taxes will be imposed.

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

SECTION 1. Section 102331 of the Public Utilities Code is amended to read:

102331. (a) In addition to revenues and receipts from other sources, the board may levy and collect a property tax in the entirety of, or a portion of, the incorporated and unincorporated territory. The board may impose different rates of taxation in areas within the district. Authority exercised pursuant to this subdivision shall be subject to any applicable constitutional requirements.

(b) If the tax only applies to a portion of an area of the district, both of the following shall apply to the imposition of the tax:

(1) The incorporated area of each city and of contiguous cities within the district shall be either wholly included within that portion or wholly excluded from that portion. For purposes of this paragraph, "contiguous cities" means two or more cities with shared borders.

(2) The entire unincorporated area of the district shall either be wholly included within that portion or wholly excluded from that portion.

(c) The proceeds of the property tax shall be used to provide, within the areas taxed, for the improvement or acquisition of any real property needed for transportation purposes.

(d) An election to impose a property tax as described in this section shall only include the voters of those portions of the area of the district in which the property tax will be imposed.

SEC. 2. Section 102332 of the Public Utilities Code is amended to read:

102332. The district shall not levy or collect a property tax within any city or within the unincorporated area of the district until:

(a) The legislative body of the city or county adopts a resolution declaring there is need for the district to operate and levy a tax within the city or the unincorporated area of the district.

(b) Two-thirds of the voters of the city or the unincorporated area, following the adoption of the resolution under subdivision (a), voting on the question at an election called for that purpose, approves the operation of the district, and the levy of a property tax by the district, within the city or within the unincorporated area of the district.

SEC. 3. Section 102333 of the Public Utilities Code is amended to read:

102333. The district may conduct a single election in an area comprising the area of a city and the unincorporated area of the district, or any combination of those areas, with the approval of the cities and the unincorporated area of the district concerned, in which event two-thirds of the voters voting at the election shall be sufficient to approve the proposition submitted for the entire area included in the election. Where more than one election will be held, the approval of the voters in one election pertaining to an area may be conditioned upon the approval of voters in one or more other elections pertaining to other areas.

SEC. 4. Section 102336 is added to the Public Utilities Code, to read:

102336. (a) The district board may impose a special tax pursuant to Article 3.5 (commencing with Section 50075) of Chapter 1 of Part 1 of Division 1 of Title 5 of the Government Code, subject to any applicable constitutional requirements. The special taxes shall be applied uniformly to all taxpayers or all real property within the district, or any portion of the district, except that unimproved property may be taxed at a lower rate than improved property.

(b) If the tax only applies to a portion of an area of the district, both of the following shall apply to the imposition of the tax:

(1) The incorporated area of each city and of contiguous cities within the district shall be either wholly included within that portion or wholly excluded from that portion. For purposes of this paragraph, "contiguous cities" means two or more cities with shared borders.

(2) The entire unincorporated area of the district shall either be wholly included within that portion or wholly excluded from that portion.

(c) The proceeds of the special tax shall be used to provide, within the area taxed, for the operation, maintenance, or acquisition of any public improvement or utility for transportation purposes.

(d) An election to impose a special tax as described in this section shall only include the voters of those portions of the area of the district in which the special tax will be imposed.

SEC. 5. Section 102350 of the Public Utilities Code is amended to read:

102350. (a) A retail transactions and use tax ordinance may be adopted by the board in accordance with the provisions of Part 1.6 (commencing with Section 7251) of Division 2 of the Revenue and Taxation Code, provided two-thirds of the electors voting on the measure vote to authorize its enactment at a special election called for that purpose by the board, subject to any applicable constitutional requirements.

(b) The board, in the ordinance, shall state the nature of the tax to be imposed, the tax rate or the maximum tax rate, the purposes for which the revenue derived from the tax will be used, the portion of the area of the board to which the tax would apply, and may set a term during which the tax will be imposed. The purposes for which the tax revenues may be used shall be limited to public transit purposes serving the area of jurisdiction of the district, as determined by the board, including the administration of this part and legal actions related thereto. These purposes include expenditures for planning, environmental reviews, engineering and design costs, and related right-of-way acquisition.

(c) As used in this section, "public transit purposes" includes the public transit responsibilities under the jurisdiction of the district as well as any repair, redesign, or ongoing maintenance of a right-of-way upon which transit is intended to travel, or any bikeway, bicycle path, sidewalk, trail, pedestrian access, or pedestrian accessway.

SEC. 6. Section 102351 of the Public Utilities Code is amended to read:

102351. (a) The retail transactions and use tax ordinance shall provide for a rate of one-eighth of 1 percent or a multiple thereof. The ordinance shall provide for the tax to be imposed on the entirety of, or a portion of, the incorporated and unincorporated territory within the boundaries of the district, as defined in Section 102052.5. The ordinance shall be subject to voter approval by the electors in those portions of the district to which the tax applies and shall be consistent with Section 102350.

(b) The portion of the area of the board to which the tax would apply shall be determined by the board before the electors vote on the measure.

(c) If the tax only applies to a portion of an area of the district, all of the following shall apply to the imposition of the tax:

(1) The incorporated area of each city and of contiguous cities within the district shall be either wholly included within that portion or wholly excluded from that portion. For purposes of this paragraph, "contiguous cities" means two or more cities with shared borders.

(2) The entire unincorporated area of the district shall either be wholly included within that portion or wholly excluded from that portion.

(3) The revenues derived from the tax shall be spent within, or for the benefit of, the portion of the area of the district to which the tax applies, and shall be spent only on allowable transportation and transit infrastructure and services.

(d) Any revenues derived from the tax shall supplement, and not supplant, other transportation revenues available to the portion of the area of the board to which the tax applies.