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AB-2443 Transactions and use taxes: Cities of Lancaster, Palmdale, and Victorville. (2023-2024)

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Assembly Bill No. 2443

CHAPTER 961

An act to add and repeal Chapter 3.10 (commencing with Section 7287.11), Chapter 3.11 (commencing with Section 7287.13), and Chapter 3.12 (commencing with Section 7287.15) of Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor September 29, 2024. Filed with Secretary of State September 29, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

AB 2443, Juan Carrillo. Transactions and use taxes: Cities of Lancaster, Palmdale, and Victorville.

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 jurisdiction not exceed 2%.

This bill would authorize the Cities of Lancaster, Palmdale, and Victorville to impose a transactions and use tax for the support of countywide transportation programs or general services, at a rate of no more than 1% that, in combination with other transactions and use taxes, would exceed the above-described combined rate limit of 2%, if certain requirements are met. The bill would provide that a transactions and use tax rate imposed pursuant to the bill will not be considered for purposes of the combined rate limit described above. The bill would repeal these authorizations on January 1, 2029, if an ordinance proposing the tax has not been approved by that date, as specified.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Cities of Lancaster, Palmdale, and Victorville.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: 2/3 Appropriation: no Fiscal Committee: no Local Program: no

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

SECTION 1. Chapter 3.10 (commencing with Section 7287.11) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, immediately following Chapter 3 (commencing with Section 7287), to read:

CHAPTER 3.10. City of Victorville Transactions and Use Tax

7287.11. (a) Notwithstanding any other law, the City of Victorville, by ordinance or by citizens' initiative, may impose a transactions and use tax for general or specific purposes at a rate of no more than 1 percent that would, in combination with all

taxes imposed in accordance with 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 city council of the City of Victorville adopts an ordinance proposing the transactions and use tax by the applicable voting approval requirement.

(2) The ordinance proposing the transactions and use tax is submitted to the electorate and is approved by the voters voting on the ordinance by the applicable voting approval requirement in accordance with the California Constitution.

(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.

(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.

7287.12. If, as of January 1, 2029, an ordinance or citizens' initiative proposing a transactions and use tax has not been approved as required by Section 7287.11, this chapter shall be repealed as of that same date.

SEC. 2. Chapter 3.11 (commencing with Section 7287.13) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.11. City of Lancaster Transactions and Use Tax

7287.13. (a) Notwithstanding any other law, the City of Lancaster, by ordinance or by citizens' initiative, may impose a transactions and use tax for general or specific purposes at a rate of no more than 1 percent that would, in combination with all taxes imposed in accordance with 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 city council of the City of Lancaster adopts an ordinance proposing the transactions and use tax by the applicable voting approval requirement.

(2) The ordinance proposing the transactions and use tax is submitted to the electorate and is approved by the voters voting on the ordinance by the applicable voting approval requirement in accordance with the California Constitution.

(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.

(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.

7287.14. If, as of January 1, 2029, an ordinance or citizens' initiative proposing a transactions and use tax has not been approved as required by Section 7287.13, this chapter shall be repealed as of that same date.

SEC. 3. Chapter 3.12 (commencing with Section 7287.15) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.12. City of Palmdale Transactions and Use Tax

7287.15. (a) Notwithstanding any other law, the City of Palmdale, by ordinance or by citizens' initiative, may impose a transactions and use tax for general or specific purposes at a rate of no more than 1 percent that would, in combination with all taxes imposed in accordance with 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 city council of the City of Palmdale adopts an ordinance proposing the transactions and use tax by the applicable voting approval requirement.

(2) The ordinance proposing the transactions and use tax is submitted to the electorate and is approved by the voters voting on the ordinance by the applicable voting approval requirement in accordance with the California Constitution.

(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.

(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.

7287.16. If, as of January 1, 2029, an ordinance or citizens' initiative proposing a transactions and use tax has not been approved as required by Section 7287.15, this chapter shall be repealed as of that same date.

SEC. 4. 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 critical needs of the transportation infrastructure and general services within the Cities of Lancaster, Palmdale, and Victorville.

SEC. 5. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to ensure the Cities of Lancaster, Palmdale, and Victorville can quickly meet the critical infrastructure and service needs of the aforementioned communities, it is necessary that this act take effect immediately.