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SB-974 Lithium Extraction Tax: fund distribution. (2023-2024)

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Senate Bill No. 974

CHAPTER 596

An act to amend Section 47100 of the Revenue and Taxation Code, relating to taxation, and making an appropriation therefor.

[Approved by Governor September 25, 2024. Filed with Secretary of State September 25, 2024.]

LEGISLATIVE COUNSEL'S DIGEST

SB 974, Grove. Lithium Extraction Tax: fund distribution.

Existing law, the Lithium Extraction Tax Law, imposes a lithium extraction excise tax upon each metric ton of lithium carbonate equivalent extracted from geothermal fluid, spodumene ore, rock, minerals, clay, or any other naturally occurring substance in this state, as specified. Existing law requires the California Department of Tax and Fee Administration to administer and collect the tax and requires all collected revenues, less refunds and reimbursement to the department for administrative expenses, to be deposited into the Lithium Extraction Excise Tax Fund and disbursed in the manner prescribed. Existing law requires 80% of the moneys in the Lithium Extraction Excise Tax Fund to be disbursed by the Controller to all counties in proportion to the amounts collected for lithium extraction within each county, as specified, and 20% of the moneys to be deposited into the Salton Sea Lithium Fund.

This bill would, instead of depositing 20% of the moneys in the Lithium Extraction Excise Tax Fund into the Salton Sea Lithium Fund, deposit 20% of the revenues collected in the County of Imperial into the Salton Sea Lithium Fund, and disburse 20% of the revenues collected in every other county to that county for distribution to communities in that county that are the most impacted by the lithium extraction activities. The bill would remove a restriction on the Lithium Extraction Excise Tax Fund, and would change the amount deposited into the Salton Sea Lithium Fund, both continuously appropriated funds, thereby making an appropriation.

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

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

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

SECTION 1. Section 47100 of the Revenue and Taxation Code is amended to read:

47100. All revenues collected pursuant to this part, less refunds and reimbursement to the department for expenses incurred in the administration and collection of the taxes imposed by this part, shall be deposited into the Lithium Extraction Excise Tax Fund, which is hereby created in the State Treasury. Notwithstanding Section 13340 of the Government Code, moneys in the fund are continuously appropriated, without regard to fiscal year, as follows:

(a) (1) Eighty percent shall be disbursed by the Controller to all counties in proportion to the amounts of the taxes, interest, penalties, and other amounts collected for lithium extraction within each county. Each county shall establish for deposit of these revenues an account or fund separate from the other accounts and funds of the county.

(2) (A) Of the amount disbursed to the County of Imperial pursuant to this subdivision, the county shall establish a method to distribute an amount not less than 30 percent of that disbursed amount to the County of Imperial communities that are most directly and indirectly impacted by the lithium extraction activities, including, but not limited to, the following communities:

(i) The directly affected communities listed below:

(I) Bombay Beach.

(II) The City of Brawley.

(III) The City of Calipatria.

(IV) Niland.

(V) The City of Westmorland.

(ii) The indirectly affected communities listed below:

(I) Bard.

(II) The City of Calexico.

(III) Desert Shores.

(IV) The City of El Centro.

(V) Heber.

(VI) The City of Holtville.

(VII) The City of Imperial.

(VIII) Ocotillo.

(IX) Palo Verde.

(X) Salton City.

(XI) Salton Sea Beach.

(XII) Seeley.

(XIII) Winterhaven.

(XIV) Vista Del Mar.

(B) The County of Imperial shall annually, on a date and in a manner determined by the department, report to the department the communities to which funding was distributed pursuant to this paragraph.

(b) Twenty percent shall be disbursed as follows:

(1) Twenty percent of the revenues collected in the County of Imperial shall be deposited into the Salton Sea Lithium Fund created in Section 2951 of the Fish and Game Code.

(2) Twenty percent of the revenues collected in a county other than the County of Imperial shall be disbursed to that county for distribution to communities in that county that are the most impacted by the lithium extraction activities.

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 the impact caused by lithium mining to the Salton Sea and the surrounding community is an impact limited to the County of Imperial, and thus should be mitigated with the portion of the Lithium Extraction Excise Tax Fund received by the County of Imperial.