



AB-1679 Transactions and use taxes: County of Los Angeles: homelessness. (2023-2024)

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CALIFORNIA LEGISLATURE— 2023–2024 REGULAR SESSION

ASSEMBLY BILL

NO. 1679

Introduced by Assembly Member Santiago

February 17, 2023

An act to ~~amend Section 19596.2 of the Business and Professions Code, relating to horse racing.~~ *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.*

LEGISLATIVE COUNSEL'S DIGEST

AB 1679, as amended, Santiago. ~~Horse racing: out-of-state thoroughbred races: New York Stakes.~~ *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 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 Horse Racing Law authorizes a thoroughbred racing association or fair to distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races conducted in the United States during the calendar period the association or fair is conducting a race meeting, including days on which there is no live racing being conducted by the association or fair, without the consent of the organization that represents horsemen and horsewomen participating in the race meeting and without regard to the amount of purses. Under that law, the total number of thoroughbred races imported by associations or fairs on a statewide basis under these provisions are required to not exceed 50 per day on days when live thoroughbred or fair racing is being conducted in the state, with the exception of prescribed races.~~

~~This bill would exempt from the 50 imported race per day limitation, races imported that are part of the race card of the New York Stakes.~~

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

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

SECTION 1. *Chapter 2.4 (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) 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.*

~~SECTION 1. Section 19596.2 of the Business and Professions Code is amended to read:~~

~~19596.2.(a) Notwithstanding any other law and except as provided in Section 19596.4, a thoroughbred racing association or fair may distribute the audiovisual signal and accept wagers on the results of out-of-state thoroughbred races conducted in the United States during the calendar period the association or fair is conducting a race meeting, including days on which there is no live racing being conducted by the association or fair, without the consent of the organization that represents horsemen and horsewomen participating in the race~~

meeting and without regard to the amount of purses. Further, the total number of thoroughbred races imported by associations or fairs on a statewide basis under this section shall not exceed 50 per day on days when live thoroughbred or fair racing is being conducted in the state. The limitation of 50 imported races per day does not apply to any of the following:

~~(1) Races imported for wagering purposes pursuant to subdivision (c):~~

~~(2) Races imported that are part of the race card of the Kentucky Derby, the Kentucky Oaks, the Preakness Stakes, the Belmont Stakes, the New York Stakes, the Jockey Club Gold Cup, the Travers Stakes, the Arlington Million, the Breeders' Cup World Championship, the Dubai World Cup, the Arkansas Derby, the Apple Blossom Handicap, the Blue Grass Stakes, or the Haskell Invitational:~~

~~(3) Races imported into the northern zone when there is no live thoroughbred or fair racing being conducted in the northern zone:~~

~~(4) Races imported into the combined central and southern zones when there is no live thoroughbred or fair racing being conducted in the combined central and southern zones:~~

~~(b) Any thoroughbred association or fair accepting wagers pursuant to subdivision (a) shall conduct the wagering in accordance with the applicable provisions of Sections 19601, 19616, 19616.1, and 19616.2:~~

~~(c) No thoroughbred association or fair may accept wagers pursuant to this section on out-of-state races commencing after 7 p.m., Pacific standard time, without the consent of the harness or quarter horse racing association that is then conducting a live racing meeting in the Counties of Orange or Sacramento:~~