

**2016 LEGISLATIVE SCORECARD | NOVEMBER 2016 LOCAL BALLOT INITIATIVES****Sales and Use Tax**

Exemptions with State & Local Revenue Impact

- **Diapers:** designated size 3 or under until 2022; local loss of \$36.3 million (AB 717/Garcia) *(Vetoed)*
- **Museum property:** sold at the Jimmy Doolittle Air and Space Museum Education Foundation (Vacaville); one -time \$39,000 loss of local revenues (AB 724/Dodd) *(Vetoed)*
- **Feminine hygiene products:** until 2027: Local loss of \$20 million (AB 1561/Garcia) *(Vetoed)*
- **Pawn broker sales:** applies to an original pledger that re-acquires the property originally pawned as security for a loan (AB 2365/Gipson) *(Vetoed)*
- **Animal blood:** sold by non-profit blood banks for injury and disease prevention or treatment; local loss of \$158,000 (SB 898/Nguyen) *(Vetoed)*

Authority to Impose a District Tax Beyond 2% Cap

- **Add on tax: City of Alameda:** Allows the adoption of an ordinance to exceed the 2% cap; BOE estimates the bill will generate about \$4.1 million annually for the City (AB 366/Bonta) *(Chaptered)*
- **Contra Costa Transportation Authority (CCTA):** Shifts the authorization to impose a TUT from Contra Costa County to CCTA (AB 1665/Bonilla) *(Chaptered)*

Hotel Tax /Short-Term Rentals

- **Insurance:** Hosting platforms must provide notice warning individuals to review any restrictions on their homeowners' or renters' insurance policy related to short-term rental activities to ensure possible losses are covered (SB 1092 /Monning) *(Chaptered)*
- **TOT collection method for on-line platforms:** Intended to allow online platforms (also known as "collecting platforms") to *elect* to participate and collect TOT revenues and the return the revenue to locals; "collecting platforms" would be subject to an annual audit or review conducted by the State Controller; locals would have to request that the Controller to allow locals to review the Controller's audit findings (SB 1102/McGuire) *(Dead)*
- **Local and on-line platform opt-in participation method:** Would have set up a mechanism to allow locals and on-line platforms to 'opt in' a process for the collection of TOT revenues (SB 133/McGuire) *(Dead)*

Utility User Tax

- **AB 1717 clarification:** Sellers of de minimus sales of prepaid MTS (AB 1717/2014) are not required to register with the BOE; AB 1717 relieves a seller other than a direct seller, commencing January 1, 2017, of the requirement to collect the prepaid MTS surcharge if that seller had prepaid MTS sales of less than \$15,000 in the previous calendar year (SB 1481/Committee on Privacy and Consumer Protection) *(Chaptered)*
- **Replacement of public switched telephone network:** Created a process to expedite the replacement as long as telecoms did property outreach to customers (AB 2395/Low) *(Dead)*
- **Public utilities: collection of local taxes:** Clarifies that cable service providers are covered by the law that limits public utilities and other service providers' duties and liabilities with regard to collecting local utility taxes (SB 1422/Glazer) *(Chaptered)*



Property Tax/Parcel Taxes

- **Registration of mobile homes:** Waives all outstanding property taxes and associated penalties and interest for mobile home owners missing proper registration for their mobile home (AB 587/Chau) *(Chaptered)*
- **Payment plan system fees:** Allows counties to levy a fee to pay for the implementation and administration of a property tax payment plan system to assist homeowners with tax liabilities through a monthly payment schedule (AB 2291/Achadjian) *(Chaptered)*
- **Monthly payments:** Monthly property tax payment programs can be implemented by counties (AB 2691/Holden) *(Vetoed)*
- **Parcel tax notices:** Requires local agencies to send notices to property owners, if that owner does not reside within the jurisdictional boundaries, before the adoption of any new parcel tax (AB 2476/Daly) *(Chaptered)*
- **VLF Allocations:** Adjusts the existing allocation of VLF revenues and restores funds to California's newest four cities, which was the assumption as part of their incorporation review by the LAFCO (SB 817/Roth) *(Vetoed)*
- **Postponement:** Qualified beneficiaries of special needs trusts could apply to the Controller to defer payment of property taxes; tied to AB 1952 which was vetoed (SB 909/ Beall) *(Chaptered)*
- **Override revenues:** Prohibits the division of revenues derived from property tax override rates approved by the voters (SB 975 /Committee on Governance & Finance) *(Chaptered)*
- **Welfare exemption:** Increases the exemption for non-publically financed affordable housing to \$100,000 from \$20,000; annual revenue loss of \$240,000 (SB 996 /Hill) *(Chaptered)*
- **Disabled veterans exemption:** For certain "other than dishonorable conditions"; annual loss of \$127,000 for every 100 newly-qualified disabled veterans (SB 1458/Bates) *(Chaptered)*

Economic Development /RDA

- **Local property:** Allows locals to acquire, sell or lease properties that are owned to promote economic development; clarifies that locals can make loans to rehabilitate certain commercial buildings (AB 806/Dodd) *(Chaptered)*
- **Community Revitalizing and Investment Authorities (CRIA):** Allows CRIA to receive funding from the same sources as the enhanced infrastructure financing districts (EIFD); allows a CRIA to be established within a disadvantaged community (AB 2492 /Alejo) *(Chaptered)*
- **Small businesses:** Encourages the creation of small businesses by expanding access to loans (SB 936 /Hertzberg) *(Chaptered)*

Land Use and Housing

- **Housing finance:** Includes changes governing the allocation of Community Development Block Grant (CDBG) funds for small, "non-entitlement" cities; expedites the release of funds (approximately \$114 million) for worthy projects (AB 723/Chiu) *(Chaptered)*
- **Creates a development bonus:** Local agencies would have to offer incentives or concessions for commercial developers that include affordable housing in a mixed use project or financially support an affordable housing development off-site; sunsets January 1, 2022 (AB 1934/Santiago) *(Chaptered)*
- **No Place Like Home (NPLH) Program financing:** Would authorize the California Health Facilities Financing Authority and the Department of Housing and Community Development to provide services related to permanent supportive housing; allows \$2 billion in taxable or tax-exempt revenue bonds to be issued for these purposes (AB 1628/Committee on Budget) *(Chaptered)*
- **Zoning for multi-family units and parking:** Locals may adopt an ordinances for second units in single-family and multifamily residential zones; provides a bright line rule that local ordinances are void if they conflict with state law (AB 2299/Bloom) *(Chaptered)*
- **Junior second units:** Allows locals to create an ordinance for "junior second units" (created from repurposing spare bedrooms within existing homes) (AB 2406/Thurmond) *(Chaptered)*
- **Density bonus:** Streamlines the development of housing projects with affordable units eligible for the state's density bonus law (AB 2501/Bloom) *(Chaptered)*
- **Accessory second units and limitations on utility connection fees:** Restricts locals ability to impose requirements including prohibitions on local parking requirements (SB 1069/Weickowski) *(Chaptered)*



Transparency

- **Financial disclosure:** Requires locals to post compensation information on its Internet Website of each elected official for the previous calendar (AB 779/Garcia) (*Vetoed*)
- **Local ballots:** Requires locals to provide an impartial analysis for local ballots in the format of “What does a yes vote mean?” and “What does a no vote mean?” (AB 2265/Stone) (*Chaptered*)
- **Online postings for local government meetings:** Requires locals to post a direct link to their meeting agenda online (AB 2257/(Maienschein) (*Chaptered*)
- **Written public protests for fees:** Requires an agency that proposes to charge a new property related fee or increase an existing one to maintain written protests for at least two years after the hearing (AB 2801/Gallagher) (*Chaptered*)
- **Public record requests:** Allows a public agency in response to a request for a public record posted on the internet website, to direct a member of the public to the location on the internet website where the public record is posted (AB 2853/Gatto) (*Chaptered*)

Cannabis

- **Tax penalty amnesty:** Between July 1, 2017 to December 31, 2017 for medical cannabis dispensaries to begin to comply with tax liabilities for reporting periods beginning January 1, 2015 (AB 567/Gipson) (*Vetoed*)
- **Tax payments:** Allows the BOE to accept tax payments from dispensaries by means other than electronic fund transfers (AB 821/Gipson) (*Chaptered*)
- **Exempts from criminal sanctions:** Exempts collectives and cooperatives that manufacture medical cannabis products from criminal sanctions under specified conditions, including a provision that requires a collective or cooperative to have a valid seller’s permit issued by the BOE, has a valid local license or permit; and is in compliance with any local licensing conditions by the issuing local agency (AB 2679/ Cooley) (*Chaptered*)
- **Small growers:** Creates a “specialty cottage” medical cannabis cultivator sub-license license for small growers that grown less than 5,000 square feet; current law lumps all cannabis cultivation sites that are 5,000 square feet or less into one license (AB 2516/Wood) (*Chaptered*)
- **Excise tax:** An excise tax of 15 percent on medical marijuana purchased from any retailer in California (SB 987/McGuire) (*Dead*)

Transportation /Special Session

- Creates a new entity that consolidates San Bernardino's county transportation agencies into a single agency, to be known as the San Bernardino County Transportation Authority (SB 1305/Morrell) (*Chaptered*)

Environment /Recycling/Water

- **Storm water capture and use:** Allows a public agency that captures storm water to use the water (AB 2594/Gordon) (*Chaptered*)
- **Local funding for climate community plans:** Creates the Transformative Climate Communities Program to fund the development and implementation of neighborhood-level transformative climate community plans that achieve local economic and other benefits for disadvantaged communities (AB 2722/Burke) (*Chaptered*)
- **Water district service to Indian tribes:** Requires a district to provide water to an Indian tribe outside of the district’s boundaries upon request of the tribe (AB 2470/Gonzalez) (*Chaptered*)
- **Environmental justice plan:** Adds an environmental justice element that identifies disadvantaged communities to general plans (SB 1000/Leyva) (*Chaptered*)

Local Bonds

Builds on the work of the Task Force on Bond Accountability. The bill requires the state to track and report on all state and local outstanding debt until fully repaid or redeemed (SB 1029/Hertzberg) (*Chaptered*)



Additional Issues

- **Parking meters:** Deletes the 2017 sunset prohibiting locals from ticketing cars at broken meters; prohibits cities from providing quota or revenue incentives when contracting for private enforcement (AB 2586/Gatto) *(Vetoed)*
- **Taxi cab regulation:** Prohibits cities and counties from creating additional rules and regulations on taxicab transportation services; would have made preemptory changes in anticipation of the expected reorganization of the PUC that would remove transportation companies from the PUC's regulatory authority (AB 650/Low) *(Vetoed)*

November 2016 Local Ballot Measures

- **Total:** 650 local measures including 427 seeking approval for taxes or bonds; 22 measures increase or extend (renew) school parcel taxes.
- **Bonds:** 221 non-school local revenue measures; twelve measures asking for a total of \$7.266 billion in bonds.
- **Transactions and Use Taxes:** 88 measures. Thirty are special (earmarked) taxes requiring two-thirds voter approval; 13 countywide measures for transportation improvements; 58 city and county majority vote general purpose tax proposals from ¼ percent to one percent.
- **Parcel Taxes:** 39 requiring two-thirds voter approval.
- **Cannabis/Sugary Beverages:** 37 for cannabis and three for sugary beverages (Albany, Oakland, San Francisco).
- **Hotel Taxes:** Nineteen cities and two counties will consider increasing hotel occupancy taxes.

<http://californiacityfinance.com/Votes1611preview.pdf>

November 2016 Transportation Measures

- **BART** (Measure RR, authorize BART to issue \$3.5 billion in GO bonds to fund core system renewal projects)
- **Humboldt County Association of Government** (Measure U, half-cent, \$200 million over 20 years)
- **LAMTA** (Measure M, half-cent, until voters vote otherwise, \$860 million each year based on 2017 dollars)
- **Merced County Association of Government** (Measure V, half-cent, \$450 million over 30 years)
- **Transportation Agency for Monterey County** (Measures X, 3/8 cents, \$600 million over 30 years)
- **Placer County Transportation Planning Agency** (Measure M, \$1.6 billion over 30 years)
- **SANDAG** (Measure A, half-cent, \$18 billion over 40 years)
- **Santa Clara VTA** (Measure B, half-cent, \$6 billion to \$6.5 billion over 30 years)
- **Sacramento** (Measure B, half-cent, \$3.6 billion over 30 years)
- **San Francisco** (Measure K, three-quarter cents, 25 years, \$37.5 million in FY 2016-17 and \$155.1 in FY 2017-18; Measure J, creates a fund for Homeless and Transportation)
- **San Luis Obispo County** (Measure J, half-cent, \$225 million over 30 years)
- **Santa Cruz County Regional Transportation Commission** (Measures D, half-cent, \$ 500 million over 30 years)
- **Stanislaus Council of Governments** (Measure L, half-cent, \$960 million over 25 years)
- **Ventura County Transportation Commission** (Measure AA, half cent, 30 years, \$70 million per year)

<http://selfhelpcounties.org/sales-tax-measures.html>

<https://www.bart.gov/news/articles/2016/news20160609>

Contact and Resources

Please contact your MuniServices Client Manager for jurisdiction-specific impact.

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<http://www.muniservices.com/services/government-relations/>