

AMENDED IN SENATE JULY 27, 2020

CALIFORNIA LEGISLATURE—2019–20 REGULAR SESSION

**ASSEMBLY BILL**

**No. 1253**

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**Introduced by Assembly Member Robert Rivas Members Santiago, Bonta, Carrillo, Chiu, Gonzalez, Kalra, Mark Stone, and Wicks**  
(Coauthors: Senators Caballero and Hertzberg)  
**(Principal coauthor: Assembly Member Chu)**  
(Principal coauthor: Senator Skinner)  
**(Coauthors: Assembly Members Jones-Sawyer and Ting)**  
(Coauthors: Senators Durazo, Lena Gonzalez, and Wiener)

February 21, 2019

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An act to add and repeal Section 75131 of the Public Resources Code, relating to local government. Section 17044 to the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1253, as amended, ~~Robert Rivas Santiago. Local agency formation commissions: grant program. Personal income taxes: additional tax.~~

*The Personal Income Tax Law and California Constitution imposes taxes based upon taxable income of individuals, estates, and trusts at specified rates.*

*This bill, for taxable years beginning on or after January 1, 2020, in addition to those taxes, would impose an additional tax of at the rates of 1%, 3%, and 3.5% on that portion of a taxpayer's taxable income over specified thresholds, as provided.*

*This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article*

*XIIIA of the California Constitution, and thus would require for passage the approval of  $\frac{2}{3}$  of the membership of each house of the Legislature.*

*This bill would take effect immediately as a tax levy.*

~~The Cortese-Knox-Hertzberg Local Government Reorganization Act of 2000 provides the exclusive authority and procedure for the initiation, conduct, and completion of changes of organization and reorganization for special districts, as specified. The act requires a local agency formation commission in each county to encourage the orderly formation and development of local agencies based upon local conditions and circumstances, among other things.~~

~~Existing law also establishes the Strategic Growth Council in state government and assigns to the council certain duties, including providing, funding, and distributing data and information to local governments and regional agencies that will assist in the development and planning of sustainable communities.~~

~~This bill would require the Strategic Growth Council, until July 31, 2025, to establish and administer a local agency formation commissions grant program for the payment of costs associated with initiating and completing the dissolution of districts listed as inactive, the payment of costs associated with a study of the services provided within a county by a public agency to a disadvantaged community, as defined, and for other specified purposes, including the initiation of an action, as defined, that is limited to service providers serving a disadvantaged community and is based on determinations found in the study, as approved by the commission. The bill would specify application submission, reimbursement, and reporting requirements for a local agency formation commission to receive grants pursuant to the bill. The bill would require the council, after consulting with the California Association of Local Agency Formation Commissions, to develop and adopt guidelines, timelines, and application and reporting criteria for development and implementation of the program, as specified, and would exempt these guidelines, timelines, and criteria from the rulemaking provisions of the Administrative Procedure Act. The bill would make the grant program subject to an appropriation for the program in the annual Budget Act, and would repeal these provisions on January 1, 2026.~~

~~Vote: ~~majority~~ $\frac{2}{3}$ . Appropriation: no. Fiscal committee: yes. State-mandated local program: no.~~

*The people of the State of California do enact as follows:*

1     *SECTION 1. Section 17044 is added to the Revenue and*  
2 *Taxation Code, to read:*

3     17044. (a) *For each taxable year beginning on or after*  
4 *January 1, 2020, in addition to any other taxes imposed by this*  
5 *part or the California Constitution, an additional tax shall be*  
6 *imposed as follows:*

7     (1) *At the rate of 1 percent on that portion of a taxpayer's*  
8 *taxable income over the adjusted one-million-dollar (\$1,000,000)*  
9 *amount, but not over the adjusted two-million-dollar (\$2,000,000)*  
10 *amount.*

11     (2) *At the rate of 3 percent on that portion of a taxpayer's*  
12 *taxable income over the adjusted two-million-dollar (\$2,000,000)*  
13 *amount, but not over the adjusted five-million-dollar (\$5,000,000)*  
14 *amount.*

15     (3) *At the rate of 3.5 percent on that portion of a taxpayer's*  
16 *taxable income over the adjusted five-million-dollar (\$5,000,000)*  
17 *amount.*

18     (b) *For purposes of this part and Part 10.2 (commencing with*  
19 *Section 18401) of Division 2, the tax imposed under this section*  
20 *shall be treated as if imposed under Section 17041, including, but*  
21 *not limited to, the application of subdivisions (b) and (e) of Section*  
22 *17041, except as follows:*

23     (1) *Section 17045 shall not apply.*

24     (2) *The tax imposed under this section shall apply without any*  
25 *adjustments to the income thresholds specified in subdivision (a)*  
26 *for filing status of the taxpayer.*

27     (c) *The adjusted one-million-dollar (\$1,000,000) amount,*  
28 *adjusted two-million-dollar (\$2,000,000) amount, and adjusted*  
29 *five-million-dollar (\$5,000,000) amount specified in subdivision*  
30 *(a) shall be recomputed as provided in subdivision (h) of Section*  
31 *17041 of the Revenue and Taxation Code for each taxable year*  
32 *beginning on and after January 1, 2021.*

33     (d) *For purposes of this section the following definitions shall*  
34 *apply:*

35     (1) *“Adjusted one-million-dollar (\$1,000,000) amount” means*  
36 *the amount equal to one million one hundred eighty-one thousand*  
37 *four hundred eighty-four dollars (\$1,181,484) that is recomputed*  
38 *by the Franchise Tax Board as provided in subdivision (h) of*

1 Section 17041 for taxable years beginning on and after January  
2 1, 2020, and before January 1, 2021.

3 (2) “Adjusted two-million-dollar (\$2,000,000) amount” means  
4 the amount equal to two times the adjusted one-million-dollar  
5 (\$1,000,000) amount described in paragraph (1).

6 (3) “Adjusted five-million-dollar (\$5,000,000) amount” means  
7 the amount equal to five million nine hundred seven thousand four  
8 hundred twenty dollars (\$5,907,420) that is recomputed by the  
9 Franchise Tax Board as provided in subdivision (h) of Section  
10 17041 for taxable years beginning on and after January 1, 2020,  
11 and before January 1, 2021.

12 SEC. 2. This act provides for a tax levy within the meaning of  
13 Article IV of the California Constitution and shall go into  
14 immediate effect.

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**All matter omitted in this version of the bill  
appears in the bill as introduced in the  
Assembly, February 21, 2019. (JR11)**