

**TAX
WATCH**

Major Taxes and Fees Introduced in the California Legislature

Vol. V, No. III
October 9, 2018



\$273 BILLION

California lawmakers introduced 47 proposals that cumulatively would cost taxpayers more than \$273 billion annually in higher taxes and fees.

INTRODUCTION

California lawmakers had the opportunity in 2018 to raise taxes and fees that cumulatively would have cost taxpayers more than \$273 billion each year. However, the most expensive proposals failed passage, including a proposed sales tax on services and a government-run healthcare system that would be paid for by new taxes. Through the end of the session, more than \$201 million in higher taxes and fees were approved by lawmakers and signed into law by the governor.

This year, California's revenue grew, and the state has a \$16 billion budget reserve. Lawmakers passed a state budget with estimated tax and fee revenue of \$195.2 billion for 2018-19, about \$7.2 billion more than the prior fiscal year. Despite the state's financial condition, lawmakers proposed to more than double the state's revenue.

METHODOLOGY

This report identifies higher taxes, fees, assessments, and charges proposed by lawmakers, including active proposals introduced in the first year of the 2017-2018 legislative session and proposals, as well as this year. During this period, lawmakers introduced 4,829 bills and constitutional amendments. This report includes 93 bills and constitutional amendments that contain higher costs (46 that could not be quantified).

Under Proposition 26, a tax is defined as any levy or exaction that results in a taxpayer paying a higher tax, including any unreasonable or excessive fee. This report includes any bill that imposes or authorizes higher taxes or tax-like “fees,” as well as any bill that increases a regulatory and/or license fee, user charge, or other charges for receiving a specific government service or benefit. Legislation imposing fines, penalties and other costs for violating state or local laws has been excluded. This report also excludes legislation estimated to generate less than \$1 million per year in net revenue.

Revenue estimates were taken from legislative committee and floor analyses, and analyses from the state tax agencies. When an estimate had not been prepared for a bill, the California Tax Foundation used recent data from prior legislative or agency analyses of similar legislation. When estimates provided a revenue range, the lowest figure in the range was used to calculate a revenue total. Bills imposing identical taxes or fees are included in this report, but were counted only once for purposes of calculating a revenue total.

Our report also notes whether a proposal was signed into law, failed passage in the Legislature, or a lawmaker amended his or her bill to remove the proposed tax or fee.

“... lawmakers proposed to more than double the state’s revenue.”



A corridor in the state Capitol.



LEGISLATIVE SUPPORT OF TAXES AND FEES

Lawmakers Who Supported the Highest Amount of Taxes and Fees

1. Senator Bob Hertzberg (D - Van Nuys) — \$49,541,852,542
2. Assembly Member Kevin McCarty (D - Sacramento) — \$15,755,079,000
3. Assembly Member Philip Ting (D - San Francisco) — \$15,541,798,000
4. Assembly Member Susan Eggman (D - Stockton) — \$2,784,079,000
5. Assembly Member Kevin Mullin (D - San Mateo) — \$1,256,079,000
6. Assembly Member Rob Bonta (D - Oakland) — \$1,255,079,000
7. Assembly Member Ed Chau (D - Monterey Park) — \$1,169,679,000
8. Assembly Member Lorena Gonzalez Fletcher (D - San Diego) — \$1,169,079,000
9. Assembly Member Ian Calderon (D - City of Industry) — \$1,166,079,000
9. Assembly Member Eloise Gómez Reyes (D - San Bernardino) — \$1,166,079,000
10. Assembly Member Richard Bloom (D - Santa Monica) — \$1,165,079,000
10. Assembly Member Laura Friedman (D - Burbank) — \$1,165,079,000

Lawmakers Who Supported the Lowest Amount of Taxes and Fees

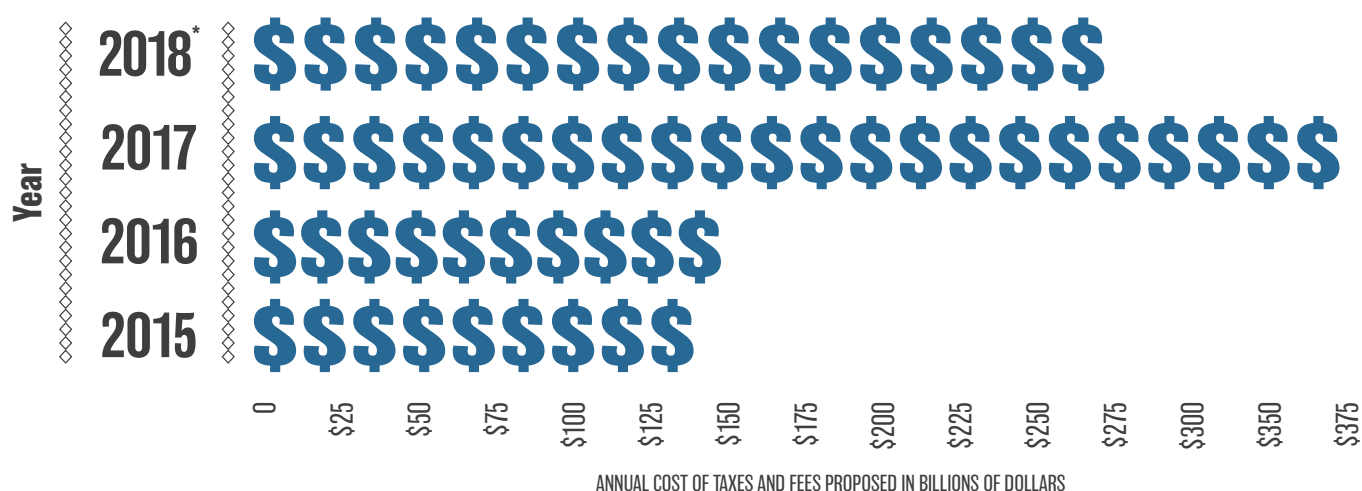
1. Senator John Moorlach (R - Costa Mesa) — \$7,200,000*
1. Senator Jim Nielsen (R - Roseville) — \$7,200,000*
2. Assembly Member Travis Allen (R - Huntington Beach) — \$10,100,000*
3. Assembly Member Jim Patterson (R - Fresno) — \$11,200,000*
4. Senator Mike Morrell (R - Rancho Cucamonga) — \$29,200,000*
4. Senator Janet Nguyen (R - Garden Grove) — \$29,200,000*
5. Senator Ling Ling Chang (R - Brea) — \$30,200,000*
6. Senator Ted Gaines (R - Granite Bay) — \$30,300,000*
7. Assembly Member Vince Fong (R - Bakersfield) — \$30,600,000*
8. Senator Jeff Stone (R - Indio) — \$31,700,000*
9. Senator Andy Vidak (R - Fresno) — \$32,068,000
10. Assembly Member William Brough (R - San Juan Capistrano) — \$35,700,000*

Includes votes in favor of legislation containing a tax or fee, or bills authored or co-authored by a lawmaker that were introduced or amended in 2018, but did not have a vote.

*Lawmaker voted only for fees.

FINDINGS

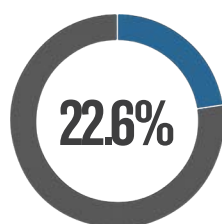
More than \$273 billion in higher tax and fee proposals were placed before the Legislature in 2018. Lawmakers introduced higher taxes and fees totaling \$373.4 billion in 2017, \$143.2 billion in 2016 and \$132 billion in 2015.



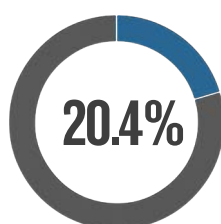
*Revenue for 2018 includes all two-year active legislation remaining for the 2017-18 session, and new legislation proposed since January 1, 2018.



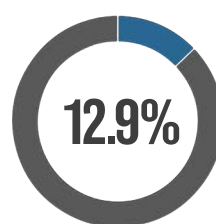
Proposals by Spending Area



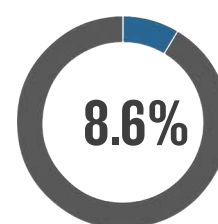
BUSINESS
REGULATION



ENVIRONMENTAL



HEALTHCARE



TARGETED TAXES



FINDINGS

1

\$273 billion per year in higher taxes and fees.

Lawmakers proposed increasing taxes and fees by more than \$273 billion annually. Of the 93 bills and constitutional amendments containing taxes and fees, the costs for 47 could be quantified, and the cost for 46 could not be quantified. If every proposal in this report was enacted, the amount of taxes and fees paid by taxpayers would increase more than 139 percent, from \$195.2 billion to \$468.3 billion annually.

2

21 lawmakers did not vote for higher taxes.

While all lawmakers voted for proposals containing at least one higher fee, 21 lawmakers did not vote for any higher taxes. In the Assembly: Travis Allen, Franklin Bigelow, William Brough, Steven Choi, Heath Flora, Vince Fong, Kevin Kiley, Chad Mayes, Jay Obernolte, Jim Patterson, Marc Steinorth, and Randy Voepel. In the Senate: Patricia Bates, Ling Ling Chang, Jean Fuller, Ted Gaines, John Moorlach, Mike Morrell, Janet Nguyen, Jim Nielsen, and Jeff Stone.

3

A government-run healthcare system was the most costly legislative proposal.

SB 562 (Lara) was the most expensive bill introduced by lawmakers. With ongoing discussions of options for enacting a government-run healthcare system, the bill, which may be a model for future legislation, sought to establish a government-run health care system that would require more than \$200 billion in new taxes each year.

4

Proposals regulating businesses were the most common type of tax or fee.

Of the 93 bills in this year's Tax Watch, 21 would impose greater costs on businesses through higher regulatory costs.

5

Efforts to "reform" California's revenue system would have increased taxes.

Tax reform was given significant attention in 2018. But the term "reform" had a different meaning depending on who used it. Three proposed "reforms" (ACA 22, SB 993 and SB 1398) cumulatively would cost taxpayers an additional \$63.8 billion in higher taxes.

6

Proposals would have given California the highest business tax rate in the United States.

ACA 22 and SB 1398 sought to increase California's corporate income and franchise tax rates to offset federal rate reductions enacted in 2017. The rate increase from each bill would have made California's tax on business income the highest rate in the United States, far exceeding any of California's neighboring states. In some cases, these bills would have required taxpayers doing business in California to impose a tax rate that is higher than the worldwide average corporate income tax rate of 22.96 percent.

MOST EXPENSIVE BILLS

The five most expensive bills in the Legislature account for more than 98 percent of all tax and fee increase estimates:



SB 562 – GOVERNMENT-RUN HEALTHCARE TAX

\$200 billion tax to establish a healthcare system where state government pays all costs.



SB 993 – SALES TAX ON SERVICES

\$49 billion tax on the purchase of services by businesses in California (with some exemptions), that may be less due to a possible rate reduction.



ACA 22 – NEW TAX ON CALIFORNIA BUSINESSES

\$14.4 billion tax on businesses with net income of \$1 million or more through a new 10 percent add-on rate to fund schools, housing and low-income programs.



SCA 6 – LOCAL TRANSPORTATION TAX INCREASE

Multibillion-dollar tax increase to fund local transportation projects by reducing the vote threshold needed to pass local special taxes.



AB 2351 – NEW TAX ON MILLIONAIRES

\$2.1 billion new tax on taxpayers with an income of \$1 million or more to fund higher education, at a rate of 1 percent.



LEGISLATION WITH KNOWN COSTS

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Government-Run Healthcare Tax - SB 562 (Lara)	\$200,000,000,000	☠
Sales Tax on Services - SB 993 (Hertzberg) [△]	\$49,051,573,542	☠
New Tax on California Businesses - ACA 22 (McCarty / Ting)	\$14,400,000,000	☠
Local Transportation Tax Increase - SCA 6 (Wiener) [△]	\$3,200,000,000	☠
New Tax on Millionaires - AB 2351 (Eggman)	\$2,100,000,000	☠
Sales and Use Tax Increase - ACA 11 (Caballero) [△]	\$1,500,000,000	☠
Carried Interest Tax - AB 2731 (Gipson/Bonta)	\$450,000,000	☠
Higher Local Taxes - ACA 4 (Aguiar-Curry) [△]	\$370,500,000	☠
Business Tax Based on Executive Pay - SB 1398 (Skinner)	\$350,000,000	☠
Tax on Paint - AB 3009 (Quirk)	\$320,000,000	☠
Tax on Inherited Property - SCA 24 (Calgiani) [△]	\$280,000,000	☠
School Parcel Tax Increase - SCA 22 (Allen) [△]	\$225,000,000	☠
Sacramento Transit Tax - AB 709 (McCarty)	\$100,000,000	✓
Tax on Painkillers - AB 2486 (McCarty/Gallagher)	\$100,000,000	☠
Water, Milk and Fertilizer Tax - SB 623 (Monning)	\$100,000,000	☠
Property Tax Increase for Libraries - SCA 3 (Dodd) [△]	\$100,000,000	☠
Additional Tax on Guns and Ammunition - AB 2497 (Cooper)	\$90,000,000	☠

- Key**
- ✓ The bill was signed and chaptered into law.
  - ✗ The bill was vetoed by the governor.
  - * Similar or identical versions of this proposal were introduced. For purposes of calculating a revenue total, the revenue effect was counted only once.
  - ☠ The bill is "dead" because the author removed the tax and/or fee provisions from the bill, or the bill failed passage.
  - △ See the bill's description. The estimated cost may be much lower or higher depending on various factors.

LEGISLATION WITH KNOWN COSTS

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Manufacturer Surcharge for Medi-Cal - AB 2486 (McCarty/Callagher)	\$88,100,000	☠
Sonoma Sales Tax Increase - SB 152 (McGuire)	\$42,000,000	✓
Tax-Like "Fee" on Tires - AB 2908 (Berman)	\$40,000,000	✗
Tire Recycling Fee Expansion - AB 509 (Frazier)	\$38,000,000	☠
Rideshare Tax - AB 1184 (Ting)	\$30,000,000	✓
Beverage Container Recycling Tax - SB 452 (Glazer)	\$22,000,000	✗
Tax on Prison Contracts - AB 2303 and AB 2560 (Thurmond)*	\$18,000,000	☠
Battery Manufacturer Fee - AB 1663 (Cristina Garcia)	\$16,000,000	☠
Berkeley / Tahoe Sales Tax Increase - AB 2920 (Thurmond)	\$10,000,000	✓
Professional License Fees - SB 1480 (Hill)	\$6,281,000	✓
Athletic Conference Fees - AB 1435 (Gonzalez Fletcher)	\$4,000,000	☠
Notary Registration Fee - AB 2368 (Calderon)	\$4,000,000	☠
Mobilehome Registration Fee - AB 3066 (Stone)	\$3,930,000	✓
Dental Anesthesia Fee - AB 224 (Thurmond) / SB 501 (Glazer)*	\$3,600,000	☠ / ✓
Mobilehome Park Inspection Fee - AB 2588 (Chu)	\$3,600,000	☠
Cattle Brand Inspection Fee - SB 965 (McGuire)	\$3,600,000	✓
Mussel Fee - AB 1587 (Levine)	\$2,500,000	☠

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LEGISLATION WITH KNOWN COSTS

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Talent Agency Training Fee - AB 2338 (Levine)	\$2,500,000	☠
Tax on Ride-Sharing Companies - SB 1376 (Hill)	\$1,700,000	✓
Edible Marijuana Packaging Fee - AB 175 (Chau)	\$1,200,000	☠
Fees for Athletic Trainer Licenses - AB 3110 (Mullin)	\$1,200,000	☠
Tax Increase on Punitive Damages - SB 66 (Wieckowski)	\$1,200,000	☠
Lead Paint Fees - SB 377 (Monning)	\$1,100,000	☠
Vehicle Emission Testing Fee - AB 582 (Cristina Garcia) and AB 2381 (Carrillo)*	\$1,000,000	☠ / ✓
Prescribed Fire Fees - AB 2091 (Grayson)	\$1,000,000	☠
Crowd Funding Fee - AB 2556 (Irwin)	\$1,000,000	☠
Mobilehome Park Fee Extension - SB 46 (Leyva)	\$1,000,000	☠

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⚠	See the bill's description. The estimated cost may be much lower or higher depending on various factors.

TOTAL TAXES AND FEES SUPPORTED BY SENATORS

Ben Allen (D - Redondo Beach) —	\$487,879,000
Joel Anderson (R - El Cajon) —	\$37,249,000
Toni Atkins (D - San Diego) —	\$265,279,000
Patricia Bates (R - Laguna Hills)* —	\$35,481,000
Jim Beall (D - Campbell) —	\$490,279,000
Steven Bradford (D - Inglewood) —	\$265,279,000
Anthony Cannella (R - Merced) —	\$149,349,000
Ling Ling Chang (R - Brea)* —	\$30,200,000
Kevin de León (D - Los Angeles) —	\$265,279,000
Vanessa Delgado (D - Cerritos) —	\$215,279,000
Bill Dodd (D - Vacaville) —	\$266,479,000
Jean Fuller (R - Bakersfield)* —	\$35,481,000
Ted Caines (R - Granite Bay)* —	\$30,300,000
Cathleen Galgiani (D - Stockton) —	\$542,549,000
Steve Glazer (D - Antioch) —	\$232,549,000
Ed Hernandez (D - West Covina) —	\$265,279,000
Bob Hertzberg (D - Van Nuys) —	\$49,541,852,542
Jerry Hill (D - San Mateo) —	\$266,479,000
Ben Hueso (D - Chula Vista) —	\$265,279,000
Hannah-Beth Jackson (D - Santa Barbara) —	\$264,179,000

Ricardo Lara (D - Long Beach) —	\$492,779,000
Connie Leyva (D - Chino) —	\$480,279,000
Mike McGuire (D - Santa Rosa) —	\$490,279,000
Holly Mitchell (D - Los Angeles) —	\$267,779,000
William Monning (D - Santa Cruz) —	\$265,279,000
John Moorlach (R - Costa Mesa)* —	\$7,200,000
Mike Morrell (R - Rancho Cucamonga)* —	\$29,200,000
Janet Nguyen (R - Garden Grove)* —	\$29,200,000
Jim Nielsen (R - Roseville)* —	\$7,200,000
Richard Pan (D - Sacramento) —	\$266,479,000
Anthony Portantino (D - Glendale) —	\$265,279,000
Richard Roth (D - Riverside) —	\$208,998,000
Nancy Skinner (D - Oakland) —	\$615,279,000
Henry Stern (D - Calabasas) —	\$460,279,000
Jeff Stone (R - Indio)* —	\$31,700,000
Andy Vidak (R - Fresno) —	\$32,068,000
Bob Wieckowski (D - Fremont) —	\$234,179,000
Scott Wiener (D - San Francisco) —	\$585,279,000
Scott Wilk (R - Lancaster) —	\$39,349,000

Includes votes in favor of legislation containing a tax or fee, or bills authored or co-authored by a lawmaker that were introduced or amended in 2018, but did not have a vote. Senator Tom Berryhill did not cast sufficient votes to determine a total. *Lawmaker voted only for fees.



TOTAL TAXES AND FEES SUPPORTED BY ASSEMBLY MEMBERS

Dante Acosta (R - Valencia) —	\$151,149,000
Cecilia Aguiar-Curry (D - Woodland) —	\$377,079,000
Travis Allen (R - Huntington Beach)* —	\$10,100,000*
Joaquin Arambula (D - Fresno) —	\$307,079,000
Catharine Baker (R - San Ramon) —	\$152,149,000
Marc Berman (D - Los Altos) —	\$378,079,000
Franklin Bigelow (R - Jackson)* —	\$36,800,000*
Richard Bloom (D - Santa Monica) —	\$1,165,079,000
Rob Bonta (D - Oakland) —	\$1,255,079,000
William Brough (R - San Juan Capistrano)* —	\$35,700,000*
Autumn Burke (D - Inglewood) —	\$933,879,000
Anna Caballero (D - Salinas) —	\$237,079,000
Ian Calderon (D - City of Industry) —	\$1,166,079,000
Wendy Carrillo (D - Los Angeles) —	\$1,149,079,000
Sabrina Cervantes (D - Corona) —	\$138,079,000
Ed Chau (D - Monterey Park) —	\$1,169,679,000
Rocky Chávez (R - Oceanside) —	\$146,030,000
Phillip Chen (R - Brea) —	\$142,100,000
David Chiu (D - San Francisco) —	\$700,679,000
Steven Choi (R - Irvine)* —	\$52,800,000*

Kansen Chu (D - Milpitas) —	\$935,079,000
Ken Cooley (D - Rancho Cordova) —	\$367,079,000
Jim Cooper (D - Elk Grove) —	\$391,381,000
Jordan Cunningham (R - San Luis Obispo) —	\$148,181,000
Brian Dahle (R - Redding) —	\$141,900,000
Tom Daly (D - Anaheim) —	\$347,079,000
Susan Eggman (D - Stockton) —	\$2,784,079,000
Heath Flora (R - Modesto)* —	\$42,930,000*
Vince Fong (R - Bakersfield)* —	\$30,600,000*
Jim Frazier (D - Fairfield) —	\$373,149,000
Laura Friedman (D - Burbank) —	\$1,165,079,000
Jesse Gabriel (D - Van Nuys) —	\$265,279,000
James Gallagher (R - Chico) —	\$248,381,000
Eduardo Garcia (D - Coachella) —	\$377,079,000
Cristina Garcia (D - Downey) —	\$1,161,149,000
Mike Gipson (D - Gardena) —	\$827,079,000
Todd Gloria (D - San Diego) —	\$292,579,000
Lorena Gonzalez Fletcher (D - San Diego) —	\$1,169,079,000
Adam Gray (D - Merced) —	\$699,381,000
Timothy Grayson (D - Concord) —	\$348,079,000

Includes votes in favor of legislation containing a tax or fee, or bills authored or co-authored by a lawmaker that were introduced or amended in 2018, but did not have a vote.

*Lawmaker voted only for fees.

TOTAL TAXES AND FEES SUPPORTED BY ASSEMBLY MEMBERS

Matthew Harper (R - Costa Mesa) — \$114,200,000	Jay Obernolte (R - Hesperia)* — \$56,481,000
Chris Holden (D - Pasadena) — \$377,079,000	Patrick O'Donnell (D - Long Beach) — \$377,079,000
Jacqui Irwin (D - Camarillo) — \$188,449,000	Jim Patterson (R - Fresno)* — \$11,200,000
Reginald Jones-Sawyer (D - Los Angeles) — \$377,079,000	Bill Quirk (D - Hayward) — \$805,079,000
Ash Kalra (D - San Jose) — \$377,079,000	Sharon Quirk-Silva (D - Buena Park) — \$137,311,000
Sydney Kamlager-Dove (D - Los Angeles) — \$321,079,000	Anthony Rendon (D - South Gate) — \$377,079,000
Kevin Kiley (R - Granite Bay)* — \$50,200,000	Eloise Gómez Reyes (D - San Bernardino) — \$1,166,079,000
Tom Lackey (R - Palmdale) — \$151,149,000	Luis Rivas (D - Arleta) — \$265,279,000
Marc Levine (D - San Rafael) — \$377,079,000	Freddie Rodriguez (D - Chino) — \$377,079,000
Monique Limón (D - Santa Barbara) — \$700,679,000	Blanca Rubio (D - West Covina) — \$337,079,000
Evan Low (D - Cupertino) — \$377,079,000	Rudy Salas (D - Bakersfield) — \$151,149,000
Brian Maienschein (R - San Diego) — \$158,679,000	Miguel Santiago (D - Los Angeles) — \$377,079,000
Devon Mathis (R - Visalia) — \$118,900,000	Marc Steinorth (R - Rancho Cucamonga)* — \$57,930,000
Chad Mayes (R - Rancho Mirage)* — \$52,800,000	Mark Stone (D - Santa Cruz) — \$697,079,000
Kevin McCarty (D - Sacramento) — \$15,755,079,000	Tony Thurmond (D - Oakland) — \$391,479,000
Jose Medina (D - Riverside) — \$377,079,000	Philip Ting (D - San Francisco) — \$15,541,798,000
Melissa Melendez (R - Murrieta) — \$102,900,000	Randy Voepel (R - Santee)* — \$35,730,000
Kevin Mullin (D - San Mateo) — \$1,256,079,000	Marie Waldron (R - Escondido) — \$143,100,000
Al Muratsuchi (D - Torrance) — \$291,479,000	Shirley Weber (D - San Diego) — \$377,079,000
Adrin Nazarian (D - Van Nuys) — \$1,163,879,000	Jim Wood (D - Santa Rosa) — \$380,679,000

Includes votes in favor of legislation containing a tax or fee, or bills authored or co-authored by a lawmaker that were introduced or amended in 2018, but did not have a vote.

*Lawmaker voted only for fees.

AB 175 – EDIBLE MARIJUANA PACKAGING FEE

\$1.2 MILLION ⋄ **Vote Required:** Majority
Version Reviewed: Amended 7/19/2017

AB 175 (Chau) would have required a manufacturer of an edible marijuana product to submit the product to state regulators for review of labeling and packaging, before the product is brought to market. Manufacturers would be charged a fee totaling approximately \$1.2 million annually to cover regulatory costs, beginning in 2018-19. AB 175 failed passage in the Legislature.



Revenue Estimate: Department of Finance.

AB 224 / SB 501 – DENTAL ANESTHESIA FEE

\$3.6 MILLION ⋄ **Vote Required:** Majority **Versions Reviewed:** AB 224 – Amended 5/30/2018; SB 501 – Amended 8/24/2018.

SB 501 (Glazer) requires a dentist who administers or orders pediatric minimal sedation to submit an application and an application fee to produce evidence that he or she has successfully completed training in pediatric minimal sedation programs. The bill increases state regulatory costs by \$3.6 million, which will be covered by application fees. **AB 224** (Thurmond) proposed a similar fee increase, but was amended on 8/22/2018 to remove the fee provisions. SB 501 was signed and chaptered into law.



Revenue Estimate: Assembly Appropriations Committee.

AB 509 – TIRE RECYCLING FEE EXPANSION

\$38 MILLION ⋄ **Vote Required:** Majority
Version Reviewed: Amended 6/22/2017

AB 509 (Frazier) sought to impose a new fee, not to exceed \$1 per new tire, on waste tire generators who also are retail sellers of new tires. This bill would have cost taxpayers \$18.5 million in the first fiscal year, and \$38 million annually once fully implemented. AB 509 failed passage in the Legislature.



Revenue Estimate: State Board of Equalization.

AB 582 / AB 2381 – VEHICLE EMISSION TESTING FEE

\$1.42 MILLION ⋄ **Vote Required:** Majority **Versions Reviewed:** AB 582 – Amended 8/21/2017; AB 2381 – Amended 8/24/2018

AB 2381 (Carrillo) authorizes a new fee to cover program costs for vehicle emission surveillance, and allows the California Air Resources Board to enter into agreements with non-state entities to conduct testing or develop new testing methods. This proposal will cost taxpayers \$1.42 million annually, if ARB implements a new fee to cover program costs. **AB 582** (Cristina Garcia) proposed a similar fee, but failed passage. AB 2381 was signed and chaptered into law.



Revenue Estimate: State Board of Equalization Analysis of AB 582.

AB 709 – SACRAMENTO TRANSIT TAXES

\$100 MILLION  **Vote Required:** Majority
 **Version Reviewed:** Amended 8/22/2018

AB 709 (McCarty) authorizes the Sacramento Regional Transit District to levy transaction and use taxes and appropriate the revenue to the extent required to pay the principal of, and interest on, specified bonds as they become due. This bill will cost taxpayers up to \$100 million annually, if voters approve higher taxes. AB 709 was signed and chaptered into law.



Revenue Estimate: Measure B of 2016

AB 1184 – RIDESHARE TAX

\$30 MILLION  **Vote Required:** Majority
 **Version Reviewed:** Amended 8/22/2018

AB 1184 (Ting) authorizes San Francisco to impose a tax on each ride originating in the jurisdiction provided by an autonomous vehicle or vehicle that is a part of a transportation network in an amount not to exceed 3.25 percent of net rider fares for a ride and 1.5 percent for a shared ride. Additionally, the bill provides that any tax must expire by November 5, 2045. AB 1184 was signed and chaptered into law.



Revenue Estimate: *San Francisco Chronicle*,
7/31/2018.

AB 1435 – ATHLETIC CONFERENCE FEES

\$4 MILLION  **Vote Required:** Majority
 **Version Reviewed:** Amended 6/4/2018

AB 1435 (Gonzalez Fletcher) sought to create the Athlete Protection Commission and require the agency to collect regulatory fees from college athletic conferences. The bill would have cost members of the NCAA up to \$4 million annually. AB 1435 failed passage in the Legislature.



Revenue Estimate: State Board of Equalization.

AB 1587 – MUSSEL FEE

\$2.5 MILLION  **Vote Required:** Majority
 **Version Reviewed:** Amended 6/29/2017

AB 1587 (Levine) would have imposed a quagga and zebra mussel infestation prevention fee in an amount not to exceed \$50 on non-resident owners of vessels used in state waterways. The Department of Finance estimated that the bill would cost taxpayers \$2.5 million to \$5 million annually, assuming if the fee was set at \$50. AB 1587 failed passage in the Legislature.

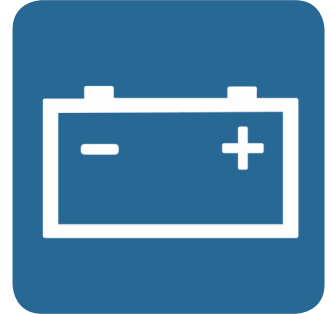


Revenue Estimate: Department of Finance.

AB 1663 – BATTERY MANUFACTURER FEE

\$16 MILLION ⚡ **Vote Required:** Majority
Version Reviewed: Amended 1/22/2018

AB 1663 (Cristina Garcia) would have expanded the definition of manufacturers required to pay the \$1 battery manufacturer fee to include out-of-state lead battery manufacturers who currently voluntarily pay the fee. This bill would have cost taxpayers \$16 million annually. Amendments on 6/25/2018 removed these provisions from the bill.



Revenue Estimate: Assembly Environmental Safety and Toxic Materials Committee.

AB 2091 – PRESCRIBED FIRE FEES

\$1 MILLION ⚡ **Vote Required:** Majority
Version Reviewed: Introduced 2/7/2018

AB 2091 (Grayson) would have established a fee for certifying a “prescribed burn” manager, including standards for prescribed burning, training and certification programs for prescribed burn managers, and approved curriculum. The Assembly Appropriations Committee estimated that the bill would create new costs of approximately \$1 million, which likely would be covered by new fees. Amendments on 5/25/2018 removed the fee provisions from the bill.



Revenue Estimate: Assembly Appropriations Committee.

AB 2303 / AB 2560 – TAX ON PRISON CONTRACTS

\$18 MILLION ⚡ **Vote Required:** Two-Thirds **Versions Reviewed:** AB 2303 – Introduced 2/13/2018; AB 2560 – Amended 3/22/2018

AB 2303 and **AB 2560** (Thurmond) sought to impose a tax on the privilege of contracting to provide a state prison with goods and services. The tax was based on a percentage of the value of the final contract. These bills would have cost taxpayers \$18 million to \$150 million annually, depending on the value of state prison contracts with private vendors (and which vendors would be subject to tax). However, amendments to AB 2303 on 8/24/2018 removed the tax provisions from the bill, and AB 2560 failed passage in the Legislature.

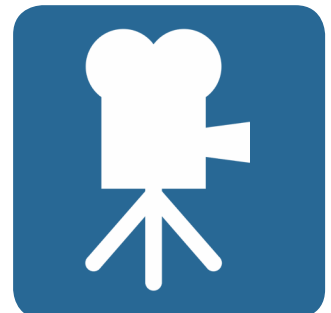


Revenue Estimate: Assembly Appropriations Committee analyses of AB 43 of 2017 and AB 2303.

AB 2338 – TALENT AGENCY TRAINING FEE

\$2.5 MILLION ⚡ **Vote Required:** Majority
Version Reviewed: Amended 8/24/2018

AB 2338 (Levine) would have required the state labor commissioner, prior to issuing a permit to employ a minor in the entertainment industry, to provide sexual harassment training for a fee not to exceed \$25. The bill would have created program costs of \$2.5 million to \$4 million annually, which would have been offset by additional fees. Amendments on 8/24/2018 removed these provisions.



Revenue Estimate: Assembly Floor Analysis.

AB 2351 – NEW TAX ON MILLIONAIRES

\$2.1 BILLION  **Vote Required:** Two-Thirds
Version Reviewed: Amended 3/19/2018

AB 2351 (Eggman) sought to impose a 1 percent tax on income over \$1 million beginning in 2020 to fund higher education, if ACA 13 (Eggman) were approved by voters and became operative. The bill was estimated to cost taxpayers an additional \$2.1 billion annually, when fully in effect. The bill failed passage.



Revenue Estimate: Franchise Tax Board.

AB 2368 – NOTARY REGISTRATION FEE

\$4 MILLION  **Vote Required:** Majority
Version Reviewed: Amended 5/25/2018

AB 2368 (Calderon) sought to establish a registration application fee for online notaries at a \$25 maximum. If each of California's 161,000 commissioned notaries re-registered, California would have received an additional \$4 million in fees. Currently, notaries must renew their registration every four years. AB 2368 failed passage in the Legislature.



Revenue Estimate: Assembly Appropriations Committee.

AB 2486 – MANUFACTURER SURCHARGE FOR MEDI-CAL

\$88.1 MILLION  **Vote Required:** Majority
Version Reviewed: Amended 3/23/2018

AB 2486 (McCarty and Gallagher) would have imposed a "fee" of 1 cent per milligram of active opioid ingredients on opioid drug manufacturers that contract with Medi-Cal to provide any drug containing opioids. Revenue from the tax (described in the bill as a "state rebate payment") would have been directed to counties for opioid prevention and rehabilitation programs. The estimated cost to taxpayers was \$88.1 million annually. The bill was amended to remove these provisions and instead impose a different tax on opioids.



Revenue Estimate: State Board of Equalization analysis of AB 1512.

AB 2486 – TAX ON PAINKILLERS

\$100 MILLION  **Vote Required:** Two-Thirds
Version Reviewed: Amended 6/18/2018

AB 2486 (McCarty and Gallagher) required manufacturers or wholesalers that sell or distribute opioid drugs to pay a new tax that cumulatively would total \$100 million per year. The companies would be required to submit to the Department of Public Health a report including details of opioid drugs sold or distributed in the preceding fiscal year. The department would use the information to calculate the ratable share of the \$100 million to be paid by each company. The bill failed passage in the Legislature.



Revenue Estimate: AB 2486

AB 2497 – ADDITIONAL TAX ON GUNS AND AMMUNITION

\$92.4 MILLION ♦ **Vote Required:** Two-Thirds
♦ **Version Reviewed:** Amended 4/23/2018

AB 2497 (Cooper) sought to impose an unspecified sales and use tax on retailers for the sale of firearms and ammunition, beginning January 1, 2019, to fund programs related to preventing school gun violence. This bill would have cost taxpayers up to \$92.4 million annually if the rate of tax is similar to legislation proposed in prior years. AB 2497 failed passage in the Legislature.



Revenue Estimate: State Board of
Equalization analysis of AB 187 of 2013-14.

AB 2556 – CROWDFUNDING FEE

\$1 MILLION ♦ **Vote Required:** Majority
♦ **Version Reviewed:** Amended 4/19/2018

AB 2556 (Irwin) sought to require a crowdfunding solicitor for charitable purposes to, among other things, register with the Attorney General's Register of Charitable Trusts and pay specified registration and renewal fees. This bill would have increased regulatory and reporting costs for the attorney general up to \$1.7 million annually, which would be covered by registration and renewal fees. AB 2556 failed passage in the Legislature.



Revenue Estimate: Assembly
Appropriations Committee.

AB 2588 – MOBILEHOME PARK INSPECTION FEE

\$3.6 MILLION ♦ **Vote Required:** Majority
♦ **Version Reviewed:** Amended 4/12/2018

AB 2588 (Chu) would have authorized a \$120-per-hour fee for technical inspection of mobilehome parks. This bill would have cost taxpayers an estimated \$3.6 million in annual inspection fees. Amendments on 5/25/2018 removed the fee provisions from the bill.



Revenue Estimate: Assembly Appropriations
Committee.

AB 2731 – CARRIED INTEREST TAX

\$450 MILLION ♦ **Vote Required:** Two-Thirds
♦ **Version Reviewed:** Amended 5/25/2018

AB 2731 (Gipson) sought to impose a 17 percent tax on an individual's taxable income derived from an investment management business held by that individual where he or she actively engages in the business' investment activities ("carried interest"), and earmarks revenue from the tax for educational services. This bill would have cost taxpayers more than \$450 million annually, beginning in 2019-20. The bill failed passage.



Revenue Estimate: Franchise Tax Board.

AB 2908 – TAX-LIKE “FEE” ON TIRES

\$40 MILLION  **Vote Required:** Majority
Version Reviewed: Amended 8/6/2018

AB 2908 (Berman) authorizes a tax-like “fee” on tires up to \$1 per tire, with revenue allocated to local government for projects that utilize recycled tires, and to encourage manufacturers to recycle tires. This bill will cost taxpayers approximately \$40 million annually, beginning in 2019-20. The bill was vetoed by the governor.



Revenue Estimate: Assembly
Appropriations Committee.

AB 2920 – TAHOE / BERKELEY SALES TAX INCREASE

\$10 MILLION  **Vote Required:** Majority
Version Reviewed: Amended 6/13/2018

AB 2920 (Thurmond) authorizes Berkeley and the North Lake Tahoe Transportation Authority to impose a transactions and use tax at a maximum rate of 0.5 percent, thus exceeding the rate limit on local sales tax. If voters in Berkeley approve a 0.5 percent sales tax increase, bringing the total sales and use tax rate to 9.75 percent, the tax would cost taxpayers \$9 million annually. If voters in Tahoe approve a 0.5 percent sales tax increase, their top rate would increase to 7.75 percent, costing taxpayers \$1 million annually. AB 2920 was signed and chaptered into law.



Revenue Estimates: City of Berkeley, and
Placer County.

AB 3009 – TAX ON PAINT

\$320 MILLION  **Vote Required:** Two-Thirds
Version Reviewed: Amended 5/25/2018

AB 3009 (Quirk) sought to impose a \$2 per gallon “fee” on manufacturers, sellers and importers of paint, to be used for local grants for the removal of lead-based paint from residences. The bill would have cost taxpayers \$320 million annually, if Initiative 17-0049 had appeared on the November 2018 ballot and was approved by voters. AB 3009 failed passage.



Revenue Estimate: Assembly Floor Analysis.

AB 3066 – MOBILEHOME REGISTRATION FEE

\$3.9 MILLION  **Vote Required:** Majority
Version Reviewed: Amended 8/24/2018

AB 3066 (Stone) imposes a \$10 annual registration fee on mobilehome park operators for each mobilehome lot located in their park. The new fee, which the bill allows management to pass on to mobilehome residents, will fund dispute resolutions between mobilehome park operators and mobilehome residents. This bill will cost taxpayers more than \$3.9 million annually. AB 3066 was signed and chaptered into law.



Revenue Estimate: Senate Judiciary
Committee Analysis

AB 3110 – FEES FOR ATHLETIC TRAINER LICENSES

\$1.2 MILLION ⋄ **Vote Required:** Majority
Version Reviewed: Amended 8/6/2018

AB 3110 (Mullin) sought to authorize an unspecified fee for the issuance and renewal of licenses for athletic trainers. The bill would have cost taxpayers approximately \$1.2 million annually. AB 3110 failed passage.



Revenue Estimate: Assembly Appropriations Committee.

ACA 4 – HIGHER LOCAL TAXES

\$370.5 MILLION ⋄ **Vote Required:** Two-Thirds
Version Reviewed: Introduced 2/17/2017

ACA 4 (Aguiar-Curry) sought to allow local governments to increase special taxes (including sales taxes and parcel taxes) and pass bonds by a 55 percent vote instead of a two-thirds vote, if the tax or bond funds affordable housing or public infrastructure (including water projects, parks, open space, hospitals, transportation and broadband Internet). ACA 4 would have cost taxpayers approximately \$24.7 million for the first year the amendment was in effect. Within five years, it would have cost taxpayers more than \$370.5 million annually. ACA 4 failed passage.



Revenue Estimate: CalTax Foundation.

ACA 11 – SALES AND USE TAX INCREASE

\$1.5 BILLION ⋄ **Vote Required:** Two-Thirds
Version Reviewed: Amended 8/21/2017

ACA 11 (Caballero) would have imposed a statewide 0.25 percent sales and use tax to fund affordable housing and homeless shelter programs. In 2015, the State Board of Equalization reported \$633.9 billion in taxable transactions in California, so a 0.25 percent tax would generate \$1.5 billion annually. ACA 11 failed passage.



Revenue Estimate: CalTax Foundation estimate based on state data.

ACA 22 – NEW TAX ON CALIFORNIA BUSINESSES

\$14.4 BILLION ⋄ **Vote Required:** Two-Thirds
Version Reviewed: Introduced 1/18/2018

ACA 22 (McCarty, Ting) would have imposed a 10 percent tax on net business income above \$1 million to fund a variety of programs, including public schools, housing projects, and an expansion of the state's earned income tax credit. Based on data from the Franchise Tax Board, this additional tax on business income would cost taxpayers more than \$14.4 billion annually. ACA 22 failed passage.



Revenue Estimate: CalTax Foundation estimate from Franchise Tax Board data.

SB 46 – MOBILEHOME PARK FEE EXTENSION

\$1 MILLION

Vote Required: Majority
Version Reviewed: Amended 8/24/2018

SB 46 (Leyva) extends the mobilehome park inspection fee from 2019 to 2024. Currently the \$4 annual fee is used to fund health and safety inspections, among other things. This bill costs taxpayers an additional \$1 million to \$1.5 million annually. SB 46 was signed and chaptered into law.



Revenue Estimate: Senate Floor Analysis.

SB 66 – TAX INCREASE ON PUNITIVE DAMAGES

\$1.2 MILLION

Vote Required: Two-Thirds
Version Reviewed: Introduced 1/5/2017

SB 66 (Wieckowski) would have disallowed deductions for punitive damages when determining corporate and personal income tax liability, effective January 1, 2018. Disallowing this deduction would cost taxpayers \$1.2 million annually, according to the Franchise Tax Board. However, the amount could be significantly higher in some years. Amendments to the bill on 6/18/2018 removed these provisions.



Revenue Estimate: Franchise Tax Board.

SB 152 – SONOMA SALES TAX INCREASE

\$42 MILLION

Vote Required: Majority
Version Reviewed: Amended 8/27/2018

SB 152 (McGuire) authorizes Sonoma County to exceed the existing transactions and use tax rate limit by 1 percent. This bill is intended to raise nearly \$42 million annually for fire services in Sonoma County. SB 152 was signed and chaptered into law.



Revenue Estimate: *The Press Democrat*,
August 11, 2018.

SB 377 – LEAD PAINT FEES

\$1.1 MILLION

Vote Required: Majority
Version Reviewed: Amended 8/21/2017

SB 377 (Monning) would have established a fee for the issuance of certificates to lead-based paint removal companies, and required companies removing lead paint to comply with worker certification and training programs. This bill would have cost taxpayers \$1.1 million annually. SB 377 failed passage.



Revenue Estimate: Assembly
Appropriations Committee.

SB 452 – BEVERAGE CONTAINER RECYCLING TAX

\$22 MILLION ⋄ **Vote Required:** Two-Thirds
Version Reviewed: Amended 8/24/2018

SB 452 (Glazer) would have created the California Beverage Container Recycling and Litter Reduction Act. This act requires the Department of Resources Recycling and Recovery to impose a handling fee and a processing fee based upon a container's scrap value. SB 452 was vetoed by the governor.



Revenue Estimate: Senate Appropriations Committee.

SB 562 – GOVERNMENT-RUN HEALTHCARE TAX

\$200 BILLION ⋄ **Vote Required:** Majority
Version Reviewed: Amended 5/26/2017

SB 562 (Lara) would have established a \$400 billion government-run healthcare system. The bill would have been operative only if it included funding from a new tax. Assuming the state secured federal funding to offset some costs, California would have needed to increase taxes more than \$200 billion annually to pay remaining costs. Under Proposition 98's funding formula, 40 percent of new tax revenue would be earmarked to K-14 schools, so additional funds would be necessary to fully fund all single-payer costs. The bill failed passage.



Revenue Estimate: Senate Appropriations Committee.

SB 623 – WATER, MILK AND FERTILIZER TAX

\$109.1 MILLION ⋄ **Vote Required:** Two-Thirds
Version Reviewed: Amended 8/21/2017

SB 623 (Monning) sought to tax water, milk and fertilizer products to fund long-term water sustainability programs, including: a water meter tax on each person or entity purchasing water from a public water system, ranging from 95 cents per month to \$10 per month; a tax-like license "fee" of \$0.005 per dollar of fertilizer material sold; and a tax-like "fee" of \$0.01355 per hundredweight of milk sold. The bill failed passage.



Revenue Estimate: Assembly Appropriations Committee.

SB 965 – CATTLE BRAND INSPECTION FEE

\$3.6 MILLION ⋄ **Vote Required:** Majority
Version Reviewed: Amended 8/16/2018

SB 965 (McGuire) requires a fee from the sale of cattle or calves exempt from a brand inspection to be charged and collected in a manner prescribed by the state, and imposes an assessment of \$1 per head to be paid on each sale of cattle and calves for the state's Cattle Council. This bill costs taxpayers nearly \$3.6 million annually. SB 965 was signed and chaptered into law.



Revenue Estimate: Assembly Appropriations Committee.

SB 993 – SALES TAX ON SERVICES

\$49 BILLION  **Vote Required:** Two-Thirds
 **Version Reviewed:** Amended 5/9/2018

SB 993 (Hertzberg) sought to impose a sales tax on services purchased by some businesses. The tax increase would have been imposed through an incremental excise tax on services rising to 3 percent by January 1, 2022, while also lowering the sales and use tax 2 percent by January 1, 2022. SB 993 could have cost taxpayers up to \$49 billion.

The State Board of Equalization estimated in 2015 that a sales tax on all untaxed services could generate up to \$122.63 billion in new tax revenue. However, because SB 993 applied only to services purchased by some businesses, and also contained a rate reduction, this figure would be much less. The Council on State Taxation estimates that businesses pay approximately 40 percent of sales and use taxes. SB 993 failed passage.



Revenue Estimate: CalTax Foundation,
State Board of Equalization,
Council on State Taxation.

SB 1376 – TAX ON RIDE-SHARING COMPANIES

\$1.7 MILLION  **Vote Required:** Two-Thirds
 **Version Reviewed:** Amended 8/23/2018

SB 1376 (Hill) requires transportation network companies to pay a minimum tax of 5 cents for each trip completed using an online-enabled application that originates in a geographic location chosen by the Public Utilities Commission for inclusion in the program. The revenue would be dispersed to programs or partnerships that meet the needs of disabled people. In San Francisco alone, transportation network companies would pay a minimum of \$442,000 per year. Assuming ride statistics in other large metro-regions are equivalent, on a statewide basis, this will likely cost taxpayers more than \$1.7 million annually. SB 1376 was signed and chaptered into law.



Revenue Estimate: CalTax Foundation
estimate, based on San Francisco County
Transportation Authority data.

SB 1398 – BUSINESS TAX BASED ON EXECUTIVE PAY

\$350 MILLION  **Vote Required:** Two-Thirds
 **Version Reviewed:** Introduced 2/16/2018

SB 1398 (Skinner) would have imposed a California corporate tax rate ranging from 8.84 percent to 13 percent (10.84 percent to 15 percent for financial institutions), based on each corporation's "compensation ratio," beginning with the 2019 tax year. Additional tax rates would be imposed on companies that reduce their workforce in the United States. This bill would have cost taxpayers \$350 million annually. SB 1398 failed passage.



Revenue Estimate: Franchise Tax Board
analysis of SB 1372 of 2014.

SB 1480 – PROFESSIONAL LICENSE FEES

\$6.3 MILLION ⋄ **Vote Required:** Two-Thirds
 ⋄ **Version Reviewed:** Amended 8/24/2018

SB 1480 (Hill) increases license fees for several professional vocations, including veterinarians, podiatrists, nurses, optometrists, and chiropractors. This bill will cost taxpayers approximately \$6.3 million annually. SB 1480 was signed and chaptered into law.



Revenue Estimate: Senate
Appropriations Committee.

SCA 3 – PROPERTY TAX INCREASE FOR LIBRARIES

\$100 MILLION ⋄ **Vote Required:** Two-Thirds
 ⋄ **Version Reviewed:** Amended 3/6/2017

SCA 3 (Dodd) sought to lower the vote threshold to pass a local general obligation library facilities bond from two-thirds to 55 percent. By doing so, the measure would have made it easier for local governments to increase property taxes. If SCA 3 had been placed on the ballot and approved by voters, it would have increased property taxes by hundreds of millions of dollars annually. SCA 3 failed passage.



Revenue Estimate: CalTax Foundation.

SCA 6 – LOCAL TRANSPORTATION TAX INCREASE

\$3.2 BILLION ⋄ **Vote Required:** Two-Thirds
 ⋄ **Version Reviewed:** Amended 5/1/2017

SCA 6 (Wiener) would have lowered the vote threshold to 55 percent for local special taxes to fund transportation projects (the current threshold is a two-thirds vote). If a lower vote threshold had been in place during the 2016 election cycle, taxpayers would be paying more than \$653 million in higher taxes in the first year the measure would be in effect. Within five years, SCA 6 could have cost taxpayers more than \$3.2 billion annually. SCA 6 failed passage.



Revenue Estimate: CalTax Foundation.

SCA 22 – SCHOOL PARCEL TAX INCREASE

\$225 MILLION ⋄ **Vote Required:** Two-Thirds
 ⋄ **Version Reviewed:** Introduced 4/5/2018

SCA 22 (Allen) proposed to lower the vote threshold for school district parcel taxes to 55 percent of the electorate, down from the current two-thirds vote requirement. This amendment would have cost taxpayers \$10 million to \$20 million more in additional parcel taxes in the first year the measure would be in effect. Within five years, SCA 22 could have cost taxpayers more than \$225 million annually. SCA 22 failed passage.



Revenue Estimate: CalTax Foundation.

SCA 24 – TAX ON INHERITED PROPERTY

\$280 MILLION  **Vote Required:** Two-Thirds
 **Version Reviewed:** Introduced 8/29/2018

SCA 24 (Galgiani) would have made several changes regarding changes in ownership of property and base-year value transfers beginning January 1, 2021, including requiring reassessment of property transferred from parents or grandparents to their children or grandchildren unless the property is used as the principal residence of the children or grandchildren. If SCA 24 became law, it would cost taxpayers in Los Angeles County alone more than \$280 million. SCA 24 failed passage.



Revenue Estimate: *Los Angeles Times*, 8/17/2018.



LEGISLATION WITH UNKNOWN COSTS

LEGISLATION WITH UNKNOWN COSTS

AB 251 Bar Pilot Charges

AB 251 (Bonta) sought to increase the bar pilot fees and additional charges required to be paid who pilot a vessel into the Monterey Bay, San Francisco Bay, San Pablo, or Suisun, from \$8.11 to \$10.26 per draft foot of the vessel's deepest draft, and from 73.01 mills to 92.43 mills per high gross registered ton.

Version Reviewed: Amended - 8/6/2018 | **Vote Required:** Majority | **Status:** Failed Passage

AB 747 Monterey County Fertilizer Tax

AB 747 (Caballero) authorizes Monterey County to impose a special tax on the application for any commercial purpose of fertilizers containing any form or compound of nitrogen. Amendments on 8/28/2018 removed the provisions.

Version Reviewed: Amended - 8/20/2018 | **Vote Required:** Majority | **Status:** Failed Passage

AB 924 Tribal Cannabis Fees

AB 924 (Bonta) would have authorized the governor to enter into an agreement with a federally recognized Indian tribe to legalize cannabis activities. The bill would have required the tribe to establish fees and licenses for its own governmental processes to regulate cannabis activities.

Version Reviewed: Amended - 7/2/2018 | **Vote Required:** Two-Thirds | **Status:** Failed Passage

AB 1013 Chiropractor License Fee

AB 1013 (Low) would have revised the annual chiropractor license fee to be no more than \$250. Amendments on 4/19/2018 removed these provisions.

Version Reviewed: Amended - 1/3/2018 | **Vote Required:** Majority | **Status:** Fee Removed From Bill

AB 1217 Hollywood Forever Alcohol Fee

AB 1217 (Santiago) allows the Hollywood Forever Cemetery to maintain a license to sell alcoholic beverages to cemetery visitors.

Version Reviewed: Amended - 8/6/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law

AB 1573 Experimental Fishing Permit Fee

AB 1573 (Bloom) requires the Fish and Game Commission to charge a permit fee for commercial fishers utilizing experimental gear.

Version Reviewed: Amended - 8/17/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law

AB 1810 & SB 844 Lead Certification and Other Health Fees

AB 1810 (Assembly Budget Committee) imposes an \$87 application fee for lead certification and a supplemental license fee on health facilities in Los Angeles County. **SB 844** (Senate Budget and Fiscal Review Committee) proposed similar fees, but failed passage.

Version Reviewed: Amended - 6/12/2018 | **Vote Required:** Majority | **Status:** AB 1810 was Chaptered Into Law



LEGISLATION WITH UNKNOWN COSTS

**AB 1813
&
SB 847**

Court Fees

SB 847 (Senate Budget and Fiscal Review Committee), among other things, extends a supplemental fee and complex case fee until July 1, 2023, and a special notice filing fee to January 1, 2024. **AB 1813** (Assembly Budget Committee) contained identical language, but failed passage.

Version Reviewed: Amended - 6/12/2018 | **Vote Required:** Majority | **Status:** SB 847 was Chaptered Into Law

**AB 1814
&
SB 848**

DMV Transaction Fee

SB 848 (Senate Budget and Fiscal Review Committee), among other things, increases a Department of Motor Vehicles transaction fee by \$1 for implementation of the private industry partners' proportionate share of department-wide system improvements. **AB 1813** (Assembly Budget Committee) contained identical language, but failed passage.

Version Reviewed: Amended - 6/11/2018 | **Vote Required:** Majority | **Status:** SB 848 was Chaptered Into Law

**AB 1820
&
SB 854**

Off-Road Vehicle and Non-Vehicular Engine Emission Fees

SB 854 (Senate Budget and Fiscal Review Committee), budget trailer bills relating to natural resources, among other things, requires the State Air Resources Board to adopt a schedule of fees to cover all or a portion of the board's reasonable costs for the certification, audit and compliance of off-road or non-vehicular engines and equipment, aftermarket parts and emissions-control components sold in the state. **AB 1820** (Assembly Budget Committee) contained identical language, but failed passage.

Version Reviewed: Amended - 6/11/2018 | **Vote Required:** Majority | **Status:** SB 854 was Chaptered Into Law

**AB 1836
&
SB 870**

911 Phone Surcharge

AB 1836 (Assembly Budget Committee) and **SB 870** (Senate Budget and Fiscal Review Committee) proposed a monthly surcharge of 20 cents to 80 cents per access line in California, based upon the Office of Emergency Services' estimate of the rate needed to produce enough revenue to fund the 911 system's costs. Additionally, the surcharge would have applied to the purchase of prepaid mobile phones.

Version Reviewed: Amended - 6/11/2018 | **Vote Required:** Two-Thirds | **Status:** Failed Passage

AB 1843

Housing Loan Monitoring Fee

AB 1843 (Assembly Budget Committee) proposed an ongoing monitoring fee on recipients of loans from the Housing for a Healthy California, a program that provides funds to builders of affordable housing units.

Version Reviewed: Amended - 8/23/2018 | **Vote Required:** Majority | **Status:** Failed Passage

LEGISLATION WITH UNKNOWN COSTS

AB 1885 Undocumented Worker Application Fees

AB 1885 (Eduardo Garcia) proposed a permit fee for undocumented individuals living in California relating to agricultural labor. The bill failed to meet legislative deadlines and died.

Version Reviewed: Amended - 4/9/2018 | **Vote Required:** Majority | **Status:** Failed Passage

AB 1965 Gambling Employee Fees

AB 1965 (Aguiar-Curry) sought to require the California Gambling Control Commission to establish a fee to process expedited background checks and investigations for applicants seeking employment at gambling facilities. Amendments to the bill on 4/4/2018 removed the fee provisions from the bill.

Version Reviewed: Amended - 3/20/2018 | **Vote Required:** Majority | **Status:** Fee Provisions Removed From Bill

AB 2045 Life Insurance Broker Fees

AB 2045 (Assembly Insurance Committee) increases the application fee paid by a person entering into, brokering, or soliciting life settlements from \$171 to \$265.

Version Reviewed: Amended - 7/3/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law

AB 2056 Mobilehome Renovation Loan Fee

AB 2056 (Eduardo Garcia) requires the Department of Housing and Community Development to charge a transaction fee when issuing a loan to a qualified nonprofit housing organization seeking to acquire or rehabilitate a mobilehome park whose residents are low-income.

Version Reviewed: Amended - 8/17/2018 | **Vote Required:** Two-Thirds | **Status:** Chaptered Into Law

AB 2355 No Tax Credits or Exemptions for Contractors Involved in Border Wall Construction

AB 2355 (Ting) sought to withhold specified tax incentives from contractors and subcontractors involved in the construction/maintenance or provision of materials related to a border wall. Tax incentives that would have been withheld include: Partial sales/use tax exemptions for qualified tangible property used in manufacturing/research-and development; sales/use tax exclusions under the California Alternative Energy and Advanced Transportation Financing Authority; Research-and-Development tax credit; Hiring tax credit; and California Competes tax credit.

Version Reviewed: Amended - 3/22/2018 | **Vote Required:** Two-Thirds | **Status:** Failed Passage

AB 2382 Firearm Parts Fee

AB 2382 (Cipson) sought to impose a charge on firearm part purchasers and transferees on a per-transaction fee basis, not to exceed \$1. Revenue would have been deposited into the Firearms Precursor Parts Enforcement Special Fund.

Version Reviewed: Amended - 7/2/2018 | **Vote Required:** Two-Thirds | **Status:** Failed Passage



LEGISLATION WITH UNKNOWN COSTS

AB 2699 Financial Commissioner Seal Fees

AB 2699 (Ting) proposed to increase the Commissioner of Business Oversight fee to approve any instrument and affix an official seal to that instrument. The bill failed to meet legislative deadlines and died.

Version Reviewed: Amended - 3/22/2018 | **Vote Required:** Majority | **Status:** Failed Passage

AB 2744 Referral Agency Fees

AB 2744 (Reyes) proposed a registration fee on agencies that refer individuals to a residential care facility. The bill failed to meet legislative deadlines and died.

Version Reviewed: Amended - 4/12/2018 | **Vote Required:** Majority | **Status:** Failed Passage

AB 2765 Digital Marketplace Contractor Benefit Plans

AB 2765 (Low) proposed a \$500 administrative fee paid to the Employment Development Department for the administration of marketplace contractor benefit plans. The bill failed to meet legislative deadlines and died.

Version Reviewed: Amended - 3/22/2018 | **Vote Required:** Majority | **Status:** Failed Passage

AB 2921 Single-Use Food Packaging Charge

AB 2921 (Low) sought to require manufacturers of single-use food packaging made from polystyrene to form a recycling nonprofit organization, which is mandated to impose an unspecified "fee" on packaging manufacturers. The bill failed to meet legislative deadlines and died.

Version Reviewed: Amended - 4/5/2018 | **Vote Required:** Majority | **Status:** Failed Passage

AB 3049 Pilot Fee Increase on Ships Sailing in the Bay Area

AB 3049 (Grayson) sought to increase the \$8.11 pilot fee charged for vessels traveling in and out of the bays of Monterey, San Francisco, San Pablo, and Suisun, to \$10.26 per draft foot of a vessel's deepest draft and fractions of a foot pro rata, and to also increase the board operations surcharge from 73.01 mills to 92.43 mills per high gross registered ton. The bill failed to meet legislative deadlines and died.

Version Reviewed: Amended - 3/22/2018 | **Vote Required:** Majority | **Status:** Failed Passage

AB 3181 Pilot Fee Increase on Ships Sailing in the Bay Area

AB 3181 (Bonta) sought to increase the bar pilotage fee to \$10.26 per draft foot of a vessel's deepest draft and fractions of a foot pro rata. The bill failed to meet legislative deadlines and died.

Version Reviewed: Amended - 3/22/2018 | **Vote Required:** Majority | **Status:** Failed Passage

AB 3249 Annual State Bar Dues

AB 3249 (Assembly Judiciary Committee) renews the State Bar license fee and requires the State Bar to establish a financial assistance program for attorneys enrolled in substance abuse programs, and to state that the organization's responsibility for "protection of the public" includes "support for greater access to, and inclusion in, the legal system."

Version Reviewed: Amended - 8/22/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law

LEGISLATION WITH UNKNOWN COSTS

SB 210 Truck Emission Temporary Permit Fee

SB 210 (Leyva) sought to impose a \$50 fee on taxpayers seeking a temporary permit fee to operate a heavy-duty vehicle for which registration was refused because the vehicle failed to meet certain air quality standards.

Version Reviewed: Amended - 6/19/2018 | **Vote Required:** Majority | **Status:** Failed Passage

SB 212 Tax-Like Fee on Needles

SB 212 (Jackson) requires pharmaceutical and sharp manufacturers to develop a plan for collection and disposal of home generated sharps waste. Past legislation creating similar stewardship programs imposed charges on goods or products to cover program costs.

Version Reviewed: Amended - 8/27/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law

SB 254 Alcohol Distribution Fee

SB 254 (Portantino) would have required the state to regulate alcoholic beverage delivery companies and to charge a reasonable fee to cover department regulatory activities.

Version Reviewed: Amended - 6/14/2018 | **Vote Required:** Majority | **Status:** Failed Passage

SB 273 Fee on Minors Who Marry

SB 273 (Hill) authorizes a local court to impose a reasonable fee on minors entering into a domestic partnership for the purpose of receiving counseling provided by the court or county relating to social, economic and personal responsibilities incidental to domestic partnership.

Version Reviewed: Amended - 8/24/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law

SB 721 Deck Inspection Fee

SB 721 (Hill) creates additional criteria for inspecting decks and balconies, and authorizes local agencies to institute new fees to recover enforcement costs associated with the new criteria.

Version Reviewed: Amended - 8/6/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law

SB 795 Accountancy Practice Fees

SB 795 (Galgiani) extends a law that allows accountants whose principal place of business is not in this state to practice in California without obtaining a certificate or license, if certain conditions are met, and allows the state to impose a "reasonable fee."

Version Reviewed: Amended - 7/3/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law

SB 904 Alarm License Fee

SB 904 (Wieckowski) renews authorization for alarm companies to be licensed as limited liability companies and pay related fees and licensing costs.

Version Reviewed: Amended - 6/13/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law



LEGISLATION WITH UNKNOWN COSTS

SB 992 Rehab Registration Fee

SB 992 (Hernandez) would have established a registration fee relating to drug and alcohol recovery facilities. Amendments to the bill on 5/25/2018 removed these provisions.

Version Reviewed: Amended - 4/2/2018 | **Vote Required:** Majority | **Status:** Fee Provisions Removed

SB 1017 Fishing Permit Fee

SB 1017 (Allen) would have increased the annual fee for a drift gill net shark and swordfish permit to \$1,500 for the license year beginning

April 1, 2019, and increases the fee again to \$3,000 beginning April 1, 2020. Amendments to the bill on 6/19/2018 removed these provisions.

Version Reviewed: Amended - 5/25/2018 | **Vote Required:** Majority | **Status:** Fee Provisions Removed

SB 1029 Great Redwood Trail Fees

SB 1029 (McGuire) creates the Great Redwood Trail agency and authorizes the agency to set and collect fees. The trail will provide pathways for bicycles and pedestrians in the Sonoma-Marín area.

Version Reviewed: Amended - 8/24/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law

SB 1098 Geologist and Geophysicist Fees

SB 1098 (Cannella) increases the maximum license renewal fee for a specialty geologist to \$400.

Version Reviewed: Amended - 4/12/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law

SB 1301 Dam Safety Fees

SB 1301 (Beall) sought to require certain specified state agencies to keep a log of permit processing times, and also requires the Office of Planning and Research to develop a joint multi-agency pre-application and a model fee-for-service agreement for permits that would authorize a dam safety project or authorize a flood risk reduction project.

Version Reviewed: Amended - 8/6/2018 | **Vote Required:** Majority | **Status:** Vetted by the Governor

SB 1309 Fishing Fees

SB 1309 (McGuire), an omnibus bill relating to fishing policies, includes an extension of fishing fees for the state's salmon stamp program. Fees fund Chinook salmon restoration and enhancement programs to increase salmon populations.

Version Reviewed: Amended - 8/6/2018 | **Vote Required:** Majority | **Status:** Chaptered Into Law

SB 1407 Driver's License Photo Fee

SB 1407 (Newman) proposed to impose a fee on each additional driver's license photograph requested, for a maximum of three photographs that may be taken on-site.

Version Reviewed: Amended 5/25/2018 | **Vote Required for Passage:** Majority | **Status:** Failed Passage

LEGISLATION WITH UNKNOWN COSTS

SB 1415 Housing Inspection Fee

SB 1415 (McGuire) would have authorized collection of a fee from building owners to recover the costs of the inspection of related fire- and life-safety activities.

Version Reviewed: Amended - 8/24/2018 | **Vote Required:** Majority | **Status:** Vetoed by the Governor

SB 1416 Fire Inspection Fee

SB 1416 (McGuire) would have required local jurisdictions to impose an unspecified additional “fee” on business license renewals or building permits in jurisdictions that don’t offer business licenses for fire inspection services and state consultation on how to comply with state and local fire building codes. Amendments to the bill on 4/4/2018 removed the fee provisions.

Version Reviewed: Amended - 8/24/2018 | **Vote Required:** Majority | **Status:** Fee Provisions Removed

ABOUT THE CALIFORNIA TAX FOUNDATION

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