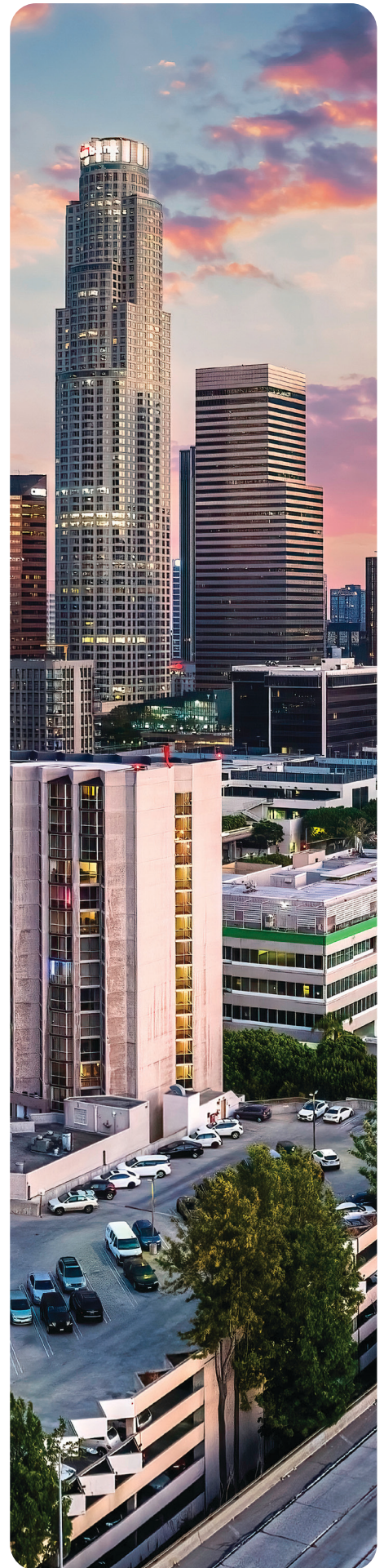


TAX AND FEE REPORT

Major Taxes and Fees Introduced in the California Legislature

Vol. XI, No. 1 | March 14, 2024





\$193.28 BILLION

During the first two months of 2024, as the Legislature began the second half of its 2023-24 session, California lawmakers considered increasing annual taxes and fees by more than \$193.28 billion.

INTRODUCTION

During the first two months of 2024, California lawmakers considered increasing annual taxes and fees by more than \$193.28 billion.

These taxes and fees were introduced as lawmakers and the governor face a budget deficit that the Legislative Analyst's Office recently projected to be approximately \$73 billion.

During the first year of the 2023-24 session, the Legislature and governor approved more than \$10.4 billion in higher taxes and fees.

In the first two months of 2024, 69 bills under consideration by the Legislature would increase taxes and fees.

As state officials grapple with the budget's operating deficit, Californians face major fiscal challenges, including a high cost of living that is growing due to inflation.

Governor Gavin Newsom's initial budget proposal has protected Californians from most broad-based tax increases to balance the budget shortfall. As the Legislature responds to the budget proposal, and California's revenue outlook continues to change, it is possible that the lawmakers will propose more taxes and fees before the session ends.

PROJECTED COST TO TAXPAYERS

PROPOSAL	ESTIMATED ANNUAL COST TO TAXPAYERS	STATUS
Government-Funded Health Care – AB 2200 and AB 1690 (Kalra)	\$162,800,000,000	⌚/💀
Wealth Tax – AB 259/ACA 3 (Lee)	\$22,300,000,000	💀/⌚
Corporate Tax Increase – SB 220 (Skinner/Atkins)	\$7,200,000,000	💀
Unemployment Insurance for Striking Workers – SB 1116 (Portantino)	\$215,000,000	⌚
Vehicle Tax for R&D Funding of New Fuels – SB 84 (Gonzalez)	\$173,000,000	💀
Increased Bridge Tolls in Bay Area – SB 532 (Wiener)	\$162,000,000	⌚
Tax on Short-Term Rental Property – SB 584 (Limón)	\$150,000,000	⌚
Vehicle Tax – AB 1609 (Garcia)	\$140,000,000	💀
Disallows Mortgage Interest Deductions on Second Homes – AB 2616 (Lee)	\$130,000,000	⌚
Marriage License Tax – SB 489 (Wilk)	\$4,600,000	💀
Solar Panel Recycling Fee – AB 2 (Ward)	\$4,400,000	⌚
Fees on Alcohol and Drug Treatment Facilities – AB 1477 (Quirk-Silva)	\$3,500,000	💀
Port Fees – AB 1743 (Bennett)	\$1,600,000	💀
Fees for Restructured Loans – AB 515 (Ward)	\$1,120,000	⌚
Fee to Obtain a Concealed Firearm License – AB 1133 (Schiavo)	\$1,000,000	⌚
Driving School Fees – SB 473 (Allen)	\$1,000,000	💀
Fees to Access Police Radio Transmissions – SB 719 (Becker)	\$1,000,000	💀

Key

- ⌚ The bill or proposed constitutional amendment is pending in the Legislature.
- 💀 The bill is dead.

LEGISLATION WITH KNOWN COSTS



AB 2

SOLAR PANEL RECYCLING FEE

\$4.4 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 6/28/2023

Status: Active

AB 2 (Ward) requires the Department of Resources Recycling and Recovery (CalRecycle) to establish a fee for recycling customer-owned solar photovoltaic module products – with the fee charged to a consumer or a service provider serving the consumer – and to require that the fee be adjusted annually for inflation.

Revenue Estimate: Senate Appropriations Committee.



AB 259/ACA 3

WEALTH TAX

\$22.3 BILLION

Vote Required: Two-Thirds

Version Reviewed: Introduced – 1/19/2023

Status: AB 259: Dead; ACA 3: Active

AB 259 (Lee) imposes an annual “wealth tax” on Californians, as well as on former Californians for a period of time after they leave the state. For tax years 2024 and 2025, the tax would be imposed at a rate of 1.5 percent of a resident’s worldwide net worth in excess of \$1 billion, or in excess of \$500 million in the case of a married taxpayer filing separately. For tax years on or after January 1, 2026, the tax would be modified to cover additional taxpayers, at a rate of 1 percent of a resident’s worldwide net worth in excess of \$50 million, or \$25 million for a married taxpayer filing separately. The 1.5 percent rate would remain in place for those with assets above these thresholds. Net worth would be calculated every year based on the known or estimated values of assets as of December 31. The tax would apply to art, collectibles, real property, pension funds, financial assets held offshore, farm assets, mutual funds, index funds, and stocks, among other things. The legislation authorizes penalties for understating net worth. **ACA 3** is a proposed constitutional amendment that would need voter approval in a statewide election for the tax to take effect.

Revenue Estimate: “The California Tax on Extreme Wealth (ACA 8 & AB 310): Revenue, Economic, and Constitutional Analysis.” March 21, 2021, by Brian Galle, David Gamage, Emmanuel Saez, and Darien Shanske.



AB 515

FEES FOR RESTRUCTURED LOANS

\$1.12 MILLION

Vote Required: Majority
Version Reviewed: Amended – 7/3/2023
Status: Active

AB 515 (Ward) authorizes the Department of Housing and Community Development to charge fees necessary to cover the costs of processing restructured loan transactions.

Revenue Estimate: Senate Appropriations Committee.



AB 1133

FEE TO OBTAIN A CONCEALED FIREARM LICENSE

\$1 MILLION

Vote Required: Majority
Version Reviewed: Amended – 6/29/2023
Status: Active

AB 1133 (Schiavo) requires the Department of Justice to establish a standardized test for people applying for a concealed firearm license and authorizes the department to charge a fee for taking the test. The Assembly Appropriations Committee estimates this will cost the department \$1 million. As of 2021, California had 121,000 CCW license holders, so each would need to pay a license fee of at least \$10 to cover these additional costs.

Revenue Estimate: Assembly Appropriations Committee.



AB 1477

FEES ON ALCOHOL AND DRUG TREATMENT FACILITIES

\$3.5 MILLION

Vote Required: Majority
Version Reviewed: Amended – 3/27/2023
Status: Dead

AB 1477 (Quirk-Silva) would have required fees imposed on alcohol and drug treatment facilities to increase annually beginning January 1, 2031, until licensing and certification programs are self-sufficient.

Revenue Estimate: Assembly Appropriations Committee.



AB 1609

VEHICLE TAX

\$140 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 4/17/2023

Status: Dead

AB 1609 (Garcia) would have imposed a \$4 tax on each vehicle registered in California, except those exempt from paying registration fees, with revenue earmarked to support the activities of local air pollution districts.

Revenue Estimate: Assembly Appropriations Committee.



AB 1743

PORT FEES

\$1.6 MILLION

Vote Required: Majority

Version Reviewed: Amended – 4/27/2023

Status: Dead

AB 1743 (Bennett) would have authorized the California Air Resources Board to impose an application fee for any project relating to reducing emissions from cargo-handling equipment and seaports under the Lower Emissions Transition Program and would have authorized competitive grants to be awarded to projects.

Revenue Estimate: Assembly Appropriations Committee.



AB 2200 AND AB 1690

GOVERNMENT-FUNDED HEALTH CARE

\$162.8 BILLION

Vote Required: Majority

Version Reviewed: AB 2200: Introduced – 2/7/2024;

AB 1690: Introduced – 2/17/2023

Status: AB 2200: Active; AB 1690: Dead

AB 2200 (Kalra) establishes the California Guaranteed Health Care for All Program (CalCare) with a nine-member board responsible for seeking federal waivers and approval to allow existing federal health care payments to be paid to the new state program instead. The bill would prohibit medical providers from billing or entering into a private contract unless specified conditions are met, among other things. The bill states the intent of the Legislature to enact legislation that would raise taxes to fund the single-payer healthcare system. The single-payer healthcare system also was proposed in AB 1690, which died February 1, 2024.

Revenue Estimate: “Economic Analysis of the Healthy California Single-Payer Health Care Proposal (SB-562).” May 2017, by Robert Pollin, James Heintz, Peter Arno, and Jeannette Wicks-Lim.



AB 2616

DISALLOWS MORTGAGE INTEREST DEDUCTIONS ON SECOND HOMES

\$130 MILLION

Vote Required: Two-Thirds

Version Reviewed: Introduced – 2/14/2024

Status: Active

AB 2616 (Lee) disallows the mortgage interest deduction available under current law for an additional residence in addition to the taxpayer's principal residence, beginning January 1, 2025. The bill additionally requires the Franchise Tax Board and Department of Finance to estimate the revenue that would result from the elimination of the deduction.

Revenue Estimate: Franchise Tax Board.



SB 84

VEHICLE TAX FOR R&D FUNDING OF NEW FUELS

\$173 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 5/18/2023

Status: Dead

SB 84 (Gonzalez) would have extended by 11 years the collection of increased vehicle-related taxes, including registration fees, service fees for identification plates, and smog abatement fees, with the new sunset date of January 1, 2035. Revenue would fund the development of technologies that “transform California’s fuel and vehicle types.”

Revenue Estimate: Senate Appropriations Committee.



SB 220

CORPORATE TAX INCREASE

\$7.2 BILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 5/25/2023

Status: Dead

SB 220 (Skinner/Atkins) would have increased the corporate tax rate from 8.84 percent to 10.99 percent (12.99 percent for financial institutions) for businesses with net income over \$1.5 million. The higher corporate tax rate would phase out for any taxable year where the federal corporate tax rate is 32.85 percent or higher. The bill additionally sought to lower the corporate tax rate to 6.63 percent for businesses with net income below \$1.5 million, lower the minimum franchise tax from \$800 to \$600, increase the renters' tax credit to \$250 (or \$500 for filers with dependents), and establish the Critical Needs Fund to provide funding to childcare programs, hospitals, schools, and homelessness programs. Under the proposal, California would have the highest corporate tax rate in the United States.

Revenue Estimate: “Protect our Progress,” Senate Democrats’ Budget Plan Released by Senator Nancy Skinner and Senate President Pro Tem Toni Atkins.



SB 473 **DRIVING SCHOOL FEES**

\$1 MILLION

Vote Required: Majority
Version Reviewed: Introduced – 2/13/2023
Status: Dead

SB 473 (Allen) would have required the Department of Motor Vehicles to charge a fee, up to \$1, for each driver education or driver training certificate issued to an individual.

Revenue Estimate: Senate Appropriations Committee.



SB 489 **MARRIAGE LICENSE TAX**

\$4.6 MILLION

Vote Required: Majority
Version Reviewed: Amended – 4/12/2023
Status: Dead

SB 489 (Wilk) would have authorized city officials to issue marriage licenses and required the officials to collect a \$23 tax for the support of the county domestic violence shelter-based programs.

Revenue Estimate: California Tax Foundation.



SB 532 **INCREASED BRIDGE TOLLS IN BAY AREA**

\$162 MILLION

Vote Required: Majority
Version Reviewed: Amended – 6/29/2023
Status: Active

SB 532 (Wiener) requires the Bay Area Toll Authority to impose a \$1.50 toll increase for vehicles crossing state-owned bridges, and requires all revenue collected from the toll increase to be transferred to the Metropolitan Transportation Commission.

Revenue Estimate: California Tax Foundation Analysis of Bay Area Toll Authority Toll Revenue.



SB 584

TAX ON SHORT-TERM RENTAL PROPERTY

\$150 MILLION

Vote Required: Two-Thirds

Version Reviewed: Amended – 5/18/2023

Status: Active

SB 584 (Limón) imposes a 15 percent tax on the rental price of a “short-term rental” – defined as a home, house, or a room in a house occupied for less than 30 days – collected by the online platform that facilitates the rental.

Revenue Estimate: Senate Floor Analysis.



SB 719

FEES TO ACCESS POLICE RADIO TRANSMISSIONS

\$1 MILLION

Vote Required: Majority

Version Reviewed: Amended – 1/23/2024

Status: Dead

SB 719 (Becker) would have required law enforcement agencies, except those operated by public universities, to ensure that all radio communications are accessible to the public in real time, and would have authorized law enforcement agencies to assess a fee for providing access to encrypted communications.

Revenue Estimate: Senate Floor Analysis.



SB 1116

UNEMPLOYMENT INSURANCE FOR STRIKING WORKERS

\$215 MILLION

Vote Required: Majority

Version Reviewed: Introduced – 2/13/2024

Status: Active

SB 1116 (Portantino) authorizes employees who have been on strike for more than two weeks to claim unemployment insurance benefits, which are funded by a payroll tax on employers. The author’s prior version of this bill, **SB 799**, was vetoed by the governor in 2023.

Revenue Estimate: California Chamber of Commerce.

LEGISLATION WITH UNKNOWN COSTS

AB 41 – FEES IMPOSED ON INTERNET AND CABLE OPERATORS

AB 41 (Holden) would have modified the existing law that establishes a state franchise fee, based on the gross revenue of a company, for cable service or open-video system service, and revised the definition of gross revenue used in calculating a franchise fee on internet and cable operators to increase the charge by removing several exclusions.

Version Reviewed: Vetoed – 10/8/2023 | **Vote Required:** Majority | **Status:** Vetoed

AB 240 – ADDITIONAL TAX ON PET FOOD SALES

AB 240 (Kalra) would have authorized a tax on pet food manufacturers, at a rate of \$200 for each label that would be attached to the dog or cat food container submitted by the manufacturer to the Department of Public Health, and required a manufacturer of dog and cat food that has less than \$75,000 in gross annual sales to pay a single \$200 tax to the Department of Food and Agriculture.

Version Reviewed: Amended – 2/28/2023 | **Vote Required:** Two-Thirds | **Status:** Dead

AB 252 – FEES AND FINES FOR VIOLATING STUDENT ATHLETE REQUIREMENTS

AB 252 (Holden) establishes the College Athlete Protection Act to provide various protections and benefits to collegiate athletes and authorizes a subpanel to assess unspecified certification fees, renewal fees, fines, and penalties for entities required to comply with the program.

Version Reviewed: Amended – 6/19/2023 | **Vote Required:** Majority | **Status:** Active

AB 540 – INCREASE ANNUAL VEHICLE TAX

AB 540 (Wicks) would have increased the "transportation improvement fee" by \$10. The annual tax on vehicles now ranges from \$25 to \$175, depending on the market value of the vehicle.

Version Reviewed: Introduced – 2/8/2023 | **Vote Required:** Two-Thirds | **Status:** Dead

AB 568 – FEE FOR ENHANCED DRIVER'S LICENSE

AB 568 (Ta) would have authorized the Department of Motor Vehicles to issue or renew "enhanced driver's licenses," defined as licenses that are "enhanced in process, technology, and security to denote identity and citizenship," and set an application fee up to \$55.

Version Reviewed: Introduced – 2/8/2023 | **Vote Required:** Majority | **Status:** Dead

AB 657 – CANDY TAX

AB 657 (Jackson) would have imposed a candy tax at the rate of \$0.05 “for each untaxed candy distributed” in California. Voters prohibited the taxation of candy, confectionary, snack foods and bottled water with the passage of Proposition 163 of 1992.

Version Reviewed: Amended – 1/3/2024 | **Vote Required:** Two-Thirds | **Status:** Dead

AB 743 – FEE FOR AUTHORIZATION TO PERFORM ONLINE NOTARIZATIONS

AB 743 (Petrie-Norris) authorizes a notary public to apply for registration with the state to perform online notarizations and authorizes the Secretary of State’s Office to charge applicants an unspecified fee to cover the office’s costs of administering the program.

Version Reviewed: Amended – 4/19/2023 | **Vote Required:** Majority | **Status:** Dead

AB 796 – FEES IMPOSED ON ATHLETIC TRAINERS

AB 796 (Weber) prohibits a person from working as an athletic trainer without being licensed by the California Board of Athletic Training. The board would be authorized to establish licensing and renewal fees.

Version Reviewed: Amended – 7/6/2023 | **Vote Required:** Majority | **Status:** Active

AB 805 – AUTHORIZES UNELECTED OFFICIALS TO INCREASE SEWAGE RATES

AB 805 (Arambula) authorizes the State Water Resources Control Board to contract with an administrator to conduct managerial services for designated sewer systems. The bill authorizes the administrator to set and collect sewer rates and fees, subject to approval by the state board.

Version Reviewed: Amended – 1/22/2024 | **Vote Required:** Two-Thirds | **Status:** Active

AB 886 – LINK TAX ON INTERNET PLATFORMS

AB 886 (Wicks) requires internet platforms with 50 million or more monthly users or with annual revenue exceeding \$550 billion to pay a tax (described as a “journalism usage fee,” but actually a tax under the definitions of the Internet Tax Freedom Act) to digital journalism providers. The tax would be equal to a percentage established in government-mandated arbitration between journalism providers and media platforms.

Version Reviewed: Amended – 7/3/2023 | **Vote Required:** Majority | **Status:** Active

AB 1008 – JOSHUA TREE TAX

AB 1008 (Bauer-Kahan) establishes a conservancy program for Joshua trees and establishes a tax imposed on residents intending to purchase a Joshua tree.

Version Reviewed: Amended – 4/13/2023 | **Vote Required:** Majority | **Status:** Active

AB 1055 – FEES IMPOSED ON ALCOHOL AND DRUG COUNSELORS

AB 1055 (Bains) would have required the newly established Allied Behavioral Health Board to charge a licensing fee to alcohol and drug counselors.

Version Reviewed: Amended – 3/13/2023 | **Vote Required:** Majority | **Status:** Dead

AB 1328 – FEES IMPOSED ON MULTISTATE COSMETOLOGISTS

AB 1328 (Gipson) authorizes the State Board of Barbering and Cosmetology to charge a fee for multistate cosmetology licenses and impose fees on licensees in member states, and establishes the Cosmetology Licensure Compact to facilitate interstate regulation of cosmetologists.

Version Reviewed: Amended – 6/6/2023 | **Vote Required:** Majority | **Status:** Active

AB 1570 – FEES IMPOSED ON SPECIFIED OPTOMETRISTS

AB 1570 (Low) would have required the State Board of Optometry to establish a fee for the issuance and renewal of a certificate for optometrists who perform advanced procedures to treat glaucoma.

Version Reviewed: Amended – 1/3/2024 | **Vote Required:** Majority | **Status:** Dead

AB 1826 – VIDEO FRANCHISE FEES

AB 1826 (Holden) provides that the Public Utilities Commission does not have the authority to regulate the rates of video service, revises the definition of gross revenue used in calculating a franchise fee for internet and cable operators to increase the charge by removing several exclusions, and increases the maximum penalty that a local entity may assess against a holder of a state franchise that breaches customer service protections, among other things.

Version Reviewed: Introduced – 1/12/2024 | **Vote Required:** Majority | **Status:** Active

AB 1827 – HIGHER LOCAL WATER FEES AND RATES

AB 1827 (Papan) authorizes incrementally higher costs of water services for parcels with higher water demands.

Version Reviewed: Introduced – 1/12/2024 | **Vote Required:** Majority | **Status:** Active

AB 1912 – TAX ON UTILITIES TO FUND UC BERKELEY ANALYSIS OF LEGISLATION AFFECTING UTILITIES

AB 1912 (Pacheco) requires legislative policy committees, before hearing any measure that would impose a mandated program affecting electrical corporations, to request a written analysis of the measure from the University of California at Berkeley and requires the state controller to assess an annual “fee” – based on a large electrical corporation’s percentage of the statewide load served by all large electrical corporations – to cover the costs associated with providing the analyses.

Version Reviewed: Amended – 2/21/2024 | **Vote Required:** Two-Thirds | **Status:** Active

AB 2113 – TAX ON PESTICIDES

AB 2113 (Garcia) increases the assessment rate on pesticide products until July 1, 2027, and authorizes the state director of pesticide regulation to adopt regulations setting one fixed rate on pesticide sales. The bill increases the maximum amount of additional assessments to \$0.00104 per dollar of sales.

Version Reviewed: Amended – 2/22/2024 | **Vote Required:** Two-Thirds | **Status:** Active

AB 2148 – FEES FOR PROFESSIONAL FIDUCIARIES

AB 2148 (Low), among other things, authorizes the Professional Fiduciaries Bureau to issue a certification of registration to a professional corporation and authorizes the bureau to impose a fee to cover the costs of issuing registration.

Version Reviewed: Introduced – 2/6/2024 | **Vote Required:** Majority | **Status:** Active

AB 2156 – FEES FOR ADDING DIACRITICAL MARKS TO BIRTH, DEATH, AND MARRIAGE RECORDS

AB 2156 (Pacheco) requires the state registrar or vital statistics to require counties to accept diacritical marks – accents, hačeks, tildes, umlauts, etc. – on birth or death certificates and marriage licenses. The bill additionally requires registrars to review requests to add diacritical marks to existing records, and to establish specified fees for performing such modifications.

Version Reviewed: Introduced – 2/6/2024 | **Vote Required:** Majority | **Status:** Active

AB 2375 – FEE FOR LIDS ON ALCOHOLIC BEVERAGES

AB 2375 (Lowenthal) authorizes a holder or applicant of a restaurant or bar alcohol license to provide a lid for a customer’s drink and authorizes a fee to be imposed for the cost of providing the lid.

Version Reviewed: Introduced – 2/12/2024 | **Vote Required:** Majority | **Status:** Active

AB 2402 – FEES TO FUND PROGRAM TO HELP BAR OWNERS PREVENT DRINK-SPIKING

AB 2402 (Lowenthal) authorizes the State Department of Public Health to establish the Safe Bar Training Program, a voluntary program for owners of bars and restaurants to identify strategies to prevent on-site drugging of patrons. To obtain certification, bars and restaurants that participate in the program would be required to send new employees to the training classes and pay a fee to cover the state's costs to administer the program.

Version Reviewed: Introduced – 2/12/2024 | **Vote Required:** Majority | **Status:** Active

AB 2412 – FEES ON "BODY CONTOURING" BUSINESS

AB 2412 (Reyes) establishes the California Body Contouring Council to regulate the act of body contouring – defined as a nonmedical treatment “intended to shape or contour the fatty areas of the body” – and authorizes the council to establish permit fees, including an initial fee capped at \$495, to practice body contouring.

Version Reviewed: Introduced – 2/12/2024 | **Vote Required:** Majority | **Status:** Active

AB 2431 – AUTHORIZES LOCAL GOVERNMENTS TO EXCEED THE TUT CAP

AB 2431 (Mathis) authorizes local governments, excluding special districts, to impose a transactions and use tax, capped at an unspecified rate, that would exceed the 2 percent transactions and use tax cap.

Version Reviewed: Introduced – 2/13/2024 | **Vote Required:** Majority | **Status:** Active

AB 2436 – INCREASES CATTLE INSPECTION FEES

AB 2436 (Alanis) increases various inspection fees per head of cattle to \$1.60, increases the fee associated with purchasing cattle from a cattle sale market to \$0.80 per head, and increases fees associated with inspecting the carcass or hide to \$2.10 per head.

Version Reviewed: Introduced – 2/13/2024 | **Vote Required:** Majority | **Status:** Active

AB 2638 – FEES FOR RESTRUCTURING HOME LOANS

AB 2638 (Ward), among other things, authorizes the Department of Housing and Community Development to allow recipients of loans issued by the department to pay off a loan in whole or in part before the end of its term. The bill also authorizes the department to charge a fee to cover the costs of restructuring specified home loans.

Version Reviewed: Introduced – 2/14/2024 | **Vote Required:** Majority | **Status:** Active

AB 2651 – FEES ON DRUG COUNSELORS

AB 2651 (Bains), among other things, establishes the Licensed Alcohol Drug Counselor Board to regulate drug counselors operating in the state and authorizes the board to impose a licensing fee.

Version Reviewed: Introduced – 2/14/2024 | **Vote Required:** Majority | **Status:** Active

AB 2721 – FEES ON TRANSPORTERS OF KITCHEN GREASE

AB 2721 (Assembly Agriculture Committee) extends the Department of Food and Agriculture’s authority to impose fees on vehicles that are authorized to transport kitchen grease.

Version Reviewed: Introduced – 2/14/2024 | **Vote Required:** Two-Thirds | **Status:** Active

AB 2733 – FEES ON SPECIFIED ZERO-EMISSION VEHICLES

AB 2733 (Boerner) authorizes the Department of Transportation to issue permits for the operation of specified zero-emission vehicles in parts of San Diego County and authorizes the department to impose a fee to cover the costs of issuing the permits.

Version Reviewed: Introduced – 2/15/2023 | **Vote Required:** Majority | **Status:** Active

AB 2785 – AUTHORIZES HIGHER TENANT SCREENING FEES

AB 2785 (Wilson), among other things, authorizes the tenant application screening fee for residential renters to be \$50 per application, but prohibits landlords from adjusting this fee annually.

Version Reviewed: Introduced – 2/15/2024 | **Vote Required:** Majority | **Status:** Active

AB 2828 AND SB 608 – INCREASED FEES FOR SPECIAL LICENSE PLATES

AB 2828 (Bains) increases fees associated with the issuance and renewal of the “Have a Heart, Be a Star, Help Our Kids” license plate and appropriates revenue from the program to various childcare programs. These increased fees were also proposed in SB 608, which died January 18, 2024.

Version Reviewed: AB 2828: Introduced – 2/15/2024; SB 608: Introduced 2/15/2024 | **Vote Required:** Majority
Status: AB 2828: Active; SB 608: Dead

AB 3064 – TAX ON FIREARM SAFETY DEVICES

AB 3064 (Maienschein) authorizes the Department of Justice to impose an annual tax – described as a “fee” – on each entity that manufactures or imports a firearm safety device, and requires each device to have specified information permanently affixed to it.

Version Reviewed: Introduced – 2/16/2024 | **Vote Required:** Two-Thirds | **Status:** Active

AB 3097 – FEE TO WORK AS A RADIOLOGY ASSISTANT

AB 3097 (Chen), among other things, establishes the Radiologist Assistant Committee to regulate radiology assistants and authorizes the Medical Board of California to establish registration and renewal fees for radiology assistants.

Version Reviewed: Introduced – 2/16/2024 | **Vote Required:** Majority | **Status:** Active

AB 3195 – FEE TO OPERATE A BAR PAST 2 A.M.

AB 3195 (Haney) authorizes establishments that are licensed to serve alcohol to obtain an additional serving hours license that would allow the establishment to serve alcohol until 4 a.m. on Fridays and Saturdays, and establishes a \$2,500 fee to obtain the license.

Version Reviewed: Introduced – 2/16/2024 | **Vote Required:** Majority | **Status:** Active

AB 3204 – FEE TO SERVE AS A "DATA DIGESTER"

AB 3204 (Bauer-Kahan) requires “data digesters” – defined as businesses that use personal information to train artificial intelligence – to register with the California Privacy Protection Agency and pay a registration fee.

Version Reviewed: Introduced – 2/16/2023 | **Vote Required:** Majority | **Status:** Active

SB 440 – AUTHORIZES LOCAL GOVERNMENTS TO FORM HOUSING AGENCIES WITH TAXING AUTHORITY

SB 440 (Skinner) authorizes a regional housing authority to impose a parcel tax, gross receipts tax, special business tax, and/or documentary transfer tax, as well as issue general obligation bonds and impose commercial linkage fees, if approved by voters, for the purpose of increasing the supply of affordable housing.

Version Reviewed: Amended – 6/30/2023 | **Vote Required:** Majority | **Status:** Active

SB 495 – ALCOHOL DELIVERY LICENSING FEE

SB 495 (Dodd) establishes a new type of license for an alcohol consumer delivery service permit and sets an application fee of \$20,000 and an annual renewal fee of \$1,500.

Version Reviewed: Introduced – 5/18/2023 | **Vote Required:** Majority | **Status:** Active

SB 707 – FEES FOR TEXTILE RECYCLING

SB 707 (Newman) requires textile manufacturers to pay fees to the Department of Resources Recycling and Recovery for the costs of administering a stewardship program for the recycling of specified textiles.

Version Reviewed: Amended – 7/3/2023 | **Vote Required:** Majority | **Status:** Active

SB 708 – FEES FOR OFFROAD VEHICLES

SB 708 (Jones) requires the Department of Motor Vehicles to establish a special permit for the operation of certain off-road vehicles and charge operators an unspecified fee for the permit.

Version Reviewed: Amended – 3/29/2023 | **Vote Required:** Majority | **Status:** Active

SB 778 – FEES FOR SUBSURFACE INSTALLATIONS

SB 778 (Ochoa Bogh) revises the definition of “subsurface installation” to include non-pressurized sewer lines, non-pressurized storm drains, and other non-pressurized drain lines, and authorizes local agencies to charge fees associated with subsurface installations.

Version Reviewed: Amended – 6/15/2023 | **Vote Required:** Majority | **Status:** Active

SB 904 – SONOMA-MARIN AREA RAIL TRANSIT DISTRICT

SB 904 (Dodd) authorizes special taxes for the Sonoma-Marín Transit District to be placed on the ballot via a qualified voter initiative. Additionally, the bill requires the boards of supervisors for Marin and Sonoma counties to call a special election for transit district taxes qualified for the ballot by voter initiative.

Version Reviewed: Introduced – 1/4/2023 | **Vote Required:** Majority | **Status:** Active

SB 915 – FEES RELATING TO AUTONOMOUS VEHICLES

SB 915 (Cortese) prohibits an autonomous vehicle service that has received state approval to conduct commercial activity from operating within a local jurisdiction until a local ordinance is adopted that includes the registration of rates for commercial passenger activity, hours of service, a certification process, fines for moving violations, and other regulations. The bill additionally authorizes local jurisdictions to impose service charges, fees, or assessments sufficient to cover the costs of the ordinance or resolution adopted.

Version Reviewed: Introduced – 1/9/2024 | **Vote Required:** Majority | **Status:** Active

SB 966 – FEES FOR PHARMACY BENEFIT MANAGERS

SB 966 (Wiener) requires, among other things, that a “pharmacy benefit manager” – defined as a person or business that manages prescription drug coverage – obtain a license from the California State Board of Pharmacy and authorizes the board to establish an unspecified licensing fee.

Version Reviewed: Introduced – 1/24/2024 | **Vote Required:** Majority | **Status:** Active

SB 1047 – FEES AND REGULATIONS FOR ARTIFICIAL INTELLIGENCE

SB 1047 (Wiener) requires developers of artificial intelligence to determine whether their platforms have a hazardous capability or the potential to come close to being hazardous for consumers, and authorizes the Department of Technology to assess fees on developers to carry out the provisions of the bill.

Version Reviewed: Introduced – 2/7/2023 | **Vote Required:** Majority | **Status:** Active

SB 1066 – CHARGE FOR PRODUCING MARINE FLARES

SB 1066 (Blakespear), among other things, regulates manufacturers of marine flare products and requires manufacturers to pay an annual administrative charge set by the Department of Toxic Substances Control to cover the costs of new regulations.

Version Reviewed: Introduced – 2/12/2024 | **Vote Required:** Majority | **Status:** Active

SB 1160 – ANNUAL REGISTRATION FEE FOR FIREARMS

SB 1160 (Portantino) requires every firearm, except those specifically exempted, to be registered with the state, and requires firearm owners to pay an unspecified fee for registration.

Version Reviewed: Introduced – 2/14/2024 | **Vote Required:** Majority | **Status:** Active

SB 1169 – LOS ANGELES COUNTY FLOOD CONTROL DISTRICT TAX

SB 1169 (Stern) authorizes the Los Angeles County Flood Control District to obtain loans from specified entities and to repay those loans over a 35-year period with an interest rate not to exceed 5.5 percent annually. The bill authorizes the special district to impose a tax to pay the interest and principal on the loans.

Version Reviewed: Introduced – 2/14/2024 | **Vote Required:** Majority | **Status:** Active

SB 1434 – UNEMPLOYMENT INSURANCE TAX INCREASE

SB 1434 (Durazo) increases the wages subject to the unemployment insurance tax on employers from \$7,000 of an employee's annual compensation to an as-yet-unspecified amount. The bill additionally establishes the Excluded Workers Fund to provide income assistance to workers ineligible for unemployment insurance, imposes a 0.5 percent tax on employees' wages, and increases the unemployment benefits that recipients are eligible to claim.

Version Reviewed: Introduced – 2/16/2024 | **Vote Required:** Two-Thirds | **Status:** Active

SB 1505 – AIRPLANE TAX

SB 1505 (Stern) requires owners of specified aircraft based in California to register with the Department of Motor Vehicles and requires the department to impose an aircraft registration tax that would cover costs associated with the "detrimental environmental impact of aircraft emissions."

Version Reviewed: Introduced – 2/16/2024 | **Vote Required:** Two-Thirds | **Status:** Active



METHODOLOGY

This report identifies higher taxes, fees, assessments, and charges acted on or pending in the Legislature from the beginning of the January 3, 2024, through February 29, 2024.

This report identifies 69 proposals during this period that contain higher costs. The costs cannot yet be quantified for 50 of the proposals.

Under Proposition 26, the voter-approved Stop Hidden Taxes Act of 2010, a tax is defined as any change in state statute that results in any taxpayer paying a higher tax or exaction, including any unreasonable fee or charge. This report includes any measure that imposes, authorizes, or states the intent to impose or authorize higher taxes or tax-like “fees,” as well as any legislation that increases a regulatory and/or license fee, user charge, or other charge for receiving a specific government service or benefit. Legislation imposing fines, penalties, and other costs for violating state or local laws is not included. This report also excludes legislation estimated to generate less than \$1 million per year in net revenue.

Revenue estimates are 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 most recent data from prior legislative or agency analyses of similar legislation or available economic studies was used. 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 counted only once for purposes of calculating the cumulative revenue total for this report.

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Published by
California Tax Foundation
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