

Assembly Bill No. 1768

CHAPTER 11

An act to add and repeal Chapter 2.5 (commencing with Section 7286.03) and Chapter 3.18 (commencing with Section 7287.22) of Part 1.7 of Division 2 of the Revenue and Taxation Code, relating to taxation, and declaring the urgency thereof, to take effect immediately.

[Approved by Governor June 1, 2026. Filed with Secretary of State June 1, 2026.]

LEGISLATIVE COUNSEL'S DIGEST

AB 1768, Bryan. Transactions and use taxes: Counties of Contra Costa and Los Angeles.

Existing law authorizes various local governmental entities, subject to certain limitations and approval requirements, to levy a transactions and use tax for general or specific purposes, in accordance with the procedures and requirements set forth in the Transactions and Use Tax Law, including a requirement that the combined rate of all taxes that may be imposed in accordance with that law in any county not exceed 2%.

This bill would authorize, until December 31, 2031, the County of Los Angeles, by an ordinance adopted by the county, to levy a tax pursuant to the Transactions and Use Tax Law at a rate not to exceed 0.5% for general and special purposes, subject to voter approval, as specified. The bill would also authorize, until December 31, 2031, the County of Contra Costa, by an ordinance adopted by the county, to levy a tax pursuant to the Transactions and Use Tax Law at a rate not to exceed 0.625% for general or specific purposes, subject to voter approval, as specified. The bill would authorize those taxes to exceed the 2% limit described above.

This bill would make legislative findings and declarations as to the necessity of a special statute for the Counties of Contra Costa and Los Angeles.

This bill would declare that it is to take effect immediately as an urgency statute.

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

SECTION 1. Chapter 2.5 (commencing with Section 7286.03) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 2.5. COUNTY OF LOS ANGELES TRANSACTIONS AND USE TAX

7286.03. (a) Notwithstanding any other law, the County of Los Angeles may impose a transactions and use tax for general or specific purposes to support countywide programs at a rate of no more than 0.5 percent that would, in combination with all taxes imposed in accordance with the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), exceed the limit established in Section 7251.1, if all of the following requirements are met:

(1) The county adopts an ordinance proposing the transactions and use tax by any applicable voting approval requirement.

(2) The ordinance proposing the transactions and use tax is submitted to the electorate and is approved by the voters voting on the ordinance by the applicable voting approval requirement in accordance with Article XIII C of the California Constitution.

(3) The transactions and use tax conforms to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), other than Section 7251.1.

(b) Notwithstanding Section 7251.1, a transactions and use tax rate imposed pursuant to subdivision (a) shall not be considered for purposes of the combined rate limitation established by Section 7251.1.

(c) If, as of December 31, 2031, an ordinance proposing a transactions and use tax has not been approved in the County of Los Angeles as authorized by subdivision (a), this chapter shall be repealed.

SEC. 2. Chapter 3.18 (commencing with Section 7287.22) is added to Part 1.7 of Division 2 of the Revenue and Taxation Code, to read:

CHAPTER 3.18. COUNTY OF CONTRA COSTA TRANSACTIONS AND USE
TAX

7287.22. (a) Notwithstanding any other law, the County of Contra Costa, by ordinance, may impose a transactions and use tax for general or specific purposes at a rate of no more than 0.625 percent that would, in combination with all taxes imposed pursuant to Part 1.6 (commencing with Section 7251), exceed the limit established in Section 7251.1, if all of the following requirements are met:

(1) The board of supervisors of the County of Contra Costa adopts an ordinance proposing the transactions and use tax by any applicable voting approval requirement.

(2) The ordinance proposing the transactions and use tax is submitted to the electorate and is approved by the voters voting on the ordinance in accordance with the California Constitution.

(3) The transactions and use tax conforms to the Transactions and Use Tax Law (Part 1.6 (commencing with Section 7251)), other than Section 7251.1.

(b) Notwithstanding Section 7251.1, a transactions and use tax rate imposed pursuant to subdivision (a) shall not be considered for purposes of the combined rate limit established by Section 7251.1.

(c) If, as of December 31, 2031, an ordinance proposing a transactions and use tax has not been approved in the County of Contra Costa as authorized by subdivision (a), this chapter shall be repealed.

SEC. 3. The Legislature finds and declares that a special statute is necessary and that a general statute cannot be made applicable within the meaning of Section 16 of Article IV of the California Constitution because of the unique fiscal pressures being experienced in the Counties of Contra Costa and Los Angeles in providing essential programs that have been caused, at least in part, by federal funding cuts.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the California Constitution and shall go into immediate effect. The facts constituting the necessity are:

The County of Los Angeles has placed a 0.5 percent tax on the ballot for June 2, 2026, ballot, and the County of Contra Costa has placed a 0.625 percent tax on the ballot for June 2, 2026, and to accommodate that, it is necessary that this act go into immediate effect.