



Legislation Details (With Text)

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**Title:** CONSIDER TAKING A POSITION OF OPPOSITION AND SENDING A CORRESPONDING LETTER REGARDING SENATE BILL 1494, WHICH WOULD PROHIBIT CITIES FROM ENTERING INTO SALES REBATE AGREEMENTS WITH RETAILERS AND NULLIFY ALL EXISTING SALES TAX REBATE AGREEMENTS (CITY COUNCIL)

**Sponsors:**

**Indexes:**

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**Attachments:** 1. Proposed Letter of Opposition for Senate Bill 1494 (2024), 2. Bill Analysis

Date	Ver.	Action By	Action	Result
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**Report to Mayor and City Council**

Tuesday, June 04, 2024

Consent

**SUBJECT:**

**CONSIDER TAKING A POSITION OF OPPOSITION AND SENDING A CORRESPONDING LETTER REGARDING SENATE BILL 1494, WHICH WOULD PROHIBIT CITIES FROM ENTERING INTO SALES REBATE AGREEMENTS WITH RETAILERS AND NULLIFY ALL EXISTING SALES TAX REBATE AGREEMENTS (CITY COUNCIL)**

**I. SUMMARY**

This item transmits a request for City Council to consider taking a position of opposition and sending a corresponding letter regarding Senate Bill 1494 (Glazer). The proposed letter is included as Exhibit 1 and the Bill Analysis is included as Exhibit 2.

As noted by the League of California Cities, the Bradley-Burns Uniform Local Sales and Use Tax Law authorizes counties and cities to impose a local sales and use tax in accordance with that law for tangible personal property sold at retail in the city or county, or purchased for storage, use, or other consumption in the city or county. That law requires the city or county to contract with the California Department of Tax and Fee Administration for the administration of the taxes and requires the department to transmit those taxes to the city or county. That law provides that for the purpose of a local sales tax adopted

pursuant to that law, all retail sales are consummated at the place of business of the retailer unless otherwise specified. Current law prohibits a local agency, defined to mean all cities and counties, from entering into any form of agreement that would result, directly or indirectly, in the payment, transfer, diversion, or rebate of Bradley-Burns local tax revenues to any person, as defined, for any purpose, if the agreement results in a reduction in the amount of Bradley-Burns local tax revenues that, in the absence of the agreement, would be received by another local agency and the retailer continues to maintain a physical presence within the territorial jurisdiction of that other local agency, with specified exceptions.

This bill would additionally prohibit, on or after January 1, 2024, a local agency from entering into, renewing, or extending any form of agreement that would result, directly or indirectly, in the payment, transfer, diversion, or rebate of Bradley-Burns local tax revenues to any retailer, as defined, in exchange for the retailer locating or continuing to maintain a place of business that serves as the place of sale, as defined, within the territorial jurisdiction of the local agency if that place of business would generate revenue, from the sale of tangible property delivered to and received by the purchaser in the territorial jurisdiction of another local agency, for the local agency under the Bradley-Burns Uniform Local Sales and Use Tax Law.

Other California cities opposing this Bill include Beaumont, Dinuba, Eastvale, Fresno, Merced, La Palma, Long Beach, Ontario, Perris, Rancho Cucamonga, and Tracy. The League of California Cities and the California Association for Local Economic Development also oppose this Bill.

## **II. RECOMMENDATION**

TAKE a position of OPPOSITION for Senate Bill 1494 and DIRECT staff to transmit a corresponding letter (Exhibit 1).

## **III. ALTERNATIVES**

TAKE another action the City Council deems appropriate and that is consistent with applicable laws.

## **IV. BACKGROUND**

See the above Summary and the attached Bill Analysis as Exhibit 2 for further information.

## **V. FISCAL IMPACT**

This item implies no fiscal impact to the City of Carson and seeks approval of the letter only.

## **VI. EXHIBITS**

1. Proposed Letter of Support for Senate Bill 1494 (pgs. 3-4)

2. Bill Analysis (pgs. 5 - 9)

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