

MEASURE

CHAPTER 3

BUSINESS REGULATIONS, BUSINESS TAXES, PERMITS AND LICENSES

ARTICLE 2

SALES TAX

DIVISION 01

EMPTY HOMES TAX

§32.0101 **Title**

This Division shall be known as the Empty Homes Tax Ordinance and shall be applicable in the incorporated territory of the City.

§32.0102 **Purpose and Intent**

The People of the City of San Diego find and declare as follows:

- (a) The use of residential property for purposes other than long-term housing for San Diegans is an ongoing concern.
- (b) Approximately 5,115 residential units are currently not claimed as primary residences or rental properties and are utilized as vacation homes/second homes. These 5,115 residential units are not available for San Diegans to live in. Taxing the owners of these properties to provide revenue for the City or returning these residential units to the housing market is a key strategy for ensuring long-term housing affordability.
- (c) The City of San Diego is in a housing crisis. While the City is on track to meet its Regional Housing Needs Assessment goals for those earning

above 120% Area Median Income, it may not be on be able to build sufficient housing for moderate, low, or very low-income San Diego residents.

(d) *Empty homes* restrict the supply of available housing, often resulting in housing speculation, which runs counter to the City's housing objectives.

Prolonged vacancies can also decrease economic activity in neighborhoods and lead to nuisance and blight.

(e) The housing affordability crisis has created an urgent need for the City to pay for additional services and programs including, but not limited to, rental assistance, construction of new affordable housing, the acquisition and rehabilitation of multi-unit buildings for affordable housing, and the operation of such buildings acquired and/or rehabilitated.

(f) The City is also working to ensure that all public funds available to build affordable housing from the City, San Diego County, and state and federal governments are being maximized. Despite these resources, the current available housing stock is not sufficient to house all of the City's residents.

(g) The increased costs of meeting the challenges of the housing crisis have impacted the City's General Fund and the City's ability to pay for municipal services. The Empty Homes Tax is intended to disincentivize prolonged vacancies and housing speculation, thereby increasing the number of *residential units* available for occupancy, while also raising

funds for municipal services, such as rental assistance and constructing, acquiring, and rehabilitating affordable housing.

- (h) In 2024, the City of San Diego permitted 8,782 new *residential units*, including 1,061 deed-restricted affordable *residential units*. This falls short in comparison to the City's annual need for construction of 13,500 new *residential units* as determined by the Regional Housing Needs Assessment for the period 2021 to 2029. The Empty Homes Tax is one way to bridge the significant gap between the housing needs of residents and the availability of housing.
- (i) Members of the armed forces, whether active duty, reserve, or National Guard, can face unpredictable deployments, mobilizations, or relocations resulting from their military service and as a result may own an *empty home*. An exclusion period for *owners* who are service members allows for the needed flexibility to use their property as an *empty home* without placing an undue burden on them.
- (j) *Empty home* owned by corporate investors place an additional burden on San Diego's housing crisis by removing otherwise available housing for San Diego families from the market. Currently, 24 percent of homes in San Diego County are owned by institutional or business investors, making it harder for San Diegans to become homeowners.

§32.0103 **Definitions**

For purposes of this Division, defined terms appear in italics. The following definitions apply in this Division:

Corporate ownership means when any *person* in the *owner's group* is not a natural person (e.g., a limited liability company, partnership, limited partnership, corporation, real estate investment trust, etc.). For purposes of this Division, corporate ownership does not include revocable trusts such as living trusts, family trusts, inter vivos trusts, grantor trusts, etc.

Disaster period means the two-year period following the date that a *residential unit* was rendered uninhabitable or unusable due to fire, natural disaster, or other catastrophic event, except when a negligent, reckless, or willful act or omission by any *person* in its *owner's group*, *related person*, or agent thereof contributed to or caused the *residential unit* to become uninhabitable or unusable due to fire, natural disaster, or other catastrophic event.

Empty home means a *residential unit* that is not an *owner's primary residence* and is left vacant for more than 183 days per calendar year.

Empty home exclusion period means the *disaster period*, *family in residence period*, *homeowner period*, *lease period*, *legacy owner hardship period*, *non-ownership period*, *owner death period*, *owner in care period*, or *qualifying military service period*.

Family in residence period means the period during which a *residential unit* is occupied by a *related person* of any member of the *owner's group* who claims the *residential unit* as their primary residence and the annual rent paid by the *related person* for use of the *residential unit* is less than the *owner's* expenses related to the *residential unit* for the same period.

Homeowner period means the period during which a *residential unit* is the principal place of residence of any *person* in its *owner's group* and for which such *person* has, according to the San Diego County Tax Assessor's records, validly claimed the homeowners' property tax exemption under section 218 of the California Revenue and Taxation Code, or the disabled veterans' exemption under section 205.5 of that Code, as those sections may be amended.

Lease period means the period during which any *person* in the *owner's group* of an *empty home* leases that *empty home* to one or more tenants under a bona fide lease for occupancy.

Legacy owner hardship period means the period during which the *owner's group* of a *residential unit* experiences a qualifying financial hardship that affects the *owner's group's* ability to remit the empty homes tax following an *owner death period*. Only a *person* in the *owner's group* whose income is 200 percent or less of the current United States Department of Health and Human Services poverty guidelines or receives federal, state, or City public benefits from qualified programs is eligible for the *legacy owner hardship period*.

Non-ownership period means the period during which a *person* was not the *owner* of the *empty home*.

Owner means the *person* that holds legal title to an *empty home*.

Owner death period means the period during which a *residential unit* is vacant because of the death of any *person* in the *owner's group* or *related person* who occupied that *residential unit* as their principal residence immediately prior to such *person's* death, provided that such period shall not exceed two years or the

period during which the *residential unit* is subject to the authority of a probate court, whichever is longer.

Owner in care period means the period during which a *residential unit* is vacant because a *person* who formerly occupied that *residential unit* as their principal residence is residing in a hospital, long-term or supportive care facility, medical care or treatment facility, or other similar facility.

Owner's group means for each *empty home*, any *owner* in a given calendar year when the tax is due.

Person has the same meaning as in San Diego Municipal Code section 11.0210.

Qualifying military service period means any period during which an *owner*, or any member of the *owner's group* or *related person*, who has been an occupant of a *residential unit* and who is a member of the United States Armed Forces, whether Active Duty, Reserve, or National Guard, is deployed, mobilized, or temporarily relocated pursuant to military orders, including reassignment to another duty station, regardless of location.

Related person means a spouse, domestic partner, child, parent, or sibling.

Residential unit means all residential family dwellings, condominiums, duplexes, townhomes, or living quarters located within the City.

Service or *serve* means that notices, including notices of an assessment, hearing, determination, or decision shall be personal or provided by email to the email address of the designated person in the *owner's group* on file with the City, or by depositing the notice in the United States mail, postage prepaid, addressed to that designated person at the address on file with the City. *Service* is effective either at

the time of personal service, at the time the email notice is sent, or at the time the notice is deposited into the United States mail. The provisions of California Code of Civil Procedure section 1013 do not apply.

§32.0104 **Empty Homes Tax Imposed**

- (a) Except as otherwise provided in this Division, the City imposes an annual Empty Homes Tax on the owner of an empty home.
- (b) The Empty Homes Tax shall be assessed every January 1 of the following year as follows:
 - (1) For the calendar year beginning January 1, 2027, there shall be a tax on the operation of an empty home in the amount of \$8,000.
 - (2) For each calendar year beginning January 1, 2028, there shall be a tax on the operation of an empty home in the amount of \$10,000.
 - (3) In addition to the amount set forth in section 32.0104(b)(1), there shall be an additional charge of \$4,000 on each empty home that is under corporate ownership.
 - (4) In addition to the amount set forth in section 32.0104(b)(2), there shall be an additional charge of \$5,000 on each empty home that is under corporate ownership.
- (c) The rates set forth in section 32.0104(b) shall be adjusted annually in accordance with the increase in the Consumer Price Index: All Urban Consumers for the San Diego - Carlsbad Area for All Items as reported by the United States Bureau of Labor Statistics, or any successor to that

index, as of December 31st of the preceding year, beginning with the 2029 calendar year.

- (d) The Empty Homes Tax shall be payable by the *owner* of the *empty home* each calendar year. If the *owner's group* is composed of more than one *person*, each *person* shall be jointly and severally liable for the Empty Homes Tax, which shall be the highest amount of the tax payable for that *empty home* for that calendar year.
- (e) The Empty Homes Tax shall take effect on January 1, 2027, and continue until repealed by the voters.
- (f) The City Council may, by a majority vote of the entire City Council, amend this Division in furtherance of its purposes or to correct ambiguities or errors in language, provided that such amendments do not alter the dollar amounts of the Empty Homes Tax as provided in section 32.0104(b), expand the applicability of the exemptions in section 32.0106, or amend section 32.0104(f)

§32.0105 **Time and Manner of Payment**

- (a) The *owner* of an *empty home* shall pay the Empty Homes Tax or substantiate either a valid exemption under section 32.0106 or a valid *empty home exclusion period* under section 32.0107 in the form and manner prescribed by the City Treasurer, or their designee, as follows:
 - (1) no later than April 1 for the previous calendar year; and
 - (2) any tax due pursuant to this Division shall be delinquent if not paid, or if *owner* fails to demonstrate a valid exemption under

section 32.0106 or a valid *empty home exclusion period* under section 32.0107, within the dates specified in section 32.0105(a)(1).

(b) The documentation required to substantiate a valid exemption under section 32.0106 or a valid *empty home exclusion period* under section 32.0107 is detailed in the City Treasurer's administrative guidelines under section 32.0108.

§32.0106 Exemptions

(a) For only so long as and to the extent that the City is prohibited by any law of the State of California or of the United States from imposing the Empty Homes Tax on any *person*, that *person* shall be exempt from the Empty Homes Tax.

(b) The City, the State of California, and any county, municipal corporation, district, or other political subdivision of the State of California shall be exempt from the Empty Homes Tax, except where any constitutional or statutory immunity from taxation is waived or inapplicable.

(c) An *owner of a residential unit* composed of four or fewer separate *residential units*, inclusive of accessory dwelling units and junior accessory dwelling units, that is their principal residence shall be exempt from the Empty Homes Tax provided that the *owner* is not the *owner of any other residential units* in the City.

(d) Any *owner seeking an exemption under this section 32.0106* shall be required to demonstrate the taxpayer's entitlement thereto annually by

submitting supporting documentation to the City Treasurer or designee in the form, manner, and at the time established in regulations or guidelines hereafter promulgated by the City Treasurer.

§32.0107 Exclusions

- (a) For each calendar year beginning January 1, 2027, an owner that can substantiate a valid empty home exclusion period of at least 183 days shall not be subject to the Empty Homes Tax for that tax period.
- (b) Any owner seeking an exclusion under section 32.0107 shall be required to demonstrate the taxpayer's entitlement thereto annually by submitting supporting documentation to the City Treasurer or designee in the form, manner, and at the time established in regulations or guidelines hereafter promulgated by the City Treasurer.

§32.0108 Administration

The City Treasurer or designee shall enforce the provisions of this Division and may promulgate reasonable rules, interpretations, and regulations to implement and enforce the provisions of this Division.

§32.0109 Penalties

- (a) A penalty of ten percent of the amount of tax owed, in addition to the amount of tax owed, shall be due when the tax required to be paid by this Division is delinquent.
- (b) The City shall disregard any action taken by an owner that has the principal purpose of avoiding or evading all or a portion of the Empty Homes Tax for purposes of determining the amount of the Empty Homes

Tax and whether the Empty Homes Tax is due. In each year the Empty Homes Tax is owed to the City, any *owner* determined to have engaged in one or more actions with the principal purpose of avoiding or evading all or a portion of the Empty Homes Tax shall be liable for the Empty Homes Tax plus a penalty in an amount equal to the Empty Homes Tax.

§32.0110 **Assessments**

If any *owner* fails or refuses to remit any Empty Homes Tax or any portion thereof, as required by this Division, the City Treasurer may, using any information available to them, assess against the *owner* an amount equal to the Empty Homes Tax and penalties provided by this Division for the unremitted tax. In making an assessment, the City Treasurer may estimate the amount of any unremitted Empty Homes Tax, which estimate is entitled to a rebuttable presumption of correctness. The assessment shall be *served* on the *owner* in the manner required by section 32.0103.

§32.0111 **Appeals**

(a) An *owner* against whom a notice of assessment under section 32.0110 has been *served* may, within 30 calendar days after the date of *service* of the notice, submit a written request to the City Treasurer for a hearing on the assessment. If a timely request for a hearing on the assessment is not made, the assessment is final, due, and payable 30 calendar days after *service* of the notice of assessment. Following receipt of a timely written request for a hearing on the assessment, the City Treasurer shall schedule a hearing and *serve* the *owner* with written notice of the hearing, including

its time and location, at least 10 calendar days before the hearing. At the hearing, the owner may appear in person and be represented by legal counsel, present evidence, call witnesses, and present argument to the City Treasurer as to why the assessment, including any penalties, should be modified or withdrawn. The City Treasurer may continue the hearing as needed. Within 30 calendar days after the conclusion of the hearing, the City Treasurer shall serve the owner with a written decision affirming, modifying, or withdrawing the assessment. In preparing the written decision, the City Treasurer shall consider all evidence produced and determine the proper assessment, including penalties, if applicable. If the assessment being appealed is less than the jurisdictional amount for unlimited civil cases, not including penalties, the City Treasurer's decision shall be final, constitute the exhaustion of the owner's administrative remedies, and the assessment shall be due and payable 30 calendar days after service of the notice of decision. If the assessment being appealed is greater than or equal to the jurisdictional amount for unlimited civil cases, not including penalties, the City Treasurer's decision is final, due, and payable 30 calendar days after service of the notice of decision, unless a timely appeal for a hearing before a hearing officer is submitted under section 32.0111(b).

- (b) An owner whose assessment is greater than or equal to the jurisdictional amount for unlimited civil cases, not including penalties, may appeal the City Treasurer's decision under section 32.0111(b) by submitting a written

notice of appeal with the City Treasurer for a hearing before a hearing officer within 30 calendar days after *service* of the City Treasurer's decision. Only the principal of an assessment may be appealed. Penalties cannot be appealed unless their application is unlawful or improperly calculated.

- (c) The hearing officer shall schedule the appeal hearing within 30 calendar days following the City Treasurer's receipt of the written notice of appeal. At the appeal hearing before the hearing officer, the *owner* and the City Treasurer both have the right to appear in person and be represented by legal counsel, present evidence, call and cross-examine witnesses under oath, and present argument. The hearing officer has the power to compel the attendance of witnesses and the production of documents by subpoena in accordance with applicable state laws. The formal rules of evidence will not apply to the hearing and any relevant evidence may be considered. Hearsay evidence may be considered by the hearing officer, but no findings may be based solely on hearsay evidence unless supported or corroborated by other relevant and competent evidence, or if the hearsay is subject to a formal exception to the hearsay rule. The hearing officer is authorized to rule upon issues of law or fact and to determine the amount of the assessment in accordance with this Division. The hearing officer has no authority to waive, mitigate, or suspend the collection of any assessment, including penalties, found to be duly imposed and properly calculated. The hearing officer shall meet all the following requirements:

- (1) be appointed by the City Manager;
 - (2) be an active member of the California State Bar;
 - (3) not be a City employee; and
 - (4) be compensated by the City for the time spent on the appeal.
- (d) The hearing officer's decision shall be issued in writing and *served* on the City Treasurer and *owner* via United States mail no more than-30 calendar days after the conclusion of the hearing. The decision is the final administrative remedy of the *owner*. Any amounts due are immediately payable to the City Treasurer.
- (e) The City Treasurer may promulgate supplemental rules and procedures for the conduct of hearings, the forms of notice and proceedings, and the preparation and submission of the record, so long as the supplemental rules and procedures are consistent with this Division and applicable state laws.

§32.0112 **Judicial Review**

- (a) A final decision of a hearing officer under section 32.0111(d) is subject to judicial review by filing a petition for writ of administrative mandate under California Code of Civil Procedure sections 1094.5 and 1094.6 in the appropriate court within 90 calendar days of *service* of the decision.
- (b) Any assessment, including any penalties, due under a decision for which judicial review is sought shall be paid to the City as a precondition to filing a writ petition challenging the decision. Notwithstanding section 32.0115(c), a claim for a refund under section 32.0115 is not required to

be submitted before filing a writ petition under section 32.0112. If the court finds that the petitioner has paid more taxes than legally required, including penalties, if the amount of the overpayment can be ascertained from the administrative record, the court may order a refund of the excess payments or remittances as part of its judgment.

- (c) The City or any *owner* directly interested in a decision described in section 32.0111(d) may seek judicial review under section 32.0112.

§32.0113 Audits

- (a) The City Treasurer may conduct an audit of any *owner* of an *empty home* to ensure proper compliance with this Division. The City Treasurer shall *serve* written notice on the *owner* being audited of the initiation of the audit and time period subject to the audit. The City Treasurer has the power to compel the production of documents by subpoena in accordance with the applicable state laws.

- (b) Notice of initiation of an audit shall be *served* within ten years of the date that payment of the Empty Homes Tax was made or either an exemption under section 32.0106 or exclusion under section 32.0107 was submitted.

- (c) Upon completion of an audit, the City Treasurer may make an assessment under section 32.0110 of any taxes not remitted during the audit period. The City Treasurer shall *serve* the *owner* with notice of the assessment and any penalty due under section 32.0109. If an *owner* subject to audit is *unable or unwilling* to provide the necessary records to enable the City

Treasurer to verify compliance with this Division, the City Treasurer may base the assessment on any documents previously submitted to the City.

- (d) Audit requirements are further detailed in the City Treasurer's administrative guidelines pursuant to the authority provided in section 32.0108.
- (e) If the City Treasurer determines from an audit that the *owner* has not complied with any provision of section 32.0113 or the City Treasurer's administrative guidelines regarding audit requirements, the *owner* shall reimburse the City for the cost of the audit.

§32.0114

Records

- (a) Every *owner* required to remit to the City any Empty Homes Tax imposed by this Division shall retain, for a period of ten years following the due date of remittance, all records necessary to determine the amount of Empty Homes Tax for which the *owner* is liable. In the exercise of duties imposed by this Division, the City Treasurer has the right to inspect records at all reasonable times and to apply auditing procedures necessary to determine the amount of Empty Homes Tax due to the City. It is unlawful for an *owner* to refuse to allow an inspection by the City Treasurer.
- (b) The records of an *owner* shall be retained within the geographic boundaries of the City accessible to the City Treasurer and shall be provided for inspection within 30 calendar days following *service* of a notice of audit.

- (c) Records requirements are further detailed in the City Treasurer's administrative guidelines pursuant to the authority provided in section 32.0108.
- (d) If an *owner* has not complied with any provision of section 32.0114 or the City Treasurer's administrative guidelines regarding records requirements, the *operator* shall reimburse the City for the cost of the audit.

§32.0115

Refunds

- (a) An *owner* may request a refund from the City in any manner specified in section 32.0115 of any Empty Homes Tax or penalty paid to the City that was overpaid, including when the tax or penalty was erroneously paid more than once or was erroneously or unlawfully collected or received by the City. The *owner* shall submit to the City Treasurer a written claim for a refund on forms available from the City Treasurer, stating under penalty of perjury the specific grounds upon which the claim is based. The *owner* shall submit the written claim for a refund within one year of the date of payment or within one year of the entry of judgment in a decision on a writ petition filed under section 32.0112(a).
- (b) No refund shall be paid under the provisions of section 32.0115 unless the claimant establishes the claimant's right to a refund through written records.
- (c) A claim for a refund shall be submitted under section 32.0115 and acted upon by the City before a lawsuit can be filed seeking a refund, except for a writ petition under section 32.0112.

§32.0116

Actions to Collect Taxes and Enforcement of Liens

- (a) Any tax required to be paid under this Division is a debt owed to the City.
- (b) The City may bring an action in a court of competent jurisdiction to collect any moneys owed, including penalties and interest, under this Division. All penalties become part of the principal and total assessed tax owed by the *owner*. The action shall be commenced within three years of:
 - (1) The due date stated on the notice of assessment under section 32.0110 for which a timely application for a hearing is not made under section 32.0111(a);
 - (2) The due date stated on the notice of decision of the City Treasurer under section 32.0111(a) that is not timely appealed under section 32.0111(b);
 - (3) The due date stated on the decision by a hearing officer under section 32.0111(d) that imposes an assessment and for which judicial review is not sought under section 32.0112; or
 - (4) The entry date of a final judgment following judicial review under section 32.0112.
- (c) Without filing litigation, the City Treasurer may, after *servicing the owner* by certified mail with 20 calendar days' prior notice of the intent to record a certificate of lien, record in the Office of the San Diego County Recorder, or with any other County Recorder in California, a certificate of lien that states the following: the amount of tax due, including penalties, interest, collection referral fees, and costs; the name and address of the

owner liable for the payment; that the City Treasurer has complied with all provisions of this Division in the determination of the amount required to be paid; and a short legal description of the real property or properties owned by the owner, if known. The recording creates a lien against all real property in which the owner has an interest, or subsequently obtains an interest, in the county in which the certificate is recorded. The certificate of lien may be recorded under any of the following circumstances:

(1) the City Treasurer has made an assessment against an owner under section 32.0110, of which the owner has been provided notice, for which a timely application for a hearing is not made under section 32.0111(a);

(2) the City Treasurer has rendered a decision against an owner under section 32.0111(a), of which the owner has been provided notice, that is not timely appealed under section 32.0111(b);

(3) a decision is rendered against an owner by a hearing officer under section 32.0111(d), of which the owner has been provided notice, for which timely judicial review is not sought under section 32.0112; or

(4) a final judgment following judicial review under section 32.0112 is issued against an owner, of which the owner has been provided notice, and the amounts owing are not paid when due.

(d) From the time of the recording of the certificate of lien in San Diego or any other County in California, the amount required to be paid, inclusive

of tax, penalties, collection referral fees, interest, and costs, constitutes a lien upon all real property in the County owned by the owner or thereafter acquired before the lien expires. The lien has the force, effect, and priority of a tax lien and continues until released or otherwise discharged prior to that date. The lien may be extended for subsequent periods of 10 years by filing a notice that is acceptable to the County Recorder

- (e) Upon the concurrence of the City Attorney and the City Manager, the City Treasurer is authorized to compromise the collection of an amount due, to establish a schedule of payment for an amount due, to discontinue the collection of any claim that is determined to be uncollectable, or to discontinue the collection of any amount for which the cost of collection is likely to exceed the amount to be collected.

§32.0117 **Violations and Criminal Proceedings**

- (a) An owner shall be guilty of a misdemeanor if they violate any requirement of this Division, including, but not limited to, the following:
- (1) engaging in any transactions with the principal purpose of avoiding or evading all or a portion of the tax owed under this Division;
 - (2) willfully failing or refusing to remit or cause to be remitted any tax owed;
 - (3) willfully refusing to allow an audit to be conducted; or
 - (4) willfully refusing to provide records in accordance with section 32.0114.

- (b) The commencement of criminal proceedings shall neither preclude nor abate administrative or civil actions to collect taxes due under this Division.
- (c) Violations under section 32.0117 are continuing violations and each day the violation continues constitutes a separate misdemeanor.
- (d) Any owner violating any of the other mandatory provisions of this Division shall be guilty of a misdemeanor.
- (e) Violations of section 32.0117 are punishable as misdemeanors by a fine of not more than \$1,000 or by imprisonment in the County jail for a period of not more than six months or by both, or as set forth in the then current law.
- (f) It is not a defense to violations of this Division that an owner forwarded the tax due by this Division to its principal or corporate headquarters, or that any failure to submit the taxes was based on the direction or inaction of the principal or corporate headquarters.

§32.0118 **Use of Funds for General Municipal Purposes**

The Council may deposit any portion of the proceeds generated by the Empty Homes Tax into the City's General Fund to fund any general municipal services designated by the City Council and may include rental assistance, constructing, acquiring, and rehabilitating affordable housing and infrastructure.

§32.0119 **Annual Reports**

Commencing with a report filed no later than September 15, 2028, covering the calendar year ending December 31, 2027, the City Manager shall file annually with the City Council, by September 15 of each year, a report containing the

amount of monies collected from the Empty Homes Tax during the prior calendar year, number of *empty homes*, qualified exemptions and exclusions, and delinquencies.

§32.0120 **Authorization and Limitation on Issuance of Bonds**

The City shall be authorized to pledge revenues generated by the Empty Homes Tax to the repayment of limited tax bonds or other forms of indebtedness authorized under this section. The City Council shall by ordinance or resolution, as applicable, establish the terms of any limited tax bonds or other forms of indebtedness authorized hereby, including but not limited to, the amount of the issue, date, covenants, denominations, interest rate or rates, maturity or maturities, redemption rights, tax status, manner of sale, and such other particulars as are necessary or desirable.

§32.0121 **Effect of Invalidity; Severability**

If any section, subdivision, paragraph, sentence, clause, phrase, or other portion of this Division is, for any reason, declared unconstitutional or invalid, in whole or in part, by any court of competent jurisdiction, such portion shall be deemed severable, and such unconstitutionality or invalidity shall not affect the validity of the remaining portions of this Division, which shall continue in full force and effect.

§32.0122 **Savings Clause**

No section, clause, part, or provision of this Division shall be construed as requiring the payment of any tax that would be in violation of the Constitution or laws of the United States or of the Constitution or laws of the State of California.

§32.0123 **Liberal Construction**

This Division shall be liberally construed to effectuate its purpose.

END OF MEASURE

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