ASSEMBLY BILL No. 1633

Introduced by Assembly Member Haney

January 26, 2026

An act to add Part 28 (commencing with Section 53000) to Division 2 of the Revenue and Taxation Code, relating to detention facilities, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 1633, as introduced, Haney. Taxation: private detention facilities.

Existing law imposes taxes upon income and real property, and taxes upon certain transactions and excise taxes. The Fee Collection Procedures Law provides procedures for the collection of certain fees and surcharges and is administered by the California Department of Tax and Fee Administration (CDTFA). Under existing law, a violation of the Fee Collection Procedures Law is a crime.

This bill would, beginning January 1, 2027, establish the Private Detention Facility Tax Law, which would impose an annual tax on each private detention facility operator, as defined, equal to 50% of the operator's gross receipts, as defined. The bill would establish the Due Process for All Fund in the State Treasury, would require all revenues collected, less refunds and reimbursement to the CDTFA, be deposited into the fund, and would direct moneys in the fund, upon appropriation by the Legislature, be used for immigration-related services. The bill would require the CDTFA to administer and collect the tax pursuant to the Fee Collection Procedures Law. By expanding the application of the crimes associated with the Fee Collection Procedures Law, the bill would impose a state-mandated local program.

This bill would include a change in state statute that would result in a taxpayer paying a higher tax within the meaning of Section 3 of Article XIII A of the California Constitution, and thus would require for passage the approval of ⅔ of the membership of each house of the Legislature.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

This bill would take effect immediately as a tax levy.

Vote: ⅔. Appropriation: no. Fiscal committee: yes. State-mandated local program: yes.

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

SECTION 1. Part 28 (commencing with Section 53000) is added to Division 2 of the Revenue and Taxation Code, to read:

PART 28. PRIVATE DETENTION FACILITY TAX LAW

Chapter 1. General Provisions and Definitions

53000. This part shall be known, and may be cited, as the Private Detention Facility Tax Law.

53001. For purposes of this part, the following definitions shall apply:

(a) "Department" means the California Department of Tax and Fee Administration.

(b) "Gross receipts" means all amounts received by a private detention facility operator pursuant to all contracts relating to the operation of private detention facilities located in California.

(c) "Private detention facility" and "private detention facility operator" have the same meanings as those terms are defined in Section 7320 of the Government Code.

Chapter 2. Private Detention Facility Tax

53002. (a) Beginning January 1, 2027, an annual tax is imposed upon all private detention facility operators equal to 50 percent of

the operator's gross receipts derived from the operation of each private detention facility in this state.

(b) The tax imposed by this section shall apply regardless of whether the contracting agency is federal, state, or local.

Chapter 3. Administration

53003. The department shall administer and collect the taxes imposed by this part pursuant to the Fee Collection Procedures Law (Part 30 (commencing with Section 55001)). For purposes of this part, the references in the Fee Collection Procedures Law to "fee" shall include the taxes imposed by this part, and references to "feepayer" shall include a person required to pay the taxes imposed by this part.

53004. (a) The department may prescribe, adopt, and enforce regulations relating to the administration and enforcement of this part, including, but not limited to, provisions governing collections, reporting, refunds, and appeals.

(b) The department may prescribe, adopt, and enforce emergency regulations relating to the administration and enforcement of this part. Any emergency regulations prescribed, adopted, or enforced pursuant to this section shall be adopted in accordance with Chapter 3.5 (commencing with Section 11340) of Part 1 of Division 3 of Title 2 of the Government Code, and, for purposes of that chapter, including Section 11349.6 of the Government Code, the adoption of these regulations is an emergency and shall be considered by the Office of Administrative Law as necessary for the immediate preservation of the public peace, health and safety, and general welfare.

53005. (a) All revenues collected pursuant to this part, less refunds and reimbursement to the department for expenses incurred in the administration and collection of the taxes imposed by this part, shall be deposited into the Due Process for All Fund, which is hereby created in the State Treasury.

(b) Moneys in the fund shall, upon appropriation by the Legislature, be used for immigration-related services.

SEC. 2. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because the only costs that may be incurred by a local agency or school district will be incurred because this act creates a new crime or

infraction, eliminates a crime or infraction, or changes the penalty for a crime or infraction, within the meaning of Section 17556 of the Government Code, or changes the definition of a crime within the meaning of Section 6 of Article XIII B of the California Constitution.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the California Constitution and shall go into immediate effect.

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