



City of Long Beach
Working Together to Serve

NB-19

Memorandum

Date: May 5, 2015

To: Honorable Mayor Garcia and Members of the City Council

From: Stacy Mungo, Councilwoman, Fifth District *SM*
Al Austin, Councilmember, Eighth District *AA*
Rex Richardson, Councilmember, Ninth District *RR*

Subject: **AGENDA ITEM: RESOLUTION IN SUPPORT OF ASSEMBLY BILL 88**

RECOMMENDATION:

Recommendation to request City Attorney to draft a resolution in support of Assembly Bill 88, California Legislature - 2015-2016 Regular Session.

BACKGROUND:

California Assembly Bill 88 (AB-88), Sales and use taxes: exemption: energy or water efficient home appliances, was introduced by Assembly Member Gomez on January 07, 2015, and as last amended in the Assembly on April 06, 2015, seeks to provide a sales and use tax exemption for energy or water efficient appliances provided free of cost to eligible low-income utility consumers.

In summary, the legislation would establish a sales and use tax (SUT) exemption for any energy or water efficient home appliance purchased by a public utility that is provided at no cost to a low-income participant in a federal, state or ratepayer funded energy efficiency program for use by that low-income participant in the energy efficient program. The author, along with principal coauthor Senator Hall and twenty-two additional coauthors including Assembly Member O'Donnell, of the bill intend for AB 88 to help further California's environmental and energy efficiency goals by reducing energy and water consumption, while reducing costs for a greater number of low-income Californians.

Long Beach has proven to be a leader in forming partnerships with other agencies and adopting local and regional programs that promote environmental conservation and which help to drive down utility costs for families, particularly as California is confronted with one of the most severe droughts on record. Yet, a Board of Equalization (BOE) audit completed in July of 2014 discovered that without a specific exemption as proposed through AB 88, a sales tax, of approximately \$54 for a \$600 refrigerator, must now be levied on appliances distributed for free through these local programs.

It is important for Long Beach to support this statewide legislation that would pass on cost savings to households, thereby allowing them to spend on other needs, and which would provide more residents with the opportunity to help meet California's goals for protecting our climate and scarce resources.

FISCAL IMPACT:

There is no fiscal impact.



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REQUEST TO ADD AGENDA ITEM

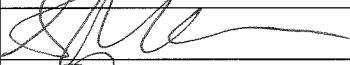
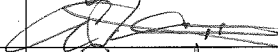

Date: May 1, 2015
To: Larry Herrera-Cabrera, City Clerk
From: Councilwoman Stacy Mungo, Fifth District
Subject: Request to Add Agenda Item to Council Agenda of **May 5, 2015**

Pursuant to Municipal Code Section 2.03.070 [B], the City Councilmembers signing below request that the attached agenda item (due in the City Clerk Department by Friday, 12:00 Noon) be placed on the City Council agenda under New Business via the supplemental agenda.

The agenda title/recommendation for this item reads as follows:

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Recommendation to request City Attorney to draft a resolution in support of Assembly Bill 88, California Legislature - 2015-2016 Regular Session.

Council District	Authorizing Councilmember	Signed by
5	Stacy Mungo	
8	AL AUSTIN	
9	Rex Richardson	

cc: Office of the Mayor