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May 23, 2024

The Honorable Jacqui Irwin
Chair, Assembly Committee on Revenue and
Taxation
1020 N Street, Room 167A
Sacramento, CA 95814

The Honorable Juan Carillo
Chair, Assembly Committee on Local
Government
1020 N Street, Room 157
Sacramento, CA 95814

RE: SB 1494 (Glazer) – Prohibition of Bradley-Burns Local Sales and Use Tax revenue for economic development purposes – OPPOSE

Dear Assembly Member Irwin and Assembly Member Carillo,

I am writing on behalf of the Kern County Board of Supervisors to express our strong opposition to SB 1494 (Glazer), which would prohibit local agencies from entering into any agreements that result in a rebate of Bradley-Burns local tax revenues to a retailer in exchange for that retailer locating or continuing to maintain a place of business in the agency's jurisdiction.

In essence, the bill would eliminate local government discretion to use common economic development tools to promote retail developments through the use of tax sharing agreements. Many cities and counties enter into these agreements in exchange for a commitment to construct, operate, and maintain a warehouse or distribution center in their jurisdiction, resulting in an increase in sales tax revenue, jobs and other indirect and induced economic benefits for the entire community. Jurisdictions that focus their economic development efforts on warehouse and distribution centers typically have an abundance of undeveloped land, which serves as a valuable commodity and often helps more rural communities effectively compete to attract new businesses.

These issues are particularly salient for Kern County and our recent efforts to revise and promote our economic development incentive policy (Advance Kern), which aims to expand and enhance the County's competitiveness by taking affirmative steps to attract new businesses and to encourage the growth and resilience of our existing businesses. Specifically, Advance Kern allows the County to offer a rebate of property taxes and/or sales and use taxes in return for job creation at sustainable wages. If SB 1494 is approved by the Legislature, Kern County will lose a valuable resource to further our economic development efforts.

The progressively growing e-commerce industry is an economic catalyst that has benefited many cities and counties in our state. The cost to nurture that industry is disproportionately laid upon some regions more than others, however. The inland and more rural areas of our state have facilitated the rapid growth of online e-commerce by allowing concentrated pockets of warehouses along strategic transportation corridors. These pockets bring benefit to the community, including short-term prevailing wage construction jobs, long-term sustainable wage jobs, hundreds of millions of dollars in capital investment and enhanced infrastructure, a myriad of indirect and induced economic impacts, and fostering corporate goodwill often leading to subsequent commercial development.

The author of this bill purports this act is urgently needed to prevent new tax revenue sharing agreements from taking money from vital local public services while the state endures deficits of historic proportion. I would like to remind members of the Legislature that Kern has bore the brunt of Sacramento's policy agenda with an average loss of \$35 million per year in local general fund discretionary dollars due to impaired production in our oil and gas fields, a total loss of over \$110 million in local general fund discretionary dollars due to the solar tax exclusion, and over \$90 million in lost discretionary revenue since 2009 through the loss of Williamson Act subventions. Kern is being regulated out of existence. Our nearly 1 million residents live in diverse terrain spanning over 8,000 square miles, an area nearly the size of the State of New Jersey. Our constituents have been systematically denied quality of life services because inequitable state policies continue to promulgate economic disparity. Simply put, this bill adds insult to injury and deprives us of yet another tool to generate revenue for our county.

Without Bradley-Burns revenues, on top of the elimination of redevelopment and other economic development tools, fewer cities and counties will be willing or able to facilitate warehousing and distribution uses. In its totality, SB 1494 will impede future growth in commerce and industry in California, kill the momentum the County has recently achieved in our economic development efforts, and likely result in an exodus of companies to other states.

For these reasons, the Kern County Board of Supervisors is strongly opposed to this legislation and respectfully requests that you vote **NO on SB 1494**.

Sincerely,



David Couch, Chairman
Kern County Board of Supervisors

cc: Honorable Members, Assembly Committee on Revenue and Taxation
 Honorable Members, Assembly Committee on Local Government
 Honorable Members, Kern Legislative Delegation
 California State Association of Counties
 California Chamber of Commerce
 Shaw Yoder Antwih Schmelzer & Lange