

Impartial Analysis of Measure “___”

Long Beach Community Services General Purpose Oil Production Tax Increase Measure

Voter approval of this measure would amend the Long Beach Municipal Code to increase the City's general purpose oil barrel production tax from 15 cents up to a maximum of 30 cents per barrel, with the entire amount subject to automatic annual adjustments based on the applicable Consumer Price Index (CPI).

The measure, which was placed on the ballot by the Long Beach City Council, would amend Section 3.80.221 of the Long Beach Municipal Code. This Section currently imposes a general purpose barrel tax of 15 cents upon oil producers within the City. The revenues from this general tax are deposited in the City's General Purpose Fund and may be used for general City services.

The general purpose barrel tax was separately adopted and is in addition to the City's special purpose barrel tax (LBMC section 3.80.222), which is currently set at 33 cents per barrel. Revenues from the special tax are separately deposited in the City's "Police and Fire Public Safety Oil Production Act Fund" and may only be used for public safety purposes. This proposed measure would not affect the special purpose barrel tax in any way.

An increase in the general purpose barrel tax, as proposed by this measure, is estimated to generate \$1.6 million in additional annual revenue which can be spent to fund general City services.

The proposed general purpose barrel tax rate cannot increase beyond the maximum 30 cents per barrel, as annually adjusted for CPI, without voter approval. However, the measure would authorize the Council to adjust the rate between 0 cents and the maximum, without requiring a further vote of the people.

If approved by voters, the measure would take effect October 1, 2021.

A “yes” vote favors increasing the general purpose Barrel Tax to a maximum of 30 cents per barrel, subject to annual CPI adjustment.

A “no” vote opposes the increase and maintains the general purpose Barrel tax at 15 cents per barrel, subject to annual CPI adjustment.

A majority of “yes” votes is required for the measure to pass.

The above statement is an impartial analysis of Measure ___. If you desire a copy of the measure, please call the Office of the City Clerk at 562-570-6101 and a copy will be mailed at no cost to you.

Charles Parkin
Long Beach City Attorney