

CITY ATTORNEY'S IMPARTIAL ANALYSIS OF MEASURE "LB"

Currently, residents and businesses in the City of Long Beach pay a Gas Utility User Tax of 5% on the charges made for using natural gas in the City, subject to certain exemptions. Measure "LB" was placed on the November 5, 2024 General Municipal Election ballot by order of the City Council. If approved by a majority of voters, Measure "LB" would have the effect of requiring two natural gas fueled electric power plants operating in the City of Long Beach to pay the same 5% utility tax on natural gas service as do residents and businesses of the City of Long Beach.

Approval of Measure "LB" would amend the Long Beach Municipal Code Section 3.68.040 in two ways.

First, it would remove the exemption from the City of Long Beach's Gas Utility User Tax ordinance for "charges made for gas to be used in the generation of electrical energy by an electrical corporation or governmental agency". This would change existing law by removing this exclusion which is presently applied to two natural gas fueled electric power plants in the City that exempts them from paying the same 5% utility tax as do residents and businesses of the City of Long Beach.

Second, it would add conforming amendments consistent with the governing 5% Gas Utility User Tax rate set forth in the Long Beach Municipal Code resulting from voters' approval of Measure J in 2000.

The removal of the exemption and requirement that the two electricity power plants operating in Long Beach pay the 5% Gas Utility User Tax, as proposed by this measure, is estimated to generate \$15 million in additional annual revenue which can be spent to fund general City services.

A "yes" vote would remove the exemption and require two electricity power plants operating in Long Beach to pay the same 5% Gas Utility User Tax as do residents and businesses of the City of Long Beach.

A "no" vote would not remove this exemption, and the Municipal Code would continue to exempt two electricity power plants from paying the same 5% Gas Utility User Tax as do residents and businesses of the City of Long Beach. .

A majority of "yes" votes is required for this Measure to pass.

The above statement is an impartial analysis of Measure "LB". If you desire a copy of the Measure, please call the City's elections official at (562) 570-6101 and a copy will be mailed at no cost to you.

/s/ DAWN MCINTOSH

City Attorney, City of Long Beach