

May 1, 2024

The Honorable Steve Glazer  
California State Senate  
1021 O Street, Suite 7520  
Sacramento, CA 95814

**RE: Opposition to SB 1494 (Glazer)—Local agencies: Sales and Use Tax: retailers**

Dear Senator Glazer,

On behalf of the City of Long Beach (City), I write to oppose SB 1494 (Glazer). SB 1494 would prohibit municipalities and counties, on or after January 1, 2024, from entering into, renewing, or extending sales and use tax rebate agreements with any retailer in exchange for locating or maintaining a place of business in their jurisdiction. In addition, the proposal would void any existing sales tax rebate agreements, regardless of the term of the agreement, on January 1, 2030, and require local agencies to publicly post existing agreements.

The City maintains a Retail Sales Tax Incentive Program and a Location Agreement Program. The City utilizes tax agreements as a valuable economic development tool to expand the tax base, improve sales tax productivity, stimulate private investment in the City's economy, and create jobs. SB 1494 would have a multi-million-dollar impact on the City's general fund and affect existing agreements the City has with private businesses. Currently, the City has eight active sales tax sharing agreements, with an average duration of 21 years across all agreements. SB 1494 would void these existing agreements and make them unenforceable by January 1, 2030.

The City opposes policies and legislation that would reduce City revenues. SB 1494 would hinder the City's ability to attract business to the area and grow the local economy. Furthermore, SB 1494 restricts the economic development tools and incentives the City has at its disposal.

For these reasons, the City opposes SB 1494.

Sincerely,



THOMAS B. MODICA  
City Manager

cc: The Honorable Lena Gonzalez, State Senate, 33<sup>rd</sup> District  
The Honorable Mike Gipson, State Assembly, 65<sup>th</sup> District  
The Honorable Josh Lowenthal, State Assembly, 69<sup>th</sup> District

