



CITY OF LONG BEACH

OFFICE OF THE CITY MANAGER

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PATRICK H. WEST
CITY MANAGER

March 20, 2017

The Honorable Sebastian Ridley-Thomas
California State Assembly
State Capitol, room 2176
Sacramento, CA 95814

RE: OPPOSITION to AB 252 (Ridley-Thomas) - Local Government: Taxation: Prohibition: Video Streaming Services

Dear Assemblymember Ridley-Thomas:

On behalf of the City of Long Beach, I write to oppose Assembly Bill 252. This legislation undermines local control of a city's finances by prohibiting cities from levying any tax on video streaming services, the sale or use of video streaming services or any utility user tax on video streaming services.

Over the last two decades, voters in over 107 cities and 3 counties have adopted measures to modernize local Utility User Tax (UUT) policies to enable local governments to maintain stable revenues as advances in technology has expanded video service delivery options for end users. By modernizing UUT policy to include "over the top" (OTT) streaming services as a part of a technology neutral UUT tax, cities have been able to continue providing local government services as changes in technology occur.

Long Beach depends on our UUT to support core government service such as police, fire, parks and libraries. While our City values advances in technology, it is essential UUT revenues not be impacted as new and innovative entertainment delivery models emerge. By creating a carve out for video streaming services, AB 252 sets a dangerous precedent and potentially creates an environment where advances in technology result in the direct loss of local government services.

Given these reasons, the City of Long Beach strongly opposes AB 252.

Sincerely,



Patrick H. West
CITY MANAGER

cc: The Honorable Speaker Anthony Rendon, State Assembly
The Honorable Steven Bradford, State Senate, 35th District
The Honorable Ricardo Lara, State Senate, 33rd District
The Honorable Janet Nguyen, State Senate, 34th District
The Honorable Mike Gipson, State Assembly, 64th District
The Honorable Patrick O'Donnell, State Assembly, 70th District