

Carla



## MAYOR LEE BRAND

April 10, 2018

The Honorable Steven M. Glazer  
California State Senate  
State Capitol, Room 4072  
Sacramento, CA 95814

RE: **Opposition** to Senate Bill 1466 and SCA 20: local sales taxes: online sales: place of delivery

Dear Senator Glazer:

As the City of Fresno's mayor, I want to express my strong opposition to Senate Bill 1466 and SCA 20. Fresno has long relied on the current local sales tax allocation rules, and we have invested, planned and budgeted our resources based on the point-of-sale rule. For years, this City has grappled with high unemployment – which for decades has stood at twice the state average or more. In an effort to diversify and grow our economy, which historically has been agriculture based, Fresno recently was able to secure three major e-commerce centers. These e-commerce centers, and the possible addition of more such facilities in the near future, will provide badly needed jobs that pay a living wage for Fresno families. In attracting these businesses, we have relied upon job creating incentives using the point-of-sale rule. Losing the tax revenue that comes with these businesses would financially devastate this City.

Communities that become home to large e-commerce facilities also bear the brunt of the environmental and infrastructure impacts these centers create. It is fundamentally unfair to take revenue that pays to mitigate these impacts and transfer it to communities that don't bear such environmental or infrastructure costs. This legislation does just that. To take Fresno's revenue and still obligate the City to provide services puts an impossible financial burden on us.

Finally, this legislation, if passed, would destroy the ability of any California community to use a portion of a sales tax rebate as an incentive for an e-commerce center. This will result in a negative economic effect on future investment in not just Fresno, but all of California. It will eliminate one of the last incentives cities like Fresno can offer to attract and retain businesses.

If you have any questions, please don't hesitate to contact me at (559) 905-5080.

Sincerely,

Lee Brand  
Fresno Mayor