



August 30, 2022

The Honorable Gavin Newsom
Governor, State of California
1021 O Street, Room 6620
Sacramento, CA 95814

RE: AB 1951 (Grayson) Sales and use tax: exemptions: manufacturing – REQUEST FOR VETO

Dear Governor Newsom:

On behalf of the City of Santa Rosa, I write in respectful opposition and request a veto of AB 1951 (Grayson), which would exempt the local share of sales tax for manufacturing companies that buy equipment for the next five years. If the bill is signed into law, local governments, including the City of Santa Rosa, would see a loss in revenue that could lead to the reduction of services. Our City can ill-afford any additional erosion of its sales and use tax revenues in the short or long-term.

The sales and use taxes are a highly important source of funding for vital public services. Unfortunately, changes in consumer behavior are contributing to a slowing of this revenue. Past exemptions approved by the Legislature have further limited it and agencies are already seeing the impact on the stability of local budgets.

Lastly, over the life of this bill, local revenues statewide could decrease by over 3 billion dollars. Local governments could see cuts in revenue for public safety services and other critical programs. Locally, Santa Rosa voters have enacted local sales tax measures to fund public safety and violence prevention services along with other general sales tax measures. This bill would impact those voter-approved taxes.

For these reasons, the City of Santa Rosa requests you veto AB 1951 by Assemblymember Grayson. Should you have any questions please contact our legislative advocate, Sharon Gonsalves, with the Renne Public Policy Group, at (916) 974-9270.

Sincerely,

Chris Rogers
Mayor, City of Santa Rosa

Office of the Mayor
City of Santa Rosa
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