



# Santa Clara Valley Water District

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**File No.:** 18-0199

**Agenda Date:** 4/24/2018

**Item No.:** 7.1.

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## BOARD AGENDA MEMORANDUM

### **SUBJECT:**

Recommended Position on State Legislation: AB 2283 (Holden) Turf Removal Tax Exemption; AB 3170 (Friedman) Sales and Use Tax Exemptions: Water Efficiency; SB 929 (McGuire) Special Districts: Internet Websites; and Other Legislation Which May Require Urgent Consideration for a Position by the Board.

### **RECOMMENDATION:**

- A. Adopt a position of "Support" on: AB 2283 (Holden) Turf Removal Tax Exemption;
- B. Adopt a position of "Support" on: AB 3170 (Friedman) Sales and Use Tax Exemptions: Water Efficiency; and
- C. Adopt a position of "Support" on: SB 929 (McGuire) Special Districts: Internet Websites.

### **SUMMARY:**

**AB 2283 (Holden) Turf Removal Tax Exemption (I-02/13/18)**

**Position Recommendation: Support**

**Priority Recommendation: 3**

In 2014 the legislature approved, and Governor Brown signed, AB 2434 (Gomez) which amended the Personal Income Tax Law and the Corporation Tax Law to provide a tax exemption for water conservation turf removal rebates for tax years 2014 through 2019. The tax exemptions provided California residents an exclusion from gross income for any rebate, voucher, or other financial incentive issued by a local water agency or supplier for participation in a turf removal water conservation program.

AB 2283 (Holden) would extend the exemption to January 1, 2024.

### *Importance to the District*

AB 2283 is consistent with the District's Landscape Conversion Rebate Program (includes turf conversion and hardware upgrades), which provides \$1 per square foot (\$2 per square foot in

areas cost-shared by participating water retailers) for converting high water using landscapes to low water using landscapes. The Landscape Rebate Program is one of several measures the District employs to provide financial incentives to residents in Santa Clara County with proven results to reduce landscape water use.

As the District moves forward with implementing the state's proposed program known as Making Water Conservation a California Way of Life, rebates and other financial incentives will be key to achieving the water conservation goal for both indoor and outdoor water use.

Staff recommends that the Board adopt a position of "Support" on AB 2283.

*Pros*

- Assists with the District's implementation of Making Water Conservation a California Way of Life.
- Consistent with and supports the District's rebates on water efficient products
- Supports the District's water conservation goals.

*Cons*

- Minor state budget impact.

**AB 3170 (Friedman) Sales and Use Tax Exemptions: Water Efficiency (I-02/16/18)**

**Position Recommendation: Support**

**Priority Recommendation: 3**

AB 3170 would exempt from general sales taxes, qualified water efficiency products sold or purchased during a 3-day period beginning at 12:01 a.m. on the Saturday preceding the last Monday in March and ending at 11:59 p.m. on the following Monday. The 3-day event would leverage product retailer advertising to convey water conservation messages without significant state budget impacts. The tax exemption would apply to products that are placed on layaway, for which a raincheck is issued, or other specified orders that are placed during this period starting in 2019.

*Importance to the District*

AB 3170 is consistent with the District's water conservation programs which provide rebates to residents for the purchase and installation of water efficiency products.

This bill would encourage California residents to replace inefficient water using products including, but not limited to, irrigation sprinklers and controllers, and much larger products, such as "WaterSense" certified washing machines and dishwashers, by exempting them from general sales taxes during the specified period.

Staff recommends that the Board adopt a position of "Support" on AB 3170.

*Pros*

- Assists with the District's implementation of Making Water Conservation a California Way of Life.
- Consistent with and supports the District's rebates on water efficient products.
- Supports the District's water conservation goals

*Cons*

- Loss of tax revenue for state and local budgets.

**SB 929 (McGuire) Special Districts: Internet Websites (I-03/06/18)**

**Position Recommendation: Support**

**Priority Recommendation: 3**

SB 929 would require every independent special district to maintain an internet website that clearly lists contact information for that district. The special district would be required to post on its internet website information regarding governing board meetings in accordance with the Brown Act. The website also would be required to include information on their enterprise catalog system providing the public information regarding the types of data that the special district is collecting from its customers or residents.

The bill would allow districts to seek an exemption for themselves from the requirement to have an internet website provided they can demonstrate a hardship circumstance. A hardship circumstance may include: lack of access to broadband internet, insufficient staff to maintain a website, or inadequate financial resources.

*Importance to the District*

SB 929 is being sponsored by the California Special Districts Association, of which the District is a member, to improve transparency and increase the amount of public information available regarding special districts, especially smaller districts. Residents often struggle to find information on small special districts that provide the community a variety of services, including cemeteries, vector control, waste water, and drinking water. This lack of information available on the internet can leave residents without valuable information about who to contact when a question arises about services provided, or about a special district board's meeting dates and agendas. Requiring that all special districts maintain an internet website where they provide information required to contact their staff and to find information on their governing board will only improve the public trust in special districts.

Special districts are the most prevalent form of government, and empowering the community to access information on its local governments is of paramount importance. The increased transparency provided by SB 929 is consistent with the District's efforts to make information widely available on the Internet to improve public awareness of, engagement with, and access to the services provided in Santa Clara County.

SB 929 will improve the amount of public information available on all special Districts throughout the state.

Staff Recommends that the Board adopt a position of "Support" on SB 929.

*Pros*

- Improves public information available on all special district activities.
- Allows the public to engage with the special districts that provide services in their communities.
- Creates transparency for all special districts and their activities.

*Cons*

- Increases costs for smaller special districts to create a website.

**FINANCIAL IMPACT:**

There is no financial impact associated with this item.

**CEQA:**

The recommended action does not constitute a project under CEQA because it does not have a potential for resulting in direct or reasonably foreseeable indirect physical change in the environment.

**ATTACHMENTS:**

None.

**UNCLASSIFIED MANAGER:**

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