

February 20, 2002

Honorable Mayor and Members of  
the Hermosa Beach City Council

Regular Meeting of  
February 26, 2002

<p align="center"><b>AB680 (STEINBERG) SPOT BILL TO REALLOCATE LOCAL SALES TAX IN SACRAMENTO REGION</b></p>
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**Recommendation:**

That the City Council consider opposing AB680 (Steinberg) and direct staff to track the bill.

**Background:**

AB680 would allow the legislature and Governor to redistribute local government revenue. This bill now only applies to the Sacramento region. The League of California Cities believes that this is a bad precedent to set and is urging cities to write letters of opposition to the bill.

This bill, if passed, would redistribute sales tax revenue from the present system based on the city where the business is located to another system based on a number of factors. Fiscal reform needs to be done on a comprehensive, statewide basis, not in a piece meal approach as proposed in AB680.

It should be noted that our Assemblymember, George Nakano, voted against this when it was in the Assembly.

Respectfully submitted,

Stephen R. Burrell  
City Manager