



CITY OF BEVERLY HILLS

455 NORTH REXFORD DRIVE • BEVERLY HILLS, CALIFORNIA 90210

Lili Bosse, Mayor

August 11, 2022

The Honorable Anthony Portantino
Chair, Senate Appropriations Committee
California State Senate, 25th District
1021 O. St, Suite 7630
Sacramento, CA 95814

Re: **AB 2142 (Gabriel) Income taxes: exclusion: turf replacement water conservation program**
City of Beverly Hills – SUPPORT

Dear Chair Portantino,

On behalf of the City of Beverly Hills, I write to inform you that our city has adopted a position of **SUPPORT** for AB 2142 (Gabriel). This bill would exempt from taxable income any rebate, voucher, or other financial incentive received in connection with a turf replacement water conservation program.

California has seen its share of droughts over the years, and this year is no exception. In a report by the Department of Water Resources called “Water Year 2021, an Extreme Year,” the department discusses the drought in the state noting that, “Water Year 2021 (October 1, 2020 to September 30, 2021) was an extreme year in terms of temperature and precipitation, and it followed a Water Year 2020 that was likewise warm and dry. Water Year 2020 was California’s fifth driest year based on statewide runoff; Water Year 2021 has ended up as second driest.” The report also notes that the reservoirs and ground water in the state are at historically low levels. Due to the dire conditions, 50 counties are being covered under emergency proclamations. These impacts can be mitigated if Californians use less water.

California has permanently exempted other water efficiency rebates, recognizing their effectiveness in advancing efficiency objectives. Rebates for water efficient toilets and clothes washers, certain plumbing for recycled water, and energy conservation are all permanently exempt from both personal and corporate taxes in California. Turf replacement programs, like these other rebates, play an important role in continued water efficiency and conservation efforts.

AB 2142 will reinstate an important exemption for turf replacement rebates from gross income in California, aligning it with certain other permanently exempt water efficiency rebates.

For these reasons, the City of Beverly Hills **SUPPORTS AB 2142**. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Lili Bosse". The signature is written in a cursive, flowing style.

Lili Bosse

Mayor, City of Beverly Hills

Cc: The Honorable Jesse Gabriel, Assemblymember, 45th District
The Honorable Ben Allen, Senator, 26th District
The Honorable Richard Bloom, Assemblymember, 50th District
Members and staff, Senate Committee on Appropriations
Andrew K. Antwih, Shaw Yoder Antwih Schmelzer & Lange