



REVENUE AND TAXATION POLICY COMMITTEE

Highlights
January 23, 2025

ATTENDANCE

Members: Kevin Bash (Chair); Neysa Fligor (Vice Chair); Carmen Avalos; Michael Cao; Claire Coleman; Jack Ding; Marc Donohue; Felicia Galindo; Jorgel Garcia; David Gassaway; George Harris; Debra Jones; Mina Layba; Rich Lee; Christine Marick; Norma Martinez-Rubin; Michael McCorriston; Kris McDonald; Kristophe Mooney; Laura Parisi; Ernie Reyna; Rocky Rhodes; Joel Rojas; Scott Sakakihara; Karin Schnaider; Josh Steeber; Nathan Steele; Kuldip Thusu; Luis Uribe; Joe Vinatiera; Nick Walker; Pamela Wu; Tommy Yu; Yan Zhao

Staff: Ben Triffo, Legislative Affairs Lobbyist
Betsy Montiel, Legislative Affairs Analyst

I. Welcome, Opening Remarks, and Introductions

Chair, Kevin Bash and Vice-Chair, Neysa Fligor welcomed committee members and introduced themselves and Cal Cities staff

Cal Cities President Lynne B. Kennedy and Cal Cities Executive Director and CEO Carolyn Coleman provided opening remarks and welcomed committee members.

II. Public Comment

Chair Bash opened the meeting for public comments. There was no public comment.

III. General Briefing

Cal Cities staff, Ben Triffo, provided a general briefing to the committee, covering policy and budgetary issues that the other policy committees will be working on in 2025. Ben referenced back to the [General Briefing Update Document](#) for additional information.

IV. Overview of Parliamentary Procedure

Cal Cities staff, Johnnie Pina, provided an overview of the customary parliamentary procedures followed by Cal Cities.

V. Committee Orientation and Existing Policy and Guiding Principles

Mr. Triffo provided a brief overview of the committee's scope and processes. Members also received information about the role of the committees in policy development and the different recommendations on bill positions the policy committees could provide to the Cal Cities Board of Directors.

VI. Cal Cities 2025 Advocacy Priorities

Mr. Triffo provided an overview of [Cal Cities 2025 Advocacy Priorities](#):

1. Protect local revenues and expand economic development tools.
2. Strengthen climate change resiliency and disaster preparedness.
3. Strengthen and modernize critical infrastructure.
4. Secure investments to reduce and prevent homelessness and increase the supply of affordable housing.

VII. Adoption of 2025 Work Plan

To inform the committee's work program, committee members were asked to respond to an online survey selecting their top priorities for the committee to focus on throughout the year.

Staff provided an overview of the responses and the proposed work plan and allowed for discussion. The committee unanimously voted to adopt the following items as their 2025 work plan:

- Sales and Use Tax.
- Economic development and attracting new businesses.
- Gas tax and electric vehicles.

VIII. Legislative and Budget Update and Roundtable

Staff presented an overview of the [Governor's 2025 budget proposal](#), which includes a balanced budget of \$322.3 billion, \$16.9 billion in the state's reserves, and a modest surplus of \$363 million.

The committee also learned about potential issues relating to revenue and taxation, including new tax exemptions, short-term rentals, statewide fiscal reform, and sales and use tax reforms.

In a brief discussion, a committee member recommendation was provided for Cal Cities to create policy that would exempt all cities, counties, and special districts from payment of sales and use tax on purchases made by those entities.

IX. Roundtable Discussion – Issues Facing Your City

Cal Cities staff, Betsy Montiel, provided a discussion prompt for the committee to hold a broad discussion about local issues pertaining to revenue and taxation. The committee discussed the following topics:

- Budget shortfalls
- Balancing priorities in tight budgets
- Economic disruptions and recovery
- Local dependency on grants and federal and state aid
- Diversifying businesses and strengthening economic development
- Financial liabilities

X. Municipal Revenue Foundations

Chair Bash introduced guest speaker Ken Nordhoff, Principal, [HdL Companies](#), who provided information on property tax, sales and use tax (including trends), and other municipal revenue sources. The committee received information regarding county pool tax allocations and other considerations for generating local tax revenue.

Mr. Nordhoff addressed questions and was thanked by the committee for the presentation.

XI. 2025 Economic Forecast

Vice-Chair Fligor introduced guest speakers, Fran Mancina, Advisory Board Member and Thomas Adams, Director of Sales and Use Tax Audits with [Avenu Insights & Analytics](#), who both presented an economic forecast. Thomas provided an overview

of economic trends and inflationary increases that will impact the overall health of the economy. The committee received the following recommendations related to local sales tax growth:

- Review of sales tax laws and consider changes to remain relevant with the 21st century economy.
- Review of sustainability models for city revenues.
- Plan for the impacts of new technologies such as AI and Robotics.
- Create pathways for more housing affordability.
- Consider new revenue sources for local governments.

The guest speakers welcomed questions from the committee and were thanked for their presentation.

XII. Leadership Briefing on Economic Development Trends

Chair Bash introduced guest speaker, Gurbax Sahota, President and CEO of the [California Association for Local Economic Development](#) (CALED), who presented on economic development trends. CALED supports local agencies through information, technical assistance, training, education, and research. Mr. Sahota defined economic development as the creation of wealth through which community benefits are realized. The committee received information about how cities can partner with local workforce development agencies to increase opportunities around job creation.

Members also learned about legislative opportunities to align annual reporting requirements and potential legislation within the climate bond that would provide funding opportunities for underserved communities. The committee had a brief discussion and thanked Gurbax for the presentation.

XIII. City Manager Sales Tax Working Group Education Plan Update

This agenda item was not covered due to time constraints.

XIV. Closing Remarks and Adjourn

Chair Bash thanked committee members and staff for attending. The meeting was adjourned.

Next Meeting: Thursday, March 27, 10:00 a.m. - 2:00 p.m.

Marriott Burbank Airport Hotel, 2500 N. Hollywood Way, Burbank