
Support - SB 344 (McGuire) / Prepaid Wireless Collection Mechanism / Local UUT Revenues *One-Year AB 1717 (2014) Sunset Extension*

Next Vote is on the Assembly Floor / Request for Action

Phone Calls, Emails and Letters to Your Assembly and Senate Representative

- **Latest Action:** On Friday, August 30th, SB 344, which would carry a one-year sunset extension for the AB 1717 (2014) local UUT prepaid wireless collection mechanism, was removed from the Assembly Appropriations Committee “suspense” file with clarifying amendments.
- **Status and What’s Next:** SB 344 is on the Assembly Floor. Because SB 344 must return to the full Senate for a vote, the Assembly will take up the bill in the next few days.
- **Final Session Deadlines:** **Friday, September 13** is the final day of the 2019 Session. The Governor must act on measures by **Sunday, October 13**.

Suggested Action

- Phone calls, in addition to letters and emails, are impactful and powerful advocacy tools. **At a minimum please contact your Assembly and Senate representative via phone and ask for their support for SB 344.**
- While letters should be uploaded via the Legislature’s portal, be sure to email letters of support to your Assembly and Senate representative via their staff.
- The list of 104 local agencies that participate in AB 1717 is below.
- Please continue to notify Brenda Narayan at Brenda.Narayan@avenuinsights.com if your agency has taken a formal position on SB 344 or contacted your Legislators. **If you have not done so, please forward a copy of your letter to Brenda Narayan or Fran Mancía. It is helpful when speaking with staff and stakeholders to reference known support.**

Payment Data/ SB 344 Legislation

- **Q2 2019 CDTFA Payment Data:**
<https://www.cdtfa.ca.gov/dataportal/dataset.htm?url=LRBQtrDistMTSSurcharge>
- **Legislation:** http://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201920200SB344
- **Assembly:** <https://www.assembly.ca.gov/>
- **Senate:** <https://www.senate.ca.gov/>

UUT Team Contacts

- **Audits:** Robin Steward (robin.steward@avenuinsights.com or 818.661.5522) and Jonathan Gerth (jonathan.gerth@avenuinsights.com or 205.910.1820)
- **Ordinance Review and Legal:** Jonathan Gerth
- **Legislation:** Brenda Narayan (brenda.narayan@avenuinsights.com or 916.261.5147) or Fran Mancía (fran.mancia@avenuinsights.com or 559.288.7296)

SAMPLE DRAFT / REFLECTS THE CURRENT VERSION OF SB 344

The Link to access the letter submission portal: <https://calegislation.lc.ca.gov/Advocates/faces/register.xhtml>

DATE

The Honorable **INSERT YOUR SENATOR'S FIRST AND LAST NAME**

California State Senate
State Capitol, Room **INSERT**
Sacramento, CA 95814

The Honorable **INSERT ASSEMBLY MEMBER'S FIRST AND LAST NAME**

California State Assembly
State Capitol, Room **INSERT**
Sacramento, CA 95814

Subject: SB 344 (McGuire) Local Prepaid Mobile Telephony Services Collection Act / One-Year Sunset Extension - Notice of Support - Request for an "Aye" Vote

Dear Senator **INSERT**, and Assembly Member **INSERT**:

[INSERT AGENCY] requests your support for SB 344 (as amended August 30, 2019) that would provide a one-year sunset extension from January 1, 2020 to January 1, 2021 for the point-of-sale collection mechanism for Utility User Taxes (UUTs) imposed on prepaid wireless service. In many cities, the UUT is the second highest source of general fund revenue (sales tax is first), and 104 local agencies (101 cities and 3 counties) participate in the AB 1717 program, including **[AGENCY NAME]**.

More than 40 states have enacted prepaid wireless point-of-sale collection statutes in recognition of their importance to funding state and local programs. In 2014, the legislature with overwhelmingly bi-partisan support, passed AB 1717 (Perea) to create a statewide system for retail point-of-sale collection of state and local taxes and fees imposed on prepaid wireless services. The existing provisions from AB 1717 expire on January 1, 2020.

According to current CDTFA quarterly data, to-date, over \$24 million since 2016 has been received by the participating agencies under AB 1717. SB 344 continues to reimburse the CDTFA for the costs to implement the program through the collected local charges.

Prepaid wireless services are offered on a "pay-as-you-go" basis with no required contracts, term or volume commitments, early termination penalties, overage charges, or credit checks. These important factors make prepaid services available to those consumers to whom the security and convenience of mobile telephone service might not be available. This business model offers reliable service and affordable pricing. SB 344 as with AB 1717 includes the provisions to ensure that the UUT does not apply to prepaid transactions with a service allotment denominated as 10 minutes or less, or five dollars (\$5) or less.

The **INSERT** along with other stakeholders recognize that the recent court decision (*MetroPCS California, LLC v. Michael Picker et al.*) will require additional 'clean-up' language and that is why a collaboration of stakeholders agree that a short-term measure is the most effective approach to keep the local provisions continuing under current law.

The **[AGENCY NAME]** joins the League of California Cities, California State Association of Counties, California State Treasurer, California Retailers Association and numerous other local agencies in supporting SB 344.

For these reasons we request your "aye" vote when **SB 344** is before you. Should you have any questions regarding our position, please don't hesitate to contact me.

Respectfully,

cc: Danielle Bradley, Legislative Aide, Senator McGuire (danielle.bradley@sen.ca.gov)
Rose Marie Kinnee, Assembly Revenue and Tax Committee (rosemarie.kinnee@asm.ca.gov)
Gabrielle Zeps, Office of the Assembly Speaker (Gabrielle.Zeps@asm.ca.gov)
Julia King, Republican Caucus (Julia.King@asm.ca.gov)
Misa Lennox, Senate Pro Tempore (Misa.Lennox@sen.ca.gov)

SB 344 (McGUIRE)
 LOCAL PRE-PAID MOBILE TELEPHONY SERVICES COLLECTION ACT
Local Utility User Taxes / Participating Cities and Counties

Without SB 344 (McGuire) the following 104 jurisdictions will lose vital revenue:

Alameda	Covina	Indio	Palm Springs	San Pablo
Alameda -	Culver City	Inglewood	Palo Alto	Sanger
Unincorporated	Cupertino	Irwindale	Paramount	Santa Ana
Territory	Desert Hot Springs	La Verne	Pasadena	Santa Barbara
Albany	Downey	Lakewood	Pico Rivera	Santa Cruz
Arcadia	El Cerrito	Lawndale	Pinole	Santa Fe Springs
Arcata	El Monte	Long Beach	Placentia	Santa Monica
Baldwin Park	El Segundo	Los Altos	Pomona	Seal Beach
Bellflower	Elk Grove	Los Angeles	Port Hueneme	Seaside
Bellflower	Emeryville	Los Angeles -	Rancho Cordova	Sebastopol
Benicia	Firebaugh	Unincorporated	Redondo Beach	Sierra Madre
Berkeley	Gardena	Territory	Redwood City	South Pasadena
Bradbury	Gilroy	Lynwood	Rialto	Stockton
Burbank	Glendale	Malibu	Richmond	Sunnyvale
Canyon Lake	Greenfield	Modesto	Sacramento	Torrance
Cathedral City	Hawthorne	Monterey Park	Salinas	Tulare
Ceres	Hayward	Mountain View	San Bernardino	Vallejo
Chula Vista	Hercules	Newark	San Francisco	Ventura
Citrus Heights	Hermosa Beach	Norwalk	San Gabriel	Watsonville
Cloverdale	Holtville	Oakland	San Jose	Winters
Coachella	Huntington Beach	Orange Grove	San Leandro	
Compton	Huntington Park	Oroville	San Luis Obispo	

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Contact: Brenda Narayan / Brenda.Narayan@avenunights.com or 916.261.5147