

**AGENDA
ITEM**

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CITY OF CALEXICO

AGENDA STAFF REPORT

DATE: April 5, 2023

TO: Mayor and City Council

APPROVED BY: Esperanza Colio Warren, City Manager

PREPARED BY: Raul Ureña, Mayor

SUBJECT: Approval of Letter in Support of Senate Bill 797 (Padilla): Lithium Extraction Tax Citizens Oversight Committee

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Recommendation:

Mayor Ureña requests Council consideration on approval of letter in support of Senate Bill 797 (Padilla): Lithium Extraction Tax Citizens Oversight Committee.

Background:

SB 797, as introduced by Senator Padilla: Lithium Extraction Tax Citizens Oversight Committee. Existing law, the Lithium Extraction Tax Law, imposes a lithium extraction excise tax upon each metric ton of lithium carbonate equivalent extracted from geothermal fluid, spodumene ore, rock, minerals, clay, or any other naturally occurring substance in this state, as specified. Existing law requires the California Department of Tax and Fee Administration to administer and collect the tax and requires all collected revenues, less refunds and reimbursement to the department for administrative expenses, to be deposited into the Lithium Extraction Excise Tax Fund and disbursed in the manner prescribed.

Discussion & Analysis:

This bill would establish the Lithium Extraction Tax Citizens Oversight Committee within the department for the purposes of ensuring that revenues from the lithium extraction excise tax are appropriately allocated and making recommendations on how to improve community engagement and maximize community benefits from the revenues. The bill would prescribe the composition of the committee and require the committee to report its findings and recommendations annually on



December 1 to the Legislature, as specified. The bill would also make related legislative findings and declarations.

In Imperial County, it is evidenced by the lengthy debate at the March 21st meeting where a diversity of County residents and non-profit organizations not only supported the passage of SB 797 [Action Item 14] but also expressed dissatisfaction at the County's first draft of proposed tax distribution. A distribution that lacked specificity lumping 50% of the proposed revenues into a general category of "**Infrastructure Services and Administration.**"

Therefore, on behalf of my constituents, I request council's consideration in approving the support letter for the passage SB 797 to ensure appropriate oversight of lithium funds in the County of Imperial.

Fiscal Impact:

None.

Coordinated With:

None.

Attachment(s):

1. Draft Letter in Support of SB 797.



City of Calexico

608 HEBER AVENUE

• CALEXICO, CA 92231

• (760) 768-2110

Senator Alex Padilla
501 I Street
Suite 7-800
Sacramento, CA 95814

Re: Senate Bill 797 (Padilla) Lithium Extraction Tax Citizens Oversight Committee

Dear Senator Padilla,

On Behalf of the City of Calexico, the border city of Imperial County, I write in wholehearted support of SB 797 as proposed. State intervention was welcomed during the pandemic where Gov. Newsom's Executive Orders REQUIRING the use of masks mid-pandemic and enforcing a statewide eviction moratorium saved our low-income community whose leadership at a local level did not recognize these measures as lifesaving for our majority essential worker, cross border community. State intervention again has an opportunity to ensure oversight over the potential revenues of the Lithium Tax.

In our supermajority Latinx County, Latinx, low-income, and other marginalized visions and voices are continuing to lack representation in the priorities of County leadership. For most of Imperial County's history, rich landowners reigned over County level politics to defend interests adjacent to agriculture and other industries leaving out the voices of the farm and industrial workers who make those very industries possible. Deep inequalities have hindered political representation for most of Imperial County's history. While some recent changes in County level administration reflect progress, structures of representation have not healed from its grim history. As such, state regulation is still highly encouraged on such a sensitive environmental and economic matter.

This reality is evidenced by the lengthy debate at the March 21st meeting where a diversity of County residents and non-profit organizations not only supported the passage of SB 797 [Action Item 14] but also expressed dissatisfaction at the County's first draft of proposed tax distribution. A distribution that lacked specificity lumping 50% of the proposed revenues into a general category of "**Infrastructure Services and Administration.**"

On behalf of my constituents, I ask this committee and the Senate to please support the passage of SB 797 to ensure appropriate oversight of lithium funds in the County of Imperial.

Kindly,

CITY OF CALEXICO

Raúl Ureña
Mayor