





**AB 533 (Holden)
Income Tax Exemption for Turf Removal – SUPPORT**

**Assembly Appropriations Committee
May 3, 2019**

April 26, 2019

The Honorable Lorena Gonzalez
California State Assembly
State Capitol, Room 2114
Sacramento, CA 95814

Dear Assembly Member Gonzalez:

On behalf of the signatories noted below, we wish to express strong support for AB 533 by Assembly Member Chris Holden which would exclude from gross income amounts received as a rebate, voucher, or other financial incentive issued by a water service provider for participation in a turf removal program. We urge you and members of the Assembly Appropriations Committee to look favorably upon the bill.

In May 2018, then-Governor Edmund G. Brown, Jr. signed SB 606 (Hertzberg) and AB 1668 (Friedman) into law as part of his initiative to make “Water Conservation a California Way of Life” in response to California’s longest drought in history. We witnessed firsthand that utility-sponsored financial incentives, including consumer rebates, are among the most important and cost-effective tools available to local water providers to achieve water use efficiency objectives, particularly for turf replacement, water efficient toilets, and water and energy efficient clothes washing machines. However, over a certain amount, the rebate funds that individuals and businesses receive in connection with turf replacement programs are now taxable under state law. Water efficient toilets and clothes washer rebates benefit from a permanent tax exemption. The consistent experience of California’s water utilities shows that fewer individuals and corporations will avail themselves of financial incentives if they are deemed to be taxable income.

It is well documented that rebates substantially increase adoption of water use efficiency strategies. Rebates provide a much-needed financial incentive to implement these measures year-round. AB 533 is a necessary step to incentivize homeowners and businesses to make important investments in turf removal projects to protect our critical water resources.

For all of the above reasons, we support AB 533 and ask that the bill receive your favorable consideration. Thank you for your consideration.

Sincerely,

Jeff Kightlinger
General Manager
**Metropolitan Water
District of Southern
California**

Mary Ann Dickinson
Executive Director
**California Water
Efficiency Partnership**

Cynthia Koehler
Executive Director
WaterNow Alliance

Moira C. Topp
Legislative Advocate
City of San Diego

Mitchell S. Dion
Assistant General Manager
**Pasadena Water and
Power**

Susan Mulligan, P.E.
General Manager
**Calleguas Municipal
Water District**

Brian A. Dickinson
General Manager
**Water Department
City of Compton**

Harlan L., Kelly, Jr.
General Manager
**San Francisco Public
Utilities Commission**

David W. Pedersen, P.E.
General Manager
**Las Virgenes Municipal
Water District**

Paul Jones, II
General Manager
**Eastern Municipal Water
District**

Craig Miller
General Manager
**Western Municipal
Water District**

Nina Jazmadarian
General Manager
**Foothill Municipal
Water District**

Matthew Litchfield
General Manager
**Three Valleys Municipal
Water District**

Deborah Barmack
President
Inland Action

Bill Manis
CEO
**San Gabriel Valley
Economic Partnership**

Christopher J. Garner
General Manager
**Long Beach Water
Department**

Gene Wunderlich
*Vice President of
Government Affairs*
**Southwest Riverside
County Association of
Realtors®**

Danielle Blacet
Director for Water
**California Municipal
Utilities Association**

Jeff Armstrong
General Manager
**Rancho California Water
District**

John Bosler
General Manager
**Cucamonga Valley Water
District**

Robert J. Hunter
General Manager
**Municipal Water District
of Orange County**

Lisa Ohlund
General Manager
**East Orange County
Water District**

Robert R. Hill
General Manager
El Toro Water District

Paul A. Cook
General Manager
**Irvine Ranch Water
District**

Paul E. Shoenberger, P.E.,
General Manager
Mesa Water District

Daniel R. Feron
General Manager
**Santa Margarita
Water District**

John D. Vega
General Manager
**Elsinore Valley Municipal
Water District**

Tom A. Love
General Manager
**Upper San Gabriel Valley
Municipal Water District**

Tony Stafford
General Manager
Camrosa Water District

Jerry Vilander
General Manager
Serrano Water District

Kevin P. Hunt, P.E.
General Manager
**Central Basin Municipal
Water District**

Rob Swartz
Interim Executive Director
Regional Water Authority

Shivaji Deshmukh
General Manager
**Inland Empire Utilities
Agency**

Christina Davis
President/CEO
**LAX Costal Chamber of
Commerce**

Charley Wilson
Executive Director & CEO
**Southern California Water
Coalition**

Mark Kinsey
General Manager
**Monte Vista Water
District**

Adam Quiñonez
Senior Legislative Advocate
ACWA

Paul Kelley
Executive Director
CalDesal

Richard E. Haller
General Manager
SAWPA

Rylan Gervase
Legislative Representative
CSDA

Patrick Shields
General Manager
**West Basin Municipal
Water District**

Robert J. Beste
Public Works Director
City of Torrance

Mary Leslie
President
**Los Angeles
Business Council**

Robert Shaver
General Manager
**Alameda County
Water District**

Mary Ann Dickinson
President and CEO
**Alliance for Water
Efficiency**

Paul Helliker
General Manager
San Juan Water District

Marcus Yasutake
*Environmental and Water
Resources Director*
City of Folsom

Dan York
General Manager
**Sacramento Suburban
Water District**

Mark S. Krause
General Manager
Desert Water Agency

Tracy Hernandez
Founding CEO
BizFed

Jessica Duboff
*Vice President, Center for
Business Advocacy*
**Los Angeles Area Chamber
of Commerce**

Cari Dale
Water Utilities Director
City of Oceanside

Jack Hawks
Executive Director
**California Water
Association**

Jim Barrett
General Manager
**Coachella Valley Water
District**

Todd Corbin
General Manager
Riverside Public Utilities

cc: Assembly Member Chris Holden
Members of the Assembly Appropriations Committee
Luke Reidenbach, Principal Consultant, Assembly Appropriations Committee
Ellen Cesaretti, Fiscal Consultant, Assembly Republican Caucus