

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



FROM: Supervisor Jeff Stone

SUBMITTAL DATE: September 7, 2010

SUBJECT: Resolution No. 2010-284, Supporting Proposition 23

RECOMMENDED MOTION: That the Board approve Resolution No. 2010-284, supporting Proposition 23, which would temporarily suspend AB 32 until such a time as the economy recovers.

BACKGROUND:

AB 32, California's global warming law, would impose significant additional costs on California cities and counties, specifically an increase of up to 60% in electricity rates, increased natural gas costs and increased transportation fuel costs.

AB 32 would also burden many local governments with a new state-mandated fee on some local facilities such as waste-treatment plants, landfills, cogeneration facilities and other operations totaling several billion dollars.

Increased costs resulting from AB 32, would reduce economic activity and result in more than one million lost jobs, reducing revenues to local governments and the state, which could equal between \$2.2 billion to \$5.8 billion per year.

Jeff Stone, Supervisor
Third District

JS:vc

RESOLUTION #2010-284
SUPPORTING PROPOSITION 23

1
2 **WHEREAS**, California's economy is still suffering from a severe
3 economic recession with an unemployment rate of more than 12%
4 with more than two million out of work; and

5 **WHEREAS**, local governments are facing budget deficits and
6 potential spending cuts as a result of reduced revenues due to
7 the recession; and

8 **WHEREAS**, California's global warming law (AB 32) would impose
9 significant additional costs on California cities and counties,
10 specifically an increase of up to 60% in electricity rates,
11 increased natural gas costs and increased transportation fuel
12 costs; and

13 **WHEREAS**, AB 32 would also burden many local governments with a
14 new state-mandated fee on some local facilities such as waste-
15 treatment plants, landfills, cogeneration facilities and other
16 operations totaling several billion dollars; and

17 **WHEREAS**, the increased costs resulting from AB 32 would reduce
18 economic activity and result in more than one million lost jobs;
19 and

20 **WHEREAS** the California Air Resources Board and others have
21 determined that AB 32's higher energy costs and job losses will
22 disproportionately impact low-income families and small
23 businesses; and

24 **WHEREAS**, the reduced economic activity resulting from AB 32 would
25 reduce revenues to local governments and the state which could
26 equal between \$2.2 billion to \$5.8 billion per year; and

27 **WHEREAS**, according to the California Air Resources Board and
28 other experts, the greenhouse gas emission reductions from AB 32
would have no measurable impact on global warming; and

WHEREAS, Proposition 23 would temporarily suspend AB 32 until
such time as the economy recovers, specifically when the
unemployment rate returns to 5.5% for four consecutive quarters;
and

1 **WHEREAS**, Proposition 23 would be a prudent strategy for local
2 governments to avoid higher costs and reduced revenues so that
3 they would have more resources to dedicate for delivering vital
4 public services; and

5 **WHEREAS**, according to the independent Legislative Analyst, during
6 the likely suspension of AB 32, state administrative costs to
7 develop and enforce regulations pursuant to AB 32 would be
8 reduced significantly. We estimate that the resulting state
9 administrative cost savings and ultimately lower fees could be in
10 the low tens of millions of dollars annually; and

11 **WHEREAS**, according to the independent Legislative Analyst, the
12 suspension of the proposed cap-and-trade regulations could result
13 in lower energy prices for consumers, including state and local
14 government agencies that are large consumers of energy, than
15 would be the case if AB 32 regulations were allowed to take
16 effect. These lower energy prices, in turn, would also have
17 positive economic impacts on the state; and

18 **WHEREAS**, Proposition 23 does not have any impact on existing
19 environmental laws in California;

20 **THEREFORE BE IT RESOLVED**, that the Board of Supervisors of
21 Riverside County endorses Proposition 23 to temporarily suspend
22 implementation of AB 32 (The Global Warming Solutions Act).
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