

MORE REVENUE FOR CITY**Auditor Doud Pushes Oil Production Tax**

By Harry Saltzgaver
Executive Editor

City Auditor Laura Doud has come out in favor of increasing the tax on oil produced in Long Beach.

Early this month, Doud released a memo she has sent to the mayor, City Council members and the city manager. In it, Doud urged that the city significantly increase the oil production tax, now set at 15¢ per barrel.

"In Signal Hill, the OPT is 60¢ per barrel, which is four times the 15¢ per barrel that Long Beach charges," Doud said in a release. "That just doesn't seem fair for Long Beach."

Doud's release notes that the recommendation to increase the tax is not new — her predeces-

sor, Gary Burroughs, made a similar recommendation in September 2004. However, the council did not pursue that approach.

Long Beach has not increased its oil production tax since 1990. In that time, the average price of oil has nearly tripled, from \$24.49 a barrel to \$67.28 a barrel.

Doud said she has been working with Mayor Bob Foster's office and Third District Councilman Gary DeLong to push the tax increase. DeLong said he believes doubling the fee would be "reasonable and equitable."

Last year, Long Beach collected \$2.2 million in oil production tax. In a list of comparable cities, only El Segundo has a lower tax rate (2¢ per barrel).

Doud's memo recommends increasing the tax as soon as possible to increase revenue for the city. However, state law requires any tax to be approved by voters.

Assistant City Attorney Heather Mahood said that, if the tax is used for general purposes, it must be on a general election ballot where City Council members are up for election. A tax increase could be on a special election if the money is earmarked for a specific purpose, but that type of increase requires a two-thirds majority to pass.

The next citywide general election isn't until 2010. There is a regular council election in 2008, but only the even-numbered City Council districts will be on the ballot then.