

# LOCAL TAXES

## Long Beach oil tax has raised more than \$22 million for public safety, report shows

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City Auditor Laura Doud issues a comprehensive report on Proposition H, the 2007 oil production tax that generates \$3.5 million annually for public safety outside City Hall in Long Beach, CA. Tuesday August 26, 2014. (Thomas R. Cordova-Daily Breeze/Press-Telegram)

### Long Beach Mayor & Auditor issuing a Comprehensive Report on Proposition H

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Mayor Robert Garcia stands in front of the Long Beach Police and Fire Memorial at City Hall issuing a comprehensive report on Proposition H, the 2007 oil production tax that generates \$3.5 million annually for public safety in Long Beach, CA. Tuesday, Aug. 26, 2014. (Thomas R. Cordova / Staff Photographer)

### Proposition H tax

- Passed in 2007 with more than 70 percent of the vote
- Raised existing oil production tax 25 cents, to 40 cents per barrel, to fund public safety
- Fee has raised \$22 million through fiscal year 2013, an average of \$3.5 million annually
- Funds have paid for an average of 12 police officers and 11 firefighters
- Remaining funds used to pay for fire trucks, uniforms and other expenses
- More than 82.3 million barrels of oil produced in Long Beach between fiscal years 2007 and 2013

*Source: Long Beach City Auditor's Office*

**LONG BEACH >>** The city has netted an average of \$3.5 million each year for public safety since a tax on oil production was approved by voters seven years ago, according to [a new audit](#).

More than 70 percent voted in favor of Proposition H in May 2007 after two failed attempts to bring in more revenue for police and firefighters by raising sales and property taxes.

Passage of the measure followed an [analysis](#) by [City Auditor Laura Doud](#) that showed the oil production tax, then at 15 cents per barrel, was significantly lower than nearby cities that levied extraction fees as high as 60 cents for every barrel.

Prop H increased Long Beach's production tax by 25 cents, to 40 cents a barrel, raising more than \$22 million for police officers and firefighters and their equipment, facilities and training, according to officials at a press conference this morning.

Doud said the additional cash has helped fund an average of 12 police officers and 11 firefighters every year. The remainder of the tax has been used for non-personnel expenses, such as fire trucks, safety equipment, technology, uniforms and other supplies and materials.

"As you can see, these are very positive and tangible benefits that have to serve the residents of Long Beach every day," said Doud.

Mayor Robert Garcia and other officials thanked Doud for her "foresight" in identifying a source of public safety funding that has been used to give a softer landing to budget reductions associated with the recession.

But tax measures aren't only passed by the will of elected officials, said Garcia.

"They're taken to the people. It's because the people of Long Beach made the investment in public safety that we're able to have the additional firefighters and the additional police officers that we have today," Garcia said.

Prop H mandates an annual independent audit to determine how the funds are being spent and can be increased each year based on inflation.

According to Doud's separate audit, the tax was set at 28 cents per barrel on June 1 of last year, meaning the city's total oil production tax was 43 cents per barrel.

Other findings in the report showed that oil production decreased 11.1 percent between the 2008 and 2013 fiscal years, from 14.3 million barrels to 12.7 million barrels.

More than 82.3 million barrels of oil were produced in the city from fiscal years 2007 to 2013, the audit found.