

# NEWS

From Supervisor Gary Ovitt  
Fourth District, San Bernardino County

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## Ovitt asks Governor to Support Local Jurisdictions

**San Bernardino** - Fourth District County Supervisor Gary Ovitt sent a letter to Governor Schwarzenegger Friday, asking him to sign Assembly Bill (AB) 451 into law, which will restore jet fuel tax revenue to local jurisdictions by closing a loophole in current law.

“By signing this into law, the Governor will stop the exploitation of local jurisdictions who are not receiving their fair-share of tax revenues,” stated Ovitt. “This is a commonsensical law that will help make our communities safer.”

The bill, by Assemblyman Leland Yee (D-San Francisco/Daly City), would close a loophole in the law that is currently being exploited by United Airlines and the city of Oakland, siphoning millions of dollars in jet fuel sales tax revenue from airport communities including San Francisco and San Mateo County, Ontario and San Bernardino County, Los Angeles, Sacramento, San Diego, and San Jose, all into Oakland.

The debate stems back to 1998 when the State Legislature passed a bill designed to ensure that communities hosting airports receive the benefit of the sales tax on jet fuel dispensed by airlines, provided that the given airline has more than one place of business in the state. This policy was developed to ensure that counties that bear the burden of jet fuel pollution, traffic, and noise would also reap the benefits of sales tax revenue.

However, United Airlines formed an Oakland-based subsidiary to establish a single-point-of-sale, thus depriving \$3 million to San Mateo and San Francisco Counties (SFO), \$1.5 million to Los Angeles (LAX), and significant revenue to Ontario and San Bernardino County (ONT), among other airport communities. In exchange for doing business only in Oakland, the city gave United Airlines a 65 percent kickback of the sales tax revenue generated throughout the state.

“This new law equates to potentially hundreds of thousands of dollars to the city of Ontario,” Ovitt said. “That could mean more cops on the beat, more firefighters in the city, or more affordable housing for seniors.”