



Joint



PRESS RELEASE

Los Angeles's Fiscal Health Underscores Need to Stop SB 709 (Menjivar)

Bill would reduce critically needed funding to counties, cities, and local school districts

SACRAMENTO—Following on Mayor Karen Bass's announcement of City of Los Angeles's dire fiscal situation, the coalition opposing SB 709 (Menjivar), which will put damaging price caps on retail self-storage units and drastically reduce property tax funding and other tax revenue to local governments and schools, called on the Legislature to oppose the bill when it comes before them for a vote.

"The price caps and restrictions put on private industry by SB 709 will have a direct and harmful impact on not only the self-storage industry and its customers, but for the cities, counties, and school district that rely on the tax revenue these businesses generate," said **Matthew Hargrove, president of the California Business Properties Association**, which is helping to lead the effort to oppose SB 709. "At a time when the City of Los Angeles is already facing a massive budget deficit, and when the Mayor is asking legislators for more than \$1 billion in General Fund dollars, the last thing this Legislature should be doing is passing legislation that will reduce city revenue even further."

Self-storage facilities, like all commercial properties, pay property taxes as well as other county and city-specific taxes. **An industry analysis found that SB 709 will reduce local tax revenue by more than \$140 million each year**, impacting critically needed funds for local government services, especially our schools. In fact, **SB 709 will reduce local school funding by more than \$61 million annually**, a shortfall that the state's General Fund will have to pay back.

"SB 709 will decrease property values for self-storage facilities and harm local community tax revenue. This bill is bad policy and bad news for cities like Los Angeles that are facing significant revenue shortfalls already. At a time when the state's fiscal outlook is just as precarious, SB 709 and other price control measures that will reduce revenue and drive up costs for customers must be stopped," **concluded Rob Lapsley, president of the California Business Roundtable.**