

C/CAG
CITY/COUNTY ASSOCIATION OF GOVERNMENTS
OF SAN MATEO COUNTY

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May 31, 2022

The Honorable Chris Holden
Chair, Assembly Appropriations Committee
1021 O Street, Suite 8220
Sacramento, CA 95814

Re: AB 2622 (Mullin) Zero-Emission Buses: Sales Tax Exemption – SUPPORT

Dear Chair Holden:

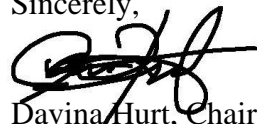
On behalf of the City/County Association of Governments of San Mateo County, I write to respectfully express C/CAG's SUPPORT for AB 2622 (Mullin), which extend the sunset date on the state sales and use tax exemption for zero-emission buses (ZEBs) purchased by California public transit agencies from January 1, 2024 to January 1, 2026.

In 2019, Governor Newsom signed into law AB 784 (Mullin), which provides an exemption from state sales and use taxes for ZEBs purchased by California public transit agencies. The intent behind this bill was to further encourage California public transit agencies to purchase ZEBs over conventionally fueled buses and to aid transit agencies in complying with the California Air Resource Board's (CARB) Innovative Clean Transit (ICT) regulation by reducing the upfront costs for these currently more expensive technologies. The ICT regulation requires public transit agencies to completely transition their bus fleets to zero-emission technologies by 2040. AB 2622 would further encourage transit agencies to accelerate the purchase of ZEBs to address climate change and improve air quality, consistent with the ICT regulation.

For many transit agencies, making the transition to a fully zero-emission fleet is cost prohibitive. This sales and use tax exemption, if extended, would continue to save transit agencies between \$30,000 and \$50,000 on each ZEB they purchase. The money saved would allow transit agencies to purchase additional ZEBs or fund other aspects of the transition, such as charging infrastructure.

C/CAG has long-supported efforts promoting the transition to clean transportation and we are pleased to **SUPPORT** AB 2622 (Mullin). Thank you for your consideration.

Sincerely,



Davina Hurt, Chair
City/County Association of Governments of San Mateo County

Cc: Members of the Assembly Appropriations Committee
Senator Josh Becker
Senator Scott Wiener
Assembly Member Kevin Mullin
Assembly Member Marc Berman
Assembly Member Phil Ting