

August 29, 2016

Ms. Joann Richmond
Chief, Board Proceedings Division
State Board of Equalization
450 N Street; PO Box 942879
Sacramento, CA 94279-0080

*Re: August 30, 2016 Board of Equalization Public Hearing - Item I.3, Local Reallocation Matters, Section 40 (AB 2323)
Request for Board Staff to Explore a Formal Interested Party Process to Clarify "Participation of Sale"*

Dear Ms. Richmond:

MuniServices appreciates the opportunity to provide comments related to the Decision and Recommendation (D & R) with respect to the above-referenced matter. MuniServices represented the Cities of Ontario, et al (case id.525325, 525326) during the May 29, 2016 hearing. While we respectfully disagree with the final action taken we respect the process and the opportunity to present the case.

Our team has reviewed proposed "Alternative A, Staff's Version" and "Alternative B, Member Runner's Version" which will serve as the final rationale for the Board's decision, both including several references to "participation of sale." Although the petition is noted as "not to be cited as precedent" MuniServices believes stakeholders should come together soon to clearly define and clarify what "participation of sale" means and is interpreted.

MuniServices is a proponent of local control and the need to work collaboratively with interested parties to ensure local jurisdictions have the ability to retain and attract businesses to their communities which is a critical business and local decision. Some of MuniServices' communication to local government clients on the "sharing economy" and proposed legislation related to "place of sale" include: <http://www.muniservices.com/wp-content/uploads/030315-MuniServices-Policy-Update-Changes-in-the-Economy-Policy-Considerations.pdf> and http://www.muniservices.com/wp-content/uploads/2014/06/042914MuniServicesPolicyUpdateSB_983_Hernandez_CardLockFuel.pdf.

Any real or perceived definitional change that may be interpreted as the result of a D & R beyond codifying the actions taken in any particular case may not be in the best interest of future matters that may come before the Board. Members of MuniServices' team have been active stakeholders in the Board's interested party and regulatory process for nearly two decades and for the above-stated reasons MuniServices requests that Board Staff commence exploring whether defining "place of sale" should be addressed via the "interested parties" process. We look forward to continuing this conversation and participating in any process that will ensure that all local governments are protected in this changing economy. If you have any questions or need further clarification I can be reached at the below contact.

Respectfully,

Fran Mancía

Vice President, Government Relations

MuniServices, LLC

Fran.Mancia@MuniServices.com / 559.288.7296

cc: Brenda Narayan (Brenda.Narayan@MuniServices.com)
Janis Varney (Janis.Varney@MuniServices.com)