NEWS MEDIA KIT

A 500% tax hike.

That’s a lot to ask of Beverly Hills residents, businesses and churches and that’s what Beverly Hills voters will be asked to approve when they face Measure O on March 8. Measure O would place a new tax on natural gas and increase the existing energy tax by five times.

Measure O is not a tax on Big Oil companies. It will force cutbacks and layoffs at the small and medium-sized companies working in Beverly Hills and directly impact the income of thousands of Beverly Hills residents.

Thank you for downloading our news media kit. If you are working on a story and are looking for spokespeople who can explain why defeating this measure is so important, or have other questions or needs, please give me a call at (310) 996-2671.

Since you downloaded this, we see you’ve already discovered our website, www.NoMeasureO.com. Come back often as we will refresh it regularly with campaign updates and relevant news and opinion articles. Also, please sign-up on the website at www.NoMeasureO.com/newsroom/ so we can make sure you get the latest news and information. You can also follow us on twitter @NoOnMeasureO.

Thank you for your time and coverage.
Measure O: Not What It Appears To Be

Instead of controlling costs and balancing its budget, the Beverly Hills City Council wants to raise taxes, again. On the advice of its staff, the City Council has placed a massive energy tax increase on the March 8 ballot, similar to another tax overwhelmingly defeated by the voters in 2009. Measure O would NOT tax “Big Oil Companies,” because none of them operate in Beverly Hills. So, who would be impacted by Measure O?

Reduced Income for Residents, Churches and Schools -- Reduced Property Values
In a rush to place it on the ballot, the city staff proposed Measure O without understanding its impact on residents’ income or on local property values. The fact is thousands of individuals, churches and schools in Beverly Hills will be directly impacted by this enormous tax increase. These are local residents whose property is above local mineral reserves and who depend on payments from local energy producers. Measure O would reduce those payments by more than 10% and reduce property values in Beverly Hills.

500% Energy Tax Increase, Higher Energy Costs for Consumers
The city currently collects a tax on all oil production in Beverly Hills, comparable to what other cities in Los Angeles County charge. Measure O would place a new tax on natural gas and increase the city’s existing energy tax by nearly 500%. In addition to reduced income for thousands of residents, Measure O would hit small and moderate sized local companies that produce natural gas and oil for domestic use. Measure O’s tax would fall hardest on smaller vendors and contractors who carry out the production work. And higher energy costs could mean higher natural gas costs and higher prices at the pump.

More Jobs Lost, Less Money for Schools and Local Services
This is the worst time to increase taxes on already struggling local businesses. California is in the midst of the toughest economic downturn since the Great Depression. Los Angeles County’s unemployment rate is at a record high of 12.5%. One out of every eight people is out of work, and businesses are struggling to stay afloat. A 500% energy tax increase will lead to more job losses. That means less tax revenue from the local economy. A recent economic study found that Measure O would reduce local economic activity in Beverly Hills by about $1.2 billion over the next 10 years and lower the property values of oil production land, which will reduce the annual property taxes paid by oil companies to the city, county and the school district.

More Inefficient Spending, No Requirement New Taxes Be Spent on Essential Services
Despite its misleading language, there is no requirement in Measure O that these funds be used on essential public services like police and fire protection. In fact, Measure O was written specifically to allow the City Council to spend the money on anything it wants, including higher salaries for city employees, with no real oversight or accountability to taxpayers. Instead of increasing taxes, the City Council should reign in unnecessary spending. The City’s budget is $157 million this year and past independent reviews have been critical of the city’s overspending of millions on outside contractors and overtime salaries.

Measure O is opposed by the Beverly Hills Unified School District, California Taxpayers’ Association, California Small Business Alliance and a huge coalition of Beverly Hills residents.

Official Title: A Resolution of the Council of the City of Beverly Hills Submitting to the Voters of the City of Beverly Hills a Measure to Increase the Tax on Oil Extracted from the City, to Establish a Tax on Natural Gas Extracted from the City and to Amend the Definition of Gross Receipts in the Business Tax Regulations of the Beverly Hills Municipal Code


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Questions & Answers
Measure O

What is Measure O?
On the advice of its staff, the City Council has placed a massive energy tax increase on the March 8 ballot, similar to another tax overwhelmingly defeated by the voters in 2009. The tax would be paid by local energy production firms and thousands of Beverly Hills residents, local churches, synagogues and schools. Measure O is opposed by the Beverly Hills Unified School District, California Taxpayers’ Association, California Small Business Alliance and a huge coalition of Beverly Hills residents.

A massive energy tax?
The City of Beverly Hills already taxes local oil at a comparable rate to other cities in Los Angeles County. Measure O would increase local oil taxes by $1 million a year -- a 500% increase in the existing tax. It would also add a new tax on natural gas -- a growing source of clean energy. Higher energy costs could mean higher natural gas costs and higher prices at the pump.

Doesn’t the city staff say Measure O is just a tax on Big Oil companies?
That’s what they claim, but the fact is Measure O is NOT a tax on “Big Oil Companies” because none of the big oil companies operate in Beverly Hills. In a rush to place it on the ballot, the city staff proposed Measure O without understanding its true impact. Measure O would hit small and moderate sized local companies that produce natural gas and oil for domestic use, small vendors and contractors who carry out the production work and Beverly Hills residents, churches and schools.

How would Measure O impact Beverly Hills residents, churches, synagogues and schools?
Local energy producers are not the only ones who would be directly impacted by Measure O’s energy taxes. Thousands of local residents and many Beverly Hills churches, synagogues and schools own property above local mineral reserves and rely on regular payments from the local energy producers who utilize those reserves. Measure O’s tax increase would reduce those payments to residents, schools and others, and reduce the value of thousands of properties in Beverly Hills.

How would local property values be harmed?
Measure O places a new tax on production of natural gas and increases the city’s existing tax on local oil by 500%. The existence of these minerals beneath the land surface increases the value of the property. A 500% tax increase on the extraction of these local energy sources would lower the value of the property.
Would foreign oil companies and outside natural gas producers be impacted?
No. Measure O taxes oil and natural gas in the City of Beverly Hills, while oil imported from foreign countries and outside natural gas sources would be exempt. That’s a concern because a tax increase of this magnitude makes domestic energy production more expensive and encourages even more reliance on foreign oil.

Would Measure O impact small businesses and local jobs?
Yes. Thousands of jobs are connected with local energy production work, which is performed by hundreds of companies, subcontractors, and small businesses. California is in the midst of the toughest economic downturn since the Great Depression. The unemployment rate in L.A. County is higher than the national, statewide and county averages. Businesses are struggling to stay afloat. This is the worst time for the city to increase taxes on employers. A 500% energy tax increase will lead to more job losses. That means less tax revenue from the local economy.

Would Measure O impact consumers?
Higher energy production costs mean higher fuel costs. And California gas is already the highest taxed in the nation and nearly 50% higher than the national average. Californians already pay 66.1 cents in city, county, state and federal taxes added onto every gallon of gas.

Doesn’t the city need the money?
On January 25, 2011, the city’s Chief Financial Officer told the City Council, “We are very well funded and in an excellent financial position.” Of course, cities always like to have more money; however, any new taxes from Measure O would be offset by the loss of tax revenue to the city caused by negative impact on the economy. Fewer property taxes generated by oil production property, and less money in the pockets of thousands of Beverly Hills residents to spend in local stores. And, Measure O doesn’t require any of the taxes be spent on essential services. In fact, the city council can spend it on whatever they want.

So the City can spend it however they want?
That’s right. None of the new taxes have to be spent on essential services, like public safety. If the city really needs more money, before increasing taxes on Beverly Hills residents, businesses and nonprofits, perhaps they should control expenses. For instance, the City just completed a project to redecorate the offices at City Hall at a cost of more than $8 million – all at taxpayer expense.

So, how would the new taxes be spent?
No one knows. Measure O was specifically written to allow the City to spend the money on anything it wants, including higher salaries and pensions for city employees, with no real oversight or accountability to taxpayers. Not one penny is dedicated to essential services.

How can I sign up to oppose Measure O?
You can join the effort to stop a 500% increase in Beverly Hills energy taxes by logging onto the No on Measure O website at: www.NoMeasureO.com.
MEASURE O WOULD INCREASE LOCAL ENERGY TAXES BY 500% IN BEVERLY HILLS

THE CITY OF BEVERLY HILLS CURRENTLY COLLECTS A TAX ON ALL LOCAL OIL PRODUCTION. MEASURE O WOULD PLACE A NEW TAX ON NATURAL GAS AND INCREASE THE CITY’S EXISTING ENERGY TAX BY NEARLY 500%

*Measure O proposed $2,000 well-tax plus 2.5% tax on oil production = 2.00/barrel based on $80/barrel price

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MEASURE O’S 500% TAX INCREASE WOULD SLAM BEVERLY HILLS RESIDENTS

BEVERLY HILLS – Measure O’s massive tax increase would hit Beverly Hills residents, churches and schools and reduce property values, said representatives of the campaign against the measure as they urged citizens to reject it.

Awaiting voters on the March 8 ballot, Measure O would place a new tax on natural gas and increase the city’s existing energy tax by nearly 500%.

Stop Higher Energy Taxes, Vote No on Measure O launched a campaign today to make Beverly Hills voters aware of the measure’s potential impacts.

“Measure O would NOT tax ‘Big Oil Companies,’ because none of them operate in Beverly Hills,” said Greg Brown, executive vice president of BreitBurn Energy Partners, L.P. “Measure O would instead hit small and moderate-sized local companies like ours that produce natural gas and oil for domestic use. The tax would fall hardest on smaller vendors and contractors who carry out the production work.”

(more)
Opponents said the city should reign in spending before asking for such a drastic tax hike and the city should admit Measure O will hit city residents where it hurts.

“These taxes will be passed onto thousands of Beverly Hills residents, churches and schools whose property is above local mineral reserves and who depend on payments from local energy producers,” said Scott Macdonald, communications director for the Stop Higher Energy Taxes, No on Measure O campaign. “Measure O would reduce those payments and further reduce property values in Beverly Hills.”

With Los Angeles County unemployment at a staggering 12.4%, opponents said this is the worst time to hit struggling local businesses with higher taxes.

Despite the measure’s misleading language, opponents said there are no requirements as to how money from Measure O would be spent.

More information is available at www.NoMeasureO.com.

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