



State Board of Equalization

News Release

Chairman Jerome E. Horton

4th District – Los Angeles

Cynthia Bridges
Executive Director
www.boe.ca.gov

For Immediate Release
August 6, 2012

Contact: Juan Flores
323-980-1221

Board of Equalization Member Horton Urges Living Wage SEIU Workers at Los Angeles World Airports

Service contractors at Los Angeles World Airports (LAWA) are under attack by union workers for what they claim are unfair labor practices. Service Employees International Union (SEIU) representatives reported that on May 30, 2012, LAWA's licensee, Aviation Safeguards, was cited by the Bureau of Contract Administration for violations of the Airport's Living Wage Ordinance. Further, on June 26, the National Mediation Board informed Aviation Safeguards that they were taking jurisdiction on the matter, but Aviation Safeguards refused to comply.

The unions solicited the support of California State Board of Equalization (BOE) Chairman, Jerome E. Horton who addressed the LAWA Board members on Monday, August 6, at their regular board meeting.

According to the BOE, since 2005, Commercial airlines operating in California have received over \$1 billion in exemptions from jet fuel - sales - and excise taxes, and another \$414 million in other related exemptions.

They estimate that state revenue losses, because of airlines' sales and excise tax exemptions, total \$270 million per year.

"It is unfair that the recipients of over \$270 million a year allow their contractors to further burden California taxpayers by violating the City's Living Wage Ordinance," said Horton.

According to the Service Employee International Union spokesperson, LAX contractors like Aviation Safeguards do not provide their workers with decent health coverage and encourage workers to enroll their children in welfare and public assistance health plans, like 'Healthy Families. "These violations of public trust force California Taxpayers to pay higher taxes, higher health care insurance costs, and minimize access to health care for others," said Horton. "It is unacceptable for your contractors to expect taxpayers to foot-the- bill for health care costs for uninsured workers and their family members while they derive millions of dollars in tax credits and other government sponsored financial incentives."

As the California Legislators return to Sacramento and work with the Governor to deal with an enormous budget deficit and decide on cuts to education and other government programs while the

Connect with Us:



people of California face another round of tax increases on the November ballot, many of these tax credits could be at risk.

Horton said, “allowing contractors to shift the cost of health care to the state and side-stepping laws and ordinances is not the right message to send to government leaders evaluating every penny in tax credits and other cost saving measures. Mike Garcia, SEIU President said, “The airlines receive millions of dollars in jet fuel tax exemptions and we believe that Chairman Horton’s admonition to the LAWA Board Members will encourage them to do the right thing for our union members.”

* * * * *



Jerome E. Horton, Chair of the California Board of Equalization stands with SEIU President, Mike Garcia, in front of the Los Angeles World Airports facility at LAX to call for living wages for SEIU workers.

Elected in 2010, Chairman Jerome E. Horton is the Fourth District Member of the California State Board of Equalization, representing more than 8.5 million residents in Los Angeles County. He is also the Board of Equalization’s Legislative Committee Chairman. He is the first to serve on the Board of Equalization with over 21 years of experience at the BOE. Horton previously served as an Assembly Member of the California State Assembly from 2000-2006.

The five-member California State Board of Equalization is a publicly elected tax board. The Board of Equalization collects more than \$50 billion annually in taxes and fees supporting state and local government services. It hears business tax appeals, acts as the appellate body for franchise and personal income tax appeals, and serves a significant role in the assessment and administration of property taxes. For more information on other taxes and fees in California, visit www.taxes.ca.gov.

###

Connect with Us:

