



SEN. GEORGE RUNNER (RET.)

MEMBER  
STATE BOARD OF EQUALIZATION  
**CALIFORNIA'S TAX BOARD**

April 25, 2014

Governor Jerry Brown  
ATTN: Brian Putler, Deputy Legislative Secretary  
Governor's Office, Legislative Unit  
State Capitol, First Floor  
Sacramento, CA 95814

**RE: ASSEMBLY BILL 777 (MARATSUCHI) – SPACE FLIGHT PROPERTY   ▪ REQUEST FOR SIGNATURE ▪**

Dear Governor Brown:

I respectfully request your signature on Assembly Bill 777, which exempts qualified space flight property, including fuel, from property tax until FY 2024-25.

As an elected representative of Northern Los Angeles County for many years, I am especially supportive of the aerospace industry. As you are well aware, California used to be the leader in the aerospace industry, but the State's position has eroded as aerospace manufacturers continue to move their operations elsewhere. However, one company, SpaceX, has chosen to maintain its headquarters and manufacturing operations in California. As a direct result, California has re-emerged as the U.S. leader in commercial space launch. As this innovative company continues to expand and win orders for launch services, they are investing significantly in new technologies that push the boundaries of space flight.

Despite the groundbreaking advances made by SpaceX and the aerospace industry in general, California has yet to adapt tax policies that reflect the realities of this important business sector. AB 777 would exempt propulsion systems from property taxes, which helps ensure that state tax policy is responsive to the needs of the aerospace manufacturing industry.

AB 777 has strong support from the California Chamber of Commerce, the Los Angeles Area Chamber of Commerce, Aerojet Rocketdyne, California Unmanned Aircraft System, Commercial Space Flight Federation, Mojave Air and Space Port, Northrop Grumman Aerospace Systems, SpaceX and the Aerospace and Defense Forum. If signed, California tax policy will ensure the continued presence and growth of the space flight industry, a growing industry that provides jobs for Californians. Therefore, I respectfully request your signature on AB 777.

Sincerely,

A handwritten signature in blue ink, appearing to read "G. Runner".

GEORGE RUNNER

cc: Assembly Member Maratsuchi