



IMPERIAL COUNTY

LITHIUM EXCISE TAX FUNDING PLAN

IMPERIAL COUNTY
1907

SEPTEMBER 10, 2024

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Disclosure

The County of Imperial Lithium Excise Tax Funding Plan is based solely on estimations and projections and is considered speculative. While the plan references legal sections that govern the tax amount, as of this writing (September 10, 2024), there are no producers of commercial scale lithium within the County of Imperial. Caution is advised to any person, group or government agency regarding when or if the revenues described and discussed in this Funding Plan come to fruition. This document should be read in conjunction with SB 125, and any subsequently enacted legislation. Should any inconsistencies arise between this document and any existing or subsequently adopted statutory requirements, the statutory language controls.

Definition of Terms

SB 125

SB 125 refers to Senate Bill No. 125 adopted by the California Legislature and approved by the Governor in 2022. This bill adopted numerous amendments to the California Code, including the Lithium Extraction Tax Law, codified in Revenue and Taxation Code §§ 47000 et seq (statutory references in this document are to the Revenue and Taxation Code unless otherwise specified). In particular, this tax law requires any person who extracts lithium from geothermal fluid, spodumene ore, rock, minerals, clay, or any other naturally occurring substance in this state to pay a lithium extraction excise tax upon each metric ton of extracted lithium carbonate equivalent.

County of Imperial:

Imperial County, located in southeastern California bordering Mexico and Arizona, spans approximately 4,482 square miles in the Colorado Desert. Its economy is primarily agricultural, producing crops like alfalfa and lettuce, and benefits from cross-border trade with Mexico. With a diverse population of around 179,702 as of the 2020 census, the county faces challenges such as high unemployment and environmental issues related to the Salton Sea. Major transportation routes include Interstate 8 and State Route 111, and the region is served by Imperial County Airport and various educational institutions, including Imperial Valley College. The county seat is El Centro.

Direct Lithium Extraction (DLE)

Direct lithium extraction (DLE) from geothermal brine involves pumping hot, mineral-rich water from underground, passing it through filters or membranes to selectively extract lithium ions, and then concentrating and purifying these ions into lithium compounds like lithium carbonate or lithium hydroxide for battery production. The remaining brine is re-injected back into the Earth, making the process environmentally friendly by utilizing existing geothermal resources and reducing the need for traditional mining.

Lithium

Lithium is a soft, silvery-white metal that is highly reactive and the lightest solid element. It is primarily used in rechargeable lithium-ion batteries, which power a wide range of devices from smartphones to electric vehicles (EVs). In a net-zero future, lithium plays a crucial role in the transition to clean energy by enabling the widespread adoption of EVs and the storage of renewable energy from sources like solar and geothermal. Lithium batteries are essential for reducing greenhouse gas emissions by replacing fossil fuel-powered vehicles, providing reliable energy storage solutions that support the stability and efficiency of renewable energy systems by evening out variable and intermittent off-peak electricity generation.

Lithium Carbonate Equivalent

Lithium Carbonate Equivalent (LCE) is a standardized measure used in the lithium industry to quantify the amount of lithium content in various compounds and products. It converts different forms of lithium, such as lithium hydroxide or lithium chloride, into a common unit based on lithium carbonate (Li_2CO_3) to simplify comparisons and valuations. This standardization helps in assessing the total lithium content in resources, production, and market analysis, facilitating better understanding and consistency across the industry.

Lithium Valley

In 2023, a Lawrence Berkeley National Lab study conducted in partnership with the US Department of Energy found that there is 17 million+ metric tons of lithium available in the geothermal brine in the northern area of Imperial County, California. The area has since been coined “Lithium Valley”. Lithium Valley is sustainable solution to the Country’s need for a domestic supply of lithium to power batteries in the transition to an electrified, net-zero future.

Producer

Section 47002(h) defines “Producer” as any person who extracts lithium from geothermal fluid, spodumene ore, rock, minerals, clay, or any other naturally occurring substance in this state.

Lithium Valley Directly Affected Communities

Directly Affected Communities include: Bombay Beach, City of Brawley, City of Calipatria, Niland and City of Westmorland. At its discretion, the Board of Supervisors may expand this list when presented with evidence of another Imperial County community directly affected by the lithium extraction activities.

Lithium Valley Indirectly Affected Communities

Indirectly Affected Communities include: Bard, City of Calexico, Desert Shores, City of El Centro, Heber, City of Holtville, City of Imperial, Ocotillo, Palo Verde, Salton City, Salton Sea Beach, Seeley, Winterhaven, Vista Del Mar. At its discretion, the Board of Supervisors may expand this list when presented with evidence of another Imperial County community indirectly affected by the lithium extraction activities.

All Affected Communities

All Affected Communities include the communities listed in Directly Affected Communities and Indirectly Affected Communities identified above.

Quality of Life Advisory Committee

The Imperial County Quality of Life Advisory Committee (QLAC) is a Committee which recommends projects for inclusion in the Community Benefit Program (an allocation category of the excise tax disbursements) that improve the quality of life for residents in Imperial County. Examples include green spaces, resident support services, transportation services, educational enhancements, scholarships, tribal programs, recreation, entertainment, and health and wellness improvements.

Additional statutory definitions are provided under Revenue and Taxation Code Section 47002.

SB 125 - The Lithium Extraction Excise Tax

Tax Rates – 2023 to 2024

Section 47010(a) states that beginning January 1, 2023, a Producer will be required to pay a lithium extraction excise tax for each metric ton of lithium carbonate equivalent extracted from geothermal fluid, spodumene ore, rock, minerals, clay, or any other naturally occurring substance in this state. The tax schedule is as follows:

Lifetime Cumulative Metric Tons of Lithium Carbonate Equivalent Extracted	Tax Rate per Metric Ton Extracted
20,000 or less	\$400
20,001 to 30,000	\$600
30,001 and over	\$800

Lithium and lithium compounds can be extracted in different forms and methods, for this reason, SB 125 uses lithium carbonate equivalent (also known as LCE). All lithium and compounds extracted will be converted to LCE by multiplying the tonnage of lithium and lithium compounds by the appropriate conversion factor:

Lithium Compound	Conversion Factor
Lithium (Li)	5.323
Lithium oxide (Li ₂ O)	2.473
Lithium chloride (LiCl)	0.871
Lithium bromide (LiBr)	0.425
Lithium hydroxide monohydrate (LiOH.H ₂ O)	0.880
Butyllithium (C ₄ H ₉ Li)	0.576
Lithium carbonate (Li ₂ CO ₃)	1.000

A company's rate will be based on their lifetime cumulative metric tons of lithium carbonate equivalent extracted. As an example, if Company A extracted 5,000 metric tons in year 1, 20,000 metric tons in year 2, and 20,000 metric tons in year 3, they would pay the following tax:

Year	Company X – Metric Tons of LCE Extracted	Company X Lifetime Cumulative Extraction Total	Tax Rate per Metric Ton Extracted	Tax Owed
Year 1 Q4	5,000	5,000	\$400	\$2,000,000
Year 2 Q1	5,000	10,000	\$400	\$2,000,000
Year 2 Q2	10,000	20,000	\$400	\$4,000,000
Year 2 Q3	5,000	25,000	\$600	\$3,000,000
Year 2 Q4	5,000	30,000*	\$600	\$3,000,000
Year 3 Q1	5,000	35,000	\$800	\$4,000,000
Year 3 Q2	15,000	50,000	\$800	\$12,000,000

* Any future extraction after 30,000 metric tons (cumulatively) would be taxed at \$800/metric ton.

Section 47010(b)(2) further provides that where the permit (ownership) of a mine, lithium extraction facility, or well changes, the cumulative amount of lithium carbonate extracted previously reported by the producer shall be assumed to be 30,000 metric ton.

Tax Rates – 2025 and Forward

Section 47010(c) states that, beginning January 1, 2025, “the lithium extraction tax rate shall be adjusted annually by the department [California Department of Tax and Fee Administration] consistent with increases and decreases in the cost of living, as measured by the California Consumer Price Index issued by the Department of Industrial Relations or successor agency, rounded to the nearest dollar. The first adjustment pursuant to this subdivision shall be an amount equal to the

increase or decrease in the California Consumer Price Index for all urban consumers (CPI-U) from June 2023 to June 2024. Subsequent annual adjustments shall cover subsequent 12-month periods. The adjusted rate shall apply beginning the following January 1.”

Allocation of Excise Tax Funds

Allocation of Funds per SB 125	Percentage
Salton Sea Restoration Fund	20%
County of Imperial	80%

20% Salton Sea Restoration Allocation (State of California or State Allocation)

Section 47100(b) requires that 20% of the lithium excise tax is allocated to the Lithium Subaccount within the Salton Sea Restoration Fund created in Fish and Game Code Section 2951, which is managed by the California Natural Resources Agency. As of August 2024, no plan has been released by the State regarding how these funds will be used. Any questions should be directed to the California Director of Fish and Wildlife or the Salton Sea Restoration Fund management team.

80% County of Imperial Distribution/Allocation (County Allocation)

Section 47100(a)(1) allocates 80% of the lithium tax to be disbursed to the County of Imperial and provides the following direction: “Each county shall establish for deposit of these revenues an account or fund separate from the other accounts and funds of the county.” Section 47100(a)(2)(A) further provides that: “Of the amount disbursed to the County of Imperial pursuant to this subdivision, the county shall establish a method to distribute an amount not less than 30% of that disbursed amount to the County of Imperial communities that are most directly and indirectly impacted by the lithium extraction activities, including, but not limited to, the following communities:”

Directly Affected Communities:

Bombay Beach
 The City of Brawley
 The City of Calipatria
 Niland
 The City of Westmorland

Indirectly Affected Communities:

Bard
 The City of Calexico
 Desert Shores
 The City of El Centro
 Heber
 The City of Holtville
 The City of Imperial
 Ocotillo
 Palo Verde
 Salton City
 Salton Sea Beach
 Seeley
 Winterhaven
 Vista Del Mar

Section 47100(a)(2)(B) states that the County of Imperial shall annually, on a date and in a manner determined by the California Department of Tax and Fee Administration, report to the department the communities to which funding was distributed pursuant to Section 47100(a)(2)(A).

Tribal Communities in Imperial County

SB 125 did not specifically designate the Quechan Tribe or the Torres Martinez Tribe as a community affected by lithium extraction activities. However, SB 125 gives the County discretion to identify other communities affected by lithium extraction activities (i.e. Section 47100(a)(2)(A) [“including, but not limited to...”]). Both Quechan Tribe and Torres Martinez Tribe reservations are located within Imperial County, California and would be affected by lithium extraction activities. The Fort Yuma-Quechan Reservation is located in southeastern Imperial County near the communities of Winterhaven and Bard, and the Torrez-Martinez Reservation is located on the northwest shores of the Salton Sea near the communities of Salton Sea Beach and Desert Shores, and would be affected by lithium extraction similar to other Indirectly Affected Communities explicitly listed in SB 125. The County has designated the Quechan Tribe and Torres Martinez Tribe as Indirectly Affected Communities and added the Tribes to the All-Affected Communities category within

the County's funding plan. Additionally, the County of Imperial has allocated tribal and cultural affairs funding within the Lithium Community Benefits Program, which is part of the overall funding plan.

Population Data and Reporting

Population data for all cities and communities (except tribes) is sourced from: <https://data.census.gov/>. The County will typically use census county divisions (CCD) and census designated places (CCP) where appropriate based on census data available. Tribal population will be verified directly with the tribes with federal support data. The County has discretion to choose the most appropriate source of population data, and if additional population data from verified state or federal sources becomes available, the County will use the data to update the population statistics, to be used for the following year. No retroactive funding will be provided for the previous year.

The County of Imperial is required to annually report, on a date and in a manner determined by the Department of Tax and Fee Administration, the communities to which funding was distributed. (Section 47100(a)(2)(B).)

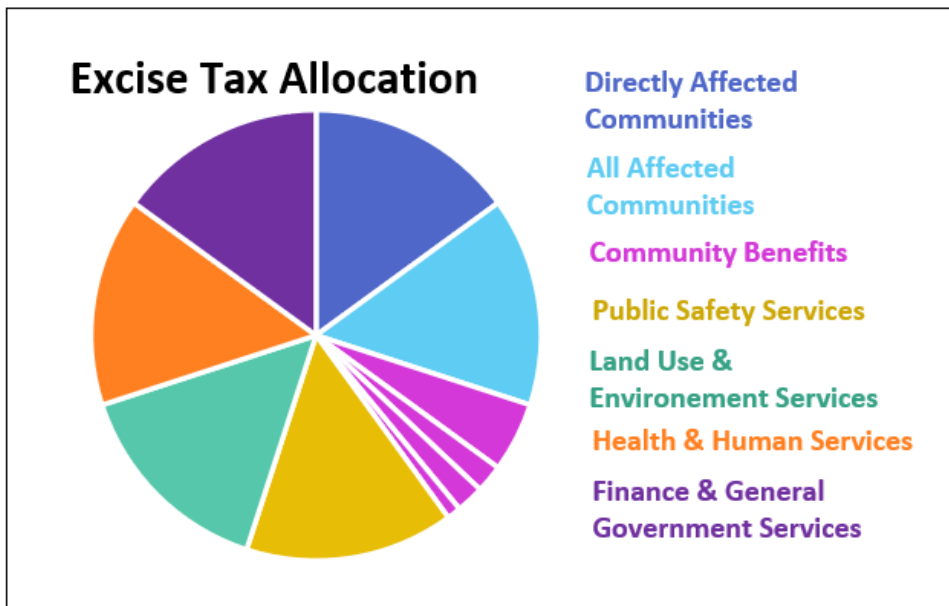
County of Imperial Lithium Excise Tax Allocation Structure

Distribution of Funds per SB 125	Percentage	Metric Tons	Tax Per Metric Ton	Revenue Example*
Salton Sea Recovery (Managed by State of CA)	20%	20,000	\$400	\$1,600,000
County of Imperial Distribution (Managed locally)	80%	20,000	\$400	\$6,400,000

* Revenue Example is displayed only as an example and is based on the 2024 established State tax rates

15/15 Funding Plan with Example

County of Imperial's Distribution	Revenue Example: \$6,400,000	
Directly Affected Communities	15%	\$960,000
All Affected Communities	15%	\$960,000
Lithium Community Benefits Program		
Imperial County Quality of Life Projects	5%	\$320,000
Community Endowment	2%	\$128,000
Tribal and Cultural Affairs	2%	\$128,000
Industry and Upskilling Scholarships	1%	\$64,000
County of Imperial		
Public Safety Services	15%	\$960,000
Land Use and Environment Services	15%	\$960,000
Health and Human Services	15%	\$960,000
Finance and General Government Services	15%	\$960,000
Total Allocation of the County's Distribution	100%	\$6,400,000



*Community allocations will be reviewed every three years and may be modified at that time. Any modifications must be made during an Imperial County Board of Supervisors public meeting with a 4/5 vote of approval. County of Imperial allocations are targeted to be 15% to each service division; however, department allocations will be determined annually by the Board of Supervisors based on overall County and Lithium Valley development needs

Directly Affected Communities

Directly Affected Communities will receive 15% of the disbursement of the County’s 80% allocation under Section 47100(a)(1). Allocations to each community are determined by a combination of population and geographic distance to the lithium resource outlined in the examples below. A location priority bonus is applied to Calipatria (4,500 population bonus), Niland (2,500 population bonus), and Westmorland (2,000 population bonus) due to their geographic proximity to the lithium resource. For purposes of the allocation formula, the geographic proximity is added by adding a population “bonus” to the communities when calculating percentage of population. This creates a mechanism to account for both location and population.

Directly Affected Communities will receive an additional allocation as part of the All-Affected Communities category, which also receives 15% of the County’s 80% allocation under Section 47100(a)(1). Use of funds dispersed to each community will be managed independently by each community, however, a record of all funds spent will be required to be submitted to the State of California annually and will be public record. The funds for townships and unincorporated communities will be managed by the County of Imperial through local advisory committees, who will determine their town’s priorities for using the funds.

Disbursement Example Based on the County of Imperial Receiving \$6,400,000

Directly Affected Communities				
Location	Population	% of Pop	15% Allocation	Amount
Bombay Beach	231	0.51%	\$960,000	\$4,935.46
Brawley	26,416	58.79%	\$960,000	\$564,394.20
Calipatria	6,515	14.50%	\$960,000	\$139,197.01
Location Priority Bonus	4,500	10.02%	\$960,000	\$96,145.29
Niland	756	1.68%	\$960,000	\$16,152.41
Location Priority Bonus	2,500	5.56%	\$960,000	\$53,414.05
Westmorland	2014	4.48%	\$960,000	\$43,030.36
Location Priority Bonus	2,000	4.45%	\$960,000	\$42,731.24
Total Population* (w/bonus)	44,932	100%		\$960,000.00

* Actual population is 35,932

Note: Totals may not be exact due to rounding

All-Affected Communities				
Location	Population	% of Pop	15% Allocation*	Amount
Bombay Beach	231	0.15%	\$912,500	\$3,735.10
Brawley	26,416	16.62%	\$912,500	\$143,739.27
Calipatria	6,515	4.10%	\$912,500	\$37,333.96
Niland	756	0.48%	\$912,500	\$6,542.13
Westmorland	2014	1.27%	\$912,500	\$13,268.32

* Further explanation of why \$912,500 is used instead of \$960,000 is provided on the following page

Directly Affected Community Totals	
Bombay Beach	\$8,631.10
Brawley	\$708,123.27
Calipatria	\$272,725.96
Niland	\$76,046.13
Westmorland	\$98,996.32

Indirectly Affected Communities

Indirectly affected communities receive an allocation of funds within the All-Affected Communities category.

All-Affected Communities

All-Affected Communities include indirectly affected communities and directly affected communities. All-Affected Communities will receive a base allocation of \$2,500 from the 15% allocation. The remaining allocation will be based on population percentage of All-Affected Communities (not including the Location Priority Bonus from the Directly-Affected Communities calculation). In the example below, there are 19 communities receiving allocations, 19 x \$2,500 equals \$47,500. In this example, \$47,500 is subtracted from the 15% allocation of \$960,000 to equal \$912,500, then each community receives an additional allocation from the \$912,500 based on their population percentage.

All-Affected Communities				
Location	Population	% of Pop	15% Allocation	Amount*
Bombay Beach	231	0.14%	\$912,500	\$3,735.10
Brawley	26,416	15.48%	\$912,500	\$143,739.27
Calipatria	6,515	3.82%	\$912,500	\$37,333.96
Niland	756	0.44%	\$912,500	\$6,542.13
Westmorland	2014	1.18%	\$912,500	\$13,268.32
Calexico	38,633	22.64%	\$912,500	\$209,060.29
Desert Shores	1,128	0.66%	\$912,500	\$8,531.11
El Centro	44,322	25.97%	\$912,500	\$239,477.85
Heber CDP	6,896	4.04%	\$912,500	\$39,371.06
Holtville CCD	7,700	4.51%	\$912,500	\$43,669.84
Imperial	20,263	11.87%	\$912,500	\$110,840.83
Ocotillo CDP	215	0.13%	\$912,500	\$3,649.55
Palo Verde CDP	152	0.09%	\$912,500	\$3,312.70
Salton City CDP (includes Vista Del Mar)	5,155	3.02%	\$912,500	\$30,062.40
Salton Sea Beach CDP	508	0.30%	\$912,500	\$5,216.14
Seeley CDP	1,729	1.01%	\$912,500	\$11,744.50
Winterhaven-Bard CCD	2,698	1.58%	\$912,500	\$16,925.48
Quechan Tribe	2,475	1.45%	\$912,500	\$15,733.16
Torres Martinez Tribe	2,859	1.68%	\$912,500	\$17,786.31

*Amount includes \$2,500 base allocation prior to population allocation. Totals may not be exact due to rounding.

Note: to accurately account for the population of the Winterhaven-Bard CCD region, census data is being used for Winterhaven-Bard CCD instead of Bard and Winterhaven individually. Vista Del Mar is within the Salton City CDP.

Disbursements of Funds

Disbursements will be made directly to communities on a quarterly basis following disbursement from the State to the County. Unincorporated communities and township funds will be managed by the County of Imperial and used in those respective communities. Advisory groups may recommend projects to the Board of Supervisors for approval. Recommended projects may be physical improvements or social programs within the unincorporated community other than direct distributions of funds to residents of the unincorporated community. Disbursement of the funds does not constitute approval of any specific project; projects approved to use such funds shall be subject to their own clearance under the California Environmental Quality Act (CEQA). Note: Disbursement time from the State is unknown at this time.

Lithium Community Benefits Program

The Lithium Community Benefits Program is intended to be an additional benefit to the community using a portion of the excise tax distributed from the extraction of lithium in Imperial County. All funds must be used for projects or scholarships in Imperial County. Projects selected should improve the quality of life for residents in Imperial County. No more than 25% of funds may be used in any one community each calendar year without special approval by the Imperial County Board of Supervisors. No funds may be used to fund litigation against the County. Funds allocated will be public. The Board of Supervisors must approve any disbursements under the Lithium Community Benefits Program by a majority vote. Approval of disbursements does not constitute approval of any specific project; projects approved to use such funds shall be subject to their own clearance under the California Environmental Quality Act (CEQA).

Lithium Community Benefits Program	Percent From the County of Imperial's Distribution
Imperial County Quality of Life Projects	5%
Community Endowment	2%
Tribal and Cultural Affairs	2%
Industry and Upskilling Scholarships	1%

Imperial County Quality of Life Projects

Quality of Life Projects may include things like green spaces, resident support services, childcare services, transportation services, educational enhancements, scholarships, recreation, entertainment, beautification projects, infrastructure, and health and wellness improvements.

Quality of Life Advisory Committee

The Lithium Community Benefits Program will be managed by an Imperial County Quality of Life Advisory Committee (QLAC) in coordination with the Imperial County Board of Supervisors. QLAC meetings will be open to the public, who may attend and share ideas for community improvements. The purpose of the QLAC is to recommend projects that improve the quality of life for residents in Imperial County. The QLAC may provide recommended project and allocation plans to the Imperial County Board of Supervisors for approval, which must be voted on during QLAC's public meetings. QLAC's recommendation must be supported by a majority vote of the committee (except for the "Tribal and Cultural Affairs" component recommendation specified below). QLAC will be comprised of fourteen (14) representatives from the following areas, which are based on the Department of Energy's community benefit agreement recommendations with the addition of agriculture due to its significance in Imperial County:

- **Agriculture (1)**
- **Community Based Organizations (4)**
 - o Health
 - o Local (Community Resident)
 - o Food Insecurity
 - o Youth
- **Economic Development (1)**
- **Education (1)**
- **Environmental (1)**
- **Faith-Based (1)**
- **Labor (1)**
- **Small Business/Chamber (1)**
- **Tribes located in Imperial County (2)**
- **Imperial County Supervisor as Chair (1)**

QLAC Committee Members

QLAC members must be residents of Imperial County and apply for a two-year seat in their respective category. The first QLAC committee will be staggered to have one, two, and three years, which will establish a revolving board. QLAC members will have an equal vote to determine the recommendation(s) of QLAC funds to the Imperial County Board of Supervisors (except for Tribal and Cultural Affairs allocation, discussed below). Individuals will self-nominate for their respective category using an application form provided by the County of Imperial. To represent any given category, individuals must work in that category or be a member of the category. The QLAC committee will be selected by a majority vote of the Imperial County Board of Supervisors from the applications received. If no applications are received for any

given category, a second representative may be selected by the Board of Supervisors from a different category, however, no one category may have more than three representatives.

Community Endowment

The community endowment will create a framework to build financial longevity in the region that can grow over the years. From the lithium excise tax allocation, 2% will be invested in an Imperial County community endowment. Annually, up to 10% can be withdrawn from the endowment fund to support the Lithium Community Benefits Program. QLAC may provide recommendations on the expenditure of the endowment fund. Use of funds withdrawn must be used in Imperial County to advance quality of life initiatives and must have majority approval from the Imperial County Board of Supervisors. Details for the endowment structure will be shared once selected.

Tribal and Cultural Affairs

The County of Imperial has allocated funds within its allocation to support and advance tribal and cultural affairs. These funds can be used for a variety of tribal projects or services including but not limited to projects on tribal reservations within the County of Imperial, cultural preservation projects in the County, special exhibits, improvements to tribal infrastructure in the County, and tribal scholarships. Recommendations of the QLAC for allocation of tribal funds must be supported by at least one tribal representative on QLAC. QLAC tribal representatives must be a member of a Native American tribe, and priority will be given to tribes with reservations within the County of Imperial, however, representatives may also coordinate with additional tribes on project/funding ideas to be presented to the Imperial County Board of Supervisors.

Industry and Upskilling Scholarships

The extraction of lithium in Imperial County will significantly grow workforce needs across the region, especially within the lithium and geothermal industry. The County of Imperial has allocated 1% of the lithium excise tax for scholarships and upskilling within the industry to create a pathway for residents who would like to develop new skillsets to work in the industry. Additional details to be added as the program is developed.

County of Imperial Departments

The County of Imperial will target allocating 15% of the lithium excise tax to each of its four service divisions. Allocation within each division will be at the discretion of the County Board of Supervisors, based on priority of services needed within each respective division. At the discretion of the Board of Supervisors, funds may be allocated at different percentages within the County of Imperial to ensure the development needs of the County and Lithium Valley. Allocation does not constitute approval of any specific project; projects approved to use such funds shall be subject to their own clearance under the California Environmental Quality Act (CEQA). The departments within each division are listed below:



Public Safety Services

Departments: Child Support Services, District Attorney, Fire, Probation/Corrections, Public Defender, Sheriff

Examples of Services in this Division

Fire protection services in remote areas of the County as well as emergency support for cities, law enforcement in unincorporated areas, operating and maintaining county detention facilities, conduct child support collection & distribution services to meet children's needs, investigating and prosecuting criminals, help offenders reintegrate into society while following court-imposed conditions



Health and Human Services

Departments: Behavioral Health Services, Social Services, Public Administration, Public Health, Veterans, Workforce and Economic Development

Examples of Services in this Division

Workforce training support, job placement services, health services for the community, support of veterans, help older adults live independently, provide services, such as therapy and rehabilitation, to improve mental health or treat substance use disorders



Land Use & Environment Services

Departments: Agriculture Commissioners, Library, Planning, Cooperative Extension, Air Pollution Control District, Public Works, Airport

Examples of Services in this Division

Operating and maintaining countywide weights and measures, support and growth of the County airport, roads, bridges and public works improvements, connect people to information, resources, and educational services, ensures the efficient development of the County



Finance & General Government Services

Departments: Assessors, Clerk Recorders, County Counsel, Clerk of the Board, CEO/Budget Finance, Human Resources, Auditors, Treasure Tax Collector, Fleet, Information & Technical Services, Elections/ROV, Procurement

Examples of Services in this Division

Governance and leadership over programs and strategy for the County, administer election services and maintain campaign finance disclosures, assess real estate and personal property, maintain vital records and public documents

Frequently Asked Questions

Disbursement of Funds

How often will the County of Imperial disperse the tax allocation?

Disbursement time from the state is unknown at this time and could take up to a year, however, disbursements will be made directly to communities on a quarterly basis following disbursement from the state to the county.

Will the disbursement amounts change every year?

Yes, the disbursement amounts may change since they are directly correlated to the amount of lithium extracted. The tax rate per metric ton is determined by SB 125.

How often will you update population size for the allocations?

Population information will be reviewed and updated annually.

Can the allocation categories change?

SB 125 allocates 80% of the lithium extraction tax to be disbursed to the County of Imperial and 30% of the 80% will be disbursed from the County to directly and indirectly affected communities. The County of Imperial allocation categories will be reviewed by the Board of Supervisors every three years and can be modified during a public board meeting. Any modifications must be made during an Imperial County Board of Supervisors public meeting with a 4/5 vote of approval. County of Imperial allocations are targeted to be 15% to each business divisions; however, department allocations will be determined annually by the Board of Supervisors based on overall County and Lithium Valley development needs.

Cities and Townships

Why do the directly affected communities get two allocations?

Directly affected cities are geographically closer to the lithium resource and are anticipated to be more directly impacted by infrastructure and development needs.

Why is there a location priority bonus?

The location priority bonus provides a distribution mechanism for the three cities that are geographically closest to the lithium resource to receive an additional allocation because they are anticipated to be the most impacted by lithium extraction out of the directly affected communities. The bonus ensures that smaller cities receive a priority allocation based on location rather than population.

How will cities spend the disbursement they are allocated?

Each incorporated city will be responsible for determining the use of their allocation. As outlined in SB 125, this disbursement will be reported annually to the State of California and will be public record.

What if I don't agree with how my community is spending its allocation?

If you have questions or concerns regarding how your city or tribe is spending its allocation, you are encouraged to speak with your local city or tribal council. If your community is unincorporated and managed by an advisory council in conjunction with the County of Imperial, please contact the County for questions or concerns.

Will townships or unincorporated areas benefit from the tax?

Unincorporated and township funds will be managed by the County of Imperial and dispersed to designated advisory groups for use in those respective communities.

Geothermal Energy

Geothermal Energy

Geothermal energy is natural heat of the Earth, the energy, in whatever form, below the surface of the earth present in. This heat can be used to produce electricity, heat buildings, and for other purposes. It is a clean and renewable source of energy because the Earth's heat is constantly being produced and is not depleted by use.

Geothermal Power Production

Geothermal power production generates electricity by using the Earth's natural heat. Wells are drilled deep into the Earth to access hot rocks or underground reservoirs of hot water, which turn into steam. This steam rises and typically drives a turbine connected to a generator, producing electricity. Afterward, the steam is cooled back into water and re-injected into the Earth to be reheated, making the process sustainable and continuous.

Imperial County's Good Neighbor CBA and the Lithium Community Benefits Program

Is the County's Good Neighbor CBA part of the Lithium Community Benefits Program?

An Imperial County Good Neighbor Community Benefit Agreement (CBA) is a separate agreement between a company and the County of Imperial that highlights a company or developer's commitments to the Imperial County community. For companies who extract lithium, the excise tax funds from that company that are anticipated to be paid (or have been paid) may be listed within the Good Neighbor CBA as an ancillary benefit the company brings to the community.

Imperial County's Allocation

How will the County of Imperial Spend their allocation?

The County of Imperial will target allocating 15% of the lithium excise tax to each of its four service divisions. Allocation within each division will be at the discretion of the County Board of Supervisors, based on priority of services needed within each respective division. At the discretion of the Board of Supervisors, funds may be allocated at different percentages within the County of Imperial to ensure the development needs of the County and Lithium Valley.

Will the development needs of Lithium Valley and the surrounding area be prioritized with this funding?

Building the services and infrastructure needed to develop and advance Lithium Valley is a priority for the County of Imperial.

Lithium Community Benefits Program

What is the Lithium Community Benefits Program?

The Lithium Community Benefits Program is intended to be an additional benefit to the local community using a portion of the excise tax distributed from the extraction of lithium in Imperial County. This 10% allocation was not designated by SB 125. The County of Imperial opted to direct 10% of the 80% distribution the County receives to be designated for a special Lithium Community Benefits Program. The Lithium Community Benefits Program is guided by projects and initiatives that the community shared during community engagement events from 2021 – 2024 on the suggested use of lithium extraction funds.

What types of projects are considered quality of life projects?

Quality of Life Projects may include things like green spaces, resident support services, childcare services, transportation services, educational enhancements, scholarships, recreation, entertainment, beautification projects, infrastructure, and health and wellness improvements.

What communities will receive quality of life projects?

Quality of Life Projects may occur in any community or area within Imperial County.