



Peace and Justice Commission

CONSENT CALENDAR  
July 11, 2017

To: Honorable Mayor and Members of the City Council

From: Peace and Justice Commission

Submitted by: Alex Mabanta, Chairperson, Peace and Justice Commission

Subject: Ending Tax Breaks for Private Prisons Act

RECOMMENDATION

Adopt a Resolution to:

1. Direct the City Clerk to send a letter to Rep. Devin Nunes (R-CA) of the Joint Committee on Taxation with copies to all members of the Congressional Joint Committee on Taxation, and the Senate Finance Committee calling on Congress to pass the "Ending Tax Breaks for Private Prisons Act;" and
2. Have the Council of the City of Berkeley sign the MoveOn.org online petition telling congress to end private prison tax breaks.

FISCAL IMPACTS OF RECOMMENDATION:

None

CURRENT SITUATION AND ITS EFFECTS

At its regular meeting on December 5, 2016, the Peace and Justice Commission unanimously adopted the following recommendation:

M/S/C: (Bohn/Mabanta) the Peace and Justice Commission recommends the City of Berkeley adopt a Resolution in favor of supporting "Ending Tax Breaks for Private Prisons Act"

Ayes: Lippman, G., Bohn, D., Orozco C., Gause, R.,(temp), Mabanta, A., Meola, B., Maran, R., Silvey, Z.

Noes: None

Abstain: None

Absent: Agrawal, T., Nicely M.

BACKGROUND

See Background below

ENVIRONMENTAL SUSTAINABILITY

There are no identifiable environmental impacts or opportunities associated with the subject of this report.

RATIONALE FOR RECOMMENDATION

Private prison corporations GEO Group and Corrections Corporation of America (CCA) qualified for Real Estate Investment Trust (REIT) status in 2013, which creates a loophole for them and their investors to make billions in profit from incarcerating people of color and immigrants tax-free; in 2015 alone, CCA and GEO received a \$113 million tax break; and Senator Ron Wyden D-OR in July 2016 introduced the “Ending Tax Breaks for Private Prisons Act of 2016” to end prison REIT tax loopholes;<sup>1</sup> and Senator Wyden and 11 other Senators sent a letter to Department of Homeland Security Secretary Jeh Johnson, stating, “we strongly oppose the use of for-profit prison companies in immigration detention” and raising alarm about the lack of transparency in detention contracts, which has too often led to poor conditions and exorbitant costs to the taxpayers;”

ALTERNATIVE ACTIONS CONSIDERED

None

CITY MANAGER

The City Manager takes no position on the content and recommendations of the Commission’s Report.

CONTACT PERSON

Manuel Ramirez, Acting Secretary, Peace and Justice Commission

Attachments:

- 1: Resolution
- 2: Addresses for Resolution

RESOLUTION NO. ##,###-N.S.

ENDING TAX BREAKS FOR PRIVATE PRISONS ACT

WHEREAS, the Peace and Justice Commission advises the City Council on all matters relating to the City of Berkeley's role in issues of peace and social justice (Berkeley Municipal Code Chapter 3.68.070); and

WHEREAS, on July 19, 2016, the Berkeley City Council Adopted a Resolution calling for divestment from private prisons by the City of Berkeley;<sup>2</sup> and

WHEREAS, private prison corporations GEO Group and Corrections Corporation of America (CCA) qualified for Real Estate Investment Trust (REIT) status in 2013, which creates a loophole for them and their investors to make billions in profit from incarcerating people of color and immigrants tax-free; in 2015 alone, CCA and GEO received a \$113 million tax break;<sup>3</sup> and

WHEREAS, Senator Ron Wyden D-OR in July 2016 introduced the "Ending Tax Breaks for Private Prisons Act of 2016" to end prison REIT tax loopholes;<sup>4</sup> and

WHEREAS, Senator Wyden and 11 other Senators sent a letter to DHS Secretary Jeh Johnson, stating, "we strongly oppose the use of for-profit prison companies in immigration detention" and raising alarm about the lack of transparency in detention contracts, which has too often led to poor conditions and exorbitant costs to the taxpayers;"<sup>5</sup> and

WHEREAS, Senator Ron Wyden has initiated a petition entitled "Tell Congress: End Private Prison Tax Breaks!" directed to all members of the House and Senate, urging and end to the "outrageous, unjust Real Estate Investment Trust loophole in our tax code that gives a big, unfair tax break to private prison owners".<sup>6</sup>

NOW THEREFORE, BE IT RESOLVED that the Council of the City of Berkeley directs the City Clerk to send a letter to Rep. Devin Nunes (R-CA) of the Joint Committee on Taxation with copies to all members of the Congressional Joint Committee on Taxation, and the Senate Finance Committee calling on Congress to pass the "Ending Tax Breaks for Private Prisons Act".

BE IT FURTHER RESOLVED that the Council of the City of Berkeley sign the MoveOn.org online petition telling congress to end private prison tax breaks.

Representative Barbara Lee  
2267 Rayburn House Office Building  
Washington, DC 20515

Senator Dianne Feinstein  
United States Senate  
331 Hart Senate Office Building  
Washington, D.C. 20510

Senator Kamala Harris  
Senate Office Building  
Washington, D.C. 20510

Senator Ron Wyden  
221 Dirksen Senate Office Bldg.  
Washington, D.C, 20510

The Joint Committee on Taxation:  
502 Ford House Office Building  
Washington, DC. 20515

Kevin Brady, Chairman  
1011 Longworth house Office building  
Washington, DC 20515

Senator Orrin Hatch, Vice Chairman  
104 Hart Office Building  
Washington, DC 20510

Sam Johnson  
2304 Rayburn HOB  
Washington, DC 20515

Devin Nunes  
Longworth House Office Building, S 1013  
Washington DC 20515

John Lewis  
343 Cannon House Office building  
Washington, DC 20515

Richard Neal  
341 Cannon House Office Building  
Washington, DC 20515

Representative Paul Ryan  
1233 Longworth HOB  
Washington, D.C. 20515

Senate Committee on Finance:  
219 Dirksen Senate Office Building  
Washington, DC 20510-6200

Chuck Grassley, Iowa.  
Mike Crapo, Idaho.  
Pat Roberts, Kansas.  
Mike Enzi, Wyoming.  
John Cornyn, Texas.  
John Thune, South Dakota.  
Richard Burr, North Carolina.

Senator Ron Wyden  
221 Dirksen Senate Office Bldg.  
Washington, D.C., 20510

---

<sup>1</sup> "Ending Tax Breaks for Private Prisons Act,"  
<http://www.finance.senate.gov/imo/media/doc/Wyden%20Final%20Prison%20REIT%20language%20MCG16353.pdf>

<sup>2</sup> Item #28, July 19, 2016 City Council meeting,  
<http://records.cityofberkeley.info/Agenda/Meetings/ViewMeeting?id=193&doctype=1>

<sup>3</sup> "Senate Bill Would End Tax Breaks for Private Prison Companies," Mike Ludwig, Truth Out:  
<http://www.truth-out.org/news/item/36879-senate-bill-would-end-tax-breaks-for-private-prison-companies>

<sup>4</sup> "Ending Tax Breaks for Private Prisons Act,"  
<http://www.finance.senate.gov/imo/media/doc/Wyden%20Final%20Prison%20REIT%20language%20MCG16353.pdf>

<sup>5</sup> "Wyden, Merkley Demand Answers from Dept. of Homeland Security on Use of Private Prisons," Sept. 26, 2016, <https://www.wyden.senate.gov/news/press-releases/wyden-merkley-demand-answers-from-dept-of-homeland-security-on-use-of-private-prisons> :

<sup>6</sup> [http://pac.petitions.moveon.org/sign/tell-congress-end-private?source=c.em.cp&r\\_by=10263019](http://pac.petitions.moveon.org/sign/tell-congress-end-private?source=c.em.cp&r_by=10263019)

