

Local

Property tax shift could hit fire protection

By BOB SMITH
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Fire protection in Santa Cruz County may be cut drastically if the state Legislature goes ahead with its plans to shift local property taxes from special districts to the schools.

Two interlocking proposals are now being considered by state legislators.

One is to use the Special District Augmentation Fund to finance local schools. The Special District Augmentation Fund is a \$2.7 billion fund begun a couple years after the passage of Prop. 13 to bail out the special districts who lost property tax revenues with the passage of Prop. 13. In Santa Cruz County, it is generally used to support fire districts, the library system and county parks.

The second proposal is to take away the incremental growth in property tax revenue from the special districts and return their tax revenues to the level they received just after Prop. 13 went into effect 14 years ago.

Assemblyman Sam Farr said this morning that the latest proposal before the Legislature would transfer 50 percent of SDAF money this year to the schools and the remaining 50 percent next year.

If both proposals pass, local fire chiefs say they will be forced to lay off most of their firefighters and cut service drastically.

"There is no way we can operate," said Freedom Fire Chief Ben Evans.

The Santa Cruz County Fire Chiefs Association said yesterday afternoon that a choice is being made between schools and fire protection. "The fire districts do not dispute the fact that local school districts also are in need of sufficient funds for operations," a statement said. "However, the obligation for school funding is a STATE obligation which the legislature is now seeking to avoid by using local taxes and by suggesting that local fire protection district enact replacement special taxes or assessments to maintain fire protection levels.

"The fire districts believe that the proposed legislation is contrary to Prop. 13 and it unfairly pits local governments against each other when the financial responsibility is one of the state," the association's statement concluded.

The special districts, Farr said, "are absolutely livid that the state would think of shifting the revenues back to the schools.

Farr said this morning that the tax-shift ideas came from Gov. Pete Wilson, but that he supports the SDAF proposal.

"This is the governor's plan but

I support it because I don't know any other way to do it," Farr said.

The Legislature is now considering allowing county Boards of Supervisors, at the request of their cities, to raise the local sales tax. Right now, cities and counties are allowed to levy a 1-percent sales tax that is collected by the state and then sent back to the local jurisdictions where the sales were made.

The proposal is to raise the cap from 1 percent to 1.75 percent this year and another one-half percent in the 1993-94 fiscal year. "The new proposal is to put the money from the increased sales tax into a countywide pot or fund and then distribute it back to every entity that loses money under the shift," Farr said. "That is a cop-out by the state," says Freedom chief Ben Evans. "Why don't they (the state Legislature) do it."

The Salsipuedes Fire District stands to lose \$76,000 in SDAF money. "We would lose one of our five paid firemen, possibly two," said Fire Chief Ron Hart.

Loss of the incremental property tax revenue as well would cut the Salsipuedes district's revenues in half and take away three full-time personnel.

The same scenario holds true in the Freedom District. The paid staff would be cut from five to two, with the fire station manned 8 a.m. to 5 p.m. weekdays.

"If we are going to stay a Freedom Fire Department, we would have an 8 to 5 fire department with reserves picking up an engine at night," Evans said.

On weekends and at night, says Evans, the department will be relying on its volunteers — paid-call firemen — to come to the station, get the fire engines and then go to the fire or other emergency.

Aptos-La Selva directors last month had enough warning of what might happen to set in motion the legal machinery to hold a special election in November to levy a district-wide assessment that could make up most of its revenue loss — if the measure gets a two-thirds "yes" vote.

The Aptos-La Selva district, said Fire Chief Chuck Mornard, receives \$730,000 annually in SDAF money. If it loses property taxes too, the revenue cut will be \$1.3 million — about 37 percent of the annual revenues.

The Central Fire District, which stretches from Cabrillo College to Santa Cruz city limits and operates four stations, will lose \$1,040,000 in SDAF money. Losing the incremental property taxes also will bring the loss up to \$2.6 million — 55.69 percent of the district's \$5.3 million budget, said Chief Mark Tranchina. One option for the district is to lay off 28 of its 47 employees.