

# EQ-1989-SC County - Rebuilding Finishing touches on quake relief

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SACRAMENTO (UPI) — The California Legislature convened Saturday morning to put the finishing touches on a 12-bill package for earthquake relief that includes a temporary quarter-cent sales tax.

Legislative leaders planned to send the bills to the desk of Republican Gov. George Deukmejian, who is expected to sign them early next week.

To avoid disputes over who takes credit for the measures, Deukmejian has agreed to sign identical versions of each bill.

The tax measure will raise an estimated \$790 million as the sales tax is increased from 6 percent to 6¼ percent from Dec. 1 until Dec. 31, 1990.

Committees in both houses acted on the bills Friday, and legislative staffers worked overnight to fashion identical versions for floor votes.

Several lawmakers said the tax

increase would not be large enough, and the proposal caused state Sen. John Garamendi to announce he would resign as chairman of the Senate taxation committee.

"I couldn't be chairman and disagree with the policy. ... A quarter cent is inadequate," said Garamendi, who favored a half-cent tax increase.

Garamendi said he feared a shortage of funds for quake relief would lead Deukmejian to cut other state programs, such as to expand AIDS prevention and treatment.

State finance director Jesse Huff said the state's share of the estimated \$7 billion in public and private costs from the Oct. 17 killer earthquake is expected to be \$1.035 billion.

He said the state likely will have to dip into its rainy-day reserve, estimated to be between \$600 million and \$1 billion, to supplement the tax increase.

## Earthquake-relief legislation

McCLATCHY NEWS SERVICE

Major earthquake-relief bills passed Saturday by the Legislature will:

- Increase the state sales tax by a quarter-cent for 13 months, beginning Dec. 1, 1989, and ending Dec. 31, 1990.

- Create a \$30 million damage compensation fund for victims of the earthquake who were killed or injured on the Cypress Street viaduct of Interstate 880 or the Bay Bridge.

- Authorize the governor to fund supplemental grants of up to \$10,000 to disaster victims in greatest need.

- Amend the state tax code to allow individuals and businesses to carry forward their

casualty losses for five years on their state income tax returns.

- Authorize the use of state funds for housing needs in earthquake-damaged areas, including low-interest loans for homeowners and low-income rental property and grants for farm worker housing.

- Authorize \$1 million for grants to earthquake-damaged small businesses.

- Speed work on damaged highways and bridges by exempting contractors from various permit procedures.

- Authorize the governor to make emergency funds available for repair of higher education facilities and other disaster-related assistance.