

to 1979

Tax 'subsidy' for Aptos area comes a cropper

Some Aptos residents would have received a slight break on their tax bills next year had a recommendation by Auditor-controller Art Merrill been adopted Monday night by the Santa Cruz County Sanitation District. However, the windfall will not be coming because the district directors felt the break given Aptos residents would only be picked up and paid by Capitola and East Cliff area residents.

What Merrill had proposed was that the district combine the tax rates levied in the old Capitola, East Cliff and Aptos sanitation districts for the repayment of general obligation bonds. Instead of levying three tax rates, a single rate would be established for the entire county sanitation district which was established in 1973 by consolidating the other three.

The rates involved are small — .033 cents per \$100 assessed valuation in the old Capitola district; .04 cents in East Cliff; and .153 cents in the old Aptos district.

Merrill asked that the tax rates in these code areas be "leveled" to .079 cents per \$100 assessed valuation throughout the present district.

In a letter to the directors, Merrill wrote:

"From an administrative standpoint it would assist our office considerably where we would only have one tax rate, fund, general ledger and journal to maintain as opposed to three. It would further reduce considerably the clerical effort regarding the maintenance of code areas. It is estimated that we would drop approximately 10 to 15 code areas in the county due to this consolidation."

Merrill also asked the directors to adopt a resolution making the boundaries of the three code areas (the old Capitola, East Cliff and Aptos sanitation districts) contiguous with the boundaries of the newer, larger, county sanitation district.

The net effect of this would have been to reduce the tax rate in the Aptos area by about 7½ cents per \$100 assessed valuation, but raising it in Capitola by 4½ cents and in East Cliff by almost 4 cents.

Supervisor Dan Forbus, sitting as the sanitation district director (along with Supervisor Dale Dawson and Capitola Councilman Hill Nelson), didn't like the idea.

"When we formed this district, we wanted each separate district to pay its own general obligation bonds," he said.

In discussing the procedures involved in changing the code area boundaries and leveling the tax rate, County Counsel Claire

Carlson told the directors they should hold a public hearing on the proposed changes before taking any action.

"Time is of the essence," Merrill said. He explained it was too late for the proposed new tax rate to be effective in the 1976-77 tax year, but if the board took action now, it could go into effect on July 1 next year. "This has to be in to the (state) Board of Equalization by Dec. 31," he said.

"If we level the rate," Forbus argued, "the people in Capitola and East Cliff will be paying off some of the indebtedness of the people in Aptos."

In response to a suggestion that Carlson be instructed to investigate the procedures involved in making the changes, Forbus declared, "I don't think I can support authorizing county counsel to spend any more time on this."

"Initially, this was the way it was supposed to go (each area paying off its own bonded indebtedness.) We can't go back to the people now and ask them to consolidate it."

Dawson, jokingly, said he liked the idea, because it lowered the tax rate in his supervisorial area. "I was all ready to make a motion."

Merrill conceded that "there would be some inequity now," but because Aptos was a growing area, the tax rates in the three areas would level out in the future.

"Come back to us at that time," Forbus suggested to Merrill.

Declaring that "I have a problem with this," Merrill said it was agreed when the county sanitation district was formed, that consolidation of the tax rates would be discussed "somewhere down the line."

But seeing the mood of the directors, Merrill withdrew his request until such time as the tax rates in the three areas are closer together and such a move would be more acceptable.

REFERENCE

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~~STATION~~
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