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Dispute Over \$9,000

County Auditor Says Watsonville Is Wrong

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The city of Watsonville is mistaken in thinking the county hasn't paid it \$9,000 in property tax penalty payments and interest since passage of Proposition 13, according to County Auditor Art Merrill.

While the city plans to file a claim next week for this money, Merrill said the \$9,000 has been included in the property tax payments the county has made to Watsonville.

City officials, Merrill said, apparently aren't aware this money has been paid because it's not paid separately from the property tax payments.

Merrill chastized Watsonville city officials for not contacting him for an explanation and called the claim "harassment."

"They haven't talked to me or my assistant. If you have a policy question, you shouldn't go to the janitor for an answer," Merrill stated.

"I think there is a harassment factor here, both political and financial," Merrill added.

He said he believes the city is trying to get back at the county, which has filed suit against Watsonville. In that action, at issue is Watsonville's collection of a retirement tax.

Also, Merrill said, Watsonville is up in arms over the county Board of Supervisors' recent objections to the city's redevelopment policies.

But Watsonville City Attorney Don Haile told The Sentinel that plans to file a claim next week have nothing to do with the recent disagreements between the city and county.

"We would have asked for what we are entitled to regardless of whether our relationship with the county is good, bad or indifferent. We can't be responsible for Art Merrill's paranoia," Haile said.

Haile explained that after learning of a suit the city of Los Angeles won against the county of Los Angeles over tax penalty payments, he recommended to the City Council that the matter be looked into.

In that suit, the city of Los Angeles contended that the county of Los Angeles owed it property tax penalty payments and interest that had been collected from city residents who were late in paying their property taxes.

The city of Los Angeles won the case in December, but the county of Los Angeles has appealed the decision.

Haile explained that he found out about the case two weeks ago when attending a meeting in Long Beach and brought it to the City Council's attention this week.

Upon hearing of the Los Angeles decision, Watsonville councilmembers voted 6-0 (with Joe Marsano absent) to authorize an audit of county records and to proceed with a claim if the audit discovered that money was owed to the city.

Haile claimed that the audit of county zone records showed that the county has collected \$150,591 in delinquent tax pay-

ments from Watsonville property owners since Proposition 13 was passed.

Since the county levies a 6 percent penalty on late property tax payments, Haile believes the county now owes Watsonville \$9,035 or six percent of \$150,591.

"It's not a great deal of money, but it adds up in future years," the attorney stated. "It's the principle of the thing. That's just the money taken from Watsonville, but other cities also have delinquent taxes too."

Merrill explained that by law, the county collects a six percent penalty on any tax payments that are delinquent within the fiscal year.

If a property owner fails to pay his or her property taxes within the fiscal year, then an interest payment is attached to the penalty payment, he added.

"I suspect that the (Los Angeles) case is based on the fact that since Proposition 13 abolished the tax rate in cities, some counties have kept all the penalties and interest. We have not," Merrill said.

"We have distributed them in accordance with the formula established by the state for distributing the regular property taxes that are collected," he added.

Therefore, if Watsonville is given a certain percentage of the property taxes collected, it is given the same percentage in penalties and interest that are collected from delinquent tax payers, Merrill explained.

Women's Caucus Supports Patton In Third District

The National Women's Political Caucus of Santa Cruz County has endorsed incumbent Gary Patton for Third (Seaside) District supervisor.

The caucus also has endorsed Measure B, the rent control initiative, on the Santa Cruz city ballot.

The caucus' support for Patton was based on his past voting record, response to a caucus questionnaire and a public forum interview on feminist concerns ranging from support of publicly-funded child care and family planning to affirmative action policies.

Absentee Vot