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Desert Hot Springs City Council mulls putting parcel tax on ballot



Desert Hot Springs city hall. / Desert Sun file photo

DESERT HOT SPRINGS — The City Council considered five property tax increase scenarios Tuesday that could lead to higher taxes on vacant land in Desert Hot Springs, which would help pay for public safety in this city — particularly its police department.

Not every council member, though, was sold on the notion of an increase that could up the tax on vacant land anywhere from \$198.91 per acre to \$593.17 per acre.

"I don't think our community (should) continue to be like the state of California and continue to tax our way out of problems," Councilman Scott Matas said Tuesday, adding that he is opposed to a tax increase.

But Mayor Adam Sanchez said the city needs to find a way to pay for police services.

"We're basically going to the citizens and asking 'Do you want a police department?' " he said. "When you look at all the city programs it's going to take money to get us there."

He added that these proposals are "about survival now."

City leaders did not reach any conclusions Tuesday, opting instead to postpone further discussion until 6 p.m. Thursday when a special council session will be held. They still have to pick one of the proposed scenarios before deciding whether to approve a referendum, which will put the measure before the voters.

The proposed parcel tax increase will need to be passed by two-thirds of voters on June 3, said Interim City Manager Bob Adams. If approved, the election would cost the city about \$6,000 because it would piggyback on the state ballot, Adams explained.

The current parcel tax, passed by voters in 2000, needs to be more equitable between the vacant land tax rates and those that are developed, he said.

"This is one of the most equitable things we could do for people that are already living here," added Councilman Joe McKee.

But former Desert Hot Springs Mayor Alex Bias disagreed.

He told the council during Tuesday's meeting that he was against raising the parcel tax for public safety, citing concerns over fairness to the property owners.

"If you are going to impose a tax, give the individuals who will be impacted the opportunity to voice their concerns," Bias said.

"Most of the properties are owned by absentee owners and they are unaware," he said.

Mayor Pro Tem Russell Betts cautioned that a proposed increase would only affect those who own vacant lots, not homeowners.

"The homeowners have been carrying the load for too long," he said.

If the lowest scenario, which proposes an increase of \$198.91 per acre, were to be approved, the city would receive \$4 million in revenue from parcel taxes. The high end would give the city \$8.7 million.

The city currently collects about \$1.9 million from the parcel tax and nearly \$700,000 from other property taxes.

The proposed increase comes on the heels of several cost-cutting measures that were aimed at saving the city from bankruptcy, such as capping incentive pay for city employees and cutting police salaries.

The city spends about \$16.6 million on city services while only collecting \$14.1 million in revenues, according to estimates provided by Finance Director Amy Aguer on Tuesday. Public safety spending takes up the largest share of the city's spending.

Aguer said Tuesday that she expects the city to finish this fiscal year with a balance of more than \$700,000, but about \$700,000 in additional cuts is still needed in order to maintain city services until the next fiscal year's budget is approved.