

Written by

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## Our Voice: Let Desert Hot Springs voters decide on parcel tax changes



A 2010 Desert Hot Springs Public Safety Commission analysis found that about 20 percent of public safety calls were on undeveloped land. / Richard Lui/The Desert Sun

Desert Hot Springs is wise to consider asking voters to allow the city to raise parcel taxes on undeveloped land.

While The Desert Sun hates to see taxes raised, it appears the city has few options. It has cut as much as it can without posing a risk to public safety — the most critical issue facing this troubled city. The city may barely get through this fiscal year, which ends June 30. Finance Director Amy Auger told the council on Tuesday she expects the city to end the fiscal year with a balance of \$713,867, but more than \$700,000 in additional cuts will be needed to maintain city services until the next budget is approved.

These are desperate times for the City on the Hill.

Parcel taxes are particularly loathsome to groups like the California Taxpayers Association and the Howard Jarvis Taxpayers Association because they are regressive — that is, they are a flat tax, charging the same rate on all properties regardless of value, placing an unfair burden on the poor. But this change would mostly affect out-of-town corporations.

Parcel taxes became an option in 1982 as part of a court decision on Proposition 13, which capped property tax increases in 1978. The California Supreme Court ruled that local governments, special districts and school districts could impose parcel taxes with two-thirds voter approval. Despite that high threshold, between 1983 and 2012 voters approved 335 out of 607 proposed parcel taxes, a success rate of 55.8 percent.

With the passage of Proposition 39 in 2000, the threshold for school construction bonds was lowered to 55 percent. Senate Constitutional Amendment 11, proposed by state Sen. Loni Hancock, a Democrat from Oakland, would ask voters to lower the threshold for parcel taxes by the same amount. The Desert Recreation District is listed as a supporter.

Desert Hot Springs approved its parcel tax in 2000, just before the city filed for Chapter 9 bankruptcy. The tax was renewed in 2005, and in 2010 more than 82 percent of voters approved a 10-year extension. The 2010 vote cleared the way for a 4,000-acre annexation, extending the city's southern boundary to Interstate 10. But it did not change the formula that charges \$593.17 per acre each year on developed land but only \$29.80 on bare land.

On Thursday, the City Council will consider five scenarios, raising the tax on vacant land from a minimum of \$198.19 per acre to a maximum of \$593.17, the same rate charged for developed property. The lowest option would generate \$4 million in annual revenue, the highest \$8.7 million for public safety. Voters would consider the measure on June 3. The council is on a tight time frame. March 7 is the deadline to add a measure to the primary election in June, and there are only two regularly scheduled council meetings before then.

Mayor Pro Tem Russell Betts points out that Desert Hot Springs has more bare land than anything else — only 2,108 of the city's 14,192 acres are developed. Interim City Manager Bob Adams speculated that the increase might spur development. With higher taxes, landowners might sell their property to someone who wants to develop it, he said.

We're not sure about that, but the ultimate answer to the city's problems is to create jobs and a retail base so its citizens don't need to leave town to work and shop. Since most voters wouldn't be affected by the increase, and considering the healthy approval four years ago, there's a good chance the measure would pass.

Put it before the voters.