Opinion: EDC caters to special interests

By Shiva Frentzen

There are not very many opportunities for the Board of Supervisors to easily add to the revenue side of the balance sheet without adding additional expenditures. The BOS have made a major commitment to obligate the residents of El Dorado County to a $2.6 million per year bond payment for the next 40 years to build a much needed sheriff's building so we can continue to provide public safety to our residents.



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The board has asked our chief administrative officer to work with the department heads and find "operational efficiencies" to pay for this annual $2.6 million commitment. We have nearly depleted our capital improvement project funds of $12 million to renovate our county buildings that have been neglected for years. Our roads are deteriorating while the road funds are diminishing and we are struggling with allocating General Fund dollars to them.

Public safety and roads were the top two priorities for our residents based on the survey that was conducted by the county last year. Needless to say, the unfunded liabilities for our retiree health benefits of $60 million are not even on our

radar but will need to be dealt with in the not too distant future.

At our Aug. 16, Board of Supervisors meeting we had an agenda item to renew the Proposition
90 ordinance that expires on Sept. 30. Proposition 90 is a "local-option" law which provides
anyone over the age of 55 with relief from reassessment by allowing them to move from one
county to another without undergoing a change in their base property taxes, provided that the home that is purchased in the new county is of the same, or lower value. Prop. 90 has been approved by the BOS and been in place for the past six years while the housing market was down with a high inventory of homes on the market. El Dorado County is one of the 11 out of 58 counties in California that has adopted the Prop. 90 ordinance.

The report that was submitted by staff shows that El Dorado County has received $1.2 million less in property taxes in the past six years due to Prop. 90 incentives to these new homebuyers. The loss to the county General Fund is $300,000 and the other $900,000 is the lost revenue for the schools, special districts, fire districts and the two cities. So the county has forgone $1.2 million in revenue by incentivizing a small group to buy a home in El Dorado County. The argument for supporting the Prop. 90 extension is that these homebuyers have a higher purchasing power and spend more money, hence benefiting our county.

However, there is no solid data that this group of home buyers contributes more to our local economy than other homebuyers in our county. If these people in fact have higher purchasing power than other homebuyers, then a logical sense of fairness would dictate that they pay their fair share of taxes as younger people buying a similar home.

The BOS approved the extension of the Prop. 90 for another

five years. Assuming that the number of homebuyers who take advantage of this program stays the same as in 2015-16, this policy will cause an additional $2 million in lost property taxes over the next five years. About half a million dollars is revenue lost to the El Dorado County General Fund to provide services to our residents.

The other $1.5 million revenue loss would impact schools, special districts, fire districts and the two cities. This is in addition to carrying the revenue loss of $1.2 million from the past six years of incentives.

El Dorado County still needs to provide the services required for these new residents, but the current residents would subsidize the new homebuyers. We all receive the same level of services and should pay our fair share. El Dorado County should put more emphasis on creating jobs and bringing businesses to our county so any incentives should be allocated to these efforts. El Dorado County should welcome every hom buyer to our county including young families who at times struggle to purchase a home and raise their children. It is unfair that a 30 year old person buying a home in El Dorado County will pay property taxes on the current full assessed value of that home, while his 55 year old neighbor can buy an identical home and have his property tax based on the value of a home he bought 30 years ago in another county. Two people purchasing identically priced homes on the same day, but one paying thousands of dollars more in property taxes each year for as long as they each own their homes.

We should also be thoughtful of other agencies in our county when making policy decisions. The struggling schools and fire districts can’t afford the loss of revenue and El Dorado County will see an increase in the number of requests from fire districts, cities and special districts to help fund their programs.

The Board of Supervisors should start saying no to some of the

special interest groups instead of giving away the farm. Otherwise we put the residents of El Dorado County in a position to pay more taxes or receive inferior services from their county government. We need to get serious about balancing our budget with strong reserves for future years and not kick the can down the road.

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