

BOARD OF SUPERVISORS
COUNTY OF HUMBOLDT

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Telephone (707) 476-2390. Fax (707) 445-7299

May 14, 2009

Governor Arnold Schwarzenegger
State Capitol Building
Sacramento, CA 95814

Dear Governor Schwarzenegger;

On behalf of the people of Humboldt County, the Board of Supervisors must object **strenuously** to the proposals from your Department of Finance which call for a suspension of the Proposition 1A guarantee that county and city property tax revenues stay in our local communities. The proposed "borrowing" of 8 percent of our property taxes is **absolutely unacceptable** at a time when we are facing some of the most draconian budget cuts this county has ever witnessed.

Governor, you have been a true friend to local jurisdictions throughout the fiscal crisis that has plagued State government. You have stood up for the work that we do as the level of government closest to the people of California. And you have recognized in the past that shifting State burdens onto counties and cities is irresponsible and short-sighted behavior. We call upon you to reaffirm this commitment and repudiate the proposals of your advisors, who are focused too narrowly on the problems plaguing Sacramento without understanding the issues facing the rest of our state.

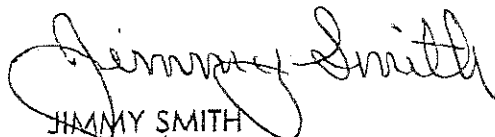
In Humboldt County, a loss of 8 percent of our property tax revenues would mean cuts of nearly \$1.5 million to vital services provided by county government such as our local jail, probation services, community development programs and the property tax administration system itself. This loss would be **on top of** revenue declines that are already forcing us to consider measures such as cuts to rural law enforcement and allowing building systems to fail. Humboldt County has taken great pain over the years to effectively manage our local resources, but the current fiscal storm has hit businesses worldwide without warning. We are not asking for "bailout" money; we will make the painful but necessary reductions to live within our means. But this community and its local government simply **cannot** function in an environment where we are subject to arbitrary "borrowing" from Sacramento bureaucrats.

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We'd like to remind you that the State still owes the County of Humboldt: \$1.8 million in unfunded state mandates (SB 90 claims) reimbursements; \$1.5 million in gas taxes (HUTA); and currently diverts 65 cents on every property tax dollar generated in our county. If Prop 1A (2004) is suspended and an additional 8% of the local property tax is shifted to the State, I don't know how the County will provide essential public services to our community. Property tax revenue should be used for local public services, not to balance the State budget.

In closing, we thank you for your past support of California's local governments. We are proud of the partnership you have built with counties and cities throughout your Administration, and hope you are as well. But suspension of Proposition 1A is simply an irresponsible transfer of the State's budgetary pain onto localities that are already dealing with painful decisions of our own. We respectfully urge you to reject this unfair solution.

For the Board of Supervisors,



JIMMY SMITH
Chairman

cc: Senator Patricia Wiggins
Assemblyman Wesley Chesbro
Don Peterson, Legislative Advocate
California State Association of Counties
Redwood Region City Managers