

Good News in Salinas!

We have some good news to report in regards to the ongoing Salinas Business License Tax saga. We received a letter earlier this week from Salinas City Attorney Vanessa Vallarta stating that: "Based on our review of these city codes sections and in light of this additional information, we have determined that Real Estate Agents can arguably be considered as within that group of occupations and business listed in Sec. 19-27.1 and therefore subject to an annual license tax in the amount of \$100.00."

Due to legal and financial reasons, refunds and credits for those who paid their business license tax this year at the rate of \$200.00 will not be issued by the City.

Although the lack of concession from the City on the credits and refunds is certainly unfortunate, it should in no way diminish the magnitude of importance of the overall victory in the City of Salinas on this issue. Official retraction by a municipality on a previous determination is not something that happens on a regular basis!

There were many individuals who contributed in this effort, and I would like to take a moment to say thank you and recognize them for their efforts.

First off, Dale Gray - MCAR's interim Government Affairs Director, engaged this issue head on as one of his first priorities when he stepped into his role here at the association. Without his tenacity, we certainly would not be where we are at today. Thank you Dale!

Second, Gloria Moore. For those of you know Gloria, I'm sure you realize the wealth of knowledge and information she brings to the table when tackling issues. Her efforts in communicating our message to elected officials and staff were critical to our strategy of informing and educating the City as to the validity of our position.

Thank you Paul Gullion (MCAR's valiant attorney), Sandy Haney, Dean Provence and everyone else who stayed the course on this challenge and spent numerous hours attending meetings and providing input.

This was certainly a team effort, and it goes to show what type of success can be achieved when we work collectively in tackling challenges.

Thank you all!

Kevin

MCAR Blog & Forum Needs Your Help!

The new MCAR Blog & Forum is in search of a few good contributors. If you have a knack for editorial savvy, and would like the opportunity to submit content to the Blog, we would love to hear from you!

The rules are quite simple. Register as a user on the MCAR Blog & Forum [here](#). Send me an email [here](#) notifying me of your desire to contribute and include an article for review. Please keep the content focused on real estate related issues and please, no plagiarizing! The article does not necessarily need to be exhaustive, but more than a few sentences is preferred. Upon review of your message, I will let you know if we will be posting it and when.

I am not a critical editor, but please do consider using proper grammar and spell check before sending it over. If the content is strong and you have a desire to continue providing articles, we can discuss changing your MCAR Blog profile to allow direct submission of articles. (With moderation from yours-truly)

Please include any pertinent contact information within your article to allow readers the opportunity to contact you with additional questions. (Website, email etc.)

I look forward to hearing from you. Happy Blogging!

Kevin

Taxation vs. the Economy

This week, both proponents and opponents anxiously awaited the results of Measure W, Salinas Valley Memorial Hospital's \$400 million bond effort. Much to the hospital's dismay, the effort failed. The real news story here however, is not that the measure failed, it is that its' failure was not unique. That same night, three hours east of Salinas in a small town named Oakdale, Oak Valley Hospital awaited the voters' decision on their bond effort and received the same results.

District Hospitals all over the state are rushing to meet state seismic requirements by 2013 and in their quest to raise taxes in order to meet a legislative mandate, they are bumping up against what I like to call the Bond Ceiling. Looking across the state it appears as though somewhere in the last two years voters have lost their tolerance for self-taxation and managed to erect a ceiling that nary a public agency has yet to break through. Tough economic times are upon us all, our houses are worth less, our cars and groceries cost more and our jobs are not keeping up with the cost of living. The excesses of the late 90's and early 2000's have caught up with the energy industry, the banking industry, Wall Street and now the average American. Unlike its' big corporate brothers, the average American, with less than \$1000 in savings, is unable to pull out of the rut very quickly. Alas, the only thing the average person can control is the measure to which he or she will tax themselves.

So here is my question: is the post Prop 13 California, coupled with an economic downturn, a place where no bond can be passed for the foreseeable future? If so, what are special districts and municipalities to do? While I don't think there is one right answer to

this question, a possible answer might be: nothing. Well, maybe not nothing, but very little...let me explain.

Financial experts will tell you if you don't *have* money, don't *spend* money. As such, in lean economic times certain projects should be put off until a person has more disposable income. For example, in lean times when the kitchen sink breaks, you pay to fix the sink. When your house was worth 30% more and your sink broke, you may consider taking the opportunity to remodel the kitchen. The average person can appreciate the distinction between a necessary repair and a job that can wait.

It appears that local governments have entered into very lean times, along with the rest of the country. The voters are saying they won't tolerate big projects and big spending by government because they themselves aren't spending. Yes, this means deferring some projects that would be really nice to have done, like the building of better roads and new schools. But if government is *of the people* and *for the people*, shouldn't it be *like the people*? Eventually, the economy will progress and people will begin to shout for better streets and bigger schools, and as such, maybe they will then be willing to pay for it.