

June 17, 2021

Global Garbage Man Day

Community Update

By Tami Scott, Administrative Services Director

You've may have heard City Staff and City Council often refer to the City of Cathedral City being a post-proposition 13 City. What exactly is Proposition 13 and how does it affect local finances?



In 1978, a simple majority of California voters approved Proposition 13, seeking property-taxpayer relief and uniformity, with far-reaching consequences, some unintended. Proposition 13 reduced property revenues by more than half and effectively abolished any local control with regard to the property tax. Local governments still have wide latitude on the spending of the remaining revenues they receive, but the allocation of the tax is controlled by the State Legislature.

Six Provisions of Proposition 13 Affecting Local Finance

1. One percent rate cap. Proposition 13 capped, with limited exceptions, property tax rates at 1 percent of full cash value at the time of acquisition. Prior to Proposition 13, local jurisdictions independently established their tax rates.
2. Assessment Rollback. Proposition 13 rolled back property values as determined for tax purposes to their Fiscal Year 1975-1976 level.
3. Reassessment upon change of ownership. Proposition 13 replaced the practice of annually reassessing property at full cash value with a system based on cost at acquisition. Under Proposition 13, property is assessed at market value for tax purposes only when it changes ownership. Subsequent annual values are limited to this "base year" amount plus an annual growth factor of 2 percent or CPI, whichever is less.
4. Responsibility for allocating property tax transferred to the state. Proposition 13 gave state lawmakers responsibility for allocating property tax revenues among local jurisdictions. Prior to Proposition 13, jurisdictions established their tax rates independently and their property tax revenues depended on the rate levied and the value of the property located within the boundaries of the jurisdiction.
5. Voter approval for special taxes. Proposition 13 requires two-thirds voter approval for property taxes raised by local governments for a designate "special" purpose.
6. Taxes imposed by the State Legislature require a two-thirds vote of the Legislature. In order the change any provision of Proposition 13, it would have to go back to the voters.

Finally, the amount of property taxes allocated to local governments depends on state property tax allocation laws, principally Assembly Bill 8 ("AB 8"). The AB 8 system was designed, in part, to allocate property tax revenue in proportion to the share of property taxes received by a local

government in the mid-1970s (*those cities that were incorporated prior to the implementation of Proposition 13 in 1978*). Under this system, local governments that received a large share of property taxes in the 1970s typically continue to receive a relatively large share of property taxes today. Although there have been changes to the original property tax allocation system contained in AB 8, the allocation system continues to be substantially based on the variation in property tax receipts in effect in the 1970s. This variation largely reflects service levels provided by local governments in the 1970s. Those Local governments providing many services generally collected more property taxes in the 1970s to pay for those services. As a result, those local governments received a larger share of property taxes under AB 8. For example, cities and counties that provided many government services, including police and fire protection, park and recreation programs, and water services, typically receive more property tax revenue than governments that relied on special districts to provide some or all of these services. Local governments not yet incorporated by 1978, which Cathedral City did not incorporate until 1981, essentially fell victim to Proposition 13 and AB 8 and thus receive on average 60% less in property tax revenue than those cities incorporated prior to 1978.

In practical terms all of this means that neighboring cities of a similar size (like Palm Springs and Cathedral City) may receive significantly different property tax allocations. For example, in Fiscal Year 2020-21, Palm Springs was allocated \$27.8 million dollars in property tax revenues while Cathedral City received only \$5.7 million. This makes it more difficult for Cathedral City as a post Prop 13 city to provide the same level of services as a similarly sized city that incorporated before Prop 13.

COVID-19 INFORMATION

COVID-19 Info

Get the latest on Coronavirus Disease 2019



Business Support

Cathedral City Economic Development



NEWS

Governor Newsom
Signs Executive Order
to Eliminate Mask



Fully Vaccinated Workers No Longer Need to Wear Masks or

Standards Board to adopt revised COVID-19 Prevention Emergency Temporary Standards that reflect the state's latest COVID-19 public health order, Governor Gavin Newsom today signed an executive order enabling the revisions to take effect without the normal 10-day review period by the Office of Administrative Law — providing clarity and consistency for ... [Read more.](#)

Wearing for Vaccinated Workers

Following the vote by the Occupational Safety and Health

Fireworks Are Prohibited in Cathedral City

All fireworks are prohibited in Cathedral City. This includes during the 4th of July holiday. The use or possession of fireworks is illegal and will result in a \$1,000 fine for the first offense. A subsequent offense will cost \$2,000 more for a total of \$3,000. Property owners that allow guests to use illegal fireworks may also be subject to ... [Read more.](#)



Grocery Outlet Held Its Grand Opening Today

Cathedral City just gained a new grocery store as “Grocery Outlet – Bargain Market” held its grand opening today. Locally owned and operated by Kimberlie and Bob Jackson, the grocery store is located at the former ACE Hardware location, 30025 Date Palm Drive. Residents may remember that before the location was an ACE Hardware, it was a Fresh ... [Read more.](#)

Energy Flex Alert Today – Prevent Rolling Blackouts

Today and possibly tomorrow, California Independent System Operator (CAISO) needs you to use electricity earlier in the day and reduce your usage starting at 5:00 pm this evening through 10:00 pm. The following are ways you can help to conserve energy and prevent the outages: Between 5 p.m. and 10 p.m., the ISO is urging consumers to: Set ... [Read more.](#)





“Fountain of Life” Undergoing a Complete Restoration

Due to a back order of supplies, crews have now finally begun the \$146,850 restoration of the Mayor Gregory S. Pettis Fountain of Life that resides in front of City Hall at Town Square Park. The restoration includes fixing broken water statues, cracks in the main fountain pillars, multiple

mosaic tiles missing, and the need to clean off years of ... [Read more.](#)

COVID-19 Tiers Eliminated Statewide Starting June 15, 2021

From the California Department of Public Health:
Beginning June 15, all sectors listed in the current Blueprint Activities and Business Tiers

Chart may return to usual operations (with the limited exceptions noted below for Mega Events) based on the following general public health recommendations: Restrictions Applying to Indoor & Outdoor Settings Vaccine Verification / Negative Testing Required for Indoor mega events Recommended for Outdoor mega ... [Read more.](#)



“Seed the Bees” – Free Pollinator Week 2021 Kits

S.C.R.A.P. Gallery encourages you to practice the Four R's - Reduce, Reuse, Recycle, and Responsibility. The Four R's lessen the need to extract more resources from our planet. When we do that, we decrease our impact on the natural world – the world we all live in. We all need a clean and healthy environment to thrive – you, me, ... [Read more.](#)

Get Up to \$500 in Financial Assistance from the United Way of the Desert

United Way of the Desert's COVID Recovery Fund was established to address existing gaps and unmet financial need for Coachella Valley households financially impacted by COVID-19. Households in the Coachella Valley who meet the eligibility requirements, and provide required documentation, may receive up to \$500 in financial assistance per year to pay for childcare, healthcare, or household care expenses. Eligible ... [Read more.](#)



EVENTS

IN CELEBRATION OF
NATIONAL PRIDE MONTH

CCGBA
CATHEDRAL CITY GAY BUSINESS ASSOCIATION

OPEN HOUSE TOUR

\$4 HAPPY HOUR
\$6 CAT CITY COCKTAIL

SCHEDULE

Date	Event	Time
6/21/2021	ONE ELEVEN BAR	6PM - 8PM
6/22/2021	THE BARRACKS	6PM - 8PM
6/23/2021	TRUNKS BAR	6PM - 8PM
6/24/2021	THE RUNWAY	6PM - 8PM
6/25/2021	AMP SPORTS LOUNGE	6PM - 8PM
6/26/2021	ALL BARS	6PM - 8PM

MAP

www.DiscoverCathedralCity.com

Open House Tour of Cathedral City LGBTQ Night Clubs – June 21st to 26th

With COVID-19 restrictions being lifted on June 15th by the governor, the Cathedral City Gay Business Association (CCGBA) welcomes you back to Cathedral City. Please join them for a week-long Open House Tour starting on Monday, June 21, 2021 through Saturday, June 26, 2021. The Open House Tour is in celebration of National Pride Month. Enjoy \$4 Happy Hour ... [Read more.](#)

COFFEE WITH THE CHIEFS

A VIRTUAL COFFEE CONVERSATION WITH THE COMMUNITY

Police Chief George Crum

Fire Chief John Muhr

“Coffee with the Chiefs” Scheduled for June 28 - Register Now

The City of Cathedral City is hosting a new event called, “Coffee with the Chiefs” that will provide an opportunity for the community to discuss issues about public safety in an informal manner with our two public safety leaders. The conversation will include both Police Chief George Crum and Fire Chief John Muhr. In June, Fire Chief John Muhr ... [Read more.](#)



For Questions or Comments, Contact Chris Parman, Communications and Events Manager
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