

September 13, 2015. Dan DeYoung. *Should Grants Pass Implement A Sales Tax: Low Rate Would Fund Public Safety* (Guest Opinion)

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The City of Grants Pass Department of Public Safety relies partly on Josephine County's Criminal Justice System. As our public safety chief says, we can have a cop on every corner but it won't do any good unless the rest of the system is available — the adult jail, juvenile justice, and prosecution services.

The Criminal Justice Sales Tax on the ballot for Grants Pass voters this November would restore funding to the justice services the city relies on, retain our current level of services in city police and city fire services, while lowering property taxes and fees for Grants Pass residents and businesses.

Sound too good to be true? It's not. Rather than tie all fees for public safety to property taxes and utility fees, the very low 2 percent sales tax spreads the tax burden among everyone that uses the system rather than just those who happen to live or own property within the city limits of Grants Pass.

While the rate is a low 2 percent, this will provide enough revenue to eliminate the city's \$1.79 per \$1,000 of assessed value Public Safety Property Tax Levy and still maintain city police and fire services. It will also provide sufficient revenue to eliminate the city's jail services utility fee. A home with an assessed value of \$155,000 will save about \$311 per year from this tax and fee reduction. If your assessed value is \$250,000, your household would see a tax and fee reduction of about \$482 per year. Do the math on how many taxable items you would have to purchase to even come close to these amounts and you'll find this is a big tax-and-fee reduction for Grants Pass residents and businesses.

We all agree we can't go much longer with a crippled criminal justice system and the Grants Pass City Council decided to give Grants Pass voters an option to restore these justice services while lowering property taxes and fees. A sales tax is the only equitable way we can, at the City level, share the burden with all users of the system. If approved, this measure would result in a significant tax and utility fee reduction for all property owners in Grants Pass, both businesses and residents, because it shares the burden for services we all share.

Perhaps even better, this measure has unique provisions you don't normally see in a sales tax program. These unique provisions help make this local sales tax program more accountable and fair to both businesses and consumers:

- The 2 percent rate cannot be raised without another vote of the people.

- There is no tax on many items like unprepared food, prescription medicine, fuel, and many others.
- The 2 percent tax is capped at the first \$1,000 of sale amount in each sale. Therefore, even if you buy a new car, the most the sales tax can ever be is \$20 per sale.
- There is a tax rebate to help businesses cover the cost of reporting. Smaller businesses will earn a higher percentage rebate on their tax collections from sales.

The rate is low enough to reduce the negative affect on local businesses — that's the last thing anyone wants. It's common in cities and counties across the country to have variable rates that differ by at least 2 to 3 percent in the sales tax rates of neighboring cities and counties. And in our case the tax per sale is capped so that it would never pay to go to Medford rather than shop locally. Think about the various times you planned a vacation or recreational trip — was a sales tax rate for the place you were going to visit part of your decision making process? Nope, this won't affect our thriving tourism industry either.

For those retail and food services businesses that do have to collect the low 2 percent tax, this won't affect sales and the property tax reduction, utility fee reduction, and sales tax rebate will more than cover the cost of collecting the tax from customers. Service businesses do not have to collect the tax and most businesses will find that this increases their profitability as opposed to collecting taxes for safety services by property taxes and utility fees. Many local businesses will save thousands of dollars per year as a result.

The measure will keep city police and fire services, boost funding for adult jail services, it would reopen the Juvenile Justice shelter-and-detention building (closed since 2012), and would boost funding for criminal prosecution services. All while reducing property taxes and fees for city residents and businesses. Vote with your conscience, vote with your wallet, and vote yes for the criminal justice sales tax. It's the right thing to do to restore justice services and reduce taxes and fees for Grants Pass residents and businesses.

Dan DeYoung is the president of the Grants Pass City Council.