

## DEERFIELD BEACH

### Deerfield Beach hiring lawyers to defend utility tax

*City seeking outside counsel to battle tax opponents*

The city is seeking outside legal help to thwart the efforts of a group seeking to overturn the city's recently approved \$6 million utility tax.

City Manager Burgess Hanson complained that utility tax opponents are using misinformation to bolster support for their cause, including inflated claims about the impact the tax will have on individual residents.

Opponents of the tax said Wednesday they have already collected the 4,200 signatures needed to hold a non-binding referendum on the issue, but hope to present more than 6,000 signatures to commissioners on Sept. 6 to account for any potential disqualifications.

"What I'm asking this city commission is to give me the authority to hire outside legal counsel to research our legal options and then take any reasonable action, including if it's necessary, going to court to ensure the city's financial stability and safeguard property owners from excessive burdens that if this tax were to be repealed, that would happen," Hanson told commissioners at their meeting Tuesday.

The commission unanimously supported Hanson's request. The city will be retaining **Joseph Serota and Edward Guedes from the Weiss & Serota** law firm for the work, City Attorney Andy Maurodis said Thursday.

The commission approved the tax in June without going to voters, who have rejected such a tax in previous referendums in 1979 and 1986. This year, commissioners have relied on state law that says a city's charter cannot preclude a commission from imposing a utility tax.

One of the questions now is whether the city can prevent a non-binding referendum on the issue, a procedure the charter allows but that may be at odds with state law.

Steve Krevoy, treasurer of Rescind Unfair Taxes, said he is amazed at how fiercely the city has reacted to his group's efforts.

"I think that they have provided roadblocks everywhere we've been," said Krevoy, contacted Wednesday regarding the city's action. "We're just defending our rights as citizens."

Commissioners are trying to diversify the city's tax base. The city plans to drop the property tax rate 15 percent this year, in large part because of the \$6 million expected to be raised through the utility tax, which takes effect Oct. 1.

Commissioner Bill Ganz said he has heard signature collectors tell people they were going to be paying \$300 to \$500 a year through the new tax on electricity, water and gas bills, when the city's analysis shows the average resident is expected to pay about \$144 a year in utility taxes. While it is a 10 percent tax, it only applies to a portion of the utility bills.

Commissioners are also concerned that the petition drive may not be following proper collection procedures, but Krevoy said people wanting to help with signature petitions have been turned away if they weren't eligible.