



Press Release

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SCOTTS VALLEY -- The State Department of Finance has approved the implementation of a court-ordered settlement of the long-running dispute between the County of Santa Cruz and the City of Scotts Valley regarding disagreements on the distribution of taxes. With this approval, both sides look forward to putting the matter behind them.

The origins of the disagreement have to do with Scotts Valley's former redevelopment agency and the county's allocation of finances to the City of Scotts Valley. Rather than pursue a case that dates to 2007, the two sides agreed to a settlement that protects taxpayers from the costs of further litigation while laying the groundwork for strengthening of the relationship between the City and County.

The settlement agreement was approved by the San Mateo Superior Court in February and the matter was pending before the Department of Finance before the terms were able to be implemented. The County and City would like to thank Assemblymember Mark Stone, D-Monterey Bay, for his support of the agreement and his work with the Administration and the Department of Finance to bring this matter to a conclusion. We would also like to express our appreciation to the Department of Finance for their thoughtful review of the Court's actions.

"It is time to put this matter behind us and we look forward to working cooperatively in the future," Scotts Valley Mayor Dene Bustichi said. "We acted to protect the taxpayers of Scotts Valley, and we look forward to a new era of trust between Scotts Valley and the County."

“This case has dragged on too long, and I am grateful both sides were able to come to a mutual agreement,” Santa Cruz County Supervisor Bruce McPherson said. “This shows what can happen when people set aside their differences and work together to find a solution.”

The settlement was previously approved by the approved by the Scotts Valley Redevelopment Agency Successor Board. Redevelopment agencies statewide were officially dissolved in 2012.