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DEPARTMENT OF  
FINANCE  
  
REVENUE DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

CITY HALL  
ROOM 104  
915 I STREET  
SACRAMENTO, CA  
95814-2696

916-449-5454

July 18, 1990  
RAA90096:LM:BW

**APPROVED**  
BY THE CITY COUNCIL

JUL 24 1990

OFFICE OF THE  
CITY CLERK

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT:** Annual Debt Service Property Tax Override For General Obligation  
Municipal Improvement Bonds of 1964

**SUMMARY**

Staff recommends that the City Council adopt the attached resolution levying an ad valorem tax to pay the debt service on the voter approved general obligation bonds of 1964. Each year since FY 1981/82 the City Council has levied an ad valorem tax to pay the debt service on the flood and drainage bonds of 1964. The FY 1990/91 levy is included in the FY 1990/91 Approved Budget.

**BACKGROUND**

State Constitution Article XIII A(1) (Proposition 13) allows the City to levy an ad valorem tax for the General Obligation Municipal Improvement Bonds of 1964. These bonds were issued to provide for flood and drainage control. The City Council imposed the tax override for the first time in FY 1981/82.

**FINANCIAL DATA**

The FY 1990/91 general obligation debt service is \$848,000. Without the tax override, the proposed budget will not be balanced and additional resources or budget reductions will be required.

The tax rates and annual tax cost to a homeowner with a residence valued at \$100,000 under Proposition 13 are as follows:

Property Tax Override

<u>Fiscal Year</u>	<u>Tax Rate*</u>	<u>Tax on \$100,000 Home**</u>
1990/91	.0051	\$4.74
1989/90	.0057	5.30
1988/89	.0064	5.95
1987/88	.0087	8.09
1986/87	.0101	9.39
1985/86	.0107	9.95
1984/85	.0120	11.16
1983/84	.0121	11.25
1982/83	.0131	12.18
1981/82	.0165	15.35

\*Per \$100 assessed value

\*\*Taxable value after Homeowners Exemption is \$93000

The decrease in rate over time is attributable to higher assessed value, which means that a lower rate is needed each successive year to raise the relatively constant (about \$848,000) debt service.

**POLICY CONSIDERATIONS**

The determination to impose the property tax levy for the voter approved General Obligation Municipal Bonds of 1964 is consistent with prior years' City Council policy.

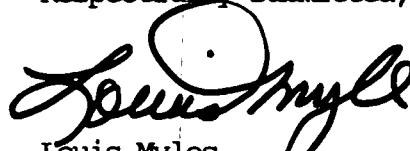
**MBE/WBE EFFORTS**

Not applicable.

**RECOMMENDATION**

Staff recommends that the City Council adopt the attached resolution levying an ad valorem tax in the amount of \$.0051 per hundred dollars assessed valuation for FY 1990/91 as permitted by Section 1 of Article XIII A of the State Constitution. The FY 1990/91 levy is included in the FY 1990/91 Approved Budget.

Respectfully submitted,

  
Louis Myles  
Acting Revenue Manager

RECOMMENDATION APPROVED:

  
WALTER J. SLIVE, City Manager

Attachment

CONTACT PERSON: Louis Myles, Acting Revenue Manager, 449-5724

All Districts  
July 24, 1990

