



APPROVED
BY THE CITY COUNCIL

1.14

JUN 8 1994

OFFICE OF THE
CITY CLERK

DEPARTMENT OF
FINANCE

REVENUE DIVISION

CITY OF SACRAMENTO
CALIFORNIA

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

May 27, 1994
RA94095:MLF:ldm

REVENUE
ADMINISTRATION
916-264-5724

City Council
Sacramento, California

Honorable Members in Session:

**SUBJECT: ANNUAL DEBT SERVICE PROPERTY TAX OVERRIDE FOR GENERAL
OBLIGATION MUNICIPAL IMPROVEMENT BONDS OF 1965**

LOCATION AND COUNCIL DISTRICT: City-wide

STAFF RECOMMENDATION

Staff recommends that the City Council adopt the attached resolution (page 4) levying an ad valorem tax for a total amount of \$700,000 for FY 1994/95 as permitted by Section 1 of Article XIII A of the State Constitution. The FY 1994/95 levy is included in the FY 1994/95 proposed budget.

CONTACT PERSON

Margaret L. Freeman, Revenue Manager, 264-5724

FOR COUNCIL MEETING OF

June 8, 1994

SUMMARY

This report recommends that the City Council adopt a resolution levying an ad valorem tax to pay the debt service on the voter approved general obligation bonds of 1965. 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 1965. The anticipated revenue from the tax levy is included in the FY 1994/95 proposed budget.

COMMITTEE/COMMISSION ACTION

None

BACKGROUND INFORMATION

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 1965. 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.

In the past, City staff has calculated the tax override rate required to produce sufficient revenue to make the debt service payment. The tax override rate was calculated based on the total assessed valuation for the City of Sacramento. Given the late date that City valuation data is available from Sacramento County, the resolution for FY 1994/95 tax override only requires the total debt service revenue needed and County staff will calculate the actual tax rate based on the actual current valuation. The debt service requirement is due to the County of Sacramento by August 1 of each year.

FINANCIAL CONSIDERATIONS

Revenue required for debt service in FY 1994/95 is \$872,950. The tax override levy of \$700,000 is less than the debt requirement due to the availability of existing fund balance. One hundred percent (100%) of the tax levy will be remitted to the City by the County due to the Teeter Plan property tax distribution method. The annual tax cost to a homeowner of a residence valued at \$100,000 is estimated to be \$6.00.

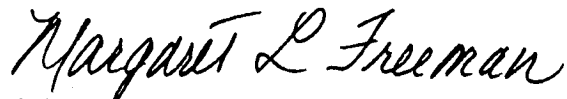
POLICY CONSIDERATIONS

The determination to impose the property tax levy for the voter approved General Obligation Municipal Bonds of 1965 is consistent with prior years' City Council policy.

MBE/WBE EFFORTS

There is no requirement for purchase of goods or services associated with this item.

Respectfully submitted,



Margaret L. Freeman
Revenue Manager

RECOMMENDATION APPROVED:



WILLIAM H. EDGAR, City Manager

Attachment

RESOLUTION NO.

94-357

APPROVED
BY THE CITY COUNCIL

JUN 8 1994

OFFICE OF THE
CITY CLERK

ADOPTED BY THE SACRAMENTO CITY COUNCIL

ON DATE OF _____

RESOLUTION FIXING THE AMOUNT OF TAX TO BE LEVIED ON ALL TAXABLE PROPERTY IN THE CITY OF SACRAMENTO AND LEVYING THE SAME FOR THE FISCAL YEAR OF 1994/95 FOR PRINCIPAL, INTEREST AND FISCAL AGENT FEES ON BONDED INDEBTEDNESS APPROVED BY THE VOTERS OF THE CITY BEFORE JULY 1, 1978

BE IT RESOLVED BY THE COUNCIL OF THE CITY OF SACRAMENTO AS FOLLOWS:

SECTION 1.

The following amount is hereby fixed, established, and determined by the City Council as the amount of tax to be raised from taxable property in the City of Sacramento. The tax rate will be established by the County of Sacramento and that said tax rate so determined is hereby levied on taxable property in said City of Sacramento for the purpose of payment of the principal, interest and Fiscal Agent's fees on bonded indebtedness approved by the voters of the City of Sacramento before July 1, 1978:

<u>Fiscal Year</u>	<u>Amount</u>
1994/95	\$700,000

SECTION 2.

The City Clerk is hereby authorized and directed to deliver to the Auditor of the County of Sacramento a certified statement setting forth the amount of property tax necessary for the purpose set forth in Section 1 of this resolution and such other information as may be required by the Auditor or Section 51551 of the State of California Government Code.

ATTEST:

MAYOR

CITY CLERK

FOR CITY CLERK USE ONLY

RESOLUTION NO.: _____

DATE ADOPTED: _____