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DEPARTMENT OF  
FINANCE

CITY OF SACRAMENTO  
CALIFORNIA

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

REVENUE DIVISION

June 9, 1989  
RA891122:MLM:ldm

916-449-5454

Budget and Finance Committee  
Sacramento, California

Honorable Members in Session:

SUBJECT: **FY 1989/90 DEBT SERVICE PROPERTY TAX OVERRIDE**

SUMMARY

The attached report discusses the staff recommendation to impose a debt service tax override for FY 1989/90.

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 1989/90 general obligation debt service is \$842,000. 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 \$50,000 under Proposition 13 are as follows:

Property Tax Override

<u>Fiscal Year</u>	<u>Tax Rate*</u>	<u>Tax on \$50,000 Home**</u>
1989/90	.0057	\$2.45
1988/89	.0064	2.75
1987/88	.0087	3.74
1986/87	.0101	4.34
1985/86	.0107	4.60
1984/85	.0120	5.16
1983/84	.0121	5.20
1982/83	.0131	5.63
1981/82	.0165	7.10

\*Per \$100 assessed value

\*\*Taxable value after Homeowners Exemption is \$43,000

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 \$842,000) 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

It is requested that the Budget and Finance Committee recommend that the City Council approve the debt service tax override for FY89/90 in the amount of \$.0057 per hundred dollars of assessed value.

Respectfully submitted,



Michael L. Medema  
Revenue Manager

RECOMMENDATION APPROVED:



JACK R. CRIST  
Deputy City Manager

Attachment

CONTACT PERSON: Michael L. Medema, Revenue Manager, 449-5724

All Districts  
June 20, 1989



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DEPARTMENT OF  
FINANCE

REVENUE DIVISION

CITY OF SACRAMENTO  
CALIFORNIA

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

June 21, 1989  
RA891123:MLM:ldm

916-449-5454

City Council  
Sacramento, California

Honorable Members in Session:

**SUBJECT: FY 1989/90 DEBT SERVICE PROPERTY TAX OVERRIDE**

SUMMARY

The Budget and Finance Committee recommends that the City Council adopt the attached resolution levying an ad valorem tax for voter approved debt service for FY 1989/90 in the amount of \$.0057 per hundred dollars of assessed value.

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 1989/90 general obligation debt service is \$842,000. Without the tax override, the proposed budget will not be balanced and additional resources or budget reductions will be required.

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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 \$842,000) 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.

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RECOMMENDATION

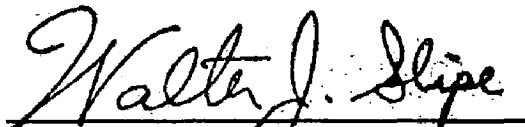
The Budget and Finance Committee recommends that the City Council adopt the attached resolution levying an ad valorem tax in the amount of \$.0057 per hundred dollars assessed valuation for FY 1989/90 as permitted by Section 1 of Article XIII A of the State Constitution.

Respectfully submitted,



Michael L. Medema  
Revenue Manager

RECOMMENDATION APPROVED:

  
WALTER J. SLIPE, City Manager

Attachment

CONTACT PERSON: Michael L. Medema, Revenue Manager, 449-5724

All Districts  
June 27, 1989

