

## **Twin Rivers Property Tax Update and Statement January 18, 2011**

### **Background on the TRUSD Property Tax Issue**

#### **TRUSD January 2009 Statement on Property Taxes:**

The County of Sacramento and the Twin Rivers Unified School District (TRUSD) differ in their interpretation of the property tax and bond repayment implications of the recent unification. The County believes that property owners in the TRUSD boundaries should be taxed to repay all three bonds of the unifying districts. This is the way that residents are currently being taxed.

It is the opinion of TRUSD that property owners should only pay those taxes that they approved through bond election. For example, residents in the former North Sacramento Elementary District would pay on the former Grant Union and North Sacramento District's bonds, but not on the Rio Linda Elementary bond. TRUSD has submitted a legal opinion on the issue to Sacramento County.

In an effort to reach mutual agreement, officials from the County and TRUSD met on January 5, 2009 to discuss the issue. While the issue was not resolved, both opinions will be presented to the State Attorney General's Office. It may take up to a year to receive a decision from the Attorney General.

We will continue to collect contact information of anyone who has called or emailed regarding this issue and keep them apprised of any developments on this matter.

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#### **February 13, 2009 Sacramento County Request to California Attorney General's Office:**

Language in the letter representing TRUSD's position on the issue:

The District objects to billing all of the new District's landowners for all inherited bond obligations and takes the view that only the landowners within the boundaries of each *former* school district that enacted and issued the particular bonds prior to November 2007 are liable for the particular bond repayment levies on tax bills.

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## **January 18, 2011 District Statement**

We were recently informed that the California Attorney General's Office has issued an opinion on the matter of how property taxes are billed within the Twin Rivers Unified School District. The opinion is a response to the letter dated February 13, 2009 from the County of Sacramento asking for clarification on the matter.

In the February 2009 letter, the County presented both interpretations of the property tax issue in our newly unified district. It was and remains our district's position that property owners should only be asked to pay for those taxes that they approved through bond election and that will benefit their local schools.

Unfortunately, the Attorney General's Office opinion indicates that under the Education Code statute providing that a newly-merged school district "is liable for all of the outstanding bonded indebtedness" previously incurred by its constituent former school districts and related statutory provisions, the taxing authorities are directed to reallocate and reapportion the burden of paying the former districts' cumulative outstanding bonded indebtedness by levying a tax supporting payment of that indebtedness upon all the taxable property within the boundaries of the merged district.

While other parties, organizations, or individuals are encouraged to contest this issue, the Superintendent is recommending that TRUSD abide by the AG's opinion and not expend any further staff or legal resources contesting this issue at this time.

The decision and related materials will be posted on our web site and communicated out to the stakeholders who have contacted our district on this issue.