



Property Tax Bill Update

As many people receive their property tax bill, we have received some questions about the fact that property taxes and general obligation bonds were billed differently in 2009/2010 than they were in 2008/2009. After calling the county auditor's office, we received clarification on this issue that we would like to share with you.

The issue of all property owners in the TRUSD boundaries being taxed to repay all three bonds of the unifying districts has not yet been settled. 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 in January 2009 to discuss the issue. While the issue was not resolved, both opinions were presented to the State Attorney General's Office and we have not yet received a decision from the Attorney General.

The following is the response our district received from the Department of Finance Auditor Controller Division:

On the differences in the tax bills:

- No levy for the North Sacramento Elementary Bond in 2009/2010
The 2009-10 GOB rate is ZERO because the 08-09 fund balance is greater than the payment requirements for February and August, therefore the GOB rate is not being levied only for this year. The GOB rate (to be determined in Aug 2011) will be levied for the FY 2010-11 since the Bonds are still outstanding.
- Rio Linda Union Elementary Bond rate of .0087 is much lower in 2009/2010
The 2009-10 GOB rate of .0087 is significantly lower than the 2008-09 GOB rate of .0804. The main reason that the 2009-10 rate is lower is because of the large fund balance available for the payments of this year's bond debts services. The 08-09 fund balance is large but not enough to cover the payment requirements for February and August.

The county also provided the general information about bond payments:

The General Obligation Bond Rates (GOB), as part of the tax rates, are determined by the amount of debt service requirements needed for payments due annually (August and February), for that current fiscal year, less any fund balance remaining from the previous year.

Therefore,

1. If the fund balance is greater than the current year debt services requirements then the GOB rate is not levied or zero for this year.
2. If the fund balance is small not enough to pay for the current year debt services requirements then the GOB rate is to be levied on the property.
3. Or a new bond series is issued then the GOB rate is to be levied on the property.

The methodology for the establishment of the Secured Annual Bond Debt Rate:

Rate = Total Requirements / Total Secured assessed values of the District

(Total Requirements = Scheduled Payments less Fund balance and Other Revenues as applicable)

(Total Secured Assessed Values = Preliminary assessed values of the District available on the first or second week of August and an Estimate of the reduction of values upon Equalization in the third week of September, as applicable.)

We will continue to monitor this issue and provide additional information as it is received. For updates, you may contact the Communications Office at 566-1628.