COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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September 20, 2011

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

REQUEST TO RESCIND DEBT SERVICE TAX LEVY AUTHORITY FOR EL MONTE SCHOOL DISTRICT (FIRST DISTRICT) (3-VOTES)

SUBJECT

Approval of the recommended action amends your Board's 2011-2012 Tax Rate Resolution and rescinds authority to levy an unnecessary adopted 2011-2012 debt service tax rate.

IT IS RECOMMENDED THAT YOUR BOARD:

1. Adopt the attached Resolution striking out the Fiscal Year 2011-2012 Tax Rate Resolution debt service tax rate of .002175 for the El Monte School District's 2008 General Obligation Bonds, Series B and rescinding authority to levy it.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On July 13, 2011, the El Monte School District ("EMSD") informed the County of its intent to issue general obligation bonds (2008 Series B bond). A tax rate of .002175 was calculated to provide for anticipated debt service payments. On September 6, 2011, your Board approved the EMSD rate as one of the Fiscal Year 2011-2012 property tax rates. On September 8, 2011, EMSD notified the County that due to concerns that the proposed bond sale might exceed EMSD's taxing authority the proposed bond sale would be postponed and a debt service tax for Fiscal Year 2011-2012 was no longer required. There is sufficient time to rescind the previously approved tax, and we recommend this action to prevent a now unnecessary levy on EMSD property owners.

Implementation of Strategic Plan Goals

This recommended action supports the County's Strategic Plan Goal of Fiscal Responsibility by aligning the taxes levied on EMSD property owners with the debt service requirements for Fiscal Year 2011-2012.

FISCAL IMPACT/FINANCING

The property tax revenues for the postponed EMSD general obligation bonds (2008 Series B bond) will be cancelled, as they are no longer required.

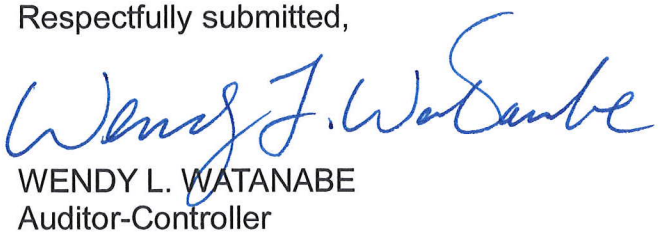
FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Various statutes including Government Code Sections 29100 to 29109, 23027, 50075, Revenue and Taxation Code Section 135, and Health and Safety Code Section 13911, required the Board's approval of the September 6, 2011 tax rate resolution and further require its levy of the taxes so authorized. This resolution rescinds the unnecessary EMSD levy consistent with these legal requirements.

IMPACT ON CURRENT SERVICES

None.

Respectfully submitted,



WENDY L. WATANABE
Auditor-Controller

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Attachment

c: William T Fujioka, Chief Executive Officer
Andrea Sheridan Ordin, County Counsel
Sachi A. Hamai, Executive Officer
Mark J. Saladino, Treasurer and Tax Collector
Public Information Office

RESOLUTION OF THE BOARD OF SUPERVISORS OF THE

COUNTY OF LOS ANGELES RESCINDING

FISCAL YEAR 2011-2012 TAX RATE AUTHORITY

RECITALS

1. On July 13, 2011, the El Monte School District ("EMSD") informed Los Angeles County of its intent to issue general obligation bonds (2008 Series B bond), and accordingly, on September 6, 2011, a tax rate of .002175 for anticipated debt service payments was adopted in the "Resolution of the Board Of Supervisors Fixing Tax Rates for County and District Taxes and Levying a Tax upon the Taxable Property of the County for Fiscal Year 2011-2012."

2. On September 8, 2011, EMSD notified the County that the proposed bond sale might exceed EMSD's taxing authority and the debt service levy for Fiscal Year 2011-2012 should therefore be rescinded. There is sufficient time to rescind the previously approved tax and avoid an unnecessary tax levy on EMSD property owners.

NOW, THEREFORE BE IT RESOLVED by the Board of Supervisors of the County of Los Angeles that:

(1)The Resolution of the Board Of Supervisors Fixing Tax Rates for County and District Taxes and Levying a Tax upon the Taxable Property of the County for Fiscal Year 2011-2012 is amended by striking out the tax rate set forth at page 3, line 16, under "Schools – Elementary School Districts – Debt Service Funds" described as Account No. 473.62, Fund Description "El Monte Sch DS 2008 Ser B," Rate, .002175.

(2) Authority to levy such rate as a tax is hereby rescinded.

The foregoing resolution was on the _____ day of September, 2011, adopted by the Board of Supervisors of the County of Los Angeles and ex officio the governing body of all other special assessment and taxing districts, agencies and authorities for which said Board so acts.

SACHI A. HAMAI
Executive Officer
Board of Supervisors

By _____
Deputy

APPROVED AS TO FORM:

ANDREA SHERIDAN ORDIN
County Counsel

By _____
DOUG LOVEJOY
Senior Associate County Counsel
Government Services Division