



Finance, Audit, Insurance, and Real Property Committee

Adopt Resolution Establishing the Tax Rate for FY 2023/2024

Item 8-1

August 15, 2023

Tax Rate Adoption Process

February 24, 2022	Notice of public hearing provided to Legislature
February 22, 2022	Published notice of hearing
March 7, 2022	Presentation to F&I Committee
March 8, 2022	Public Hearing
April 12, 2022	Board action to adopt resolution on the applicability of the tax rate limit (Section 124.5)
August 2023	Board action to adopt resolution establishing the tax rate for FY 2023/24

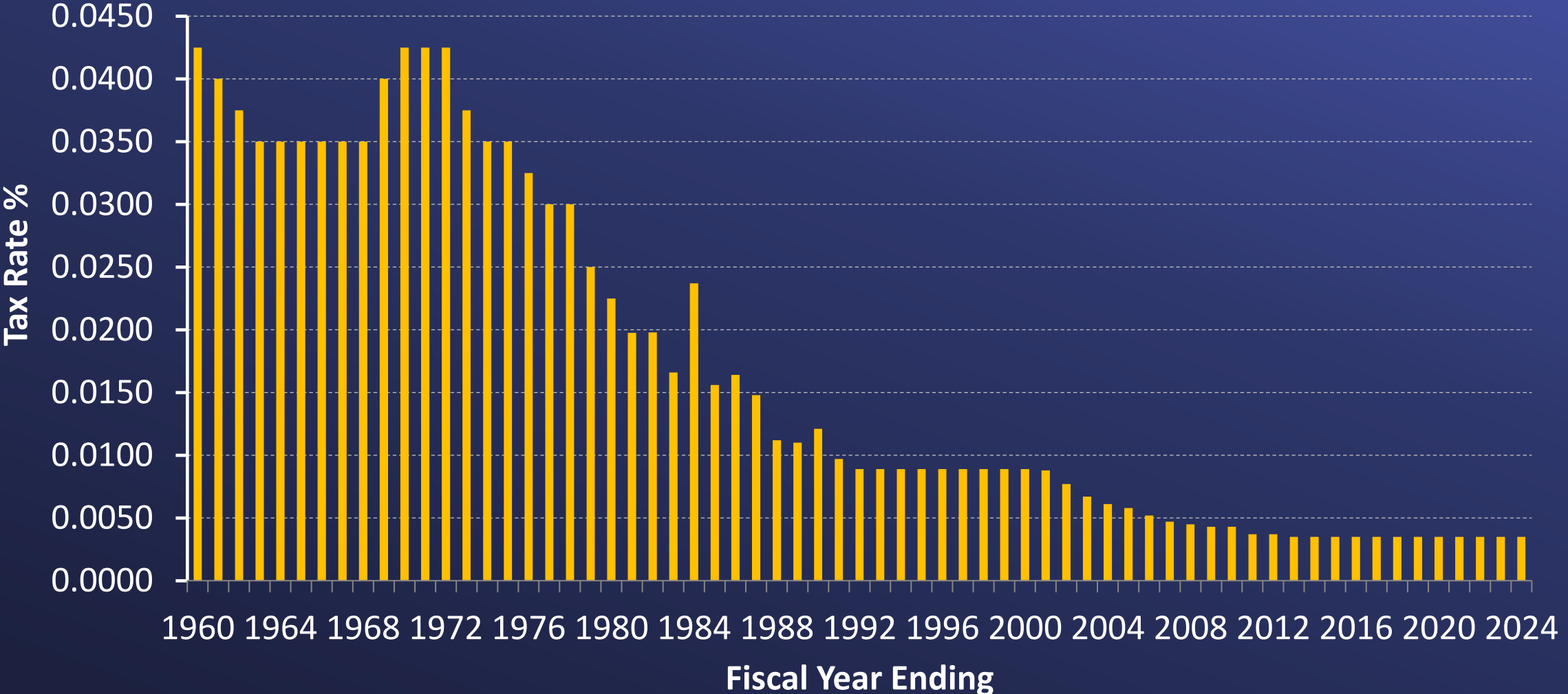
Proposed Tax Rate Adoption

- Maintain the rate approved in Metropolitan's Current Budget
- Biennial budget for FYs 2023/24 and 2024/25, water rates for CYs 2023 and 2024, and charges for CYs 2023 and 2024, adopted in April 2023 are based on a continuation of the existing tax rate

Ad Valorem Tax Background

- Metropolitan Water District (MWD) Act authorizes property taxes to pay obligations of the district
- Proposition 13 allows agencies to repay existing voter-approved indebtedness
- Metropolitan's share of State Water Contract (SWC) costs are within the Prop 13 exception for indebtedness
- Metropolitan's general obligation bonds are within the Prop 13 exception for indebtedness

Historical Property Tax Rate



Current Ad Valorem Tax Rate

- 0.0035% of assessed valuations
- A single-family residence in Metropolitan's service area assessed at \$700,000 currently pays about \$25 per year in ad valorem taxes towards Metropolitan's costs

June 2023 Typical Single Family Home Value: Zillow Home Value Index [ZHVI]		
County		Estimated Taxes per Year
Los Angeles	\$ 870,080	\$30
Orange	1,113,062	\$38
Riverside	587,166	\$20
San Bernardino	523,470	\$18
San Diego	930,346	\$32
Ventura	845,818	\$29

Board Options

- Option #1
 - Adopt the Resolution Levying Ad Valorem Property Taxes for the Fiscal Year Commencing July 1, 2023 and ending June 30, 2024 for the Purposes of The Metropolitan Water District of Southern California (**Attachment 1**) maintaining the tax rate at 0.0035 percent of assessed valuation, the same rate levied in FY 2022/23; and
 - Direct staff to transmit that resolution to the county auditor-controllers, or equivalent
 - **Fiscal Impact:** No impact to the adopted biennial budget for fiscal years 2022/23 and 2024/25 and water rates and charges for calendar years 2023 and 2024 as they were based on a tax rate of 0.0035 percent.

Board Options

- Option #2
 - Adopt the Resolution Levying Ad Valorem Property Taxes for the Fiscal Year Commencing July 1, 2023 and ending June 30, 2024 for the Purposes of the Metropolitan Water District of Southern California (**Attachment 2**) at a tax rate different than the existing tax rate, applied to assessed valuation; and
 - Direct staff to transmit that resolution to the county auditor-controllers, or equivalent
 - **Fiscal Impact:** A loss of fixed revenue, dependent upon Board action, would require revisiting the adopted biennial budget for fiscal years 2023/24 and water rates and charges for calendar years 2024 and potentially 2025.

Staff Recommendation

- Option #1

