

IMPARTIAL ANALYSIS OF MEASURE W

Under the California Constitution, Health and Safety Code, and other related statutes, fire protection districts may issue general obligation bonds for very limited purposes. The sale of such bonds must be approved by at least two-thirds (66 percent) of voters within the boundaries of that district. These bonds are sold to the public and constitute a debt of the district. They are repaid by the levy of an *ad valorem* tax, which is calculated based on the current assessed value of each property, and collected at the same time as other county taxes on real property.

Measure W was placed on the ballot by the Scotts Valley Fire Protection District (“the District”). The District proposes the sale of General Obligation bonds of a maximum amount not to exceed \$22,240,000 for a period up to 30 years. The total amount of bonds incurred cannot exceed 10 percent of the assessed value of all taxable property within the district. The maximum interest rate to be paid on the bonds will not exceed 12 percent per year.

As limited by law, the funds from the sale of these bonds shall only be used for specific purposes related to acquisition or construction of any real property, other capital expenses, and/or costs related to the authorization, issuance, and sale of the bonds. The law does not allow these bond funds to be used for salaries or other operational expenses.

The District has submitted a Bond Project description and additional information in the full body of the Measure and the Exhibits. The projects funded may include, but are not limited to:

- Acquiring and constructing a new fire station; and/or
- Upgrading and properly repairing existing fire stations to meet current needs.

The District must also follow certain accountability measures, such as depositing the proceeds of the bonds into a special account and the filing of annual report by the Fire Chief. The report shall contain detailed information regarding the amount of funds that have been collected and expended, as well as the status of the project(s).

At the time of filing, the District has provided the best estimate of the highest tax rate to be levied at approximately \$27.50 per \$100,000 of assessed property value per year. The average annual tax can be collected for a term not to exceed 30 years. The measure does not include an estimated amount of funds to be raised on an annual basis.

A “yes” vote on Measure W is a vote to authorize the issuance of general obligation bonds in the amount of \$22,240,000 to be financed by the levy of *ad valorem* taxes on real property in the District.

A “no” vote on Measure W is a vote against the issuance of the proposed general obligation bonds.

JASON M. HEATH, COUNTY COUNSEL

By: Ruby Márquez, Chief Assistant County Counsel