

A Summary of the City of Bell's Property Taxes

Bell homeowners and business owners will observe three applications of property taxes on their tax bills.

1. **Base 1% Tax Levy** – The 1% tax levy is limited by the State Constitution to 1% of property value as established by Proposition 13 in 1978. This gross amount paid by the property owner is divided and remitted to many separate taxing jurisdictions. The City of Bell retains only 5.4% of the levy as secured property taxes. This rate of retention is the third lowest in Los Angeles County. The City's annual secured collections are \$500,000.

The Los Angeles County Assessor's Office is responsible for establishing the taxable value of each Bell property. The Assessor's Office assigns value to the land and the permanent improvements on the land (home or business). If, for example, a property is valued at \$75,000, then the corresponding base 1% property tax is calculated as follows:

$$\$75,000 \times 1\% = \$75,000 \times .01 = \$750 \text{ property tax.}$$

The portion remitted to the City of Bell is 5.4% of the property tax. Thus, $.054 \times \$750 = \40.50 remitted to City.

2. **City of Bell Pension Tax Override** – Established by the Bell voters in 1944, the pension override was established to finance the costs of employee pension contributions and post-employment medical premiums. There are twelve cities in Los Angeles County that have pension overrides.

The levy amount is \$.152859 per each \$100 in property value.

Assuming again a property valued at \$75,000, the derivation of the tax is similar to the base property tax levy. $(\$75,000 \times .152859) / 100 = \$11,464 / 100 = \$114.64$ tax. The City's Retirement Fund was established to account for the tax income and disbursements. All of the pension tax is retained by the City. Annual collections are \$1.9 million.

3. **City of Bell General Obligation Bonds** -- A 2003 City of Bell municipal election authorized the sale of up to \$70 million in General Obligation Bonds (GOBs) to finance construction and improvements of parks and related facilities. In 2004, the City issued \$15 million in bonds. In 2007 it issued another \$35 million. In July of 2012, a portion of the Series 2007 bonds remained unexpended. The City used the unexpended proceeds to pay the tender price of the tendered bonds, defease other bonds, and pay related costs – thereby reducing the borrowing and effectively eliminating the possibility that this tax will ever increase. The debt service extends to 2037.

The levy amount is \$.187554 per each \$100 in property value.

A Summary of the City of Bell's Property Taxes

Assuming again a property valued at \$75,000, the derivation of the tax is similar to the base property tax levy. $(\$75,000 \times .187554) / 100 = \$14,067 / 100 = \$140.67$ tax. The City's Debt Service Fund was established to account for the tax income and disbursements. All of the General Obligation Bonds tax is retained by the City. Annual collections are \$2.1 million.

Property Tax Bills

The Los Angeles County Auditor-Controller issues property tax bills to Bell property owners. The Treasurer-Tax Collector collects the property tax. For unknown reasons, the Auditor-Controller combines the pension tax levy and the GOBs levy on the property tax bill. This presentation consistently creates confusion for property owners.

The combined levies are described on the tax bill as "Bell Measure A-G." The combined levy is .340413.

Proof of the combined levy is derived by adding the pension levy, .152859, to the GOBs levy, .187554. Thus: $.152859 + .187554 = .340413$.
