

Revenue Outlook

SUPPLEMENT TO THE 2003-04 PROPOSED BUDGET



*Protecting
our Neighborhoods*

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2003-04

General Receipts

REVENUE SUMMARY
FISCAL 2003-04
THOUSAND DOLLARS

2002-03			2003-04
Budget	Revised		Budget
\$647,926	\$657,742	Property Tax	\$701,550
517,367	512,547	Utility Users' Tax	520,126
421,725	467,351	Licenses, Permits, Fees and Fines	421,437
362,361	364,091	Sales Tax	376,752
360,400	360,400	Business Tax	373,014
223,000	223,000	State Motor Vehicle License Fees	231,920
162,800	185,358	Power Revenue Transfer	152,500
95,025	121,000	Documentary Transfer Tax	127,000
109,532	111,000	Municipal Court fines	111,000
100,478	94,600	Transient Occupancy Tax	97,900
58,679	59,454	Parking Users' Tax	62,427
41,896	39,584	Grants Receipts	42,378
33,528	33,528	Franchise Income	35,476
26,800	27,523	Water Revenue Transfer	28,800
29,179	27,390	Interest	20,500
11,136	11,136	Tobacco Settlement	9,641
1,250	1,492	Transfer from Telecommunications Development Account	2,243
2,100	2,100	Civic Center Parking Income	2,163
1,800	2,800	Residential Development Tax	1,800
1,500	1,000	Transit Shelter Income	1,500
542	542	Los Angeles Mall Rental Income	558
57,963	57,963	Transfer from Reserve Fund	160,006
<u>\$3,266,987</u>	<u>\$3,361,601</u>	Total General Fund Receipts	<u>\$3,480,691</u>

MONTHLY REVENUE STATUS REPORT BY ACCOUNT
PROPERTY TAXES
(Thousand Dollars)

MONTHLY	1999-00	2000-01	2001-02	2002-03			2003-04	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE	REVISED	PLAN
JULY	\$7,869	\$14,055	\$8,480	\$10,802	\$11,172	\$370	\$11,172	\$10,795
AUGUST	30,048	34,077	38,086	41,174	38,661	(2,513)	38,661	38,580
SEPTEMBER	874	5	(159)	750	1,285	535	1,285	(250)
OCTOBER	2,942	2,100	160	1,970	1,781	(189)	1,781	2,000
NOVEMBER	8,030	7,552	10,530	7,717	10,485	2,768	10,485	10,750
DECEMBER	185,609	204,401	217,633	229,502	226,460	(3,042)	226,460	247,060
JANUARY	51,094	57,270	64,275	62,487	64,472	1,985	64,472	68,840
FEBRUARY	36,220	38,884	41,908	39,375	49,506	10,131	49,506	45,750
MARCH	2,738	5,269	4,657	5,746	6,266	520	6,266	6,250
APRIL	145,763	155,634	166,430	179,624			171,903	189,800
MAY	53,500	65,364	66,028	65,467			71,908	77,915
JUNE	3,124	3,696	4,365	3,312			3,843	4,060
TOTAL	\$527,811	\$588,307	\$622,393	\$647,926			\$657,742	\$701,550
% CHANGE	5.3%	11.5%	5.8%	4.1%			5.7%	6.7%

CUMULATIVE	1999-00	2000-01	2000-01	2002-03			2003-04	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE	REVISED	PLAN
JULY	\$7,869	\$14,055	\$8,480	\$10,802	\$11,172	\$370	\$11,172	\$10,795
AUGUST	37,917	48,132	46,566	51,976	49,833	(2,143)	49,833	49,375
SEPTEMBER	38,791	48,137	46,407	52,726	51,118	(1,608)	51,118	49,125
OCTOBER	41,733	50,237	46,567	54,696	52,899	(1,797)	52,899	51,125
NOVEMBER	49,763	57,789	57,097	62,413	63,384	971	63,384	61,875
DECEMBER	235,372	262,190	274,730	291,915	289,844	(2,071)	289,844	308,935
JANUARY	286,466	319,460	339,005	354,402	354,316	(86)	354,316	377,775
FEBRUARY	322,686	358,344	380,913	393,777	403,822	10,045	403,822	423,525
MARCH	325,424	363,613	385,570	399,523	410,088	10,565	410,088	429,775
APRIL	471,187	519,247	552,000	579,147			581,991	619,575
MAY	524,687	584,611	618,028	644,614			653,899	697,490
JUNE	527,811	588,307	622,393	647,926			657,742	701,550

Summary and assumptions are presented on the next page. Additional detail follows.

SUMMARY

Property taxes represent the City's largest source of General Fund revenue. The City forecasts property taxes based on each of the specific categories of receipts: secured, unsecured, delinquent, redemptions, refunds, supplemental assessments and state replacement monies for homeowner exemptions. Estimates for City secured and unsecured receipts in 2003-04 are based on the County Assessor's estimate of growth in assessed valuation. Adjustments are made for growth in redevelopment project areas. The estimates of current secured and unsecured levy receipts are adjusted for delinquencies and the timing of remittances to the City. Estimates of other property tax receipts are based primarily on historical collections.

Proposition 13

Article XIII A of the State Constitution (enacted through the passage of Proposition 13 in 1978) limits the ad valorem taxes on real property to one percent of the "full cash value." The County collects the real property taxes and apportions the taxes among local taxing agencies on the basis of a formula established by state law in 1979. Under this formula, the City receives a base-year allocation plus an allocation on the basis of growth in assessed value of properties sold/transferred, new construction, and inflation adjustment. As of fiscal year 2002-03, the City of Los Angeles remained the highest valued municipality in the county with net revenue producing assessed valuation of \$244 billion, a 6.2% increase over fiscal year 2001-02.

Recent Litigation Involving Assessment Practices

Properties which have been subject to downward valuation by county assessors as a result of natural disasters, economic downturns or other factors, have often had that value restored by the assessors (up to the pre-decline value of the property) at rates higher than 2% per annum depending on the success of repairs following a disaster or the speed of a recovery from an economic downturn. All fifty-eight county assessors in California have followed this procedure which was codified in Section 51 of the Revenue and Taxation Code of the State in 1979.

In December 2001, an Orange County Superior Court ruled *in County of Orange v. Orange County Assessment Appeals Board No. 3* (the "Orange County Case") that such decreases create a new "base year value" for purposes of Proposition 13 and that subsequent increases in the assessed value of a property by more than 2% in a single year violated Proposition 13 (Article XIII A of the California Constitution). The Court's ruling only applies to the particular assessment involved in this case. However, if the Court's reasoning is applied to other local governments, the value presently attributable to Proposition 8 revenues to such governments, including the City, may be reduced. On May 30, 2002, the Court denied the Orange County Assessor's Motion for Judgement on the Pleadings. On December 12, 2002, the Orange County Superior Court certified the lawsuit as a class action and the case has been submitted to the State's Fourth District Court of Appeal.

The same attorney pursuing the Orange County Case subsequently filed a similar case in Los Angeles County on the same basis seeking a refund from the Los Angeles County Assessor for property in Los Angeles County (*David Bezaire, Trustee, et al., v. County of Los Angeles, et al.*). On April 30, 2002, the judge in the Los Angeles case dismissed the plaintiff's action stating in part that "no support presently exists in statute, case law or policy for the contention that upon property decline in value below its acquisition value, its Proposition 13 based value is permanently reduced..., instead all presumptions on this issue favor Revenue and Taxation Code Section 51". However, were the plaintiffs ultimately to prevail and the decision became applicable to other similarly-situated property owners, property tax revenues to the City would decrease. The City cannot predict the impact of this litigation on its property tax revenues.

Recent City Revenue Trend

The unusually high rate of growth in 2000-01 (11.5%) was caused by the redirection to the General Fund of revenue formerly directed to the Central Business District CRA. Assessed values followed a normal pattern in the late 1990's and in the early 2000's, and City receipts usually track valuations. Countywide collections for the past four fiscal years were steady at around 97% of the secured levy.

Assumptions for 2003-04

- That the County Assessor's estimate of 7.5% growth in countywide property valuations represents the best basis for forecasting secured receipts; his 0.0% estimate for countywide unsecured receipts is used for that City category.
- That the County will not delay payments that belong in 2003-04 until the next fiscal year.
- That redemptions/penalties, supplemental and homeowner exemptions will continue at about the same level as 2002-03.

Additional Detail

On the following pages, we present historical information and the basis for the revenue assumptions.

PROPERTY TAX - OVERVIEW

(Million Dollars)

	1999-00	2000-01	2001-02	2002-03		2003-04	NOTE
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED	ESTIMATE	
NET REVENUE PRODUCING VALUATIONS	\$200,721.3	\$214,689.9	\$229,978.8	\$244,303.0	\$244,252.3	\$261,531.4	1
<i>% CHANGE</i>	6.9%	7.0%	7.1%	6.2%	6.2%	7.1%	2
NET SECURED CITY ROLL	\$176,812.0	\$193,267.0	\$206,569.4	\$218,963.6	\$220,236.4	\$236,972.9	3
<i>% CHANGE</i>	7.1%	9.3%	6.9%	6.0%	6.6%	7.6%	4
SECURED LEVY	\$488.2	\$520.2	\$554.2	\$587.5	\$588.3	\$632.5	5
<i>SECURED LEVY AS % OF NET SECURED CITY ROLL</i>	0.276%	0.269%	0.268%	0.268%	0.267%	0.267%	6
SECURED RECEIPTS BY COUNTY TAX YEAR	\$473.1	\$505.5	\$541.7	\$569.9	\$574.8	\$618.2	7
<i>% CHANGE</i>	6.5%	6.8%	7.2%	5.2%	6.1%	7.5%	8
COLLECTION RATE	96.9%	97.2%	97.7%	97.0%	97.7%	97.7%	9
CASH ADJUSTMENTS	(5.1)	4.1	(3.9)	(0.6)	1.6	0.2	10
SECURED RECEIPTS BY CITY FISCAL YEAR	\$468.1	\$509.6	\$537.8	\$569.3	\$576.4	\$618.4	11
<i>% CHANGE</i>	5.5%	8.9%	5.5%	5.9%	7.2%	7.3%	12
CRA TAX INCREMENT	2.1	18.5	17.9	16.2	18.0	18.0	13
ALL OTHER PROPERTY TAX CATEGORIES	57.7	60.3	66.7	62.4	63.3	65.2	14
<i>% CHANGE</i>	2.2%	4.5%	10.7%	-6.4%	-5.0%	2.9%	
TOTAL	\$527.8	\$588.3	\$622.4	\$647.9	\$657.7	\$701.6	
<i>% CHANGE</i>	5.3%	11.5%	5.8%	4.1%	5.7%	6.7%	15

NOTES TO PROPERTY TAX OVERVIEW

1. NET REVENUE PRODUCING VALUATIONS

This is the total City revenue producing valuations for secured and unsecured property after exemptions. The County Assessor uses this as the basis for projections.

2. NET REVENUE PRODUCING VALUATIONS PERCENT CHANGE

This is the rate of growth in the net revenue producing valuations expressed as a percent change from the prior year. The revised figure for 2002 reflects the Assessor's final determination. We use the County Assessor's preliminary countywide estimate of the net revenue producing valuations as the basis to forecast the 2003-04 net City revenue producing valuations.

3. NET SECURED CITY ROLL

This adjusts the net revenue producing valuations to remove unsecured values, which are estimated separately, and CRA increment values, which are not credited to the General Fund. Assessments for public utilities by the State Board of Equalization are added.

4. NET SECURED CITY ROLL PERCENT CHANGE

Differs from net revenue producing valuations percent change in some years primarily because of shifts in CRA increment values. However, for FY 2003-04, the County Assessor is forecasting significantly different growth rates for secured valuations (7.5%) and unsecured valuations (0.0%). The result is the increasing differences in percent change between the Net Revenue Producing Valuations and the Net Secured City Roll

5. SECURED LEVY

The County Auditor-Controller applies the general tax levy of 1% to net secured City roll. Portions of that 1-% levy are directed to schools, the County, and special districts. The amount shown in this category is the City's portion of the 1-% levy.

6. SECURED LEVY AS PERCENT OF NET SECURED CITY ROLL

The City gets about 27% of the 1-% secured property tax collected in the City; the County, schools and special districts get the rest. The City share of the secured levy has declined slightly in recent years

7. SECURED RECEIPTS BY COUNTY TAX YEAR

Typically closely parallels the rate of growth for net secured City roll.

8. SECURED RECEIPTS BY COUNTY TAX YEAR PERCENT CHANGE

For 2003-04, projected City revenue growth is expected to exceed the rate of growth for the net revenue producing valuations. Net revenue producing valuations include unsecured valuations which are not growing.

9. COLLECTION RATE

2001-02 collection rate of 97.7% is historically high. However, receipts to date warrant the same rate for 2002-03 and 2003-04.

10. CASH ADJUSTMENTS

This is the difference between City fiscal year (receipts from July to June) and County property tax year (City receipts from December to November). For 2002-03 and 2003-04 we assume the normal pattern of receipts.

11. SECURED RECEIPTS BY CITY FISCAL YEAR

Current-year secured receipts are recorded by the County Tax Collector between December and the following June. The County Auditor-Controller remits a portion of the City's share of tax collections in July and August, after the City's books close. The Charter requires the City to use only cash received during its fiscal year as the basis for budget planning, and monies remitted by the County after June 30 are credited to the next fiscal year

12. SECURED RECEIPTS BY CITY FISCAL YEAR PERCENT CHANGE

This differs from percent growth in valuations primarily because of year-to-year changes in remittances by the County during months of July and August.

13. CRA TAX INCREMENT

The Central Business District CRA project (CBD) received its final property tax increment payment late in 1999-00. Beginning in 2000-01, these tax monies were redirected to other taxing agencies, such as the City. The County has been segregating the former CBD tax increment and remitting it separately. CBD is removed from the net secured City roll along with all other CRA tax increments when net City valuations are calculated. Once the County folds the CBD increment into the net secured roll, this category will be discontinued and the CBD assessed valuations will be included as part of the City assessed values.

14. ALL OTHER PROPERTY TAX CATEGORIES

Includes unsecured property taxes, homeowner exemption, redemptions and penalties, supplemental assessment payments, County charges, refunds and all other adjustments. Historical collections and estimates for these sources are detailed in the following page.

15. TOTAL CITY RECEIPTS

This shows the effect of all adjustments to the change in net revenue producing valuations. For 2003-04, the total rate of growth in City receipts is about 0.4% less than the rate of growth in net revenue producing valuations due to the differences in rate of growth between the net revenue producing valuations (7.1%) and the summary of all other (2.9%).

SUMMARY OF ALL OTHER CATEGORIES

(Thousand Dollars)

	1999-00	2000-01	2001-02	2002-03		2003-04
	ACTUAL	ACTUAL	ACTUAL	BUDGET	REVISED	ESTIMATE
UNSECURED	\$35,365	\$36,945	\$39,577	\$41,903	\$38,812	\$38,800
% CHANGE FROM PRIOR YEAR	7.2%	4.5%	7.1%	5.9%	-1.9%	0.0%
HOMEOWNER EXEMPTION	8,436	8,426	8,374	8,374	8,351	\$8,400
% CHANGE FROM PRIOR YEAR	0.2%	-0.1%	-0.6%	0.0%	-0.3%	0.6%
REDEMPTIONS & PENALTIES	18,550	16,513	18,039	15,000	20,000	\$20,000
% CHANGE FROM PRIOR YEAR	-17.4%	-11.0%	9.2%	-16.8%	10.9%	0.0%
SUPPLEMENTAL	10,934	11,686	15,724	12,000	17,000	\$17,000
% CHANGE FROM PRIOR YEAR	42.4%	6.9%	34.6%	-23.7%	8.1%	0.0%
COUNTY CHARGE	(10,224)	(11,328)	(11,817)	(11,850)	(12,600)	(\$13,000)
% CHANGE FROM PRIOR YEAR	-0.9%	-10.8%	-4.3%	-0.3%	-6.6%	-3.2%
REFUNDS	(5,710)	(3,554)	(1,330)	(3,000)	(9,000)	(\$6,000)
% CHANGE FROM PRIOR YEAR	0.9%	-37.8%	-62.6%	-125.6%	-576.7%	33.3%
ADJUSTMENTS	299	1,533	(1,855)		786	
% CHANGE FROM PRIOR YEAR	-64.0%	412.7%	-221.0%		142.4%	
TOTAL: ALL OTHER CATEGORIES	\$ 57,650	\$ 60,221	\$ 66,712	\$ 62,427	\$ 63,349	\$ 65,200
% CHANGE FROM PRIOR YEAR	2.2%	4.5%	10.8%	-6.4%	-5.0%	2.9%

A brief explanation and additional detail for each of these property tax components are presented separately.

City of Los Angeles
TOTAL PROPERTY TAX VALUATIONS
(Billion Dollars)

CALENDAR YEAR	1999 Actual <i>City FY 1999-00</i>	2000 Actual <i>City FY 2000-01</i>	2001 Actual <i>City FY 2001-02</i>	2002 Actual <i>City FY 2002-03</i>	2003 Estimate <i>City FY 2003-04</i>
	Valuation	Valuation	Valuation	Valuation	Valuation
Gross Total Locally Assessed Valuations	\$212.939	\$227.500	\$243.267	\$258.386	\$276.510
<i>% change from last year</i>	6.6%	6.8%	6.9%	6.2%	7.0%
Less exemptions: Churches, Schools	9.527	10.142	10.644	11.508	12.330
Less: Homeowner exemptions	2.690	2.667	2.645	2.625	2.649
Net Revenue Producing Valuations	\$200.722	\$214.690	\$229.978	\$244.253	\$261.531
<i>% change from last year</i>	6.9%	7.0%	7.1%	6.2%	7.1%
Other Adjustments					
Add: State Assessments for PUC	0.166	0.157	0.163	0.147	0.158
Less: CRA Increment	9.947	6.339	7.102	8.371	8.924
Net City Roll	<u>\$190.941</u>	<u>\$208.508</u>	<u>\$223.039</u>	<u>\$236.029</u>	<u>\$252.765</u>
<i>% change from last year</i>	6.6%	9.2%	7.0%	5.8%	7.1%

Values for 2003 are estimates by City staff based on County Assessor estimates of countywide valuations.

City of Los Angeles
SECURED PROPERTY TAX VALUATIONS
(Billion Dollars)

CALENDAR YEAR	1999 Actual <i>City FY 1999-00</i>	2000 Actual <i>City FY 2000-01</i>	2001 Actual <i>City FY 2001-02</i>	2002 Actual <i>City FY 2002-03</i>	2003 Estimate <i>City FY 2003-04</i>
Gross Total Locally Assessed Valuations	\$197.572	\$211.086	\$225.278	\$241.011	\$259.135
<i>% change from last year</i>	6.9%	6.8%	6.7%	7.0%	7.5%
Less exemptions: Churches, Schools	9.267	9.715	10.145	10.940	11.763
Less: Homeowner exemptions	2.690	2.667	2.645	2.625	2.648
Net Revenue Producing Valuations	185.614	198.703	212.488	227.445	244.724
<i>% change from last year</i>	7.3%	7.1%	6.9%	7.0%	7.6%
Other Adjustments					
Add: State Assessments for PUC	0.166	0.157	0.163	0.147	0.158
Less: CRA Increment	8.968	5.593	6.082	7.356	7.909
Net City Roll	<u>\$176.812</u>	<u>\$193.267</u>	<u>\$206.569</u>	<u>\$220.236</u>	<u>\$236.973</u>
<i>% change from last year</i>	7.1%	9.3%	6.9%	6.6%	7.6%

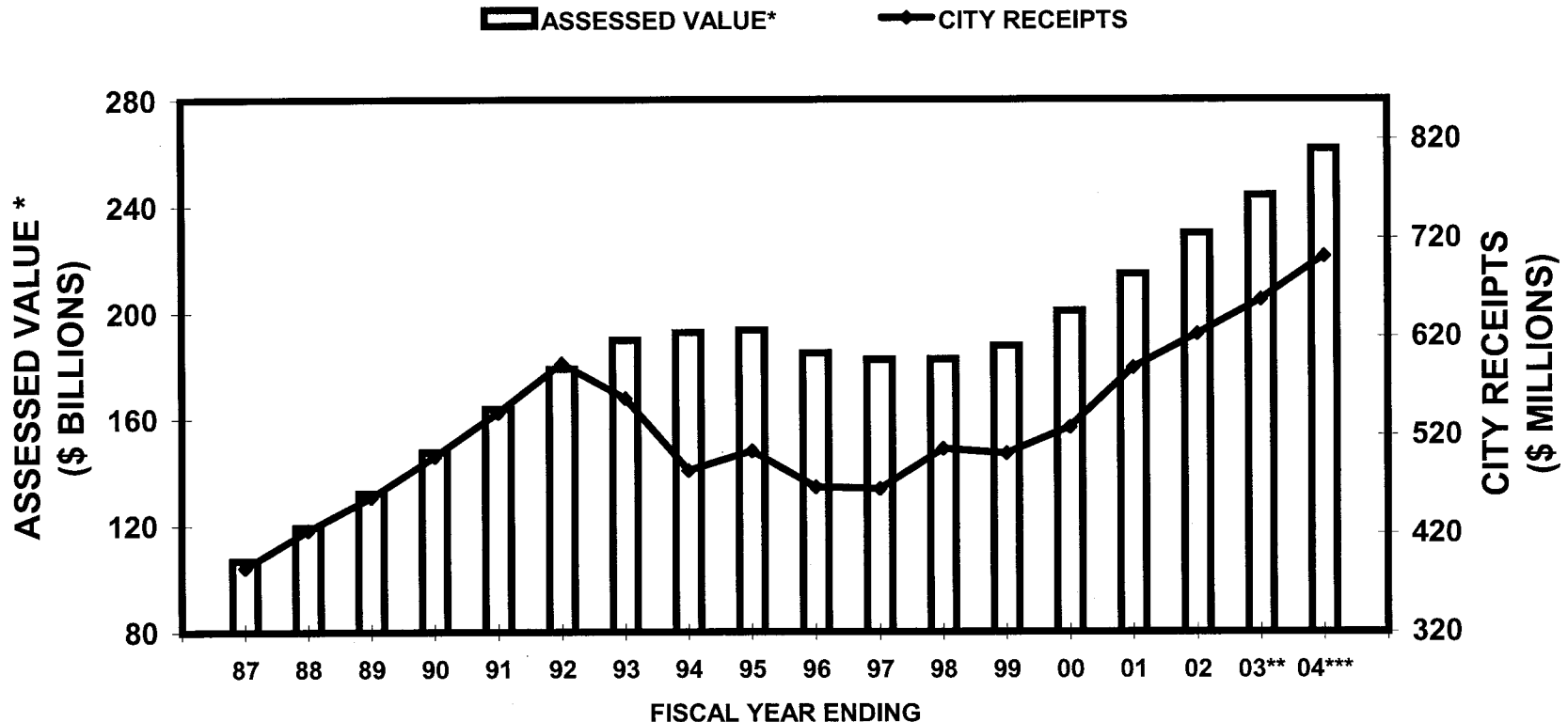
Values for 2003 are estimates by City staff based on County Assessor estimates of countywide valuations.

City of Los Angeles
UNSECURED PROPERTY TAX VALUATIONS
(Billion Dollars)

CALENDAR YEAR	1999 Actual <u>City FY 1999-00</u>	2000 Actual <u>City FY 2000-01</u>	2001 Actual <u>City FY 2001-02</u>	2002 Actual <u>City FY 2002-03</u>	2003 Estimate <u>City FY 2003-04</u>
Gross Total Locally Assessed Valuations <i>% change from last year</i>	\$15.367 2.8%	\$16.414 6.8%	\$17.989 9.6%	\$17.375 -3.4%	\$17.375 0.0%
Less exemptions: Churches, Schools	0.259	0.427	0.499	0.567	0.567
Less: Homeowner exemptions	<u>0.000</u>	<u>0.000</u>	<u>0.001</u>	<u>0.001</u>	<u>0.001</u>
Net Revenue Producing Valuations <i>% change from last year</i>	15.107 3.1%	15.986 5.8%	17.489 9.4%	16.807 -3.9%	16.807 0.0%
Other Adjustments					
Add: State Assessments for PUC	0.000	0.000	0.000	0.000	0.000
Less: CRA Increment	<u>0.979</u>	<u>0.746</u>	<u>1.020</u>	<u>1.015</u>	<u>1.015</u>
Net City Roll <i>% change from last year</i>	<u>\$14.129</u> 1.2%	<u>\$15.241</u> 7.9%	<u>\$16.469</u> 8.1%	<u>\$15.792</u> -4.1%	<u>\$15.792</u> 0.0%

Values for 2003 are estimates by City staff based on County Assessor estimates of countywide valuations.

COMPARISON -- ASSESSED VALUE * AND TOTAL CITY RECEIPTS



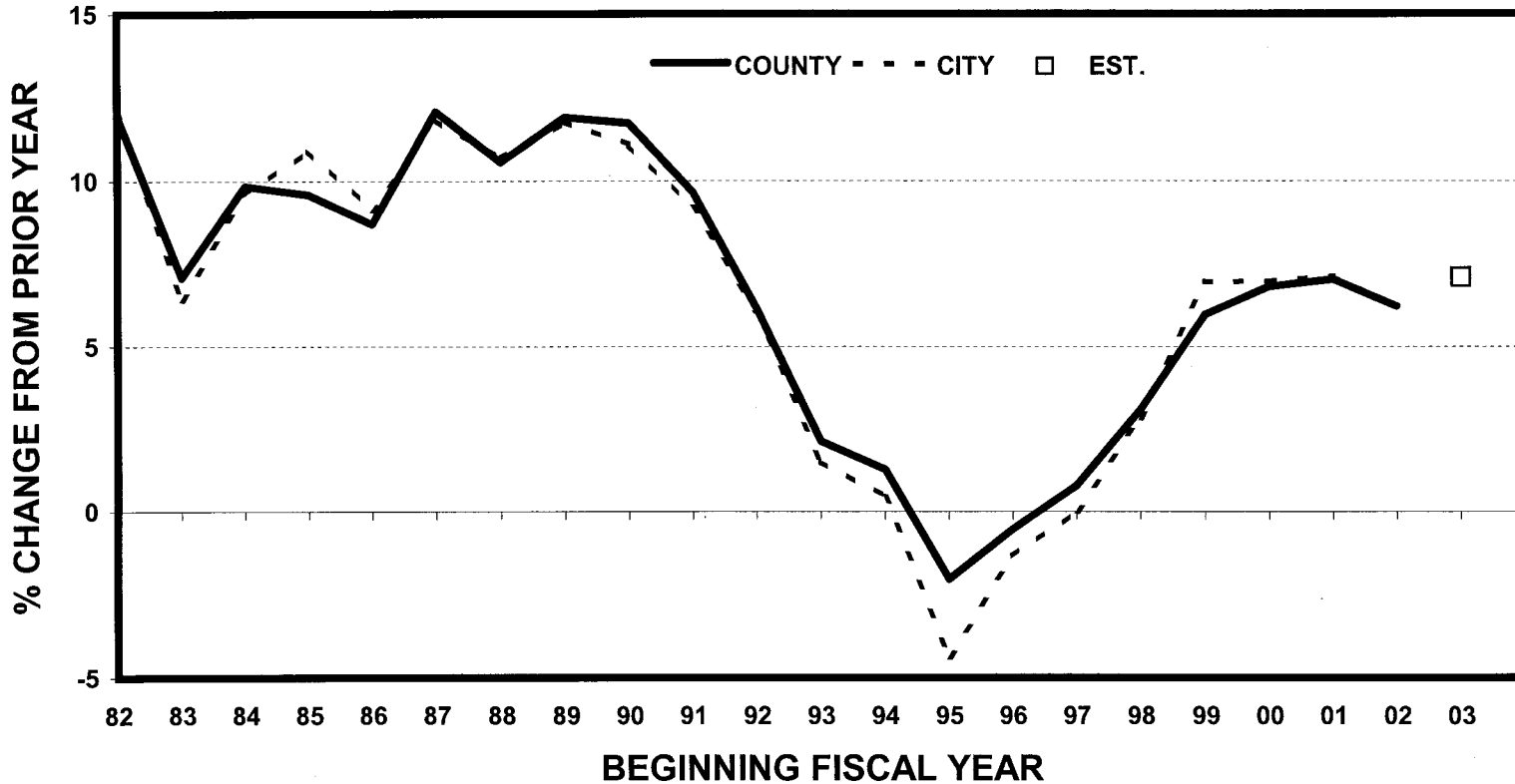
City receipts closely track assessed values in the City. Since the early 1990s, the City's share of the 1- % property tax is smaller. After voter approval of Proposition 13, 1% of assessed values in the City were allocated by State law among taxing jurisdictions based, in part, on pre-Proposition 13 "taxing effort." The City's share was about 35% of the 1-% tax. In the early 1990s, State law shifted additional taxes to schools and the City's share was reduced to about 27% of 1%. Since then, City tax receipts have grown at about the same rate as assessed values. If the pre-1992-93 allocation methodology had remained in effect, the City would have received about \$1.4 billion in additional revenue since 1992-93.

* Net revenue producing valuations (secured and unsecured).

** Assessed values for fiscal '03 are actual; the City receipts value for that year is an estimate.

*** For fiscal '04, the estimate for assessed values is based on the County Assessor's estimate of countywide assessed value. The City receipts estimate is by the CAO.

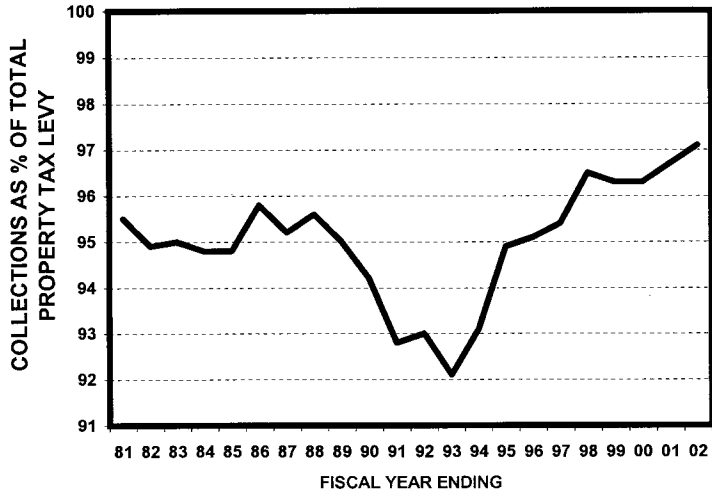
% CHANGE IN NET REVENUE PRODUCING VALUATIONS



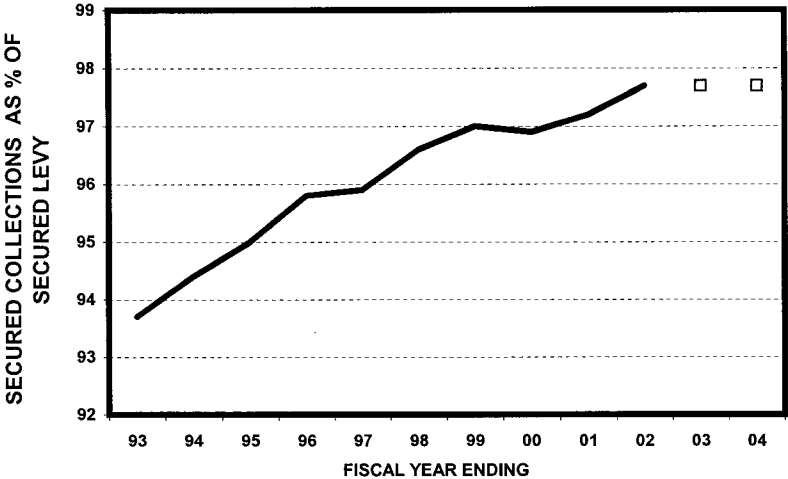
Growth in City valuations has closely tracked growth countywide valuations for many years. Because the 1994 earthquake disproportionately affected the City, values fell more sharply in the City in 1995. County Assessor staff believes the larger City growth in 1999 reflected restoration of some earthquake-related adjustments. The City and County rates of growth were almost identical for the past three years. The best estimate for 2003 is City growth will continue to closely track that of the County as it has done for many years. We use the County Assessor's preliminary roll forecast for the County as the best available estimate for growth in City net revenue producing valuations.

COLLECTION RATES

COUNTY PROPERTY TAX COLLECTION RATE



CITY SECURED COLLECTION RATE



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The table on the left shows the countywide collection rate since shortly after adoption of Proposition 13. Recent collections have been at an historical high.

The table on the right shows City secured collections as a percent of the secured tax levy for recent years. The City data is not strictly comparable with the County data because it excludes unsecured collections. The recent collection rate appears to be at a cyclical high. However, the strength of the local real estate market and year-to-date receipts support the same rate for budget planning.

Revenue Monthly Status Report
PROPERTY TAXES -- SECURED RECEIPTS
RECORDED BY COUNTY PROPERTY TAX YEAR
(Thousand Dollars)

MONTHLY	1999-00	2000-01	2001-02	2002-03			2003-04	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE	REVISED	PLAN
DECEMBER	\$195,283	\$208,068	\$221,691	\$233,200	\$235,309	\$2,109	\$235,309	\$253,000
JANUARY	48,821	52,017	55,423	57,974	58,827	853	58,827	63,500
FEBRUARY	25,570	33,094	33,583	33,293	39,103	5,810	39,103	36,900
MARCH								
APRIL	144,257	148,849	161,157	174,874			166,616	184,300
MAY	44,711	53,083	55,565	56,971			62,220	67,925
JUNE								
JULY	12,345	7,262	9,604	10,123			9,725	9,800
AUGUST	2,127	3,117	4,714	3,422			3,000	2,727
SEPTEMBER								
OCTOBER								
NOVEMBER								
TOTAL	\$473,114	\$505,490	\$541,737	\$569,857			\$574,800	\$618,152
% CHANGE	6.5%	6.8%	7.2%	5.2%			6.1%	7.5%

CUMULATIVE	1999-00	2000-01	2001-02	2002-03			2003-04	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE	REVISED	PLAN
DECEMBER	\$195,283	\$208,068	\$221,691	\$233,200	\$235,309	\$2,109	\$235,309	\$253,000
JANUARY	244,104	260,085	277,114	291,174	294,136	2,962	294,136	316,500
FEBRUARY	269,674	293,179	310,697	324,467	333,239	8,772	333,239	353,400
MARCH	269,674	293,179	310,697	324,467	333,239	8,772	333,239	353,400
APRIL	413,931	442,028	471,854	499,341			499,855	537,700
MAY	458,642	495,111	527,419	556,312			562,075	605,625
JUNE	458,642	495,111	527,419	556,312			562,075	605,625
JULY	470,987	502,373	537,023	566,435			571,800	615,425
AUGUST	473,114	505,490	541,737	569,857			574,800	618,152
SEPTEMBER	473,114	505,490	541,737	569,857			574,800	618,152
OCTOBER	473,114	505,490	541,737	569,857			574,800	618,152
NOVEMBER	473,114	505,490	541,737	569,857			574,800	618,152

ORIGINAL LEVY	\$488,208	\$520,170	\$554,228	\$587,481			\$588,272	\$632,510
COLLECTION RATE	96.9%	97.2%	97.7%	97.0%			97.7%	97.7%

The table above shows monthly secured receipts by county tax year, which begins in December. The estimate on this page for 2003-04 is based on the County Assessor's projection of 7.5% growth in countywide assessed values. The estimate then applies that rate of growth to the net City revenue producing valuations. The City's tax levy is estimated to increase from \$588.3 million in 2002-03 to \$632.5 million in 2003-04. The recent experience with collections is that 97.7% of payments are received in the year levied. We assume that collection rate will continue in 2003-04. The calculation of secured receipts by County tax year is shown below:

Estimated tax levy (thousand)	\$632,510
Estimated 2003-04 collection rate	97.7%
Estimated 2003-04 secured collections by county tax year (thousand)	\$618,152

REVENUE MONTHLY STATUS REPORT
SECURED RECEIPTS
CURRENT AND PRIOR TAX YEAR -- CITY FISCAL YEAR
(Thousand Dollars)

MONTHLY	1999-00	2000-01	2001-02	2002-03			2003-04	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE	REVISED	PLAN
JULY	\$5,997	\$12,345	\$7,262	\$9,987	\$9,604	(\$383)	\$9,604	\$9,725
AUGUST	3,412	2,127	3,117	3,000	4,714	1,714	4,714	3,000
SEPTEMBER								
OCTOBER								
NOVEMBER								
DECEMBER	195,283	208,068	221,691	233,200	235,309	2,109	235,309	253,000
JANUARY	48,821	52,017	55,423	57,974	58,827	853	58,827	63,500
FEBRUARY	25,570	33,094	33,583	33,293	39,103	5,810	39,103	36,900
MARCH								
APRIL	144,257	148,849	161,157	174,874			166,616	184,300
MAY	44,711	53,083	55,565	56,971			62,220	67,925
JUNE								
TOTAL	\$468,051	\$509,583	\$537,798	\$569,299			\$576,393	\$618,350
% CHANGE	5.5%	8.9%	5.5%	5.9%			7.2%	7.3%

CUMULATIVE	1999-00	2000-01	2001-02	2002-03			2003-04	
	ACTUAL	ACTUAL	ACTUAL	ESTIMATE	ACTUAL	VARIANCE	REVISED	PLAN
JULY	\$5,997	\$12,345	\$7,262	\$9,987	\$9,604	(\$383)	\$9,604	\$9,725
AUGUST	9,409	14,472	10,379	12,987	14,318	1,331	14,318	12,725
SEPTEMBER	9,409	14,472	10,379	12,987	14,318	1,331	14,318	12,725
OCTOBER	9,409	14,472	10,379	12,987	14,318	1,331	14,318	12,725
NOVEMBER	9,409	14,472	10,379	12,987	14,318	1,331	14,318	12,725
DECEMBER	204,692	222,540	232,070	246,187	249,627	3,440	249,627	265,725
JANUARY	253,513	274,557	287,493	304,161	308,454	4,293	308,454	329,225
FEBRUARY	279,083	307,651	321,076	337,454	347,557	10,103	347,557	366,125
MARCH	279,083	307,651	321,076	337,454	347,557	10,103	347,557	366,125
APRIL	423,340	456,500	482,233	512,328			514,173	550,425
MAY	468,051	509,583	537,798	569,299			576,393	618,350
JUNE	468,051	509,583	537,798	569,299			576,393	618,350

The County tax year runs from December to August, overlapping two City fiscal years. Receipts in July and August belong to the county's prior tax year, but must be recorded in the City's current fiscal year. When the county's payment pattern is normal, the City receives about 2 percent of secured receipts in July and August. The adjustment between fiscal years generally is no more than \$2 million to \$3 million.

The 2002-03 and 2003-04 estimates are based on normal July and August payments. The principal risk to this estimate is that the county could delay payment of scheduled receipts normally received in May to July of the next fiscal year.

REVENUE MONTHLY STATUS REPORT
UNSECURED RECEIPTS
CURRENT AND PRIOR TAX YEAR -- CITY FISCAL YEAR
(Thousand Dollars)

MONTHLY	1999-00	2000-01	2001-02	2002-03			2003-04	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE	REVISED	PLAN
JULY								
AUGUST	27,019	29,272	31,122	34,756	32,053	(2,703)	32,053	32,000
SEPTEMBER								
OCTOBER	1,978	1,798	969	2,151	2,474	323	2,474	2,500
NOVEMBER								
DECEMBER								
JANUARY		1,965	4,520					
FEBRUARY	3,497							
MARCH	2,871	3,910	2,920	4,996	4,285	(711)	4,285	4,300
APRIL			46					
MAY								
JUNE								
TOTAL	\$35,365	\$36,945	\$39,577	\$41,903			\$38,812	\$38,800
% CHANGE	7.2%	4.5%	7.1%	5.9%			-1.9%	0.0%
CUMULATIVE	1999-00	2000-01	2001-02	2002-03			2003-04	
	ACTUAL	ACTUAL	ACTUAL	ESTIMATE	ACTUAL	VARIANCE	REVISED	PLAN
JULY								
AUGUST	\$27,019	\$29,272	\$31,122	\$34,756	\$32,053	(\$2,703)	\$32,053	\$32,000
SEPTEMBER	27,019	29,272	31,122	34,756	32,053	(2,703)	32,053	32,000
OCTOBER	28,997	31,070	32,091	36,907	34,527	(2,380)	34,527	34,500
NOVEMBER	28,997	31,070	32,091	36,907	34,527	(2,380)	34,527	34,500
DECEMBER	28,997	31,070	32,091	36,907	34,527	(2,380)	34,527	34,500
JANUARY	28,997	33,035	36,611	36,907	34,527	(2,380)	34,527	34,500
FEBRUARY	32,494	33,035	36,611	36,907	34,527	(2,380)	34,527	34,500
MARCH	35,365	36,945	39,531	41,903	38,812	(3,091)	38,812	38,800
APRIL	35,365	36,945	39,577	41,903			38,812	38,800
MAY	35,365	36,945	39,577	41,903			38,812	38,800
JUNE	35,365	36,945	39,577	41,903			38,812	38,800

Unsecured property tax is levied on property of common business usage not secured as liens for payment of taxes. Unsecured property is typically business equipment not attached to the building. Personal residences are exempt from unsecured property taxes. Estimating unsecured receipts requires an estimate of the current year levy, an estimate of the portion of the current year levy that will not be collected by June, and an estimate of prior levies that will be collected in the current year. 2002-03 receipts is revised to reflect the decrease in the Net City Roll for unsecured valuations. Based on the county's estimate, we project zero growth for 2003-04. The following page provides historical experience.

UNSECURED PROPERTY TAX

	1999-00 Actual	2000-01 Actual	2001-02 Actual	2002-03 Revised	2003-04 Estimate
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(Billion Dollars)

Net Unsecured City Roll	\$14.129	\$15.241	\$16.469	\$15.792 A	\$15.792
<i>% change from last year</i>	1.2%	7.9%	8.1%	-4.1%	0.0%

(Million Dollars)

Unsecured Levy	\$32.595	\$34.654	\$36.801	\$36.361 A	\$36.361
<i>% change from last year</i>	1.4%	6.3%	6.2%	-1.2%	0.0%
<i>Unsecured levy as % of net unsecured city roll</i>	0.23%	0.23%	0.22%	0.23%	0.23%
Unsecured Current-year Collections	30.947	33.431	33.330	34.345 E	34.340
<i>% change from last year</i>	4.2%	8.0%	-0.3%	3.0%	0.0%
<i>Unsecured Current year Collections as % of unsecured levy</i>	94.9%	96.5%	90.6%	94.5%	94.4%
Other Current-year Collections *	4.418	3.514	6.247	4.467 E	4.460
<i>% change from last year</i>	34.4%	-20.5%	77.8%	-28.5%	-0.2%
Total Current-year Collections	\$35.365	\$36.945	\$39.577	\$38.812 E	\$38.800
<i>% change from last year</i>	7.2%	4.5%	7.1%	-1.9%	0.0%

A = Actual

E = Estimate

* Other current-year collections are unsecured taxes from the prior fiscal year that are remitted by the County in the current fiscal year, less unsecured taxes for the current year not remitted to the City by June 30. The category also includes collections from supplemental unsecured assessments that were not part of the original levy and collections of unsecured taxes from prior years.

**REVENUE MONTHLY STATUS REPORT
HOMEOWNERS' EXEMPTION**

(Thousand Dollars)

MONTHLY	1999-00	2000-01	2001-02	2002-03			2003-04	
	ACTUAL	ACTUAL	ACTUAL	BUDGET	ACTUAL	VARIANCE	REVISED	PLAN
JULY								
AUGUST								
SEPTEMBER								
OCTOBER								
NOVEMBER								
DECEMBER	1,265	1,264	1,256	1,256	1,253	(4)	1,253	1,260
JANUARY	2,953	2,949	2,931	2,931	2,923	(8)	2,923	2,940
FEBRUARY								
MARCH								
APRIL								
MAY	2,953	2,949	2,931	2,931			2,923	2,940
JUNE	1,265	1,264	1,256	1,256			1,252	1,260
TOTAL	\$8,436	\$8,426	\$8,374	\$8,374			\$8,351	\$8,400
% CHANGE	0.2%	-0.1%	-0.6%	0.0%			-0.3%	0.6%
CUMULATIVE	1999-00	2000-01	2001-02	2002-03			2003-04	
	ACTUAL	ACTUAL	ACTUAL	ESTIMATE	ACTUAL	VARIANCE	REVISED	PLAN
JULY								
AUGUST								
SEPTEMBER								
OCTOBER								
NOVEMBER								
DECEMBER	1,265	1,264	1,256	1,256	1,253	(4)	1,253	1,260
JANUARY	4,218	4,213	4,187	4,187	4,176	(12)	4,176	4,200
FEBRUARY	4,218	4,213	4,187	4,187	4,176	(12)	4,176	4,200
MARCH	4,218	4,213	4,187	4,187	4,176	(12)	4,176	4,200
APRIL	4,218	4,213	4,187	4,187			4,176	4,200
MAY	7,171	7,162	7,118	7,118			7,099	7,140
JUNE	8,436	8,426	8,374	8,374			8,351	8,400

The first \$7,000 of assessed value of a property owner's primary residence is exempt from local property tax. The state reimburses local governments for the lost tax revenue from this exemption. This reimbursement has been stable. This category tracks the county's remittance to the City of this state reimbursement.