

● **The Year 2004 Per-Acre Annexation Charge is \$3,460**

Summary

The annexation charge for 2004 is proposed to remain at its current level of \$3,460 per acre.

Attachments

Metropolitan's Administrative Code Division III, Chapter 3, Section 3300

Detailed Report

Annexation Per-acre Rate

The proposed year 2004 rate is \$3,460 per acre and does not increase from the year 2003 rate.

Section 3300 sets forth Metropolitan's financial policies related to annexation charge computation. The annexation charge for areas newly annexing to Metropolitan shall be the greater of the amounts computed under Section 3300(a) Back-Tax Computation and 3300(b) Per-acre Charge.

The per-acre charge is calculated by dividing the sum of the estimated replacement cost of Metropolitan's facilities, the unamortized participation rights in the State Water Project and other non-Metropolitan-owned projects in which Metropolitan participates, less Metropolitan's outstanding bonded indebtedness and the accumulated depreciation of facilities, by the total acreage within the service area of Metropolitan as of the end of the recently completed fiscal year.

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Chapter 3

FINANCIAL POLICIES RELATED TO ANNEXATIONS

Sec.

3300. Annexation Charge Computation

3301. Taxes for Past Annexations

§ 3300. Annexation Charge Computation.

Annexation Charge - The annexation charge for areas newly annexing to the District shall be the greater of the amounts computed under Sections 3300(a) and 3300(b):

(a) Back-Tax Computation - The annexing area shall be required to pay an amount that bears the same relation to total District taxes levied and annexation taxes to be levied (both exclusive of interest or adjusting factors) as the assessed valuation of the annexation area bears to the assessed valuation of the District, all data to be as of the August 31, preceding the year in which the annexation will be effective, and back interest to be simply calculated by multiplying the amount established as the bare back tax obligation by 5 percent and the resultant by half the number of years since taxes were first levied by the District.

(b) Per-acre Charge - The annexation charge per acre of land, other than land devoted to public roads, streets, highways, and freeways, to be paid by the annexing areas shall be determined by dividing the sum of the estimated replacement cost of the District's facilities and the unamortized participation rights in facilities of the State Water Project and other non-District owned projects in which Metropolitan participates, less outstanding bonded indebtedness of the District's and the accumulated depreciation of facilities on the replacement cost basis by the total acreage within the service area of the District, all as of the end of the recently completed fiscal year.

M.I. 38048 - January 9, 1990; amended by M.I. 38304 - June 12, 1990; paragraph (b) amended by M.I. 39744 - July 14, 1992; paragraph (b) amended by M.I. 40406 - August 24, 1993; amended by M.I. 41204 - January