

TAX RATE STATEMENT OF MEASURE "G"

As shown on the enclosed official ballot, an election is being held in the Mt. San Jacinto Community College District ("District") on June 6, 2006, for the purpose of submitting to the registered voters within the District the question of whether the District shall issue and sell bonds in an amount not to exceed \$720,000,000 for the purpose of providing funds for the acquisition and construction of educational facilities and college educational projects as set forth in the resolution of the District calling such bond election. This measure will authorize tax sufficient for interest on, and redemption of, the bonds. The bonds shall bear interest at a rate, or rates to be established at such time as the bonds are sold, in one or more series, at fixed or variable interest rates not to exceed the maximum applicable statutory rate for such bonds. If such bonds are authorized and sold, the principal thereof and the interest thereon are a general obligation of the District, payable from the proceeds of *ad valorem* taxes on real property located within the District. The following information is submitted in compliance with California Elections Code Sections 9401 through 9404.

- (a) The best estimate from official sources of the tax rate that would be required to be levied to fund the bond issue during the first fiscal year after the first sale of the bonds based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors is 1.949 cents per \$100 (\$19.49 per \$100,000) of assessed valuation for fiscal year 2006-2007.
- (b) It is anticipated that the bonds will be sold in series. The best estimate from official sources of the tax rate which would be required to be levied to fund the bond issue during the first fiscal year after the last sale of the bonds is 1.949 cents per \$100 (\$19.49 per \$100,000) of assessed valuation for fiscal year 2021-2022.
- (b) The best estimate from official sources of the highest tax rate which would be required to be levied to fund the bond issue during the term of the bond issue, based on assessed valuations available at the time of the election or a projection based on experience within the same jurisdiction or other demonstrable factors, is 1.949 cents per \$100 (\$19.49 per \$100,000) of assessed valuation. It is estimated that such rate will be the same in every fiscal year that the bonds remain outstanding based on information available at the time of the election is called.

Voters should note that these estimated tax rates are based on the *assessed value* of taxable property within the District as shown on the official rolls of Riverside County, *not* on the property's market value. In addition, taxpayers eligible for a property tax exemption, such as the homeowner's exemption, will be taxed at a lower effective rate than described above. Certain taxpayers may also be eligible to postpone the payment of taxes. Property owners should consult their own property tax bills and tax advisors to determine their property's assessed value and any applicable tax exemptions.

Attention of all voters is directed to the fact that these estimates are based on projections derived from information obtained from official sources. The actual tax rates and the years in which they will apply may vary depending on the timing of any bond sales, the amount of bonds sold, and actual increases in assessed valuations. The timing of the bond sales and the amount of bonds sold at any given time will be governed by the needs of the District. Actual future assessed valuation will depend upon the amount and value of taxable property within the District as determined by the Riverside County Assessor in the annual assessment and the equalization process.

Dated: March 9, 2006

By: Becky Elam
Vice President, Business Services, Mt. San Jacinto
Community College District.

IMPARTIAL ANALYSIS OF MEASURE "G"

The Board of Trustees (the "Board") of the Mt. San Jacinto Community College District (the "District") has, by adopting its Resolution No. 2005/06-208 (the "Resolution"), elected to call an election pursuant to Education Code Sections 15100 *et seq.*, 15264 *et seq.*, and Government Code Section 53506 to obtain authorization to sell general obligation bonds (the "Bonds") that have an aggregate principal amount of \$720,000,000. The Bonds would be used by the District to renovate, upgrade and make major repair of existing College facilities, construct and acquire new College buildings and support facilities. The Board is proposing that an *ad valorem* tax be levied on property within the boundaries of the District to pay the principal and interest on the Bonds.

Should Measure "G" be approved, as required by Chapter 1.5, Part 10, Division 1, Title 1 (commencing with Section 15264) of the Education Code, the Resolution requires:

(A) That the proceeds of the Bonds will be used only for the construction, reconstruction, rehabilitation or replacement of school facilities, including the furnishing and equipping of school facilities, or the acquisition or lease of real property for school facilities, and not for any other purpose such as salaries and other operating expenses;

(B) That the Board adopt a list of the specific school facilities projects to be funded and certify that it has evaluated safety, class size reduction, and information technology needs in developing said list;

(C) That the Board conduct an annual, independent performance audit to ensure that the funds have been expended only on the specific projects listed;

(D) That the Board conduct an annual, independent financial audit of the proceeds from the sale of the Bonds until all of the proceeds have been expended on the school facilities projects, and

(E) That the Board appoint an independent citizen's oversight committee.

The Resolution provides that the maximum interest rate on the Bonds will not exceed the maximum interest rate permitted by the applicable laws of the State and the maximum term of the Bonds, or any series thereof, will not exceed 40 years.

The Board of the District has called this election for the purpose of submitting this Measure to the voters of the District. For this Measure to be approved, fifty-five percent (55%) of those persons voting on the Measure must vote yes. If approved, the District may proceed to sell the Bonds, appoint the citizens' oversight committee and levy the appropriate *ad valorem* taxes.

A "Yes" vote on Measure "G" is a vote to allow the sale of the Bonds, the appointment of the citizens' oversight committee, and the levy of the necessary taxes to pay for the Bonds.

A "No" vote on Measure "G" is a vote against the sale of the Bonds and the levy of the taxes necessary to pay for the Bonds.

Respectfully submitted,

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