

Legal Debt Limit

Under section 1418 (Bonded Debt Limit) of the City's Charter, the City shall not incur an indebtedness evidenced by general obligation bonds which shall in the aggregate exceed the sum of fifteen percent (15%) of the total assessed valuation for purposes of City taxation, of all the real and personal property within the City, exclusive of any indebtedness that has been or may hereafter be incurred for the purposes of acquiring, constructing, extending or maintaining municipal utilities for which purpose a further indebtedness may be incurred by the issuance of bonds, subject only to the provisions of the State Constitution¹ and of this Charter.

Legal Debt Margin for Fiscal Year 2023-2024:

Total assessed value	12,804,305,160
Fifteen percent (15%) of total assessed value	1,920,645,774
Debt applicable to limit:	
General obligation bonds (reported at accreted value)	3,110,000
Less: Amount available in the debt service fund for re-payment of bonds	1,396,553
Total net debt applicable to limit	1,713,447
Legal debt margin	1,918,932,237

Sources:

County of Santa Cruz Auditor-Controller's Office
City of Santa Cruz, California FY 2024 Comprehensive Annual Financial Report

¹ California Government Code, Section 43605, sets the debt limit at 15%. The Code section was enacted when assessed valuations were based on 25% of full market value. This has since changed to 100% full market value. Thus, the limit shown is 3.75 is (one-fourth the limit of 15%).