

(R-84-97)

RESOLUTION NUMBER R- 259058

Adopted on AUG 09 1983

WHEREAS, a recently proposed Internal Revenue Service (IRS) rule change would, if enacted, have a substantial impact on the City's ability to borrow; and

WHEREAS, under existing law, the City is allowed to borrow an amount equal to our largest cash deficit plus the next thirty days' expenses; and

WHEREAS, based on the proposed IRS rule change (LR-82-82) the amount the City could borrow would be limited to 105% of its largest cash deficit; and

WHEREAS, the impact of this change would be to approximately cut our borrowing in half; and

WHEREAS, the proposed IRS rule change would have a significant negative impact on the City's budget; and

WHEREAS, the IRS has indicated that the ruling will go into effect thirty days after the Assistant Secretary of Tax Policy makes his final decision; however, no date for that decision has yet been scheduled, and the IRS is still accepting input regarding the proposed rule change; and

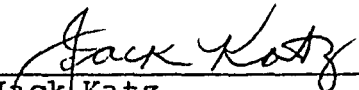
WHEREAS, on July 18, 1983, the Rules Committee considered the matter of such proposed IRS rule change as set forth in the report of the Intergovernmental Relations Department (IRD Report No. 83-49) and voted to oppose the proposed rule change, as recommended; NOW, THEREFORE,

BE IT RESOLVED, by the Council of The City of San Diego, that this Council hereby approves the recommendation set forth in IRD Report No. 83-49 and does hereby express its opposition to the proposed IRS rule change (LR-82-82) regarding government borrowing.

BE IT FURTHER RESOLVED, that the question of the need for a general policy on tax-exempt municipal borrowing be referred to the City Manager and City Auditor and Comptroller.

APPROVED: John W. Witt, City Attorney

By



Jack Katz
Chief Deputy City Attorney

JK:smm
7/21/83
Or.Dept:Rules
Form=r.none
gr-84-101

AUG 09 1983

Passed and adopted by the Council of The City of San Diego on _____,
by the following vote:

Councilmen	Yeas	Nays	Not Present	Ineligible
Bill Mitchell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Bill Cleator	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Gloria McColl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
William Jones	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Ed Struiksmma	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mike Gotch	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Dick Murphy	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Uvaldo Martinez	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Mayor Roger Hedgecock	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

AUTHENTICATED BY:

ROGER HEDGECOCK

Mayor of The City of San Diego, California.

CHARLES G. ABDELNOUR

City Clerk of The City of San Diego, California.

(Seal)

By *Charles G. Abdelnour*, Deputy.

Office of the City Clerk, San Diego, California

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