

Yavapai County Community College District

Truth in Taxation Hearing

FY 2015-2016

June, 2015

Property Taxes in Arizona

Yavapai County
Assessor's Office

Pamela J. Pearsall
County Assessor
www.co.yavapai.az.us

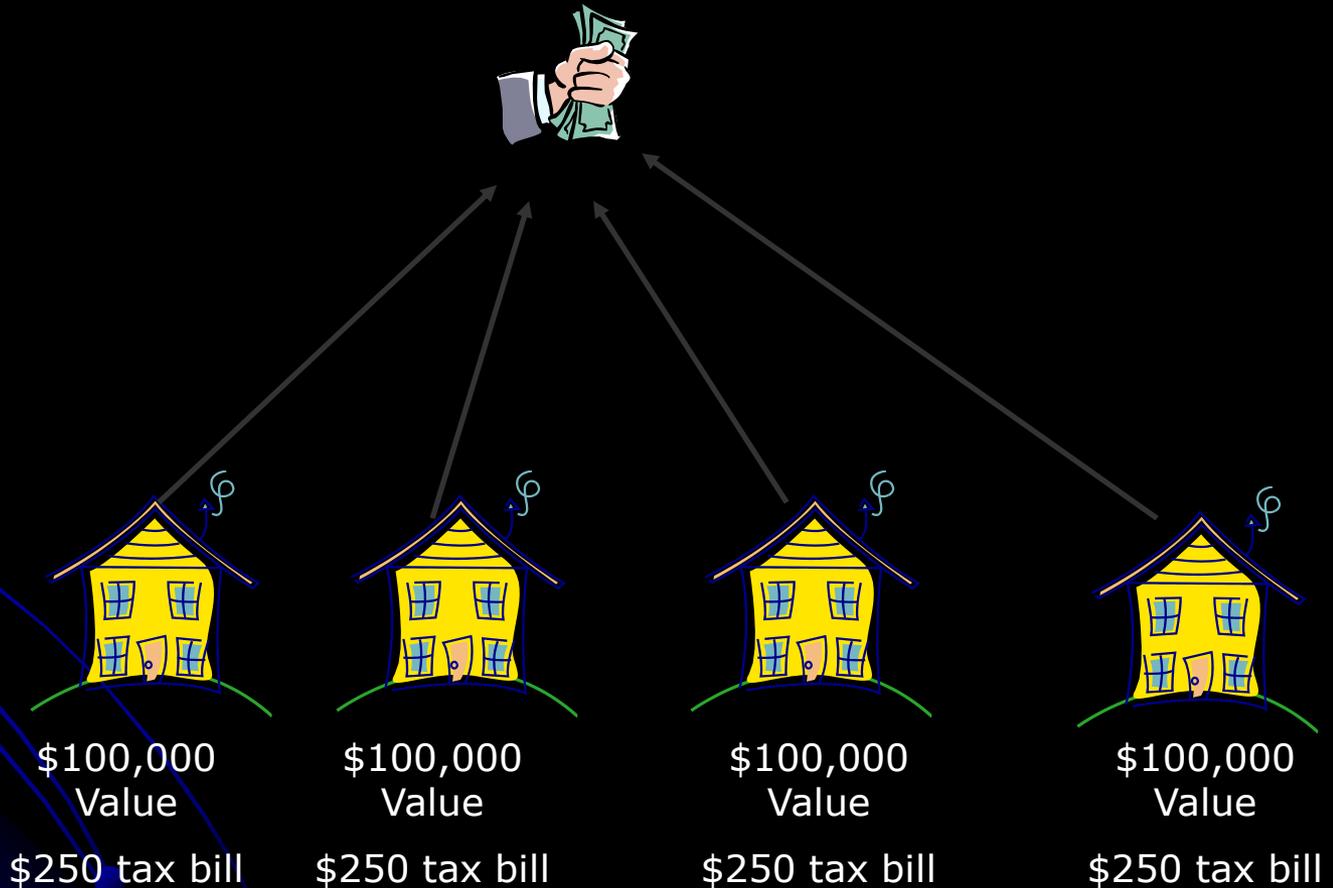
928-771-3220 (Prescott)
928-639-8121 (Cottonwood)

Modified by Clint Ewell
Yavapai College

What Does My Property Tax Pay For?

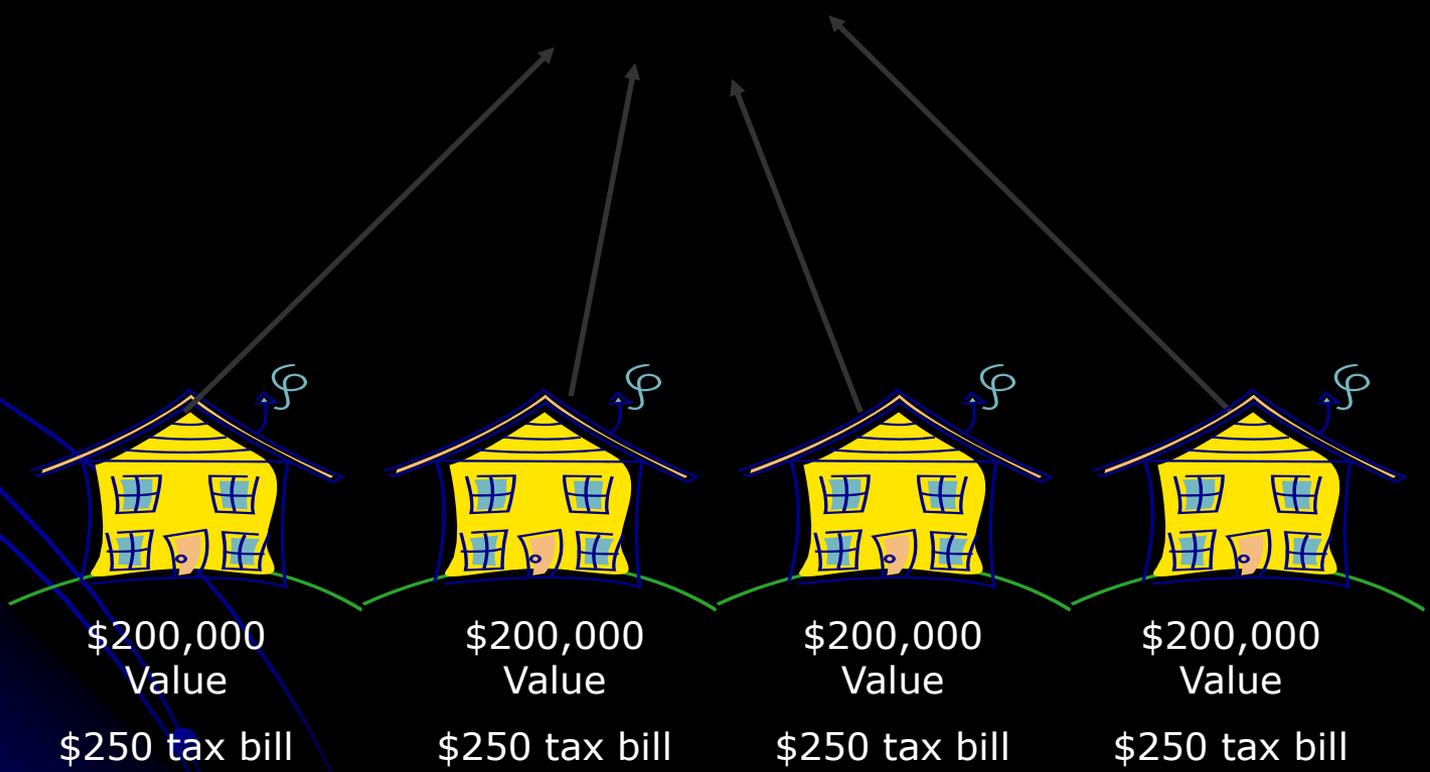
- (Primary) Property tax revenues help fund:
 - State and Local Governments
 - Schools
 - Law Enforcement
 - Library
- (Secondary) Special Improvements
 - Sewer, Wastewater and Sanitary
 - Domestic Water
 - Fire Districts
 - Parks
 - Street Lights
 - Other Capital projects

\$1,000 Budget (Levy)



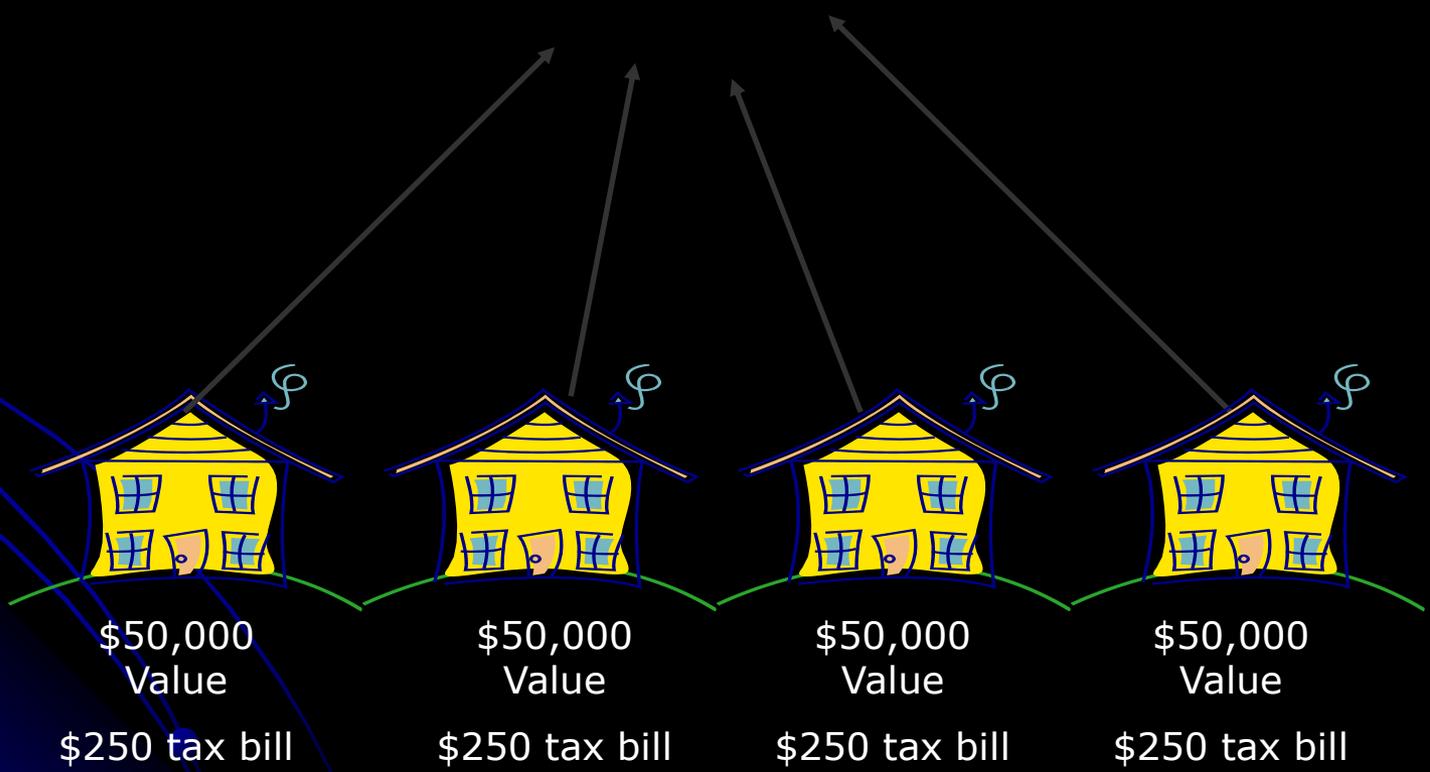
Property Values Increase Uniformly

\$1,000 Budget



Property Values Decrease Uniformly

\$1,000 Budget



Property Values Vary \$1,000 Budget



\$75,000 Value
\$187.50 tax bill

25% decrease value
25% decrease taxes



\$100,000 Value
\$250 tax bill



\$100,000 Value
\$250 tax bill



\$125,000 Value
\$312.50 tax bill
(25% increase value
25% increase taxes)



STEVE

Splitting the Check



LEE



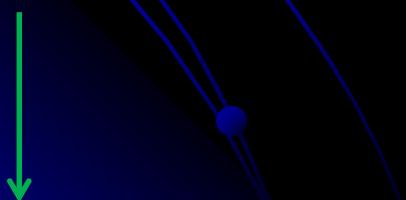
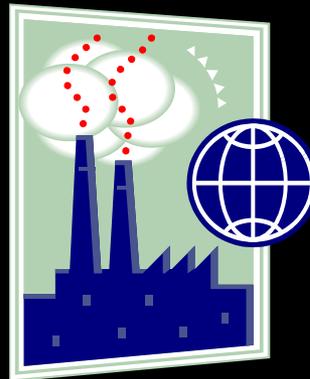
SCOTT

GUEST CHECK

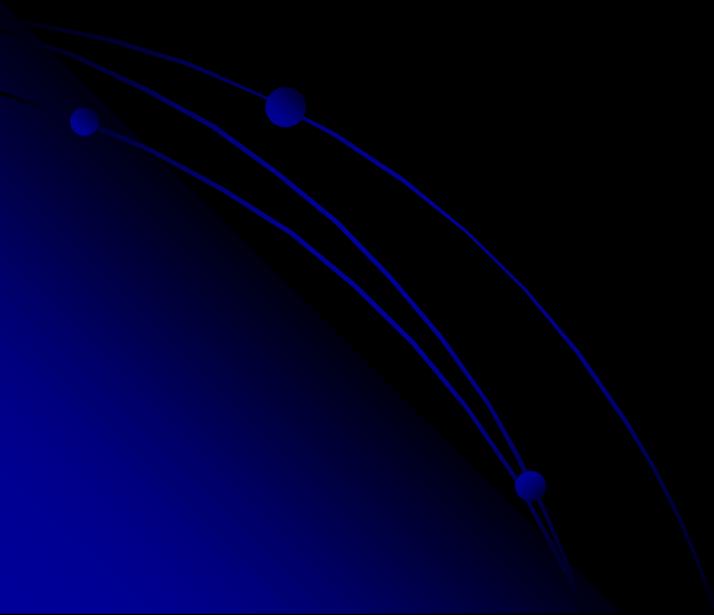
Lobster	\$30
Hamburger	\$10
Steak	\$20
Total	\$60

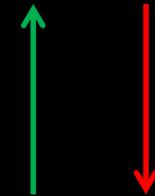
Legislative Cost Shifting

Class	General Property Description	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
1	Commercial	25.0	24.5	24.0	23.0	22.0	21.0	20.0	20.0	19.5	19.0	18.5	18.0
2	Agricultural/Vacant Land	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	16.0	15.0
3	Residential: Owner-Occupied	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0
4	Residential: Rental or Leased	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0	10.0



$$\text{Assessed Value} \times \% \text{ Tax Rate} = \text{Property Tax Levy}$$

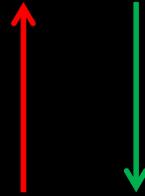




Constant

$$\text{Assessed Value} \times \% \text{ Tax Rate} = \$ \text{ Tax Levy}$$

Most states...



Constant

$$\text{Assessed Value} \times \% \text{ Tax Rate} = \$ \text{ Tax Levy}$$

In Arizona...

Assessed
Value

X

% Tax
Rate

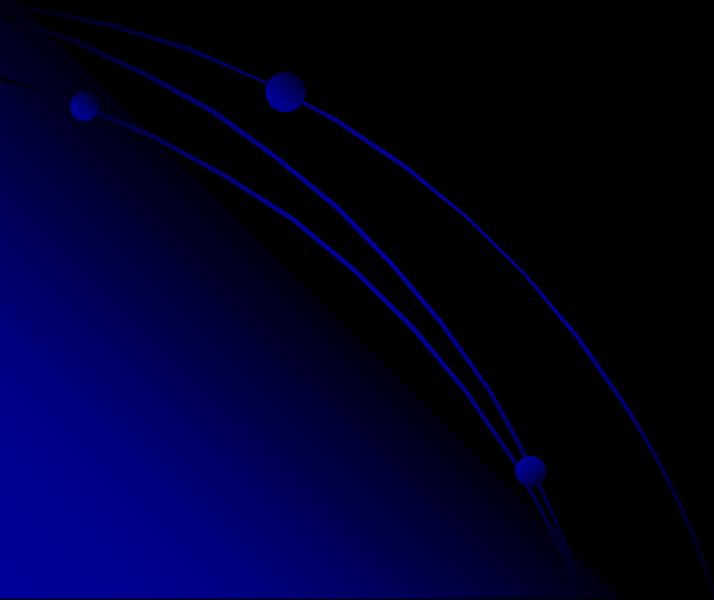
=

\$ Tax
Levy

Increase

New
construction

Tax district may
Increase levy
by up to 2% per
year
(cumulative)



Why did my Property Tax bill go up so much?

- Maximum increase in tax bill due to Yavapai College levy increase is typically 2% or less
- Increases larger than 2% due to
 - Change in the assessed values
 - of your property
 - of other properties
 - Cost shifting

**Yavapai County
Community College District**

Truth in Taxation

**FY 2015-2016
Primary Property Tax**

Truth in Taxation (TNT) Calculation Primary Property Tax Rate

- **TNT Tax Rate =**

Previous year's actual primary property tax levy/
((current year's net assessed values-value of new construction) / \$100)

- **TNT Tax Rate =**

$\$41,253,800 / ((\$2,279,183,448 - \$33,821,039) / \$100) = \$1.8355$

- If above this rate, we hold a Truth in Taxation public hearing

Proposed Primary Property Tax Levy

- Proposed FY 2015–2016 Tax Levy :

Total Levy for FY 2014–2015	\$41,253,800
FY 2014–2015 New Construction	<u>580,881</u>
Levy amount without TNT Hearing	\$41,834,681
FY 2015–2016 Additional Levy (2%).	<u>833,019</u>
Total Proposed FY2015–2016 Tax Levy. . .	<u>\$42,667,700</u>

(Total Maximum Allowable Tax Levy FY 2015–16 \$45,446,918)

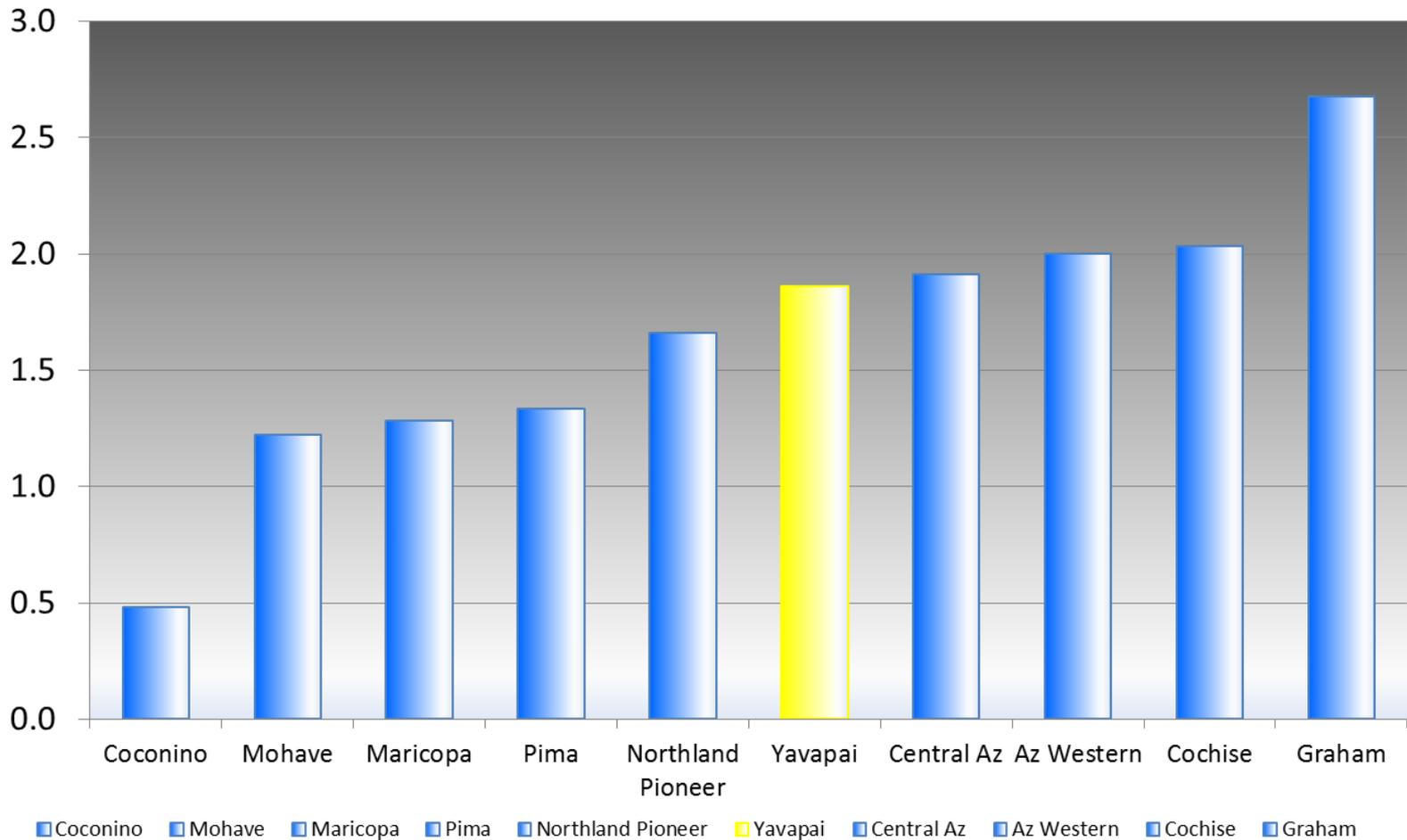
Average Cost of Proposed Primary Property Tax Levy Increase

- **Effect on \$100,000 home:**
 - FY 2015–2016 without increase. \$183.55
 - FY 2015–2016 with 2% Levy increase \$187.21
\$3.65/ year

- **Effect on \$184,100 home***
 - FY 2015–2016 without increase. \$337.92
 - FY 2015–2016 with 2% Levy increase \$344.65
\$6.73/ year

* Median Yavapai County home value based on quickfacts.census.gov

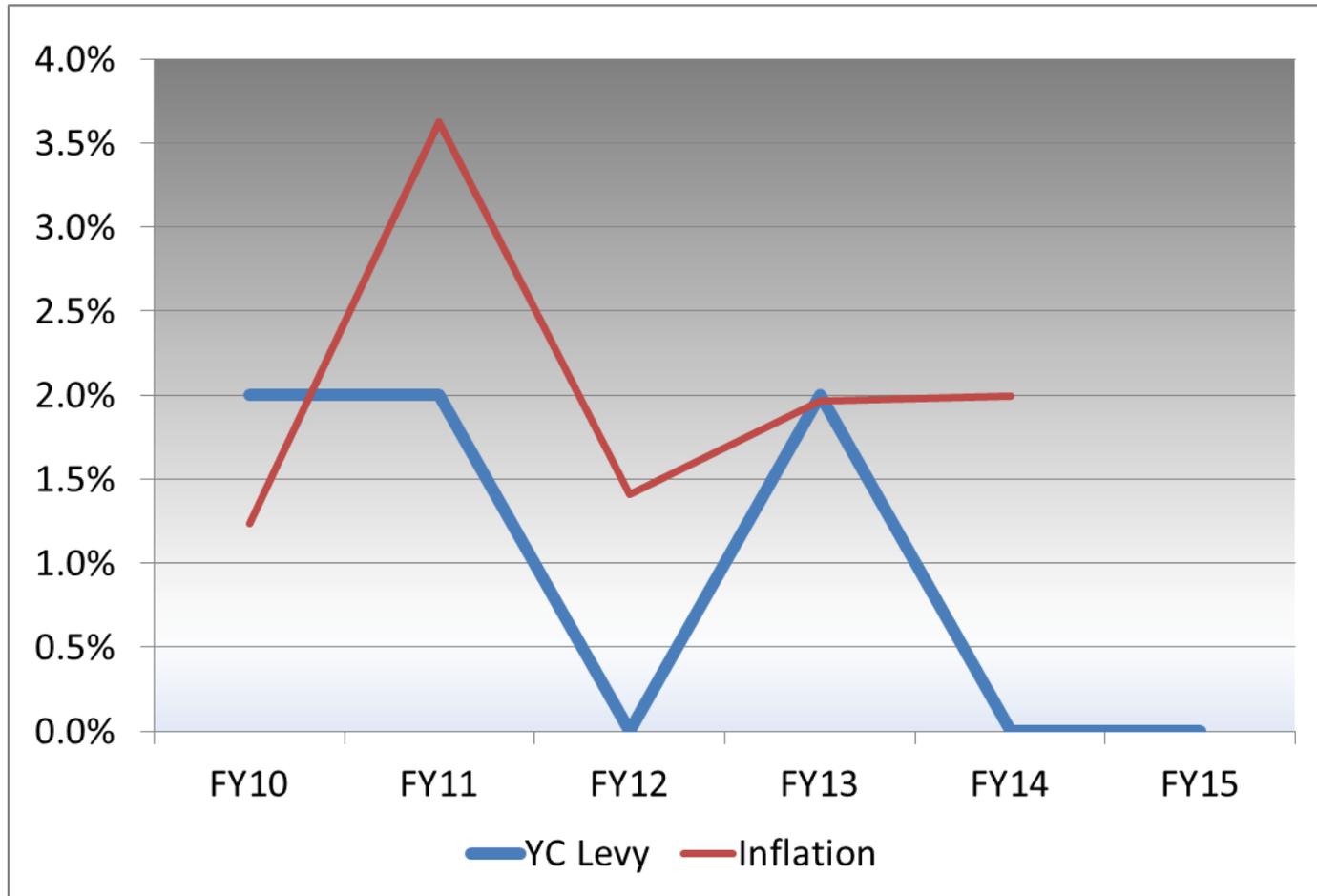
**Arizona Community College
2015 Primary Property Tax Rates
(in mils)**



AZ has the 5th lowest Property Tax rates in the US

Source: Consolidated Community College 2016 State Aid Request
Taxfoundation.org

Primary Property Tax Levy vs. Inflation



Inflation averaged 2%
YC Tax Levy increase averaged 1%

Fiscal Stewardship at YC

- ▶ YC did not raise its tax levy for FY14 or FY15
- ▶ Per Arizona statute, current Yavapai College expenditures per student are at or below the inflation-adjusted 1980 expenditures per student.
- ▶ Yavapai College has reduced its inflation-adjusted operating costs per student by approximately 1% per year for the past 5 years.
- ▶ As of 2011 (most recent data available), Yavapai College expenditures per student were 5% below the national community college average, and 34% below the AZ four year average expenditures per student.

Questions & Discussion