

COUNCIL DECISION REQUEST

SUBJECT: Public Hearings for Primary Tax Rate for Fiscal Year 2014/2015 Budget

MEETING DATE: June 19, 2014

PAYSON GOAL: NEW: EXISTING:

ITEM NO.:

TENTATIVE SCHEDULE:

SUBMITTED BY: Hope Cribb
Finance Manager



AMOUNT BUDGETED: \$0.00

SUBMITTAL TO AGENDA
APPROVED BY TOWN MANAGER

EXPENDITURE REQUIRED: \$0.00



CONT. FUNDING REQUIRED: \$0.00

EXHIBITS (If Applicable, To Be Attached):

Schedule B; Preliminary 2014 Levy Worksheet; TOP Worksheet to calculate Maximum Primary Tax Levy for Fiscal Year 2014/2015.

POSSIBLE MOTION

Not applicable – Public Hearing

SUMMARY OF THE BASIS FOR POSSIBLE MOTION:

The Fiscal Year 2014/2015 Budget proposes that the Primary Tax rate be set at \$0.3963 per \$100/assessed value to levy an amount equal to \$642,903 for the Fiscal Year Budget 2014/2015. This tax rate is \$0.0135 more than last year and tax levy is \$9,220 higher due to new construction. There is no secondary property tax.

BACKGROUND INFORMATION:

Primary Tax Levy: The Town received the Preliminary 2014 Levy Limit Worksheet from the Gila County Assessor's Office in February. The Preliminary Worksheet was used to calculate the maximum rate and amount that could be assessed. The maximum "increase" is calculated using two formulas. One formula calculates the maximum tax rate, and the other one calculates the maximum tax levy.

The maximum amount the Town can assess is \$689,137. The maximum assessable rate, without exceeding the Truth in Taxation hearing statute, is 0.3963 per \$100/assessed value or \$642,903.

The adoption of the Tax Ordinance is scheduled for the July 10, 2014 Special Town Council meeting. It must be adopted prior to the third Monday in August (August 18, 2014.)

PROS: N/A

CONS: N/A

PUBLIC INPUT (if any):

BOARD/COMMITTEE/COMMISSION ACTIONS/RECOMMENDATIONS (if any) (give dates and attach minutes):

FUNDING:

Acct: Budget: Available: Expense: Remaining:

BA: _____ Date: _____

JUN 19 2014 SPA. /

TOWN OF PAYSON
Tax Levy and Tax Rate Information
Fiscal Year 2015

	2014	2015
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 665,794	\$ 689,137
2. Amount received from primary property taxation in the current year in excess of the sum of that year's maximum allowable primary property tax levy. A.R.S. §42-17102(A)(18)	\$	
3. Property tax levy amounts		
A. Primary property taxes	\$ 633,680	\$ 642,900
B. Secondary property taxes		
C. Total property tax levy amounts	\$ 633,680	\$ 642,900
4. Property taxes collected*		
A. Primary property taxes		
(1) Current year's levy	\$ 620,000	
(2) Prior years' levies	10,000	
(3) Total primary property taxes	\$ 630,000	
B. Secondary property taxes		
(1) Current year's levy	\$	
(2) Prior years' levies		
(3) Total secondary property taxes	\$	
C. Total property taxes collected	\$ 630,000	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.3828	0.3963
(2) Secondary property tax rate		
(3) Total city/town tax rate	0.3828	0.3963
B. Special assessment district tax rates		
Secondary property tax rates - As of the date the proposed budget was prepared, the city/town was operating <u>no</u> special assessment districts for which secondary property taxes are levied. For information pertaining to these special assessment districts and their tax rates, please contact the city/town.		

* Includes actual property taxes collected as of the date the proposed budget was prepared, plus estimated property tax collections for the remainder of the fiscal year.

2014 LEVY LIMIT WORKSHEET

GILA COUNTY - TOWN OF PAYSON

MAXIMUM LEVY	2013
A.1. Maximum Allowable Primary Tax Levy	\$665,794
A.2. A.1 multiplied by 1.02	\$679,110

CURRENT YEAR NET ASSESSED VALUE SUBJECT TO TAXATION IN PRIOR YEAR	2014
B.1. Centrally Assessed	\$5,956,959
B.2. Locally Assessed Real Property	\$150,494,747
B.3. Locally Assessed Personal Property	\$3,432,130
B.4. Total Assessed Value (B.1 through B.3)	\$159,883,836
B.5. B.4. divided by 100	\$1,598,838

CURRENT YEAR NET ASSESSED VALUES	2014
C.1. Centrally Assessed	\$5,987,455
C.2. Locally Assessed Real Property	\$152,806,682
C.3. Locally Assessed Personal Property	\$3,432,130
C.4. Total Assessed Value (C.1 through C.3)	\$162,226,267
C.5. C.4. divided by 100	\$1,622,263

LEVY LIMIT CALCULATION	2014
D.1. LINE A.2	\$679,110
D.2. LINE B.5	\$1,598,838
D.3. D.1/D.2 (MAXIMUM ALLOWABLE TAX RATE)	0.4248
D.4. LINE C.5	\$1,622,263
D.5. D.3 multiplied by D.4 = MAXIMUM ALLOWABLE LEVY LIMIT	\$689,137
D.6. Excess Collections/Excess Levy	
D.7. Amount in Excess of Expenditure Limit	
D.8. ALLOWABLE LEVY LIMIT (D.5 - D.6 - D.7)	\$689,137

<i>Prior year actual levy (from line F.1 of the 2013 worksheet)</i>	\$633,681
<i>Divided by current values excluding new construction per line B.5</i>	\$1,598,838
Truth in Taxation Rate	0.3963

If the proposed tax rate is greater than the Truth in Taxation Rate noted above, a truth in taxation hearing must be held. (see A.R.S. § 42-17107)

Note: Per A.R.S. § 42-17051.A, the values certified by the County Assessor cannot be changed after February 10 without the approval of the Property Tax Oversight Commission. Therefore, the total net assessed values per line C.4 must be used when adopting a primary property tax levy and tax rate.

If you have any questions regarding the Levy Limit Worksheet or the Truth in Taxation hearing requirements, contact Darlene Teller at (602) 716-6436 or dteller@azdor.gov.

Enter data in yellow-shaded cells only.

Truth in Taxation Analysis

Calculation for Truth in Taxation Hearing Notice pursuant to A.R.S. § 42-17107

Actual current primary property tax levy: (line F.1. actual levy from prior year's final levy limit worksheet)	\$ 633,680
Net assessed valuation: (line C.4. from current year's worksheet)	\$ 162,226,267
Value of new construction:	\$ 2,342,431
Net assessed value minus new construction: (line B.4. from current year's levy limit worksheet)	\$ 159,883,836
MAXIMUM TAX RATE THAT CAN BE IMPOSED WITHOUT A TRUTH IN TAXATION HEARING:	\$ 0.3963
Growth in property tax levy capacity associated with new construction:	\$ 9,283
MAXIMUM PRIMARY PROPERTY TAX LEVY WITHOUT A TRUTH IN TAXATION HEARING:	\$ 642,903
Proposed primary property tax levy:	\$ 642,900
Proposed increase in primary property tax levy, exclusive of new construction	\$ (3)
Proposed percentage increase in primary property tax levy:	0.00%
Proposed primary property tax rate:	\$ 0.3963
Proposed increase in primary property tax rate:	\$ (0.0000)
Proposed primary property tax levy on a home valued at \$100,000	\$ 39.63
Primary property tax levy on a home valued at \$100,000 if the tax rate was not raised:	\$ 39.63
Proposed primary property tax levy increase on a home valued at \$100,000:	\$ (0.00)