



TAX YEAR 2016 UPDATE

SEPTEMBER 9, 2016

# Alliance Policy & Management Group

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# COCONINO COUNTY TAXES

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## Proposition 117 – Effective Tax Year 2015(FY2016)

- Limit set on annual percentage increase in limited property value to no more than 5% above the previous year.
- County Assessor is required to notify property owners as to the property's full cash and limited property values.
- Limited Property Value (primary assessed value) will be used to calculate all taxes and cannot exceed the Full Cash Value (secondary assessed value).



# COCONINO COUNTY TAXES

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Assessed Values – February 10<sup>th</sup>

Each taxing entity receives a levy limit worksheet from the PTOC (Property Tax and Oversight Commission) to assist in developing tax levies and tax rates

Tax Notices to be mailed by September 15th

# COCONINO COUNTY TAXES – Preliminary Assessed Value Projection

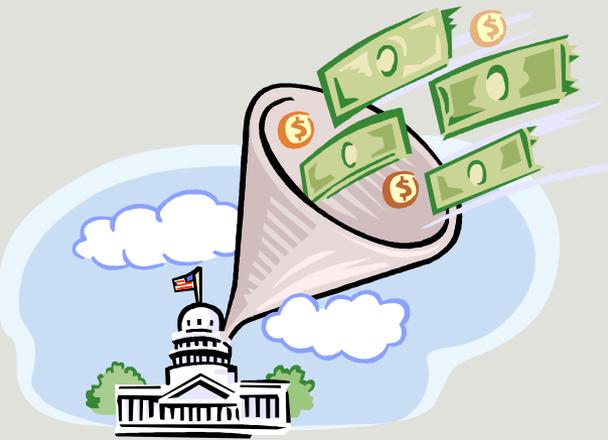
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Primary Assessed Values are Projected to Increase by 3.78% in FY18 (Tax Year 2017)

Secondary Assessed Values are Projected to Increase 7.07% in FY18 (Tax Year 2017)

Beginning in FY16 all tax levies will be calculated using the Primary Assessed Values (Limited Property Value)

<b>Coconino County Assessed Value Projection</b>			
	<b>FY17</b>	<b>FY18</b>	<b>Change</b>
Primary Assessed Values	\$ 1,569,812,808	\$ 1,629,180,994	3.78%
Secondary Assessed Values	\$ 1,667,530,816	\$ 1,785,404,781	7.07%



# Agency Information

CCC

FUSD

City of Flagstaff

Coconino County

Summit Fire District

Highlands Fire District



# Coconino Community College



# Coconino Community College: Primary Property Taxes

General Fund Levy for College Programs (Instruction, Academic Support, Student Services, Institutional Support, and Facilities)

Levy is capped at 2% growth + new construction

<b>Evaluation</b>	<b>FY2016</b>	<b>FY2017</b>	<b>Change</b>
Assessed Value	\$ 1,537,418,218	\$ 1,569,812,808	2.11%
Primary Tax Rate	0.4864	0.4909	0.93%
Primary Tax Levy	\$ 7,478,002	\$ 7,706,211	3.05%

**Coconino Community College has the lowest primary property tax rate of all Community Colleges in the State of Arizona**



# Coconino Community College: Secondary Property Taxes

\$25 Million Debt Service for 20-year bonds used for the construction of Lone Tree and Williams buildings and expansion of Page Campus

Debt Service complete in FY 19

<b>Evaluation</b>	<b>FY2016</b>	<b>FY2017</b>	<b>Change</b>
Assessed Value	\$ 1,540,028,458	\$ 1,564,634,219	1.60%
Taxable Value	\$ 1,537,418,218	\$ 1,569,812,808	2.11%
Secondary Tax Rate	0.1241	0.1305	5.16%
Secondary Tax Levy	\$ 1,907,936	\$ 2,048,606	7.37%



# Coconino Community College:

## Property Tax Summary

For all properties in the City of Flagstaff, the average change for Community College property taxes is a levy increase of \$7.44.

Average Value	FY2016	FY2017	Change
Average Primary Value	\$ 183,513	\$ 192,264	4.77%

CCC Tax Rate	FY2016	FY2017	Change	Average Taxpayer Impact
Primary - General Fund	0.4864	0.4909	0.0045	\$ 5.12
Secondary - Debt Service	0.1241	0.1305	0.0064	2.32
<b>Total</b>	<b>0.6105</b>	<b>0.6214</b>	<b>0.0109</b>	<b>\$ 7.44</b>



# Coconino Community College: Property Tax Summary

Impact on a \$100,000 home located in the City of Flagstaff valued in FY 2016 with comparisons.

<b>Example #1: No Change in Value</b>			
<b>\$100,000 Property in 2016</b>		<b>\$100,000 Property in 2017</b>	
<b>FY2016</b>	<b>Taxes</b>	<b>FY2017</b>	<b>Taxes</b>
0.4864	\$ 48.64	0.4909	\$ 49.09
0.1241	\$ 12.41	0.1305	\$ 13.05
0.6105	\$ 61.05	0.6214	\$ 62.14
<b>Increase FY2016 to FY2017</b>			<b>\$ 1.09</b>

<b>Example #2: Average District Value Change</b>			
	<b>FY2016</b>	<b>FY2017</b>	<b>Change</b>
Property Value	\$ 100,000	\$ 104,769	4.8%
Tax Rate	0.6105	0.6214	1.8%
Total Levy	\$ 61.05	\$ 65.10	\$ 4.05

Summary: If there was no change to the value of the property the tax increase would be \$1.09. However, on average a home valued at \$100,000 in FY16 is valued at \$104,770 in FY17 due to an increase in average district values. This results in an average tax increase of \$4.05.

\*Average Taxpayer Impact on owner occupied residential (class 3) properties only

**FLAGSTAFF UNIFIED SCHOOL DISTRICT**





# Primary Property Taxes

## Maintenance and Operations

(including: Teachers, Student Transportation, Custodial, Maintenance, Administration, Building Renewal, Textbooks, etc.)

	FY 2016	FY 2017	Change
Assessed Value	\$ 10,596,143	\$ 10,869,667	2.58%
Primary Tax Rate	\$ 4.2775	\$ 4.3908	2.65%
Primary Tax Levy	\$ 45,326,367	\$ 47,725,931	5.29%



# Secondary Property Taxes

Maintenance and Operations Override – 15%  
Year two of five of full funding

## Debt Services

Remainder of current bond authorization will be  
sold February 2017

	FY 2016	FY 2017	Change
Assessed Value*	\$ 10,524,478	\$ 10,793,140	2.55%
Secondary Tax Rate	\$ 1.1780	\$ 1.1773	-0.06%
Secondary Tax Levy	\$ 12,398,419	\$ 12,706,915	2.49%

\*Secondary Assessed Valuation = Primary Assessed Valuation without GPLET.



# Property Tax Summary

For owner occupied residential properties within Flagstaff Unified School District, the change per \$100,000 of assessed valuation for District property taxes is a levy increase of \$11.26 before Homeowner's Rebate.

FUSD Taxing Authority	Tax Rate			Average Taxpayer Impact per \$100,000 Assessed Valuation
	FY 2016	FY 2017	Change	
Primary Property Tax	4.2775	4.3908	0.1133	\$ 11.33
Secondary Property Tax	1.1780	1.1773	(0.0007)	\$ (0.07)
<b>Total: FUSD Taxing Authority</b>	5.4555	5.5681	0.1126	\$ 11.26



# Property Tax Summary

For demonstration purposes only. Impact on a home with assessed valuation of \$100,000 with comparisons to change in proposed rates.

FUSD Taxing Authority	\$100,000 Property in 2016		\$100,000 Property in 2017	
	Rate	Taxes	Rate	Taxes
Primary Property Tax	4.2775	\$ 427.75	4.3908	\$ 439.08
Secondary Property Tax	1.1780	\$ 117.80	1.1773	\$ 117.73
Overall Rates and Taxes	5.4555	\$ 545.55	5.5681	\$ 556.81
Primary Homeowner's Rebate*	(1.9249)	\$ (192.49)	(2.0856)	\$ (208.56)
Total Net Rates and Taxes	3.5306	\$ 353.06	3.4825	\$ 348.25
			Change	\$ (4.82)

\*Homeowner's Rebate provides a reduction to the FUSD portion of primary property tax of roughly 47.5% (up to \$600) for a primary residence.



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# City of Flagstaff



# City of Flagstaff: Primary Property Taxes

General Fund Levy for City Services (including: Police, Fire, Parks, Recreation, City Court, Administration, Management Services...)

Levy is capped at 2% growth + new construction

FY17 levy increase due to new construction

The City of Flagstaff is currently 10% below our allowable levy.

	FY 2016	FY 2017	Change
Assessed Value	\$ 683,396,020	\$ 702,767,941	2.83%
Primary Tax Rate	0.8234	0.8121	-1.37%
Primary Tax Levy	\$ 5,627,083	\$ 5,707,178	1.42%



# City of Flagstaff: Secondary Property Taxes

## Debt Service Obligations

Water, Sewer, Lighting, Open Spaces, Recreation, and Fire Facilities (20%)

Other General Obligation Debt (6%)

	FY 2016	FY 2017	Change
Assessed Value	\$ 683,396,020	\$ 702,767,941	2.83%
Secondary Tax Rate	0.8366	0.8366	0.00%
Secondary Tax Levy	\$ 5,717,291	\$ 5,879,357	2.83%



# City of Flagstaff: Property Tax Summary

For owner occupied residential properties in the City of Flagstaff, the average change for City property taxes is a levy increase of \$12.35.

	FY 2016	FY 2017	Change
Average Primary Value	\$ 183,513	\$ 192,264	4.77%
Average Secondary Value	\$ 183,513	\$ 192,264	4.77%

City Taxing Authority	Tax Rate			Average Taxpayer Impact <sup>(2)</sup>
	FY 2016	FY 2017	Change	
Primary Property Tax	0.8234	0.8121	(0.011)	\$ 5.03
Secondary Property Tax	0.8366	0.8366	-	\$ 7.32
<b>Total: City Taxing Authority</b>	<b>1.6600</b>	<b>1.6487</b>	<b>(0.011)</b>	<b>\$ 12.35</b>

Average Taxpayer Impact on owner occupied residential (class 3) properties only



# City of Flagstaff: Property Tax Summary

For demonstration purposes only. Impact on a \$100,000 home valued in FY2016 with comparisons to change in proposed rates and home value changes.

	\$100,000 Property in 2016		\$100,000 Property in 2017	
<b>City Taxing Authority</b>	Rate	Taxes	Rate	Taxes
Primary Property Tax	0.8234	\$ 82.34	0.8121	\$ 81.21
Secondary Property Tax	0.8366	\$ 83.66	0.8366	\$ 83.66
<b>Total: City Taxing Authority</b>	<b>1.6600</b>	<b>\$ 166.00</b>	<b>1.6487</b>	<b>\$ 164.87</b>
			Change	\$ (1.13)

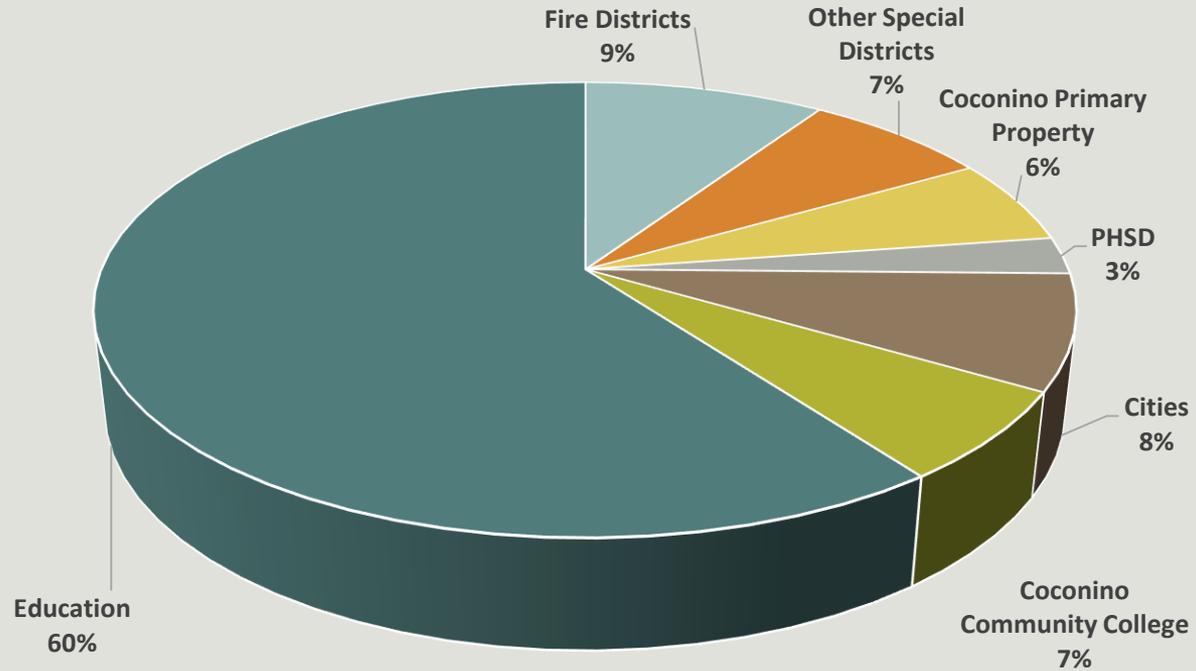
	\$100,000 Property in 2016		\$104,770 Property in 2017	
<b>City Taxing Authority</b>	Rate	Taxes	Rate	Taxes
Primary Property Tax	0.8234	\$ 82.34	0.8121	\$ 85.08
Secondary Property Tax	0.8366	\$ 83.66	0.8366	\$ 87.65
<b>Total: City Taxing Authority</b>	<b>1.6600</b>	<b>\$ 166.00</b>	<b>1.6487</b>	<b>\$ 172.73</b>
			Change	\$ 6.73



# Coconino County



# Property Tax Disbursement



Based on FY17 Levy Data



# Coconino County: Primary Property Taxes

- General Fund Levy for County Services  
(Sheriff, Parks and Recreation, Superior Court, County Attorney, Public Defender, Probation)
- Levy is capped at 2% growth + new construction

Evaluation	FY2016	FY2017	Change
Assessed Value	\$ 1,537,418,218	\$ 1,569,812,808	2.11%
Primary Tax Rate	0.5735	0.5788	0.92%
Primary Tax Levy	\$ 8,817,093	\$ 9,086,077	3.05%

Average Impact = \$1.75 **increase** per \$100,000 of FY16 value.

**Coconino County has the second lowest primary property tax rate of all Counties in the State of Arizona**



# Coconino County: Secondary Property Taxes

- Library District
  - County-wide, funds library operations
  - No rate or levy restrictions

Evaluation	FY2016	FY2017	Change
Assessed Value	\$ 1,602,339,912	\$ 1,677,530,816	4.69%
Taxable Value	\$ 1,540,028,458	\$ 1,569,812,808	1.93%
Secondary Tax Rate	0.2556	0.2556	0.00%
Secondary Tax Levy	\$ 3,936,313	\$ 4,012,442	1.93%

Average Impact = \$0.49 **increase** per \$100,000 of FY16 value.



# Coconino County: Secondary Property Taxes

- Public Health Services District
  - County-wide, funds public health services
  - \$0.25 rate limit

Evaluation	FY2016	FY2017	Change
Assessed Value	\$ 1,602,339,912	\$ 1,677,530,816	4.69%
Taxable Value	\$ 1,540,028,458	\$ 1,569,812,808	1.93%
Secondary Tax Rate	0.2500	0.2500	0.00%
Secondary Tax Levy	\$ 3,850,071	\$ 3,924,532	1.93%

Average Impact = \$0.48 **increase** per \$100,000 of FY16 value.



# Coconino County: Secondary Property Taxes

- Flood Control District
  - Excludes incorporated Flagstaff, Page, Fredonia
  - \$0.50 rate limit

Evaluation	FY2016	FY2017	Change
Assessed Value	\$ 641,961,220	\$ 661,059,705	2.98%
Taxable Value	\$ 611,243,368	\$ 622,686,286	1.87%
Secondary Tax Rate	0.4000	0.4000	0.00%
Secondary Tax Levy	\$ 2,567,845	\$ 2,644,239	2.98%

Average Impact = \$0.75 **increase** per \$100,000 of FY16 value.



# Coconino County: Property Tax Summary

- The average per parcel impact for properties not in the Flood Control District is an **increase** of \$10.47.
- The average per parcel impact for properties located in the Flood Control District is an **increase** of \$13.89.

Property Changes	FY16	FY17	Change
Average Primary Value	\$ 183,513	\$ 192,264	4.8%

County Taxing District	Tax Rate			Average per Parcel Impact
	FY16	FY17	Change	
General Fund Primary	\$ 0.5735	\$ 0.5788	\$ 0.0053	\$ 6.04
Library District	\$ 0.2556	\$ 0.2556	\$ -	\$ 2.24
Public Health Services District	\$ 0.2500	\$ 0.2500	\$ -	\$ 2.19
<b>Subtotal County-wide District</b>	<b>\$ 1.0791</b>	<b>\$ 1.0844</b>	<b>\$ 0.0053</b>	<b>\$ 10.47</b>
Flood Control District	\$ 0.4000	\$ 0.4000	\$ -	\$ 3.42
<b>Total: All County Districts</b>	<b>\$ 1.4791</b>	<b>\$ 1.4844</b>	<b>\$ 0.0053</b>	<b>\$ 13.89</b>



# Other Taxing Jurisdictions Property Tax Summary

- FDAT
  - State required formula, dependent upon Fire District levies County-wide
  - Maximum rate = \$0.10
- State Equalization
  - State required rate
  - 0.87% decrease for FY17 (Tax Year 2016)
- JTEDs (Joint Technology Education Districts)
  - Statutory rate of \$0.05

# Property Tax Projections

For properties located in the following taxing areas:  
City of Flagstaff  
Highlands Fire District  
Summit Fire District





# Tax Rates by Taxing Area

- The following slides show sample tax assessments based on the typical property by taxing area. The average value changes by taxing area. The chart below shows the tax rates that would apply in each Flagstaff area jurisdiction.

<b>FY17 Rates</b>			
<b>Location</b>	<b>Primary</b>	<b>Secondary</b>	<b>Total Rate</b>
City of Flagstaff	6.7736	2.8000	9.5736
Summit Fire District	5.9615	5.6134	11.5749
Highlands Fire District	5.9615	5.6134	11.5749



# Tax Levy by Taxing Area

- Assessed values changed by area as well. The chart below shows the average change in total tax levy for a home that was valued at \$100,000 in FY16 in various location. The net tax levy will change for each property based on change in value and change in area tax rates.

Projected Levy: \$100,000 Home Value (FY16 Value)				
Location	FY16	FY17	Change	
City of Flagstaff	\$ 946	\$ 1,003	\$ 57	6.1%
Summit Fire District	\$ 1,145	\$ 1,203	\$ 58	5.0%
Highlands Fire District	\$ 1,145	\$ 1,125	\$ (20)	-1.7%



# Tax Year 2016 (FY2017) Property Tax Projection: Property Located in the City of Flagstaff

	FY16	FY17	Change
Primary Value	\$ 183,513	\$ 192,264	4.8%
Secondary Value	\$ 193,621	\$ 205,313	6.0%
Secondary Taxable Value	\$ 183,513	\$ 192,264	4.8%
	FY16 Tax	FY17 Tax	Change
<b>Primary Taxing Jurisdictions</b>			
Coconino County General Fund	\$ 105	\$ 111	6%
State Education Equalization	93	96	4%
Flagstaff Unified School District	785	844	16%
Coconino Community College	89	94	6%
City of Flagstaff	151	156	3%
<b>Total Primary</b>	<b>\$ 1,212</b>	<b>\$ 1,357</b>	<b>12%</b>
<b>Secondary Taxing Jurisdictions:</b>			
Library District	\$ 47	\$ 49	4%
Fire District Assistance Tax	18	19	0%
Public Health Services District	46	48	5%
Flagstaff Unified School District	245	226	-8%
Coconino Community College	23	25	0%
Joint Vocational Tech Institute	9	10	0%
City of Flagstaff	162	161	4%
<b>Total Secondary</b>	<b>\$ 580</b>	<b>\$ 568</b>	<b>-2%</b>
<b>Combined Total</b>	<b>\$ 1,792</b>	<b>\$ 1,925</b>	<b>7%</b>
State Aid to Education	\$ (319)	\$ (346)	8%
<b>Net Tax Assessment</b>	<b>\$ 1,473</b>	<b>\$ 1,579</b>	<b>5.0%</b>



# Tax Year 2016 (FY2017) Property Tax Projection: Residential Property Located in the Highlands Fire District

	<b>FY16</b>	<b>FY17</b>	<b>Change</b>
Primary Value	\$ 186,513	\$ 181,322	-2.8%
Secondary Value	\$ 190,226	\$ 187,397	-1.5%
Secondary Taxable Value	\$ 186,513	\$ 181,322	-2.8%
	<b>FY16 Tax</b>	<b>FY17 Tax</b>	<b>Change</b>
<b>Primary Taxing Jurisdictions</b>			
Coconino County General Fund	\$ 107	\$ 105	-2%
State Education Equalization	94	91	-4%
Flagstaff Unified School District	798	796	0%
Coconino Community College	91	89	-2%
<b>Total Primary</b>	<b>\$ 996</b>	<b>\$ 1,090</b>	<b>9%</b>
<b>Secondary Taxing Jurisdictions:</b>			
Library District	\$ 48	\$ 48	4%
Fire District Assistance Tax	19	19	0%
Public Health Services District	47	47	4%
Flagstaff Unified School District	220	221	0%
Coconino Community College	23	24	6%
Joint Vocational Tech Institute	9	9	11%
Coconino County Flood Control	75	75	3%
Highlands Fire District	618	609	-1%
<b>Total Secondary</b>	<b>\$ 1,070</b>	<b>\$ 1,068</b>	<b>0%</b>
<b>Combined Total</b>	<b>\$ 2,066</b>	<b>\$ 2,158</b>	<b>4%</b>
State Aid to Education	\$ (325)	\$ (326)	1%
<b>Net Tax Assessment</b>	<b>\$ 1,741</b>	<b>\$ 1,832</b>	<b>3%</b>



# Tax Year 2016 (FY2017) Property Tax Projection: Owner Property Located in the Summit Fire District

	<b>FY16</b>	<b>FY17</b>	<b>Change</b>
Primary Value	\$ 194,546	\$ 202,213	3.9%
Secondary Value	\$ 201,059	\$ 213,247	6.1%
Secondary Taxable Value	\$ 194,546	\$ 202,213	3.9%
	<b>FY16 Tax</b>	<b>FY17 Tax</b>	<b>Change</b>
<b>Primary Taxing Jurisdictions</b>			
Coconino County General Fund	\$ 112	\$ 117	5%
State Education Equalization	98	101	3%
Flagstaff Unified School District	832	888	7%
Coconino Community College	95	99	5%
<b>Total Primary</b>	<b>\$ 996</b>	<b>\$ 1,131</b>	<b>14%</b>
<b>Secondary Taxing Jurisdictions:</b>			
Library District	\$ 50	\$ 55	10%
Fire District Assistance Tax	19	21	5%
Public Health Services District	49	53	10%
Flagstaff Unified School District	229	251	10%
Coconino Community College	24	28	9%
Joint Vocational Tech Institute	10	11	11%
Coconino County Flood Control	78	85	8%
Summit Fire District	653	693	8%
<b>Total Secondary</b>	<b>\$ 1,067</b>	<b>\$ 1,126</b>	<b>6%</b>
<b>Combined Total</b>	<b>\$ 2,063</b>	<b>\$ 2,257</b>	<b>9%</b>
State Aid to Education	\$ (339)	\$ (364)	8%
<b>Net Tax Assessment</b>	<b>\$ 1,724</b>	<b>\$ 1,893</b>	<b>8%</b>