



TAX YEAR 2018 UPDATE

SEPTEMBER 21, 2018

Alliance Policy & Management Group



COCONINO COUNTY TAXES

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

Assessed Values – February 10th

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

Primary Assessed Values are Projected to Increase by 4.6% in FY20 (Tax Year 2019)

Secondary Assessed Values are Projected to Increase 5.97% in FY20 (Tax Year 2019)

All tax levies are calculated using the Primary Assessed Values (Limited Property Value)

Coconino County Assessed Value Projection			
	FY19	FY20	Change
Primary Assessed Values	\$ 1,726,579,756	\$ 1,806,051,742	4.60%
Secondary Assessed Values	\$ 1,938,314,511	\$ 2,053,981,452	5.97%



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

Evaluation	FY2018	FY2019	Change
Assessed Value	\$ 1,648,531,053	\$ 1,726,579,756	4.73%
Primary Tax Rate	0.4816	0.4741	-1.56%
Primary Tax Levy	\$ 7,939,326	\$ 8,185,715	3.10%

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

Evaluation	FY2018	FY2019	Change
Assessed Value	\$ 1,805,463,129	\$ 1,938,314,511	7.36%
Taxable Value	\$ 1,648,531,053	\$ 1,726,579,756	4.73%
Secondary Tax Rate	0.1326	0.1218	-8.14%
Secondary Tax Levy	\$ 2,185,952	\$ 2,102,974	-3.80%



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 \$2.31.

Average Value	FY2018	FY2019	Change
Average Primary Value	\$ 200,859	\$ 210,902	5.0%

CCC Tax Rate	FY2018	FY2019	Change	Average Taxpayer Impact
Primary - General Fund	0.4816	0.4741	(0.0075)	\$ 3.25
Secondary - Debt Service	0.1326	0.1218	(0.0108)	\$ (0.95)
Total	0.6142	0.5959	(0.0183)	\$ 2.31



Coconino Community College: Property Tax Summary

Impact on a \$100,000 home located in the City of Flagstaff valued in FY 2017 with comparisons.

Example #1: No Change in Value			
\$100,000 Property in 2018		\$100,000 Property in 2019	
FY2018	Taxes	FY2019	Taxes
0.4816	\$ 48.16	0.4741	47.41
0.1326	\$ 13.26	0.1218	12.18
0.6142	\$ 61.42	0.5959	59.59
Decrease FY2018 to FY2019			\$ (1.83)

Example #2: Average District Value Change			
	FY2018	FY2019	Change
Property Value	\$ 100,000	\$ 105,000	5.0%
Tax Rate	\$ 0.6142	0.5959	-3.1%
Total Levy	\$ 61.42	\$ 62.57	\$ 1.15

Summary: If there was no change to the value of the property the tax decrease would be **(\$1.83)**. However, on average a home valued at \$100,000 in FY18 is valued at \$113,600 in FY19 due to an increase in average district values. This results in an average tax increase of \$6.27.

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



Maintenance and Operations

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

	FY2018	FY2019	Change
Assessed Value	\$ 1,141,836,250	\$ 1,216,314,746	6.52%
Primary Tax Rate	\$ 4.054	\$ 3.817	-5.83%
Primary Tax Levy	\$ 46,284,332	\$ 46,430,383	0.32%

Starting in FY2019 Desegregation funding has been reclassified as a secondary tax. Of the \$0.24 total reduction in the Primary Rate, \$0.18 is a result of this reclassification.

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

Debt Services

Remainder of current bond authorization was
sold February 2017

	FY2018	FY2019	Change
Assessed Value	\$ 1,141,836,250	\$ 1,216,314,746	6.52%
Secondary Tax Rate	\$ 1.1281	\$ 1.3302	17.92%
Secondary Tax Levy	\$ 12,881,055	\$ 16,179,419	25.61%

Starting in FY2019 Desegregation funding has been reclassified as a secondary tax. Of the \$0.20 total increase in the secondary rate, \$0.18 is a result of this reclassification.

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 decrease of \$3.41 before Homeowner's Rebate.

	Tax Rate			Average Taxpayer Impact per \$100,000 Assessed
	FY2018	FY2019	Change	
Primary Property Tax	\$ 4.0535	\$ 3.8173	\$ (0.24)	-23.62
Secondary Property Tax	\$ 1.1281	\$ 1.3302	\$ 0.20	20.21
Total: FUSD Taxing Authority	\$ 5.1816	\$ 5.1475	\$ (0.03)	-3.41

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

	\$100,00 Property in 2018		\$100,000 Property in 2019	
FUSD Taxing Authority	Rate	Taxes	Rate	Taxes
Primary Property Tax	\$ 4.05	\$ 405.00	\$ 3.82	\$ 382.00
Secondary Property Tax	\$ 1.13	\$ 113.00	\$ 1.33	\$ 133.00
Overall Rates and Taxes	\$ 5.18	\$ 518.00	\$ 5.15	\$ 515.00
Primary Homeowner's Rebate	\$ (1.79)	\$ (179.00)	(1.86)	(186.00)
Total Net Rates and Taxes	\$ 3.39	\$ 339.00	\$ 3.29	\$ 329.00



City of Flagstaff



City of Flagstaff: Primary Property Taxes

General Fund Levy for City Services

(Examples: Police, Fire, Parks, Recreation, City Court, Administration, Management Services...)

Levy is capped at 2% growth + new construction each year

For FY19, we had 7% capacity to the maximum allowable

Council agreed to increase the allowable levy by 7% + new construction, maximum allowed

	FY2018	FY2019	Change
Assessed Value	\$ 749,618,241	\$ 804,836,851	7.37%
Primary Tax Rate	0.8233	0.8334	1.23%
Primary Tax Levy	\$ 6,171,607	\$ 6,707,510	8.68%



City of Flagstaff: Primary Property Taxes

Why Increase the Levy by 7%?

To further Council's Priority: **Ensuring adequate Public Safety staffing levels.**

The City applied for 12 Public Safety positions to be funded with federal grants. We received funding for 8 positions.

Used General Fund revenues to fund remaining 4 positions

The federal grants will partially fund the positions for the first 3 years.

Increasing the Levy for a second year allows the City positions itself to maintain all 12 positions after the grants expire.



City of Flagstaff: Secondary Property Taxes

Debt Service Obligations

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

Other General Obligation Debt (6%)

	FY2018	FY2019	Change
Assessed Value	\$ 749,618,241	\$ 804,836,851	7.37%
Secondary Tax Rate	0.8366	0.8366	0.00%
Primary Tax Levy	\$ 6,271,306	\$ 6,733,265	7.37%



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 \$18.80.

	FY2018	FY2019	Change
Average Primary Value	\$ 200,859	\$ 210,902	5.0%
Average Secondary Value	\$ 200,859	\$ 210,902	5.0%

City Taxing Authority	Tax Rate			Average Tax Payer Impact
	FY2018	FY2019	Change	
Primary Property Tax	\$ 0.82	\$ 0.83	\$ 0.01	\$ 10.40
Secondary Property Tax	\$ 0.84	\$ 0.84	\$ -	\$ 8.40
Total: City Taxing Authority	\$ 1.66	\$ 1.67	\$ 0.01	\$ 18.80

(*) 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 FY2018 with comparisons to change in proposed rates and home value changes.

	\$100,000 Property in 2018		\$100,000 Property in 2019	
City Taxing Authority	Rate	Taxes	Rate	Taxes
Primary Property Tax	\$ 0.8233	\$ 82.33	\$ 0.8334	\$ 83.34
Secondary Property Tax	\$ 0.8366	\$ 83.66	\$ 0.8366	\$ 83.66
Total: City Taxing Authority	\$ 1.6599	\$ 165.99	\$ 1.6700	\$ 167.00
			Change	\$ 1.01
	\$100,000 Property in 2018		\$105,000 Property in 2019	
City Taxing Authority	Rate	Taxes	Rate	Taxes
Primary Property Tax	\$ 0.8233	\$ 82.33	\$ 0.8334	\$ 87.51
Secondary Property Tax	\$ 0.8366	\$ 83.66	\$ 0.8366	\$ 87.84
Total: City Taxing Authority	\$ 1.6599	\$ 165.99	\$ 1.6700	\$ 175.35
			Change	\$ 9.36

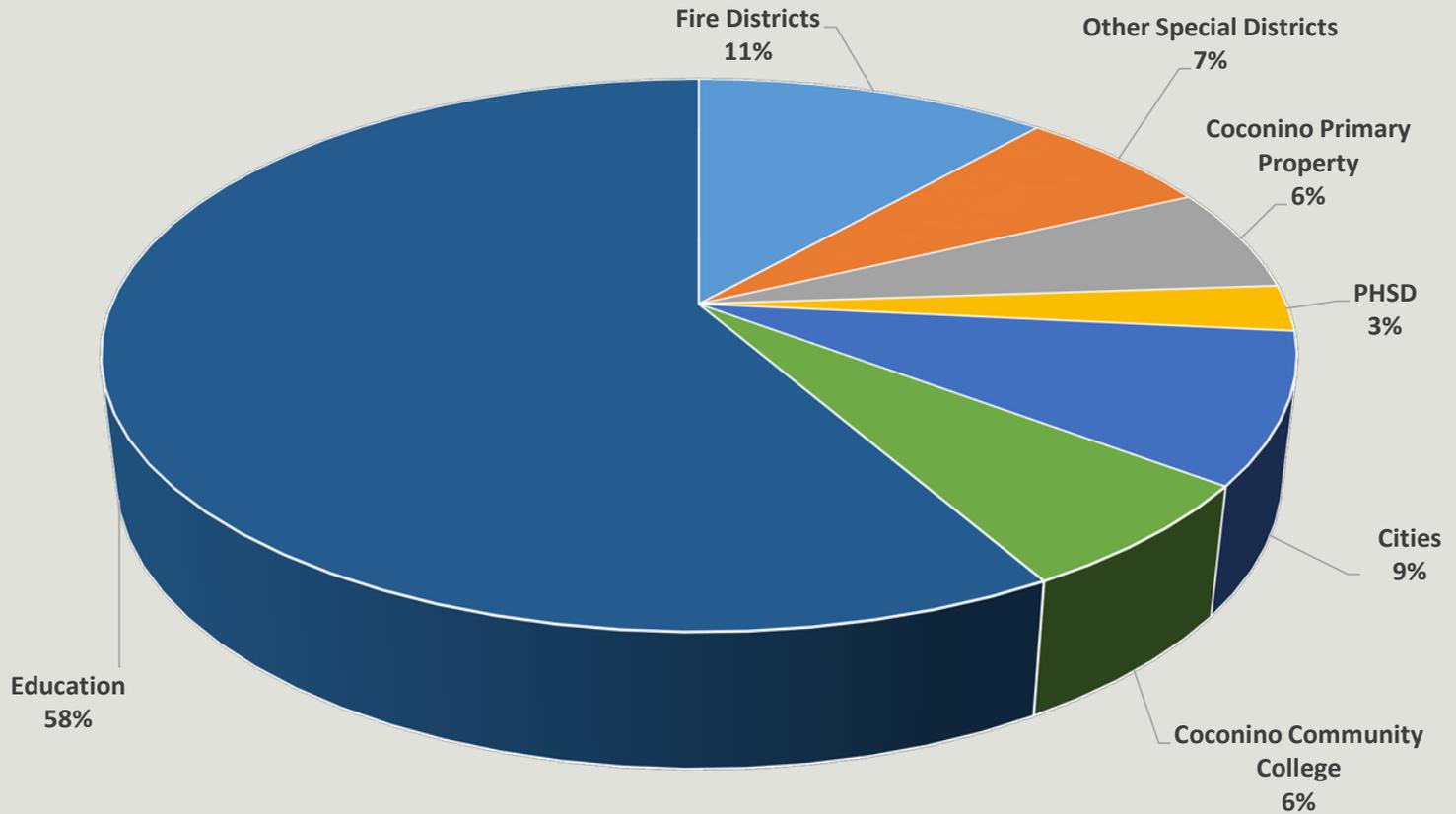
*State maximum allowable assessed valuation increase is 5%



Coconino County



Property Tax Disbursement



Based on FY19 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	FY2018	FY2019	Change
Assessed Value	\$ 1,648,531,053	\$ 1,726,579,756	4.73%
Primary Tax Rate	0.5678	0.5589	-1.57%
Primary Tax Levy	\$ 9,360,359	\$ 9,649,854	3.09%

Average Impact = \$1.19 **increase** per \$100,000 of FY18 value.

Coconino County has the 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	FY2018	FY2019	Change
Assessed Value	\$ 1,805,463,129	\$ 1,938,314,511	7.36%
Taxable Value	\$ 1,648,531,053	\$ 1,726,579,756	4.73%
Secondary Tax Rate	0.2556	0.2556	0.00%
Secondary Tax Levy	\$ 4,213,645	\$ 4,413,138	4.73%

Average Impact = \$1.21 **increase** per \$100,000 of FY18 value.



Coconino County: Secondary Property Taxes

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

Evaluation	FY2018	FY2019	Change
Assessed Value	\$ 1,805,463,129	\$ 1,938,314,511	7.36%
Taxable Value	\$ 1,648,531,053	\$ 1,726,579,756	4.73%
Secondary Tax Rate	0.2500	0.2500	0.00%
Secondary Tax Levy	\$ 4,121,328	\$ 4,316,449	4.73%

Average Impact = \$1.18 **increase** per \$100,000 of FY18 value.



Coconino County: Secondary Property Taxes

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

Evaluation	FY2018	FY2019	Change
Assessed Value	\$ 714,153,989	\$ 714,153,989	0.00%
Taxable Value	\$ 651,652,195	\$ 1,498,964,650	130.03%
Secondary Tax Rate	0.4000	0.1808	-54.80%
Secondary Tax Levy	\$ 2,606,609	\$ 2,710,128	3.97%

Average Impact = Residents that were in the district last year will see a decrease on their bill. Those residents that have been added this year will see an increase on their bill for the Flood Control District.



Coconino County: Property Tax Summary

- The average per parcel impact for properties not in the Flood Control District is an **increase** of \$8.91.
- The average per parcel impact for properties located in the Flood Control District is an **decrease** of \$33.62.

Property Changes	FY18	FY19	Change
Average Primary Value	\$ 200,859	\$ 210,902	5.0%

County Taxing District	Tax Rate			Average per Parcel Impact
	FY18	FY19	Change	
General Fund Primary	\$ 0.5678	\$ 0.5589	\$ (0.0089)	\$ 3.83
Library District	\$ 0.2556	\$ 0.2556	\$ -	\$ 2.57
Public Health Services District	\$ 0.2500	\$ 0.2500	\$ -	\$ 2.51
Subtotal County-wide District	\$ 1.0734	\$ 1.0645	\$ (0.0089)	\$ 8.91
Flood Control District	\$ 0.4000	\$ 0.1808	\$ (0.2192)	\$ (42.53)
Total: All County Districts	\$ 1.4734	\$ 1.2453	\$ (0.2281)	\$ (33.62)



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
 - 2.75% decrease for FY19 (Tax Year 2018)
- 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.

FY18 Rates			
Location	Primary	Secondary	Total Rate
City of Flagstaff	6.4137	2.7529	9.1666
Summit Fire District	5.5904	5.5663	11.1567
Highlands Fire District	5.5904	5.5663	11.1567



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 FY18 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 (FY17 Value)				
Location	FY17	FY18	Change	
City of Flagstaff	\$ 957	\$ 958	\$ 1	0.1%
Summit Fire District	\$ 1,157	\$ 1,174	\$ 16	1.4%
Highlands Fire District	\$ 1,157	\$ 1,166	\$ 8	0.7%



Tax Year 2018 (FY2019) Property Tax Projection: Property Located in the City of Flagstaff

	FY18	FY19	Change
Primary Value	\$ 200,859	\$ 210,902	5.00%
Secondary Value	\$ 223,279	\$ 234,443	5.00%
Secondary Taxable Value	\$ 200,859	\$ 210,902	5.00%
	FY18 Tax	FY19 Tax	Change
Primary Taxing Jurisdictions			
Coconino County General Fund	\$ 114	\$ 118	3%
State Education Equalization	98	100	2%
Flagstaff Unified School District	814	805	-1%
Coconino Community College	97	100	3%
City of Flagstaff	165	176	7%
Total Primary	\$ 1,288	\$ 1,299	1%
Secondary Taxing Jurisdictions:			
Library District	\$ 51	\$ 54	6%
Fire District Assistance Tax	20	21	5%
Public Health Services District	50	53	5%
Flagstaff Unified School District	227	281	24%
Coconino Community College	27	26	-5%
Joint Vocational Tech Institute	10	11	5%
City of Flagstaff	168	176	5%
Total Secondary	\$ 553	\$ 621	12%
Combined Total	\$ 1,841	\$ 1,920	4%
State Aid to Education	\$ (360)	\$ (425)	18%
Net Tax Assessment	\$ 1,481	\$ 1,495	0.9%



Tax Year 2018 (FY2019) Property Tax Projection: Residential Property Located in the Highlands Fire District

	FY18	FY19	Change
Primary Value	\$ 189,566	\$ 199,044	5.00%
Secondary Value	\$ 202,918	\$ 213,064	5.00%
Secondary Taxable Value	\$ 189,566	\$ 199,044	5.00%
	FY18 Tax	FY19 Tax	Change
Primary Taxing Jurisdictions			
Coconino County General Fund	\$ 108	\$ 111	3%
State Education Equalization	92	94	3%
Flagstaff Unified School District	768	760	-1%
Coconino Community College	91	94	4%
Total Primary	\$ 1,059	\$ 1,060	0%
Secondary Taxing Jurisdictions:			
Library District	\$ 48	\$ 51	6%
Fire District Assistance Tax	19	20	5%
Public Health Services District	47	50	6%
Flagstaff Unified School District	214	265	24%
Coconino Community College	25	24	-3%
Joint Vocational Tech Institute	9	10	11%
Coconino County Flood Control	76	80	5%
Highlands Fire District	616	65	-89%
Total Secondary	\$ 1,054	\$ 564	-47%
Combined Total	\$ 2,113	\$ 1,624	-23%
State Aid to Education	\$ (339)	\$ (372)	10%
Net Tax Assessment	\$ 1,774	\$ 1,252	-29%



Tax Year 2018 (FY2019) Property Tax Projection: Owner Property Located in the Summit Fire District

	FY18	FY18	Change
Primary Value	\$ 212,636	\$ 223,268	5.0%
Secondary Value	\$ 248,278	\$ 260,692	5.0%
Secondary Taxable Value	\$ 212,636	\$ 223,268	5.0%
	FY17 Tax	FY18 Tax	Change
Primary Taxing Jurisdictions			
Coconino County General Fund	\$ 121	\$ 125	3%
State Education Equalization	104	106	2%
Flagstaff Unified School District	862	852	-1%
Coconino Community College	102	106	4%
Total Primary	\$ 1,189	\$ 1,189	0%
Secondary Taxing Jurisdictions:			
Library District	\$ 52	\$ 57	10%
Fire District Assistance Tax	20	22	12%
Public Health Services District	51	56	9%
Flagstaff Unified School District	228	297	30%
Coconino Community College	27	27	1%
Joint Vocational Tech Institute	10	11	12%
Coconino County Flood Control	81	40	-50%
Summit Fire District	657	781	19%
Total Secondary	\$ 1,126	\$ 1,292	15%
Combined Total	\$ 2,315	\$ 2,481	7%
State Aid to Education	\$ (381)	\$ (417)	9%
Net Tax Assessment	\$ 1,934	\$ 2,064	7%