

ORDINANCE NO. 691

AN ORDINANCE OF THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE TOWN OF PAYSON, SUBJECT TO TAXATION, A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR VARIOUS BOND REDEMPTION FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS; AND PROVIDING FUNDS FOR GENERAL MUNICIPAL EXPENDITURES, ALL FOR THE FISCAL YEAR ENDING JUNE 30, 2007 AND PROVIDING FOR IMMEDIATE OPERATION AND EFFECT OF THIS ORDINANCE.

WHEREAS, by provisions of State law, the ordinance levying taxes for the Fiscal Year 2006/2007 is required to be finally adopted no later than the third Monday in August; and

WHEREAS, the County of Gila is the assessing and collecting authority for the Town of Payson, and the Town Clerk is hereby directed to transmit a certified copy of this ordinance to the Gila County Assessor and the Board of Supervisors of the County of Gila, Arizona,

NOW THEREFORE, THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON, ARIZONA, DO HEREBY ORDAIN AS FOLLOWS:

Section 1. There is hereby levied on each One Hundred Dollars (\$100.00) of the assessed valuation of all property, both real and personal, within the corporate limits of the Town of Payson, except such property as may be by law exempt from taxation, a primary property tax rate of \$0.2640 for the Fiscal Year ending 30th day of June 2007.

Section 2. In addition to the rate set in Section 1 hereof, there is hereby levied on each One Hundred Dollars (\$100.00) of the assessed valuation of all property, both real and personal, within the corporate limits of the Town of Payson, except such property as may be by law exempt from taxation, a secondary property tax rate sufficient to raise the sum of One Hundred Twenty Thousand Dollars (\$160,000.00) and not more than the actual general obligation bond debt service due during the year for the purpose of providing a bond and redemption fund for the Town of Payson for the Fiscal Year ending June 30, 2006.

Public Hearing AUG 10 2006 G-6

Ordinance No 691 Continued

Section 3. Failure of the county officials of Gila County, Arizona, to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings, shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to timely perform any of the duties assigned to him or to them shall not invalidate any proceedings or any deed or sale pursuant thereto, the validity of any assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the Town of Payson upon such property for the delinquent taxes unpaid thereon, and no overcharge as to part of the taxes or of costs shall invalidate any proceedings for the collection of taxes or the foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

Section 4. If the sum or rate set forth in Section 1 or the sum set forth in Section 2 exceeds the maximum levy allowed by law, the Board of Supervisors of the County of Gila is hereby authorized to reduce the levy to the maximum amount allowed by law after providing notice to the Town of Payson.

Section 5. All ordinances and parts of ordinances in conflict herewith are hereby repealed.

Section 6. **WHEREAS** the establishment of a levy upon assessed valuation is administrative in nature, this ordinance shall be in full force and effect and after its passage by the Mayor and Common Council of the Town of Payson; it is hereby made exempt from the referendum provisions of the Constitution and Laws of the State of Arizona.

PASSED AND ADOPTED BY THE MAYOR AND COMMON COUNCIL OF THE TOWN OF PAYSON this _____ day of _____, 2006, by the following vote:

AYES _____ NOES _____ ABSTENTIONS _____ ABSENT _____

F. Robert Edwards, Mayor

ATTEST:

APPROVED AS TO FORM:

Silvia Smith
Town Clerk

Samuel I. Streichman
Town Attorney

Prepared by Town of Payson Finance Department
June 28, 2006
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Town of Payson
Truth In Taxation Process
Calculation of Maximum Primary Tax Levy 2006
House Bill 2006

Fiscal Note: House Bill 2006 requires a county, city, town or community college district to hold a "Truth In Taxation" (TNT) public hearing if the entity intends to increase property taxes over the previous year's level. The maximum "increase" is calculated using two formulas: one to calculate the maximum tax rate and one to calculate the maximum levy. If an entity proposes to exceed either item, they must hold a TNT notice and hearing.

A) **Maximum tax rate:** $\frac{\text{Previous year's primary property tax levy}}{\text{Current years NAV} - \text{minus new construction}}$

* Previous year's primary property tax levy	=	\$ 467,170		
* Current year's NAV = Preliminary	=	\$ 182,522,790		
* New construction = Preliminary	=	\$ 5,523,069		
				\$ 176,999,721

Maximum tax rate (Preliminary) = 0.0026394 or 0.26394 per \$100/assessed value

B) **Maximum Primary Levy:** New construction \$ times new maximum rate plus last year's primary levy.

\$5,523,069 * .0026394=		\$ 14,577	
Last year's primary levy		\$ 467,170	
Maximum primary levy =		\$ 481,747	←

C) Last year's primary rate: * 0.27520 TNT Hearing required.
 Maximum primary rate ** (0.26394) No TNT hearing required. ←

Variance		0.01126	(Exceeds Prior Year)
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Primary levy based on 0.27520 * \$ 502,303 TNT Hearing required.
Maximum primary levy (B) ** \$ (481,747) No TNT hearing required. ←

Variance		\$ 20,555	
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SUMMARY COMMENT: If the Council wishes to leave the 2006 tax levy at 0.27587 or \$503,303, we would have to hold a Truth in Taxation (TNT) notice and hearing. The maximum allowable levy, assuming no further change to the Net Assessed Value, would be \$678,437 or .3717 \$100 Assessed Value. This change would also require a Truth-In-Taxation (TNT) notice and hearing.