

# COUNCIL DECISION REQUEST

SUBJECT: Public Hearings for Primary Tax Rate for Fiscal Year 2015/2016 Budget

MEETING DATE: June 18, 2015

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 2015 Levy Worksheet; TOP Worksheet to calculate Maximum Primary Tax Levy for Fiscal Year 2015/2016.**

## POSSIBLE MOTION

Not applicable – Public Hearing

## SUMMARY OF THE BASIS FOR POSSIBLE MOTION:

The Fiscal Year 2015/2016 Budget proposes that the Primary Tax rate be set at \$0.3877 per \$100/assessed value to levy an amount equal to \$651,115 for the Fiscal Year Budget 2015/2016. This tax rate is \$0.0086 less than last year and tax levy is \$8,212 higher due to new construction. There is no secondary property tax.

## BACKGROUND INFORMATION:

**Primary Tax Levy:** The Town received the Revised Preliminary 2015 Levy Limit Worksheet from the Gila County Assessor's Office in March. 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 \$711,910. The maximum assessable rate, without exceeding the Truth in Taxation hearing statute, is 0.3877 per \$100/assessed value or \$651,115.

The adoption of the Tax Ordinance is scheduled for the July 2, 2015 Special Town Council meeting. It must be adopted prior to the third Monday in August (August 17, 2015.)

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 18 2015 - SPA1**

**TOWN OF PAYSON**  
**Tax Levy and Tax Rate Information**  
**Fiscal Year 2016**

	<b>2015</b>	<b>2016</b>
1. Maximum allowable primary property tax levy. A.R.S. §42-17051(A)	\$ 689,137	\$ 711,910
2. Amount received from primary property taxation in the <b>current year</b> 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	\$ 642,900	\$ 651,000
B. Secondary property taxes		
C. Total property tax levy amounts	\$ 642,900	\$ 651,000
4. Property taxes collected*		
A. Primary property taxes		
(1) <b>Current</b> year's levy	\$ 635,000	
(2) Prior years' levies	10,000	
(3) Total primary property taxes	\$ 645,000	
B. Secondary property taxes		
(1) <b>Current</b> year's levy	\$	
(2) Prior years' levies		
(3) Total secondary property taxes	\$	
C. Total property taxes collected	\$ 645,000	
5. Property tax rates		
A. City/Town tax rate		
(1) Primary property tax rate	0.3963	0.3877
(2) Secondary property tax rate		
(3) Total city/town tax rate	0.3963	0.3877
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.

## 2015 LEVY LIMIT WORKSHEET

**GILA COUNTY - TOWN OF PAYSON**

	Original 2/10/2015	Approved 3/10/2015	Difference
<b>MAXIMUM LEVY</b>	<b>2014</b>	<b>2014</b>	<b>2014</b>
A.1. Maximum Allowable Primary Tax Levy	\$689,137	\$689,137	\$0
A.2. A.1 multiplied by 1.02	\$702,920	\$702,920	\$0
<b>CURRENT YEAR NET ASSESSED VALUE SUBJECT TO TAXATION IN PRIOR YEAR</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>
B.1. Centrally Assessed	\$5,744,922	\$5,744,922	\$0
B.2. Locally Assessed Real Property	\$155,836,255	\$155,836,255	\$0
B.3. Locally Assessed Personal Property	\$0	\$4,231,961	\$4,231,961
B.4. Total Assessed Value (B.1 through B.3)	\$161,581,177	\$165,813,138	\$4,231,961
B.5. B.4. divided by 100	\$1,615,812	\$1,658,131	\$42,320
<b>CURRENT YEAR NET ASSESSED VALUES</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>
C.1. Centrally Assessed	\$6,216,332	\$6,216,332	\$0
C.2. Locally Assessed Real Property	\$157,494,709	\$157,494,709	\$0
C.3. Locally Assessed Personal Property	\$4,231,961	\$4,231,961	\$0
C.4. Total Assessed Value (C.1 through C.3)	<b>\$167,943,002</b>	<b>\$167,943,002</b>	<b>\$0</b>
C.5. C.4. divided by 100	\$1,679,430	\$1,679,430	\$0
<b>LEVY LIMIT CALCULATION</b>	<b>2015</b>	<b>2015</b>	<b>2015</b>
D.1. LINE A.2	\$702,920	\$702,920	\$0
D.2. LINE B.5	\$1,615,812	\$1,658,131	\$42,319
D.3. D.1/D.2 (MAXIMUM ALLOWABLE TAX RATE)	<b>0.4350</b>	<b>0.4239</b>	<b>(0.0111)</b>
D.4. LINE C.5	\$1,679,430	\$1,679,430	\$0
D.5. D.3 multiplied by D.4 = MAXIMUM ALLOWABLE LEVY LIMIT	<b>\$730,552</b>	<b>\$711,910</b>	<b>(\$18,642)</b>
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)	<b>\$730,552</b>	<b>\$711,910</b>	<b>(\$18,642)</b>
<i>2015 New Construction</i>	<b>\$6,361,825</b>	<b>\$2,129,864</b>	<b>(\$4,231,961)</b>

**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

<b>Actual current primary property tax levy:</b> (line F.1. actual levy from prior year's final levy limit worksheet)	\$ 642,903
<b>Net assessed valuation:</b> (line C.4. from current year's worksheet)	\$ 167,943,002
<b>Value of new construction:</b>	\$ 2,129,864
<b>Net assessed value minus new construction:</b> (line B.4. from current year's levy limit worksheet)	\$ 165,813,138
<b>MAXIMUM TAX RATE THAT CAN BE IMPOSED WITHOUT A TRUTH IN TAXATION HEARING:</b>	\$ 0.3877
<b>Growth in property tax levy capacity associated with new construction:</b>	\$ 8,257
<b>MAXIMUM PRIMARY PROPERTY TAX LEVY WITHOUT A TRUTH IN TAXATION HEARING:</b>	\$ 651,115
<b>Proposed primary property tax levy:</b>	\$ 651,115
<b>Proposed increase in primary property tax levy, exclusive of new construction</b>	\$ -
<b>Proposed percentage increase in primary property tax levy:</b>	0.0%
<b>Proposed primary property tax rate:</b>	\$ 0.3877
<b>Proposed increase in primary property tax rate:</b>	\$ (0.0000)
<b>Proposed primary property tax levy on a home valued at \$100,000</b>	\$ 38.77
<b>Primary property tax levy on a home valued at \$100,000 if the tax rate was not raised:</b>	\$ 38.77
<b>Proposed primary property tax levy increase on a home valued at \$100,000:</b>	\$ (0.00)