



MEMORANDUM

Date: August 5, 2015

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator 

Re: **Notice of State Cost Transfers to be Included in the Annual Pima County Tax Statement**

After the Board of Supervisors adopts the tax rates of taxing jurisdictions within Pima County, the County will send property tax statements to all taxpayers in early September 2015.

Because of the 26 percent increase in State cost shifts to the County this year, and since the State now consumes nearly one-third of our primary property tax levy, the County is effectively levying a property tax on behalf of the State. It is unlikely most taxpayers realize this fact.

Attached is an insert that will be included in every Pima County property tax statement this year. Please review the insert as it discusses State cost shifts and their magnitude and provides taxpayers a snapshot of major areas of service where their property tax dollars are allocated in the County budget. On the reverse of this insert will be a notice to taxpayers that the County Treasurer is now located at the Public Service Center at 240 N. Stone Avenue.

If you have any questions regarding this insert, please contact me.

CHH/anc

Attachments

c: Tom Burke, Deputy County Administrator for Administration
Keith Dommer, Director, Finance and Risk Management
Robert Johnson, Budget Manager, Finance and Risk Management
Craig Horn, Financial Project Coordinator, Finance and Risk Management

Notice of State Cost Transfers Requiring a County Property Tax Increase

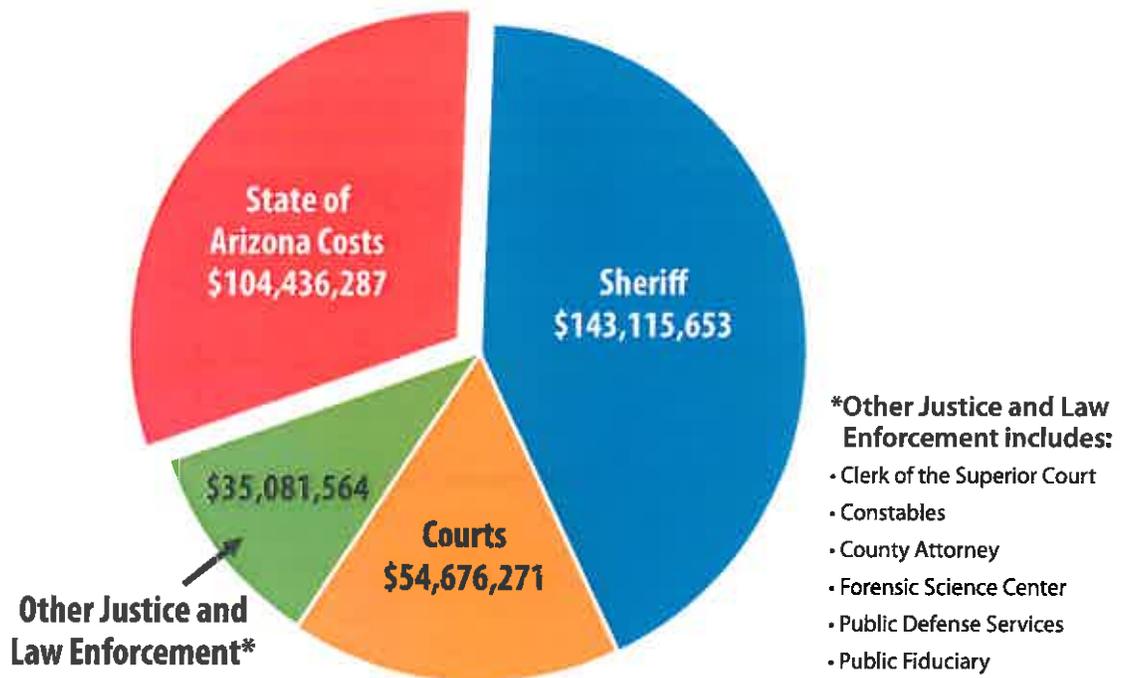
Approximately one third, or nearly 31 percent, of your County primary property tax is transferred to the State of Arizona to support the State budget. Last year, \$82.8 million was sent to the State. **This year, the State will require up to \$104.4 million in local taxpayer support.** This is an increase of \$21.6 million or more than 26 percent in a single year. The bulk of those funds are being used to pay for a program the State has funded for the last 34 years but has decided to make the County pay in order to “balance” the State’s budget.

The County has absorbed most of this cost by reducing the County budget approximately 2 percent.

Unfortunately, we were unable to absorb all of this State cost transfer and are required to increase our property tax levy by \$8.1 million, or 2.5 percent, to pay for these State cost shifts. The County has filed a lawsuit to ask the courts to review the legality of this State legislation. If a court rules the transfer unlawful, the primary property tax rate shown on your billing statement will be reduced in the next tax year.

The chart below shows where your County primary property taxes are spent.

How your \$337.3 million Pima County property tax is spent:



Note: The expenditures of the Justice and Law Enforcement function as a whole are greater than the total included in the chart above. The remaining expenditures are offset by other General Government and departmental revenues.

As you can see, a very large portion of your County primary property tax is required to be sent to the State.



WE ARE MOVING!

**Beth Ford,
Pima County Treasurer**

NEW ADDRESS

**Pima County
Public Service Center
240 N. Stone, lower level
520-724-8341**

