



MEMORANDUM

Date: June 4, 2014

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

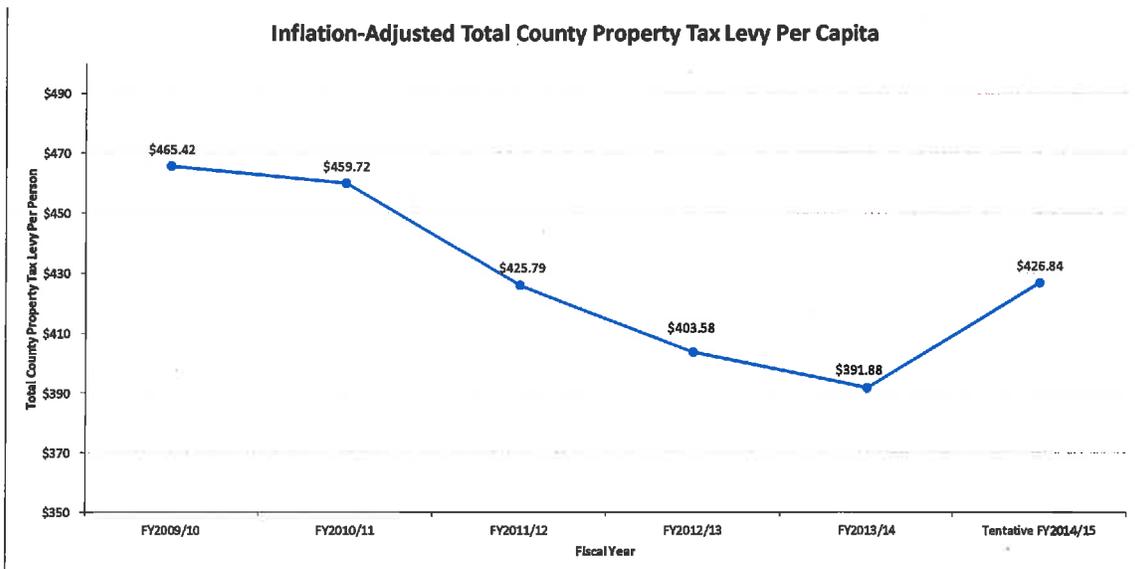
From: C.H. Huckelberry
County Administrator

Re: Per Capita Inflation-adjusted Primary Property Tax Levy

As the Board of Supervisors considers the Fiscal Year (FY) 2014/15 Budget that is based on an increase in the primary property tax levy, it is important to review the five-year history of property tax levies based on population and inflation adjustment.

The graph and data below show this five-year history, as well as the amount that is proposed for FY 2014/15. The data clearly indicate the declining total property tax burden on County residents over the last five years; something that has been a deliberate budget strategy in order to reduce the financial impact on County residents during the recession.

The total County property tax levy adjusted for inflation and population change, which includes primary and secondary levies for Debt Service, Flood Control District and Library District, is \$427 per person under the Tentative Budget for FY 2014/15; about \$38, or 8.3 percent less, than the \$465 per capita total County levy during FY 2009/10.



Fiscal Year	FY2009/10	FY2010/11	FY2011/12	FY2012/13	FY2013/14	Tentative FY2014/15
Pima County Population (beginning of fiscal year)	984,274	981,168	986,081	990,380	996,046	1,003,542
Inflation - CPI-U Western Region (FY2014/15 = 1.00000)	0.91075	0.92604	0.95095	0.96788	0.98108	1.00000
Total County Property Tax Rate	\$4.5511	\$4.6368	\$4.8073	\$4.8073	\$5.0853	\$5.7167
Total County Property Tax Levy	\$417,211,603	\$417,702,791	\$399,267,154	\$386,857,508	\$382,942,463	\$428,351,554
Inflation-Adjusted Total County Property Tax Levy Per Capita	\$465.42	\$459.72	\$425.79	\$403.58	\$391.88	\$426.84

Source: Population and Inflation from University of Arizona, Economic & Business Research Center, 2014 Q2 Baseline Economic Forecast.

The Honorable Chair and Members, Pima County Board of Supervisors
Re: Per Capita Inflation-adjusted Primary Property Tax Levy
June 4, 2014
Page 2

As I have indicated to the Board, there are alternatives. Regarding the General Fund, primary property tax increases are necessary to sustain the FY 2014/15 budget. The single largest increase is for justice and law enforcement, which is 62 percent of the total Tentatively Adopted Budget. The second largest increase is 21 percent for the County's pavement preservation program, followed by 9 percent for the Stadium District.

CHH/mjk

Attachment

c: Tom Burke, Director, Finance and Risk Management
Robert Johnson, Budget Manager, Finance and Risk Management