



MEMORANDUM

Date: March 11, 2015

To: Thomas Weaver
Chief Civil Deputy County Attorney

From: C.H. Huckelberry
County Administrator

Regina Nassen
Deputy County Attorney

Re: **One Percent Cap Refunding Allocation to the Counties**

Please continue to review the legality of present legislation that would result in a disproportionate impact to Pima County and our residents with regard to State cost shifts, particularly funds that had previously been paid by the State based on the Arizona Constitutional property tax limitation for residentially occupied and owned property.

The current legislation gives the Property Tax Oversight Commission some authority to define "peer" jurisdictions. Their present interpretation appears to simply take the average of all of the primary property tax rates in the state and proclaim that if a particular primary tax rate is above that average, you would not be a "peer." This would appear to even further disproportionately and unfairly increase Pima County's share of the one percent tax shift.

I have attached a table that shows the county primary property tax rates for all counties, as well as all other funding sources enjoyed by other counties that help offset or reduce their primary property tax. Please note Pima County has none of these alternative revenue sources; hence, again, we are being singled out and discriminated against if the Property Tax Oversight Commission maintains the position that a "peer" jurisdiction is one that exceeds the statewide average of other "peer" jurisdictions; which, in our case, would be the other 15 counties and their primary property tax rates.

CHH/mjk

Attachment

c: The Honorable Chair and Members, Pima County Board of Supervisors
Craig Sullivan, Executive Director, County Supervisors Association
Greg Stanley, Pinal County Manager
Tom Burke, Director, Finance and Risk Management
Robert Johnson, Budget Manager, Finance and Risk Management



FY2015 County Property & Sales Tax Rates
Main Authorities to Fund Mandated County Services

<u>County</u>	<u>Primary Property Tax</u>	<u>County General Fund Excise Tax</u>	<u>Public Health</u>	<u>Jail Excise Tax</u>	<u>County Road Tax</u>	<u>Maricopa County Healthcare District</u>	<u>County Capital Projects</u>
Apache	\$0.4810	0.50%	\$0.1260	\$0.2916 ^{SPT}	-	-	-
Cochise	\$2.6276	0.50%	-	-	-	-	-
Coconino	\$0.5646	0.50%	\$0.2500	0.50%	0.30% ¹	-	0.125%
Gila	\$4.1900	0.50%	-	-	-	-	-
Graham	\$2.1794	0.50%	-	0.50% ²	-	-	-
Greenlee	\$0.5500	0.50%	\$0.2300	-	-	-	-
La Paz	\$2.2863	0.50%	-	0.50%	-	-	-
Maricopa	\$1.3209	-	-	0.20%	-	\$0.1856	-
Mohave	\$1.8196	0.25%	-	-	-	-	-
Navajo	\$0.8185	0.50%	\$0.2430	-	-	-	-
Pima	\$4.2779	-	-	-	-	-	-
Pinai	\$3.7999	0.50%	0.10% ^{ET}	-	0.50%	-	-
Santa Cruz	\$3.6471	0.50%	-	0.50%	-	-	-
Yavapai	\$1.9580	0.50%	-	0.25%	-	-	-
Yuma	\$2.1608	0.50%	0.112% ^{ET}	0.50%	-	-	-

SPT= Secondary Property Tax, listed as a dollar amount

ET= Excise Tax, listed as a percentage

¹ Coconino County road tax effective January 1, 2015.

² Graham County jail tax effective July 1, 2015.