



MEMORANDUM

Date: June 1, 2018

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

From: C.H. Huckelberry
County Administrator 

Re: **Truth in Taxation Hearing Requirements**

Several years ago, the Arizona Legislature enacted a budget statute that required a separate Public Hearing if the primary property tax levy would exceed what they determine to be a fiscally neutral tax levy. This is known as the Truth in Taxation Hearing.

The proposed Fiscal Year (FY) 2018/19 will not require a Truth in Taxation Hearing for the primary tax levy because our property tax levy or the amount of property taxes collected is \$6.8 million under the Truth in Taxation Hearing threshold.

Attachment 1 for your review is a worksheet showing the tentative primary tax levies of the larger primary tax levying jurisdictions in the County, including Pima Community College and the City of Tucson. Both of these jurisdictions will be holding a Truth in Taxation Hearing.

However, the County will hold Truth in Taxation Hearings for the secondary property tax levies associated with the Regional Flood Control District (RFCD) and Library District. The proposed levies are slightly over what would be deemed a tax neutral levy. In the case of the RFCD, the levy will be \$1,871,308 over the neutral levy, and in the case of Library District \$1,383,426 over the neutral levy. In both cases, the tax rate and levy amounts are being recommended as higher for the purpose of transitioning from capital bond financing for major capital improvements to a pay-as-you-go program.

Attachment 2 shows a ten year history of the Truth in Taxation hearing history for the Pima County primary property tax rate. It should be noted that FY 2018/19 will be the seventh time during the past ten years the County has not been required to hold a Truth In Taxation Hearing when adopting its primary property tax.

CHH/anc

Attachment

ATTACHMENT 1

FY 2018/19 TENTATIVE PRIMARY TAX RATES/LEVIES COMPARED TO TRUTH IN TAXATION RATES/LEVIES

Primary Taxing Authority Tax Levy	Adopted FY 2017/18 Primary Tax Levy	FY 2018/19 Truth In Taxation Primary Tax Levy	Tentative Budget FY 2018/19 Primary Tax Levy	Tentative Budget Exceeds (Less Than) Truth In Taxation
Pima County Primary Tax				
General Fund Primary	\$339,923,420	\$345,973,230	\$339,156,105	(\$6,817,125)
Transportation Road Primary	\$20,187,394	\$20,834,732	\$20,834,732	\$0
Total Pima County Primary	\$360,110,814	\$366,807,962	\$359,990,837	(\$6,817,125)
Pima Community College Primary				
	\$112,161,162	\$114,249,338	\$116,532,824	\$2,283,486
City of Tucson Primary				
General Fund Primary	\$15,030,260	\$15,271,544	\$15,575,404	\$303,860
Involuntary Tort Judgment Primary	\$205,000	\$2,555,584	\$2,555,584	\$0
Total City of Tucson Primary	\$15,235,260	\$17,827,128	\$18,130,988	\$303,860
City of South Tucson Primary (Budget Not Available)				
	\$54,574	\$55,691	N/A	N/A

Primary Taxing Authority Tax Rate	Adopted FY 2017/18 Primary Tax Rate	FY 2018/19 Truth In Taxation Primary Tax Rate	Tentative Budget FY 2018/19 Primary Tax Rate	Tentative Budget Exceeds (Less Than) Truth In Taxation
Pima County Primary Tax				
General Fund Primary	\$4.2096	\$4.1514	\$4.0696	(\$0.0818)
Transportation Road Primary	\$0.2500	\$0.2500	\$0.2500	\$0.0000
Total Pima County Primary	\$4.4596	\$4.4014	\$4.3196	(\$0.0818)
Pima Community College Primary				
	\$1.3890	\$1.3709	\$1.3983	\$0.0274
City of Tucson Primary				
General Fund Primary	\$0.4519	\$0.4473	\$0.4562	\$0.0089
Involuntary Tort Judgment Primary	\$0.0062	\$0.0749	\$0.0749	\$0.0000
Total City of Tucson Primary	\$0.4581	\$0.5222	\$0.5311	\$0.0089
City of South Tucson Primary (Budget Not Available)				
	\$0.2487	\$0.2512	N/A	N/A

- Notes:**
1. City of South Tucson FY2018/19 Tentative Budget not yet available.
 2. City of Tucson FY2018/19 Truth In Taxation tax levy and rate assumed not to include Involuntary Tort Judgment Levy allowed by Attorney General.
 3. City of Tucson FY2018/19 Tentative Budget primary rate/levy at maximum levy limit rate and levy.
 4. Pima Community College FY2018/19 Tentative Budget primary rate/levy at maximum levy limit rate and levy.
 5. City of South Tucson FY2017/18 Adopted Budget primary rate/levy was not at maximum levy limit rate and levy.

ATTACHMENT 2

PIMA COUNTY TAX RATES

CATEGORY	FISCAL YEAR	ADOPTED LEVY	VALUATION	ADOPTED TAX RATE	TRUTH IN TAXATION RATE	TNT HEARING REQUIRED
Primary	FY 09/10	297,723,590	8,985,711,830	3.3133	3.3865	NO
	FY 10/11	296,197,333	8,939,647,260	3.3133	3.3870	NO
	FY 11/12	284,023,289	8,310,120,212	3.4178	3.6118	NO
	FY 12/13	275,951,044	8,073,937,734	3.4178	3.5480	NO
	FY 13/14	277,155,468	7,559,129,097	3.6665	3.7191	NO
	FY 14/15	321,633,141	7,518,481,988	4.2779	3.7633	YES
	FY 15/16	334,358,574	7,620,360,873	4.3877	4.3025	YES
	FY 16/17	335,305,153	7,816,699,760	4.2896	4.3581	NO
	FY 17/18 *	360,110,814	8,074,957,717	4.4596	4.2119	YES
	FY 18/19 *	359,990,837	8,333,892,906	4.3196	4.4014	NO

