



MEMORANDUM

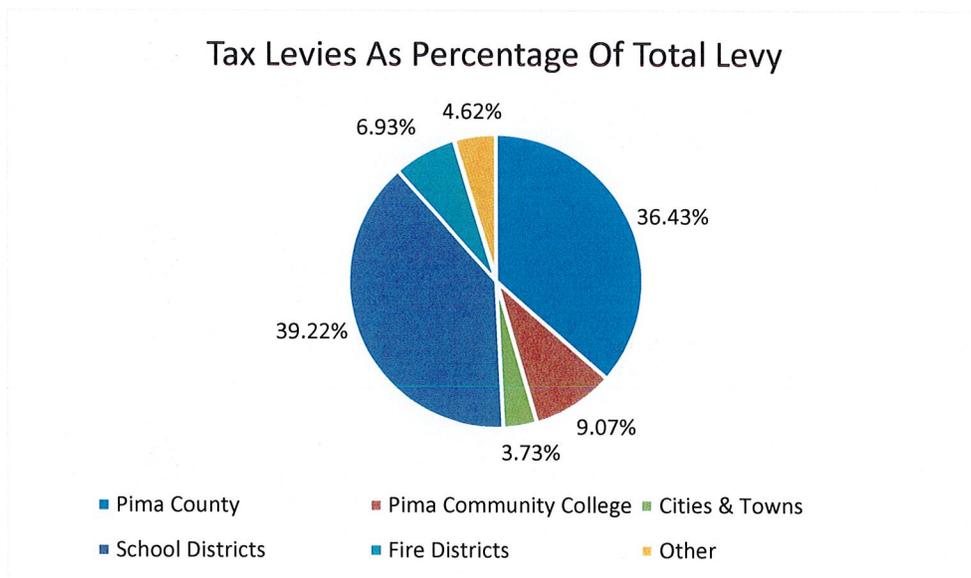
Date: November 20, 2019

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

From: C.H. Huckelberry
County Administrator 

Re: **Percent of Total County Property Taxes the Actual Responsibility of Pima County**

I am often asked what percent of property taxes paid to the County are actually levied by the County. The table below shows the basic entities receiving property taxes levied by the County. It is important to remember that of the 94 property taxing jurisdictions, the County manages only four.

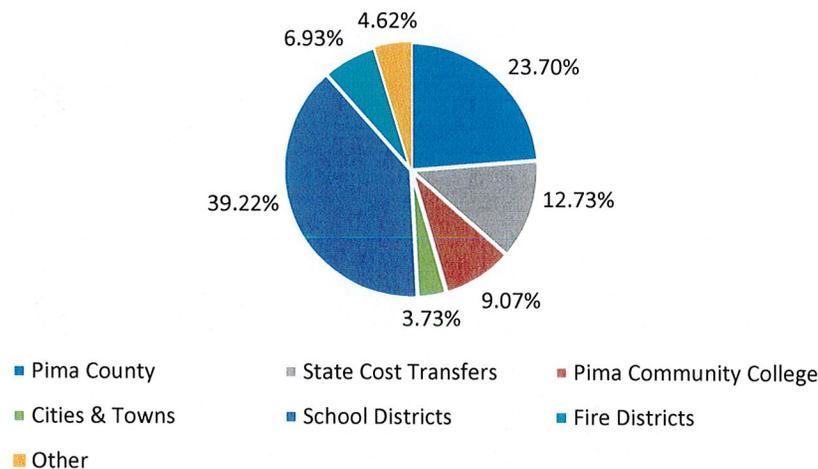


From the chart above, one would believe our total amount of property taxes levied compared to all property equals 36.43 percent - that is incorrect. This table does not take into account property taxes levied by the County on behalf of the State for State programs. The State has a number of programs for which they transfer costs to the County, which then requires the County to levy property taxes on behalf of the State. These are generally known as State cost transfers. For Fiscal Year (FY) 2019/20, the transfers equal \$87,951,025 or 6.64 percent of the total adopted levy. Hence, the table should more accurately reflect the users of all County property taxes levied. If so, the table would reflect the distribution identified below:

TAXING GROUP	LEVY	PERCENT OF TOTAL LEVY
Pima County	394,676,550	29.79%
State Cost Transfers	87,951,025	6.64%
Pima Community College	120,106,857	9.07%
Cities & Towns	49,466,507	3.73%
School Districts	519,571,731	39.22%
Fire Districts	91,783,318	6.93%
Other	61,307,500	4.62%
TOTAL 2019/20 ADOPTED LEVY	1,324,863,488	100.00%

It is likely State cost transfers could again increase for FY 2020/21. We now know of an additional \$9 million of State cost transfers that will be required to be met by Pima County related to State juvenile justice and the Arizona long-term care system. It is possible other transfers could occur during the upcoming Legislative Session. These, as well as the total cost transfers I have previously mentioned, exclude those required State transfers to support the State retirement systems. If the juvenile justice, long-term care and pension costs were all considered State cost transfers, the total transfer would increase from \$87,951,025 to \$168,594,833. The percent of property taxes levied on behalf of the State would increase from 6.64 percent to 12.73 percent and the County's share of the total adopted levy would decrease from 29.79 percent to 23.70 percent, as reflected below:

Tax Levies As Percentage Of Total Levy



While we can do little about State cost transfers, we could at least honestly reflect their impacts to local taxpayers.

- c: Jan Leshar, Chief Deputy County Administrator
- Carmine DeBonis, Jr., Deputy County Administrator for Public Works
- Dr. Francisco García, MD, MPH, Deputy County Administrator & Chief Medical Officer, Health and Community Services
- Michael Racy, Racy Associates, Inc.