



TAX YEAR 2017 UPDATE

SEPTEMBER 15, 2017

Alliance Policy & Management Group



COCONINO COUNTY TAXES

Proposition 117 – Effective Tax Year 2015(FY2016)

- Limit set on annual percentage increase in limited property value to no more than 5% above the previous year.
- County Assessor is required to notify property owners as to the property's full cash and limited property values.
- Limited Property Value (primary assessed value) will be used to calculate all taxes and cannot exceed the Full Cash Value (secondary assessed value).



COCONINO COUNTY TAXES

Assessed Values – February 10th

Each taxing entity receives a levy limit worksheet from the PTOC (Property Tax and Oversight Commission) to assist in developing tax levies and tax rates

Tax Notices to be mailed by September 15th

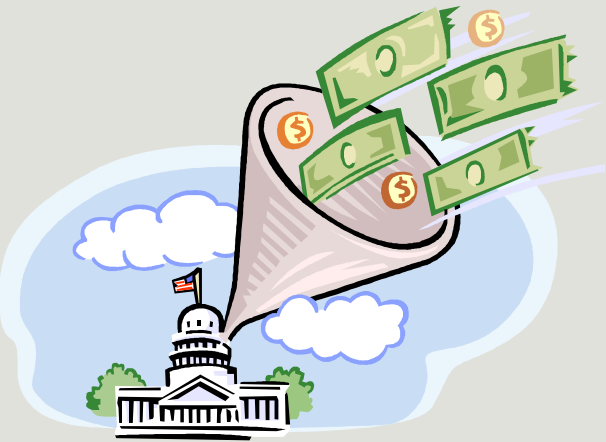
COCONINO COUNTY TAXES – Preliminary Assessed Value Projection

Primary Assessed Values are Projected to Increase by 11.51% in FY19 (Tax Year 2018)

Secondary Assessed Values are Projected to Increase 13.76% in FY19 (Tax Year 2018)

Beginning in FY16 all tax levies will be calculated using the Primary Assessed Values (Limited Property Value)

Coconino County Assessed Value Projection			
	FY18	FY19	Change
Primary Assessed Values	\$ 1,648,531,053	\$ 1,838,273,841	11.51%
Secondary Assessed Values	\$ 1,805,463,129	\$ 2,053,981,452	13.76%



Agency Information

CCC

FUSD

City of Flagstaff

Coconino County

Summit Fire District

Highlands Fire District



Coconino Community College



Coconino Community College: Primary Property Taxes

General Fund Levy for College Programs (Instruction, Academic Support, Student Services, Institutional Support, and Facilities)

Levy is capped at 2% growth + new construction

Evaluation	FY2017	FY2018	Change
Assessed Value	\$ 1,569,812,808	\$ 1,648,531,053	5.01%
Primary Tax Rate	0.4909	0.4816	-1.89%
Primary Tax Levy	\$ 7,706,211	\$ 7,939,326	3.03%

Coconino Community College has the lowest primary property tax rate of all Community Colleges in the State of Arizona



Coconino Community College: Secondary Property Taxes

\$25 Million Debt Service for 20-year bonds used for the construction of Lone Tree and Williams buildings and expansion of Page Campus

Debt Service complete in FY 19

Evaluation	FY2017	FY2018	Change
Assessed Value	\$ 1,564,634,219	\$ 1,805,463,129	15.39%
Taxable Value	\$ 1,569,812,808	\$ 1,648,531,053	5.01%
Secondary Tax Rate	0.1305	0.1326	1.61%
Secondary Tax Levy	\$ 2,048,606	\$ 2,185,952	6.70%



Coconino Community College:

Property Tax Summary

For all properties in the City of Flagstaff, the average change for Community College property taxes is a levy increase of \$3.89.

Average Value	FY2017	FY2018	Change
Average Primary Value	\$ 192,264	\$ 200,859	4.47%

CCC Tax Rate	FY2017	FY2018	Change	Average Taxpayer Impact
Primary - General Fund	0.4909	0.4816	(0.0093)	\$ 2.35
Secondary - Debt Service	0.1305	0.1326	0.0021	1.54
Total	0.6214	0.6142	(0.0072)	\$ 3.89



Coconino Community College: Property Tax Summary

Impact on a \$100,000 home located in the City of Flagstaff valued in FY 2017 with comparisons.

Example #1: No Change in Value			
\$100,000 Property in 2017		\$100,000 Property in 2018	
FY2017	Taxes	FY2018	Taxes
0.4909	\$ 49.09	0.4816	\$ 48.16
0.1305	13.05	0.1326	13.26
0.6214	\$ 62.14	0.6142	\$ 61.42
Increase FY2017 to FY2018			\$ (0.72)

Example #2: Average District Value Change			
	FY2017	FY2018	Change
Property Value	\$ 100,000	\$ 104,470	4.5%
Tax Rate	0.6214	0.6142	-1.2%
Total Levy	\$ 62.14	\$ 64.17	\$ 2.03

Summary: If there was no change to the value of the property the tax increase would be **(\$0.72)**. However, on average a home valued at \$100,000 in FY17 is valued at \$104,470 in FY18 due to an increase in average district values. This results in an average tax increase of \$2.03.

*Average Taxpayer Impact on owner occupied residential (class 3) properties only



Maintenance and Operations

(including: Teachers, Student Transportation, Custodial, Maintenance, Administration, Building Renewal, Textbooks, etc.)

	FY 2017	FY 2018	Change
Assessed Value	\$ 10,869,667	\$ 11,418,363	5.05%
Primary Tax Rate	\$ 4.3908	\$ 4.0535	-7.68%
Primary Tax Levy	\$ 47,725,931	\$ 46,284,332	-3.02%

Maintenance and Operations Override – 15%
Year three of five of full funding

Debt Services

Remainder of current bond authorization was
sold February 2017

	FY 2017	FY 2018	Change
Assessed Value	\$ 11,598,184	\$ 12,665,498	9.20%
Secondary Tax Rate	\$ 1.1773	\$ 1.1281	-4.18%
Secondary Tax Levy	\$ 12,706,915	\$ 13,459,022	5.92%
*Secondary Assessed Valuation = Primary Assessed Valuation without GPLET.			

For owner occupied residential properties within Flagstaff Unified School District, the change per \$100,000 of assessed valuation for District property taxes is a levy decrease of \$38.65 before Homeowner's Rebate.

FUSD Taxing Authority	Tax Rate			Average Taxpayer Impact per \$100,000 Assessed Valuation
	FY 2017	FY 2018	Change	
Primary Property Tax	\$ 4.3908	\$ 4.0535	\$ (0.34)	\$ (33.73)
Secondary Property Tax	\$ 1.1773	\$ 1.1281	\$ (0.05)	\$ (4.92)
Total: FUSD Taxing Authority	\$ 5.5681	\$ 5.1816	\$ (0.39)	\$ (38.65)

For demonstration purposes only. Impact on a home with assessed valuation of \$100,000 with comparisons to change in proposed rates.

	\$100,000 Property in 2017		\$100,000 Property in 2018	
	Rate	Taxes	Rate	Taxes
FUSD Taxing Authority				
Primary Property Tax	\$ 4.39	\$ 439	\$ 4.05	\$ 405.00
Secondary Property Tax	\$ 1.77	\$ 118	\$ 1.13	\$ 113.00
Overall Rates and Taxes	\$ 5.57	\$ 557	\$ 5.18	\$ 518.00
Primary Homeowner's Rebate	\$ (2.09)	\$ (209)	\$ (1.79)	\$ (179.00)
Total Net Rates and Taxes	\$ 3.48	\$ 348	\$ 3.39	\$ 339.00
			Change	\$ (9.00)

*Homeowner's Rebate provides a reduction to the FUSD portion of primary property tax of roughly 48.75% (up to \$600) for a primary residence.



City of Flagstaff



City of Flagstaff: Primary Property Taxes

General Fund Levy for City Services

(Examples: Police, Fire, Parks, Recreation, City Court, Administration, Management Services...)

Levy is capped at 2% growth + new construction each year

For FY18, we had 12% capacity to the maximum allowable

Council agreed to increase the allowable levy by 7% + new construction, leaving 5% capacity available

	FY 2017	FY 2018	Change
Assessed Value	\$ 702,767,941	\$ 749,618,241	6.67%
Primary Tax Rate	0.8121	0.8233	1.38%
Primary Tax Levy	\$ 5,707,178	\$ 6,171,607	8.14%



City of Flagstaff: Primary Property Taxes

Why Increase the Levy by 7%?

To further Council's Priority: **Ensuring adequate Public Safety staffing levels.**

The City applied for 12 Public Safety positions to be funded with federal grants.

The federal grants will partially fund the positions for the first 3 years.

Increasing the Levy this year and next year, the City positions itself to maintain the 12 positions after the grants expire.



City of Flagstaff: Primary Property Taxes

Council Priority: Ensuring adequate Public Safety staffing levels.

	Property Tax Levy Set Aside for Public Safety		FY 2021 - FY 2024
		Projected Cost of 12 Public Safety Positions	\$ (1,400,000)
FY 2018	\$ 420,000		
FY 2019	\$ 840,000	14% Property Tax Levy	\$ 840,000
FY 2020	\$ 840,000	Deficit	\$ (560,000)
3 Year Set Aside	\$ 2,100,000	Property Tax Set Aside for Public Safety	\$ 525,000
Spread over 4 Years	\$ 525,000	Future Funding Gap-Funded with Revenue Growth	\$ (35,000)





City of Flagstaff: Secondary Property Taxes

Debt Service Obligations

Water, Sewer, Lighting, Open Spaces, Recreation, and Fire Facilities (20%)

Other General Obligation Debt (6%)

	FY 2017	FY 2018	Change
Assessed Value	\$ 702,767,941	\$ 749,618,241	6.67%
Secondary Tax Rate	0.8366	0.8366	0.00%
Secondary Tax Levy	\$ 5,879,357	\$ 6,271,306	6.67%



City of Flagstaff: Property Tax Summary

For owner occupied residential properties in the City of Flagstaff, the average change for City property taxes is a levy increase of \$16.42

	FY 2017	FY 2018	Change
Average Primary Value	\$ 192,264	\$ 200,859	4.47%
Average Secondary Value	\$ 192,264	\$ 200,859	4.47%

City Taxing Authority	Tax Rate			Average Taxpayer Impact ^(*)
	FY 2017	FY 2018	Change	
Primary Property Tax	0.8121	0.8233	0.011	\$ 9.23
Secondary Property Tax	0.8366	0.8366	-	\$ 7.19
Total: City Taxing Authority	1.6487	1.6599	0.011	\$ 16.42

(*) Average Taxpayer Impact on owner occupied residential (class 3) properties only



City of Flagstaff: Property Tax Summary

For demonstration purposes only. Impact on a \$100,000 home valued in FY2016 with comparisons to change in proposed rates and home value changes.

City Taxing Authority	\$100,000 Property in 2017		\$100,000 Property in 2018	
	Rate	Taxes	Rate	Taxes
Primary Property Tax	0.8121	\$ 81.21	0.8233	\$ 82.33
Secondary Property Tax	0.8366	\$ 83.66	0.8366	\$ 83.66
Total: City Taxing Authority	1.6487	\$ 164.87	1.6599	\$ 165.99
			Change	\$ 1.12

City Taxing Authority	\$100,000 Property in 2017		\$104,470 Property in 2018 (*)	
	Rate	Taxes	Rate	Taxes
Primary Property Tax	0.8121	\$ 81.21	0.8233	\$ 86.01
Secondary Property Tax	0.8366	\$ 83.66	0.8366	\$ 87.40
Total: City Taxing Authority	1.6487	\$ 164.87	1.6599	\$ 173.41
			Change	\$ 8.54

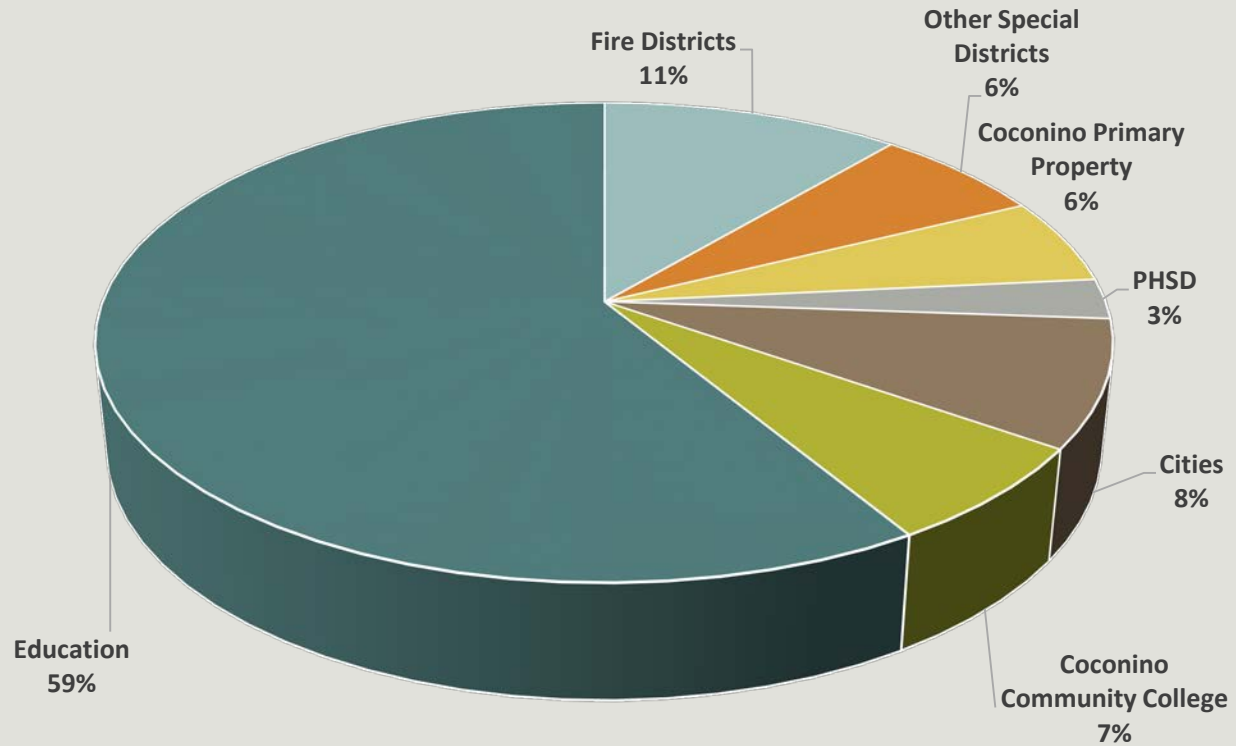
*State maximum allowable assessed valuation increase is 5%



Coconino County



Property Tax Disbursement



Based on FY18 Levy Data



Coconino County: Primary Property Taxes

- General Fund Levy for County Services
(Sheriff, Parks and Recreation, Superior Court, County Attorney, Public Defender, Probation)
- Levy is capped at 2% growth + new construction

Evaluation	FY2017	FY2018	Change
Assessed Value	\$ 1,569,812,808	\$ 1,648,531,053	5.01%
Primary Tax Rate	0.5788	0.5678	-1.90%
Primary Tax Levy	\$ 9,086,077	\$ 9,360,359	3.02%

Average Impact = \$2.28 **increase** per \$100,000 of FY17 value.

Coconino County has the lowest primary property tax rate of all Counties in the State of Arizona



Coconino County: Secondary Property Taxes

- Library District
 - County-wide, funds library operations
 - No rate or levy restrictions

Evaluation	FY2017	FY2018	Change
Assessed Value	\$ 1,677,530,816	\$ 1,805,463,129	7.63%
Taxable Value	\$ 1,569,812,808	\$ 1,648,531,053	5.01%
Secondary Tax Rate	0.2556	0.2556	0.00%
Secondary Tax Levy	\$ 4,012,442	\$ 4,213,645	5.01%

Average Impact = \$1.28 **increase** per \$100,000 of FY17 value.



Coconino County: Secondary Property Taxes

- Public Health Services District
 - County-wide, funds public health services
 - \$0.25 rate limit

Evaluation	FY2017	FY2018	Change
Assessed Value	\$ 1,677,530,816	\$ 1,805,463,129	7.63%
Taxable Value	\$ 1,569,812,808	\$ 1,648,531,053	5.01%
Secondary Tax Rate	0.2500	0.2500	0.00%
Secondary Tax Levy	\$ 3,924,532	\$ 4,121,328	5.01%

Average Impact = \$1.25 **increase** per \$100,000 of FY17 value.



Coconino County: Secondary Property Taxes

- Flood Control District
 - Excludes incorporated Flagstaff, Page, Fredonia
 - \$0.50 rate limit

Evaluation	FY2017	FY2018	Change
Assessed Value	\$ 661,059,705	\$ 714,153,989	8.03%
Taxable Value	\$ 622,686,286	\$ 651,652,195	4.65%
Secondary Tax Rate	0.4000	0.4000	0.00%
Secondary Tax Levy	\$ 2,490,745	\$ 2,606,609	4.65%

Average Impact = \$1.86 **increase** per \$100,000 of FY17 value.



Coconino County: Property Tax Summary

- The average per parcel impact for properties not in the Flood Control District is an **increase** of \$7.12.
- The average per parcel impact for properties located in the Flood Control District is an **increase** of \$10.53.

Property Changes	FY17	FY18	Change
Average Primary Value	\$ 192,264	\$ 200,859	4.5%

County Taxing District	Tax Rate			Average per Parcel Impact
	FY17	FY18	Change	
General Fund Primary	\$ 0.5788	\$ 0.5678	\$ (0.0110)	\$ 2.77
Library District	\$ 0.2556	\$ 0.2556	\$ -	\$ 2.20
Public Health Services District	\$ 0.2500	\$ 0.2500	\$ -	\$ 2.15
Subtotal County-wide District	\$ 1.0844	\$ 1.0734	\$ (0.0110)	\$ 7.12
Flood Control District	\$ 0.4000	\$ 0.4000	\$ -	\$ 3.41
Total: All County Districts	\$ 1.4844	\$ 1.4734	\$ (0.0110)	\$ 10.53



Other Taxing Jurisdictions Property Tax Summary

- FDAT
 - State required formula, dependent upon Fire District levies County-wide
 - Maximum rate = \$0.10
- State Equalization
 - State required rate
 - 2.69% decrease for FY18 (Tax Year 2017)
- JTEDs (Joint Technology Education Districts)
 - Statutory rate of \$0.05

Property Tax Projections

For properties located in the following taxing areas:
City of Flagstaff
Highlands Fire District
Summit Fire District





Tax Rates by Taxing Area

- The following slides show sample tax assessments based on the typical property by taxing area. The average value changes by taxing area. The chart below shows the tax rates that would apply in each Flagstaff area jurisdiction.

FY18 Rates			
Location	Primary	Secondary	Total Rate
City of Flagstaff	6.4137	2.7529	9.1666
Summit Fire District	5.5904	5.5663	11.1567
Highlands Fire District	5.5904	5.5663	11.1567



Tax Levy by Taxing Area

- Assessed values changed by area as well. The chart below shows the average change in total tax levy for a home that was valued at \$100,000 in FY17 in various location. The net tax levy will change for each property based on change in value and change in area tax rates.

Projected Levy: \$100,000 Home Value (FY17 Value)				
Location	FY17	FY18	Change	
City of Flagstaff	\$ 957	\$ 958	\$ 1	0.1%
Summit Fire District	\$ 1,157	\$ 1,174	\$ 16	1.4%
Highlands Fire District	\$ 1,157	\$ 1,166	\$ 8	0.7%



Tax Year 2017 (FY2018) Property Tax Projection: Property Located in the City of Flagstaff

	FY17	FY18	Change
Primary Value	\$ 192,264	\$ 200,859	4.47%
Secondary Value	\$ 205,313	\$ 223,279	8.75%
Secondary Taxable Value	\$ 192,264	\$ 200,859	4.47%
	FY17 Tax	FY18 Tax	Change
Primary Taxing Jurisdictions			
Coconino County General Fund	\$ 111	\$ 114	3%
State Education Equalization	96	98	2%
Flagstaff Unified School District	844	814	-4%
Coconino Community College	94	97	3%
City of Flagstaff	156	165	6%
Total Primary	\$ 1,302	\$ 1,288	-1%
Secondary Taxing Jurisdictions:			
Library District	\$ 49	\$ 51	4%
Fire District Assistance Tax	19	20	5%
Public Health Services District	48	50	4%
Flagstaff Unified School District	226	227	0%
Coconino Community College	25	27	8%
Joint Vocational Tech Institute	10	10	0%
City of Flagstaff	161	168	4%
Total Secondary	\$ 538	\$ 553	3%
Combined Total	\$ 1,850	\$ 1,841	0%
State Aid to Education	\$ (402)	\$ (360)	-10%
Net Tax Assessment	\$ 1,448	\$ 1,481	2.3%



Tax Year 2017 (FY2018) Property Tax Projection: Residential Property Located in the Highlands Fire District

	FY17	FY18	Change
Primary Value	\$ 181,322	\$ 189,566	4.55%
Secondary Value	\$ 187,397	\$ 202,918	8.28%
Secondary Taxable Value	\$ 181,322	\$ 189,566	4.55%
	FY17 Tax	FY18 Tax	Change
Primary Taxing Jurisdictions			
Coconino County General Fund	\$ 105	\$ 108	3%
State Education Equalization	91	92	2%
Flagstaff Unified School District	796	768	-3%
Coconino Community College	89	91	3%
Total Primary	\$ 1,081	\$ 1,060	-2%
Secondary Taxing Jurisdictions:			
Library District	\$ 46	\$ 48	4%
Fire District Assistance Tax	18	19	5%
Public Health Services District	45	47	4%
Flagstaff Unified School District	213	214	0%
Coconino Community College	24	25	6%
Joint Vocational Tech Institute	9	9	-1%
Coconino County Flood Control	73	76	5%
Highlands Fire District	589	616	5%
Total Secondary	\$ 1,018	\$ 1,055	4%
Combined Total	\$ 2,099	\$ 2,115	1%
State Aid to Education	\$ (379)	\$ (339)	-11%
Net Tax Assessment	\$ 1,720	\$ 1,776	3%



Tax Year 2016 (FY2017) Property Tax Projection: Owner Property Located in the Summit Fire District

	FY17	FY18	Change
Primary Value	\$ 202,213	\$ 212,636	5.2%
Secondary Value	\$ 213,247	\$ 248,278	16.4%
Secondary Taxable Value	\$ 202,213	\$ 202,213	0.0%
	FY17 Tax	FY18 Tax	Change
Primary Taxing Jurisdictions			
Coconino County General Fund	\$ 117	\$ 121	3%
State Education Equalization	101	104	3%
Flagstaff Unified School District	888	862	-3%
Coconino Community College	99	102	3%
Total Primary	\$ 1,205	\$ 1,189	-1%
Secondary Taxing Jurisdictions:			
Library District	\$ 52	\$ 52	0%
Fire District Assistance Tax	20	20	0%
Public Health Services District	51	51	0%
Flagstaff Unified School District	238	228	-4%
Coconino Community College	26	27	4%
Joint Vocational Tech Institute	10	10	0%
Coconino County Flood Control	81	81	0%
Summit Fire District	657	657	0%
Total Secondary	\$ 1,135	\$ 1,126	-1%
Combined Total	\$ 2,340	\$ 2,315	-1%
State Aid to Education	\$ (423)	\$ (381)	-10%
Net Tax Assessment	\$ 1,917	\$ 1,934	1%