

## Request to Approve 2020-21 Primary Property Tax Rate & Levy

### **Recommendation:**

Staff recommends approval of the 2020-21 primary property tax rate of \$1.7827 generating a tax levy of \$15,726,233. The proposed tax levy and rate did not require a Truth in Taxation (TNT) hearing.

### **Summary:**

Three property tax options were reviewed at the April 14, 2020 regular board meeting with Staff recommending the tax rate commonly referred to as the Truth in Taxation (TNT) rate. This proposal was in direct response to the economic downturn associated with COVID-19 and the impact it is having on Navajo County. The TNT rate results in a decrease in the tax rate from \$1.8164 to \$1.7827, or a decrease of 3 cents and allows the District to receive over \$239,000 in revenues for new construction.

The recommended rate and levy are included in the proposed budget. The tax levy is below the maximum allowable and did not require a Truth in Taxation hearing. According to A.R.S. § 42-17107(A) and §15-1461.01 a Truth in Taxation hearing is required if the proposed primary tax levy, excluding amounts that are attributable to new construction, is greater than amount levied in the preceding tax year.

NPC's current tax rate is mid-range compared to other community college districts in the state and the proposed tax rate is also expected to be mid-range.



## 2020 LEVY LIMIT WORKSHEET

<b>NAVAJO COUNTY - NORTHLAND PIONEER COLLEGE</b>
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MAXIMUM LEVY	2019
A.1. Maximum Allowable Primary Tax Levy	\$15,877,014
A.2. A.1 multiplied by 1.02	\$16,194,554

CURRENT YEAR NET ASSESSED VALUE SUBJECT TO TAXATION IN PRIOR YEAR	2020
B.1. Centrally Assessed	\$200,314,314
B.2. Locally Assessed Real Property	\$653,364,549
B.3. Locally Assessed Personal Property	\$15,052,837
B.4. Total Assessed Value (B.1 through B.3)	\$868,731,700
B.5. B.4. divided by 100	\$8,687,317

CURRENT YEAR NET ASSESSED VALUES	2020
C.1. Centrally Assessed	\$203,330,423
C.2. Locally Assessed Real Property	\$663,774,856
C.3. Locally Assessed Personal Property	\$15,052,837
C.4. Total Assessed Value (C.1 through C.3)	<b>\$882,158,116</b>
C.5. C.4. divided by 100	\$8,821,581

LEVY LIMIT CALCULATION	2020
D.1. LINE A.2	\$16,194,554
D.2. LINE B.5	\$8,687,317
<b>D.3. D.1/D.2 (MAXIMUM ALLOWABLE TAX RATE)</b>	<b>1.8642</b>
D.4. LINE C.5	\$8,821,581
<b>D.5. D.3 multiplied by D.4 = MAXIMUM ALLOWABLE LEVY LIMIT</b>	<b>\$16,445,192</b>
D.6. Excess Collections/Excess Levy	
D.7. Amount in Excess of Expenditure Limit	
<b>D.8. ALLOWABLE LEVY LIMIT (D.5 - D.6 - D.7)</b>	<b>\$16,445,192</b>

<i>2020 New Construction</i>	\$13,426,416
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<i>Prior year actual levy (from line F.1 of the 2019 worksheet)</i>	\$15,487,000
<i>Divided by current values excluding new construction per line B.5</i>	\$8,687,317
<b>Truth in Taxation Rate</b>	<b>1.7827</b>

If the proposed tax rate is greater than the Truth in Taxation Rate noted above, a truth in taxation hearing must be held. If the proposed levy, excluding new construction, is equal to 15% or more, the motion to levy the increase must be approved by a unanimous roll call vote. (see A.R.S. § 15-1461.01 )

**Enter data in yellow-shaded cells only.**

**Calculated data in tan should be used in published notice.**

**Reference updated language for published notice per Chapter 198 (HB 2286, Laws 2017).**

## Truth in Taxation Analysis

Calculation for Truth in Taxation Hearing Notice pursuant to A.R.S. § 42-17107

Option 3  
TNT Rate

Actual current primary property tax levy: (line F.1. actual levy from prior year's final levy limit worksheet)	\$ 15,487,000
Net assessed valuation: (line C.4. from current year's worksheet)	\$ 882,158,116
Value of new construction:	\$ 13,426,416
Net assessed value minus new construction: (line B.4. from current year's levy limit worksheet)	\$ 868,731,700
MAXIMUM TAX RATE THAT CAN BE IMPOSED WITHOUT A TRUTH IN TAXATION HEARING:	\$ 1.7827
Growth in property tax levy capacity associated with new construction:	\$ 239,353
MAXIMUM PRIMARY PROPERTY TAX LEVY WITHOUT A TRUTH IN TAXATION HEARING:	\$ 15,726,233
Proposed primary property tax levy:	\$ 15,726,233
Proposed increase in primary property tax levy, exclusive of new construction	\$ -
Proposed percentage increase in primary property tax levy:	0.00%
Proposed primary property tax rate:	\$ 1.7827
Proposed increase in primary property tax rate:	\$ 0.0000
Proposed primary property tax levy on a home valued at \$100,000	\$ 178.27
Primary property tax levy on a home valued at \$100,000 if the tax rate was not raised:	\$ 178.27
Proposed primary property tax levy increase on a home valued at \$100,000:	\$ 0.00

## Community College Primary Property Tax Rates

CC District	FY 11	FY 12	FY 13	FY 14	FY 15	FY 16	FY 17	FY 18	FY 19	FY 20	FY21 Prelim Proposal
Cochise	\$ 1.60	\$ 1.67	\$ 1.73	\$ 1.85	\$ 2.03	\$ 2.18	\$ 2.29	\$ 2.37	\$ 2.40	\$ 2.45	Below Max
Coconino	\$ 0.34	\$ 0.36	\$ 0.39	\$ 0.46	\$ 0.48	\$ 0.49	\$ 0.49	\$ 0.48	\$ 0.47	\$ 0.46	Max
Graham	\$ 2.14	\$ 2.14	\$ 2.41	\$ 2.74	\$ 2.67	\$ 2.89	\$ 3.08	\$ 3.14	\$ 3.33	\$ 3.35	TBD
Maricopa	\$ 0.79	\$ 1.01	\$ 1.16	\$ 1.29	\$ 1.28	\$ 1.26	\$ 1.24	\$ 1.20	\$ 1.17	\$ 1.16	Max
Mohave	\$ 0.79	\$ 0.98	\$ 1.10	\$ 1.15	\$ 1.22	\$ 1.29	\$ 1.33	\$ 1.34	\$ 1.34	\$ 1.33	Below Max
Navajo	\$ 1.13	\$ 1.24	\$ 1.35	\$ 1.48	\$ 1.66	\$ 1.74	\$ 1.79	\$ 1.81	\$ 1.82	\$ 1.82	Below Max
Pima	\$ 0.98	\$ 1.08	\$ 1.15	\$ 1.27	\$ 1.33	\$ 1.37	\$ 1.37	\$ 1.39	\$ 1.40	\$ 1.38	Max
Pinal	\$ 1.47	\$ 1.61	\$ 1.61	\$ 1.89	\$ 1.91	\$ 2.30	\$ 2.29	\$ 2.23	\$ 2.18	\$ 2.08	Below Max
Yavapai	\$ 1.20	\$ 1.43	\$ 1.67	\$ 1.82	\$ 1.86	\$ 1.87	\$ 1.84	\$ 1.78	\$ 1.76	\$ 1.69	Below Max
Yuma/La Paz	\$ 1.50	\$ 1.62	\$ 1.69	\$ 1.88	\$ 2.00	\$ 2.14	\$ 2.25	\$ 2.26	\$ 2.22	\$ 2.23	Below Max
Statewide Avg.	\$ 1.19	\$ 1.31	\$ 1.43	\$ 1.58	\$ 1.65	\$ 1.75	\$ 1.80	\$ 1.80	\$ 1.81	\$ 1.79	

