

TEP
Tucson Electric Power

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The Honorable Sharon Bronson
Chair, Pima County Board of Supervisors
130 West Congress, 11th Floor
Tucson, AZ 85701

Dear Chair Bronson:

I am writing to ask for your reconsideration of the increase in primary property tax rate proposed in the County Administrator's budget. The proposed budget currently recommends an increase of 16.7% over last year's tax rate, which is a significant increase for the residents and businesses of Pima County, including Tucson Electric Power (TEP).

In 2013, Pima County's property tax rate of \$5.1309, which includes both primary and secondary taxes, resulted in approximately \$10.3 million in property taxes being paid by TEP. Currently, the proposed 2014 property tax rate of \$5.7623¹, which includes the proposed primary property tax increase of 61.14 cents, will result in an estimated \$11.6 million in property taxes for Pima County. This is an increase of \$1.3 million. TEP recognizes that a modest increase in property taxes is warranted at a time when County revenues and property values are decreasing; however, the 16.7% increase in taxes would be a dramatic increase for all Pima County residents who will pay these increases not only in their own taxes, but in the bills sent by TEP and other businesses that pass along these costs to customers.

TEP has been a strong partner with Pima County during the economic recovery and look forward to ensuring a vibrant and prosperous community together; however, we ask that you consider the economic impact that the increase in property taxes will have throughout our community.

Sincerely,


Lawrence Lucero

Cc: Pima County, Board of Supervisors
Chuck Huckelberry, County Administrator
Martin Willet, Chief Deputy County Administrator

¹C.H. Huckelberry, Board of Supervisors Memorandum, Tentative Budget Adoption: Fiscal Year 2014/2015, *Schedule B: Pima County Summary of Tax Levy and Tax Rate Information*. May 20, 2014