

ARIZONA FIRE DISTRICTS

Arizona Fire District are authorized by Arizona Revised Statues Title 48 Chapter 2:

- As special taxing districts that are independent of any city or county government
- To cover a specific geographic area, sometimes including multiple communities and/or unincorporated areas
- To be governed by a non-partisan elected board who hold public meetings at least once a month and in addition to others duties, may
 - Provide fire protection services
 - Provide emergency medical services (as outlined in A.R.S. Title 36 Chapter 21.1)
 - Enforce the fire code adopted by the district
 - Assess and levy a secondary property tax to pay for the costs of services provided

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Response Types and Services Include:

- **Fire suppression response**
- **Emergency medical services**, including Basic Life Support (BLS) and Advanced Life Support (ALS) ambulance transportation
- **Special Operations** (rope rescue, swift water rescue, confined space rescue, trench rescue, emergency building shoring, industrial machinery/ heavy extrication, hazardous material response)
- **Wildland fire response** (locally and responding to requests for assistance from other communities)
- **Community Assistance Programs** (to address community member needs and provide access to resources during and after an emergency)
- **Fire prevention services** (community risk reduction, building plans review)
- **Public education** (serving all ages through classroom lessons and community events)

ASSESSED VALUES

<u>Authority Name</u>	<u>Commerical Net Assessed</u> <u>(Class 1-2)</u>	<u>Residential Net Assessed</u> <u>(Class 3-6)</u>	<u>Total Limited Net Assessed</u>
ARIVACA FIRE DISTRICT SECONDARY	\$ 2,291,177	\$ 3,365,010	\$ 5,656,187
AVRA VALLEY VOL FIRE DEPT SECONDARY	\$ 11,329,880	\$ 27,025,289	\$ 38,355,169
CORONA DE TUCSON FIRE DEPT SECONDARY	\$ 9,718,006	\$ 93,764,887	\$ 103,482,893
DREXEL HEIGHTS VOL FIRE DEPT SECONDARY	\$ 33,823,340	\$ 286,178,952	\$ 320,002,292
GOLDER RANCH FIRE DIST SECONDARY	\$ 199,035,789	\$ 1,194,338,585	\$ 1,393,374,374
HIDDEN VALLEY FIRE DIST SECONDARY	\$ 1,035,159	\$ 35,849,069	\$ 36,884,228
MESCAL-J6 FIRE DISTRICT SECONDARY	\$ 1,020,734	\$ 3,451,515	\$ 4,472,249
MT. LEMMON VOL FIRE DEPT SECONDARY	\$ 5,125,632	\$ 10,726,608	\$ 15,852,240
NORTHWEST FIRE DIST SECONDARY	\$ 386,686,979	\$ 1,337,314,691	\$ 1,724,001,670
PICTURE ROCKS VOL FIRE DEPT SECONDARY	\$ 9,002,862	\$ 36,872,136	\$ 45,874,998
RINCON VALLEY FIRE DISTRICT SECONDARY	\$ 22,857,925	\$ 229,231,005	\$ 252,088,930
SABINO VISTA VOL FIRE DEPT SECONDARY	\$ 741,164	\$ 42,012,332	\$ 42,753,496
SANTA RITA FIRE DEPT SECONDARY	\$ 86,887,845	\$ 639,304,781	\$ 726,192,626
SONOITA-ELGIN FIRE DISTRICT SECONDARY	\$ 1,451,270	\$ 4,068,093	\$ 5,519,363
TANQUE VERDE VALLEY FIRE DISTRICT SECONDARY	\$ 284,178	\$ 20,125,572	\$ 20,409,750
THREE POINTS FIRE DIST SECONDARY	\$ 28,725,748	\$ 19,618,304	\$ 48,344,052
TUCSON COUNTRY CLUB FIRE DPT SECONDARY	\$ 1,383,414	\$ 26,872,519	\$ 28,255,933
WHY FIRE DISTRICT SECONDARY	\$ 563,063	\$ 414,474	\$ 977,537

LEGISLATIVE CHALLENGES

Arizona Revised Statutes §48-807

- (1992) The fire district tax rate cap was first established at \$3.00.
- (2005) Capped the maximum tax rate of \$3.25 per \$100 of assessed property value.
- (2021) Capped the maximum tax rate per \$100 of assessed value at \$3.375 for tax year 2022, \$3.50 for tax year 2023, \$3.75 for tax year 2024 and each tax year thereafter.

Senate Bill 1421 (2009)

- Limited the increase in total tax levy for fire districts to no more than 8% over the prior year's actual levy.

House Bill 2001 (2011)

- Reduced tax assessment of Class One (commercial) and centrally valued properties (utilities) from 20% to 18% further transferring the tax burden to homeowners (with no additional tax rate cap adjustments).

Proposition 117 (2012)

- Amended the Arizona Constitution.
- Set a limit on the annual percentage increase to property values for taxing purposes at 5% above the previous year.
- Established a single Limited Property Value (LPV) as the basis for determining all property taxes on real property starting in fiscal year 2015-2016.
- Consequently, it took approximately 10 years for most Arizona first district values to return to 2008 levels while inflationary costs for expenditures continued to increase annually.

LEGISLATIVE CHALLENGES

Senate Bill 1108 (2021)

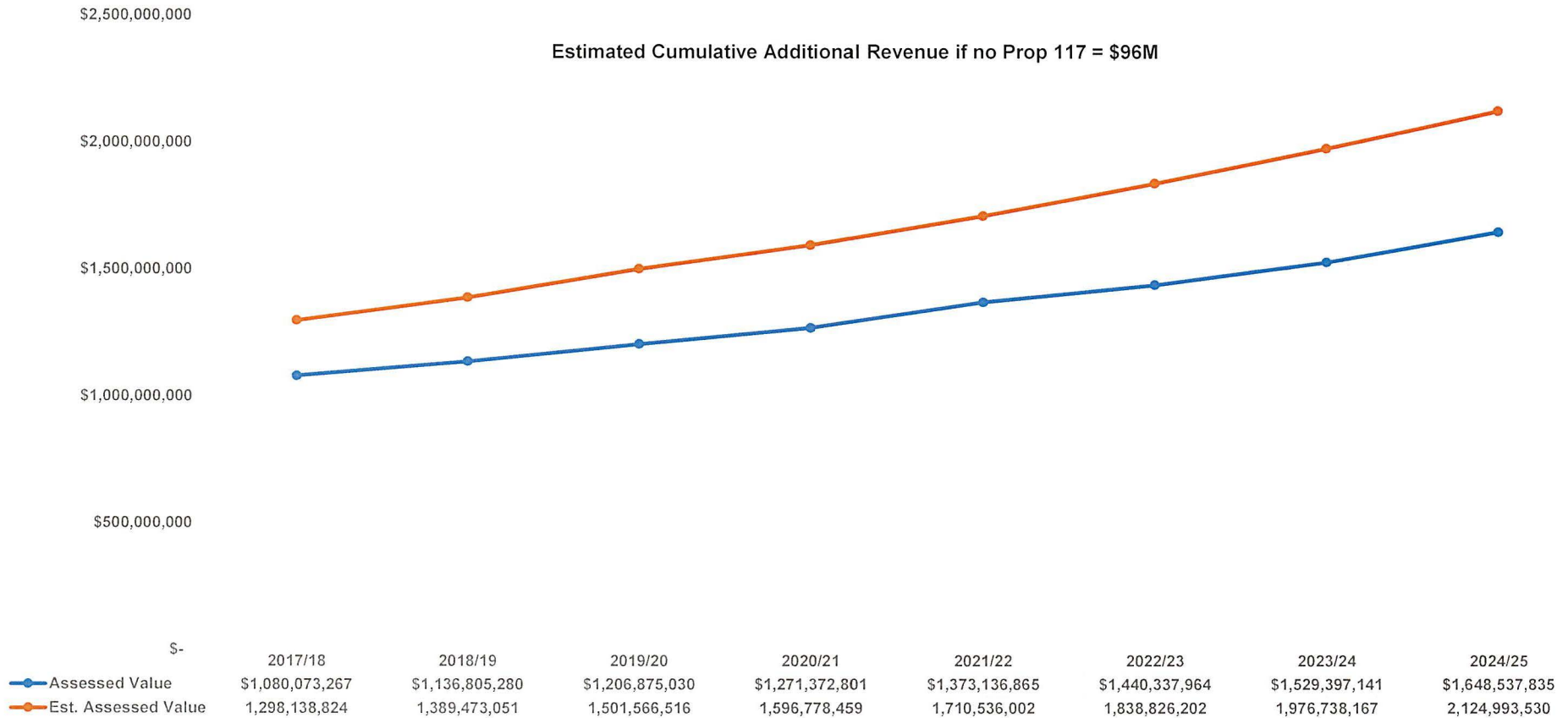
- Reduced tax assessment of Class One (commercial) property from 18% to 17.5% for tax year 2022, further reducing one-half percent each year until tax year 2027.

House Bill 2028 (2023)

- Contribution rate for members in PSPRS is reduced to 7.65% from 11.654%; Retroactive to July 1, 2023.
- Beginning July 1, 2023, the amount of the member's contribution that exceeds 7.65% and that was accumulated from July 1, 2011, through June 30, 2023, may be used in calculating the employer's contributions.

NWFD ASSESSED VALUE

Estimated Cumulative Additional Revenue if no Prop 117 = \$96M



ESTIMATED REVENUE IMPACTS TO REDUCTION IN CLASS ONE PROPERTY SB1108

Projections based on 5-year average increase to Class One Net Taxable Value of 4.92%

Fiscal Year	Tax Year	Limited Full Cash Value	Assessed % Pre-SB1108	Revenue @ Pre-SB1108 Rate	Assessed % Post-SB1108	Revenue Post-SB1108 Rate	Estimated Revenue Loss	Estimated Cumulative Revenue Loss	Equivalent Increase to Tax Rate
22/23	CY2022	\$1,954,069,901	18%	\$9,529,445	17.5%	\$9,245,024	(\$284,421)	(\$284,421)	\$0.02
23/24	CY2023	\$2,070,515,200	18%	\$10,119,007	17.0%	\$9,516,282	(\$602,725)	(\$887,146)	\$0.04
24/25	CY2024	\$2,273,943,209	18%	\$11,132,899	16.5%	\$10,139,981	(\$992,918)	(\$1,880,064)	\$0.06
25/26	CY2025	\$2,387,640,369	18%	\$11,680,012	16.0%	\$10,290,986	(\$1,389,026)	(\$3,269,090)	\$0.08
26/27	CY2026	\$2,507,022,388	18%	\$12,254,012	15.5%	\$10,432,304	(\$1,821,707)	(\$5,090,797)	\$0.10
27/28	CY2027	\$2,632,373,507	18%	\$12,856,219	15.0%	\$10,562,617	(\$2,293,602)	(\$7,384,399)	\$0.12

The Class One (commercial) ratio for most centrally valued commercial properties (utilities) was 50% in 1979, gradually dropped to 25% by 1999, dropped to 20% in 2012, and 18% in 2011 for a total reduction of 64%. Current legislation will further drop the ratio to 15% by 2027.