

# AGENDA MATERIAL

DATE 11-1-22 ITEM NO. RA 13



## MEMORANDUM

Date: November 15, 2022

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

From: Jan Leshner *Jan Leshner*  
County Administrator

Re: **Additional Information for the Board of Supervisors November 1, 2022 Meeting – Agenda Item No. 13 Fiscal Year 2023/24 Budget Process**

During the Board of Supervisors' November 1, 2022 meeting, questions were raised regarding the financial impact of the four property tax scenarios on the average homeowner.

In my November 1, 2022 Fiscal Year 2023/24 Budget Process – General Budget Guidance Memorandum, I provided the following four Property Tax Scenarios for the Fiscal Year 2023/24 Budget.

Scenario 1: Truth in Taxation

Scenario 2: Increased NAV and Required Decrease in Debt Service Tax Rate

Scenario 3: Application of Board Policy D 22.12 – PAYGO

Scenario 4: Application of Board Policy D 22.12 – PAYGO and D 22.13 – State Cost Shifts

Below is the proposed property tax rates by scenario for Fiscal Year 2023/24 and their corresponding financial impact on the average homeowner assuming a \$201,993 average home value for Fiscal Year 2022/23 and an average home value of \$210,671 for Fiscal Year 2023/24.

Property Tax Rate by Scenario					
Description	FY 2022/23 Adopted	FY 2023/24			
		Scenario 1	Scenario 2	Scenario 3	Scenario 4
Primary	\$3.8764	\$3.7613	\$3.8764	\$3.8762	\$4.0194
Secondary					
Library District	0.5453	0.5291	0.5453	0.5453	0.5493
Debt Service	0.3200	0.2200	0.2200	0.2200	0.2224
Regional Flood Control District	0.3235	0.3135	0.3235	0.3235	0.3254
Total	\$5.0652	\$4.8239	\$4.9652	\$4.9650	\$5.1165
Financial Impact by Scenario					
Description	FY 2022/23 Adopted	FY 2023/24			
		Scenario 1	Scenario 2	Scenario 3	Scenario 4
Primary	\$783.01	\$792.40	\$816.65	\$816.60	\$846.77
Secondary					
Library District	110.15	111.47	114.88	114.88	115.72
Debt Service	64.64	46.35	46.35	46.35	46.85
Regional Flood Control District	65.34	66.05	68.15	68.15	68.55
Total	\$1,023.14	\$1,016.27	\$1,046.03	\$1,045.98	\$1,077.89
Increase/(Decrease) over FY 2022/23		(\$6.87)	\$22.89	\$22.84	\$54.75
Percentage Change		-0.67%	2.24%	2.23%	5.35%

\* Assuming a \$201,993 Average Home Value for FY 2022/23 and \$210,671 for FY 2023/24.

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The Honorable Chair and Members, Pima County Board of Supervisors  
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In addition, I have asked staff to provide historical information on the property tax levy, valuation, tax rate, and the cost to the average homeowner assuming average home value for the past 15 years (Attachment 1). From Fiscal Year 2008/09 to Fiscal Year 2022/23, the Total Taxes Billed (Primary, as well as, all Secondary taxes) to the Average Homeowner increased by \$183 or 21.7% over the 15-year period.

**Conclusion:**

To comply with Board of Supervisor Policy D 22.12 – PAYGO and D 22.13 – State Cost Shifts, I have directed staff to include Scenario 4 within the base budget for Fiscal Year 2023/24.

JKL/anc

Attachment

c: Carmine DeBonis, Jr., Deputy County Administrator for Public Works  
Francisco García, MD, MPH, Deputy County Administrator and Chief Medical Officer  
Steve Holmes, Deputy County Administrator  
Ellen Moulton, Director, Finance and Risk Management

# ATTACHMENT 1

PIMA COUNTY PROPERTY TAXES BILLED TO AVERAGE HOMEOWNER

CATEGORY		LEVY AMT	VALUATION	TAX RATE	AVERAGE HOME	
					ASSESSED VALUE	TAX BILLED TO AVERAGE HOMEOWNER
Primary	FY 08/09	\$ 279,136,768	\$ 8,230,966,534	\$ 3.3913	\$ 173,746	\$ 589.22
	FY 09/10	297,723,590	8,985,711,830	3.3133	187,711	621.94
	FY 10/11	296,197,333	8,939,647,260	3.3133	186,895	619.24
	FY 11/12	284,023,289	8,310,120,212	3.4178	167,267	571.69
	FY 12/13 <sup>1</sup>	275,951,044	8,073,937,734	3.4178	157,228	537.37
	FY 13/14 <sup>1</sup>	277,155,468	7,559,129,097	3.6665	144,708	530.57
	FY 14/15 <sup>1</sup>	321,633,141	7,518,481,988	4.2779	146,055	624.81
	FY 15/16 <sup>3</sup>	334,358,574	7,620,360,873	4.3877	152,511	669.17
	FY 16/17 <sup>3</sup>	335,305,153	7,816,699,760	4.2896	158,633	680.47
	FY 17/18 <sup>3,4</sup>	360,110,814	8,074,957,717	4.4596	163,341	728.44
	FY 18/19 <sup>3</sup>	339,156,105	8,333,892,906	4.0696	169,691	690.57
	FY 19/20 <sup>3</sup>	349,163,676	8,729,964,923	3.9996	177,447	709.72
	FY 20/21 <sup>3</sup>	358,487,504	9,140,425,898	3.9220	186,459	731.29
	FY 21/22 <sup>3</sup>	375,861,572	9,696,150,355	3.8764	195,131	756.41
	FY 22/23 <sup>3</sup>	392,781,054	10,132,624,448	3.8764	201,993	783.01
	Flood Control	FY 08/09	\$ 25,489,218	\$ 8,684,571,743	\$ 0.2935	\$ 201,517
FY 09/10		23,412,476	8,885,189,956	0.2635	197,346	52.00
FY 10/11		22,474,309	8,529,149,549	0.2635	187,360	49.37
FY 11/12		20,116,215	7,634,237,253	0.2635	166,102	43.77
FY 12/13 <sup>1</sup>		19,089,598	7,244,629,122	0.2635	155,834	41.06
FY 13/14 <sup>1</sup>		17,834,883	6,768,456,641	0.2635	145,730	38.40
FY 14/15 <sup>1</sup>		20,539,235	6,767,457,872	0.3035	146,425	44.44
FY 15/16 <sup>3</sup>		21,685,425	6,917,200,982	0.3135	152,511	47.81
FY 16/17 <sup>3</sup>		23,643,348	7,089,459,732	0.3335	158,633	52.90
FY 17/18 <sup>3</sup>		23,115,524	7,373,372,757	0.3135	163,341	51.21
FY 18/19 <sup>3</sup>		25,266,454	7,576,148,151	0.3335	169,691	56.59
FY 19/20 <sup>3</sup>		26,495,639	7,944,719,355	0.3335	177,447	59.18
FY 20/21 <sup>3</sup>		27,976,190	8,388,662,525	0.3335	186,459	62.18
FY 21/22 <sup>3</sup>		29,329,496	8,794,451,623	0.3335	195,131	65.08
FY 22/23 <sup>3</sup>		29,639,879	9,162,249,986	0.3235	201,993	65.34
Library District		FY 08/09	\$ 32,555,365	\$ 9,594,861,519	\$ 0.3393	\$ 203,441
	FY 09/10	26,062,573	9,860,980,900	0.2643	199,186	52.64
	FY 10/11	28,961,940	9,342,561,193	0.3100	189,029	58.60
	FY 11/12	29,231,054	8,448,281,586	0.3460	167,680	58.02
	FY 12/13 <sup>1</sup>	28,081,413	8,116,015,231	0.3460	157,242	54.41
	FY 13/14 <sup>1</sup>	28,487,320	7,590,546,275	0.3753	145,730	54.69
	FY 14/15 <sup>1</sup>	32,747,156	7,522,893,581	0.4353	146,425	63.74
	FY 15/16 <sup>3</sup>	39,267,720	7,620,360,873	0.5153	152,511	78.59
	FY 16/17 <sup>3</sup>	40,279,454	7,816,699,760	0.5153	158,633	81.74
	FY 17/18 <sup>3</sup>	40,802,761	8,074,957,717	0.5053	163,341	82.54
	FY 18/19 <sup>3</sup>	42,944,550	8,333,892,906	0.5153	169,691	87.44
	FY 19/20 <sup>3</sup>	46,731,502	8,729,964,923	0.5353	177,447	94.99
	FY 20/21 <sup>3</sup>	48,928,700	9,140,425,898	0.5353	186,459	99.81
	FY 21/22 <sup>3</sup>	51,903,493	9,696,150,355	0.5353	195,131	104.45
	FY 22/23 <sup>3</sup>	55,253,201	10,132,624,448	0.5453	201,993	110.15
	Debt Service	FY 08/09	\$ 58,048,912	\$ 9,594,861,519	\$ 0.6050	\$ 203,441
FY 09/10		70,012,964	9,860,980,900	0.7100	199,186	141.42
FY 10/11		70,069,209	9,342,561,193	0.7500	189,029	141.77
FY 11/12		65,896,596	8,448,281,586	0.7800	167,680	130.79
FY 12/13 <sup>1</sup>		63,735,453	8,171,211,922	0.7800	157,436	122.80
FY 13/14 <sup>1</sup>		59,464,792	7,623,691,280	0.7800	144,835	112.97
FY 14/15 <sup>1</sup>		53,059,292	7,579,898,868	0.7000	146,425	102.50
FY 15/16 <sup>3</sup>		53,342,526	7,620,360,873	0.7000	152,511	106.76
FY 16/17 <sup>3</sup>		54,716,898	7,816,699,760	0.7000	158,633	111.04
FY 17/18 <sup>3</sup>		56,524,704	8,074,957,717	0.7000	163,341	114.34
FY 18/19 <sup>3</sup>		57,503,861	8,333,892,906	0.6900	169,691	117.09
FY 19/20 <sup>3</sup>		60,236,758	8,729,964,923	0.6900	177,447	122.44
FY 20/21 <sup>3</sup>		47,530,215	9,140,425,898	0.5200	186,459	96.96
FY 21/22 <sup>3</sup>		43,632,677	9,696,150,355	0.4500	195,131	87.81
FY 22/23 <sup>3</sup>		32,424,398	10,132,624,448	0.3200	201,993	64.64

CATEGORY		LEVY AMT	VALUATION	TAX RATE	AVERAGE HOME ASSESSED VALUE	TAX BILLED TO AVERAGE HOMEOWNER
Total	FY 08/09	\$ 395,230,263	\$ 36,105,261,315	\$ 4.6291	\$ 195,536	\$ 840.48
	FY 09/10	417,211,603	37,592,863,586	4.5511	195,857	868.00
	FY 10/11	417,702,791	36,153,919,195	4.6368	188,078	868.98
	FY 11/12	399,267,154	32,840,920,637	4.8073	167,182	804.27
	FY 12/13 <sup>1</sup>	386,857,508	31,605,794,009	4.8073	156,935	755.64
	FY 13/14 <sup>2</sup>	382,942,463	29,541,823,293	5.0853	145,251	736.63
	FY 14/15 <sup>2</sup>	427,978,824	29,388,732,309	5.7167	146,333	835.49
	FY 15/16 <sup>3</sup>	448,654,245	29,778,283,601	5.9165	152,511	902.33
	FY 16/17 <sup>3</sup>	453,944,853	30,539,559,012	5.8384	158,633	926.15
	FY 17/18 <sup>3</sup>	480,553,803	31,598,245,908	5.9784	163,341	976.52
	FY 18/19 <sup>3</sup>	464,870,970	32,577,826,869	5.6084	169,691	951.70
	FY 19/20 <sup>3</sup>	482,627,575	34,134,614,124	5.5584	177,447	986.32
	FY 20/21 <sup>3</sup>	482,922,609	35,809,940,219	5.3108	186,459	990.25
	FY 21/22 <sup>3</sup>	500,727,238	37,882,902,688	5.1952	195,131	1,013.74
	FY 22/23 <sup>3</sup>	510,098,532	39,560,123,330	5.0652	201,993	1,023.14

Notes:

1. In Fiscal Years 2012/13, 2013/14 and 2014/15, the Primary valuation was based on the Limited Value from the December planning roll and the Debt Service valuation was based on the Full Cash Value from the December planning roll. Both the Library District and Flood Control District valuations were based on the Full Cash Value from the August billing roll. For earlier fiscal years, Primary, Library and Flood Control followed the same pattern, but Debt Service was based on the Full Cash Value from the August billing roll.
2. For Fiscal Years 2013/14 and 2014/15, the Average Home Assessed Value in the Total section is the average of the values for the four jurisdictions.
3. For Fiscal Years 2015/16 and later, the valuations and assessed values are based on the December planning roll and follow the rules of Proposition 117.
4. In Fiscal Year 2017/18, the Primary levy included a \$0.2500 county road tax as permitted under A.R.S. 28-6712.
5. Average Home Assessed Values and Taxes Billed To Average Homeowner are based on Class 3 primary residence real properties.