



# Truth in Taxation

FY 2024-2025  
Primary Property Tax

Yavapai County Community College District

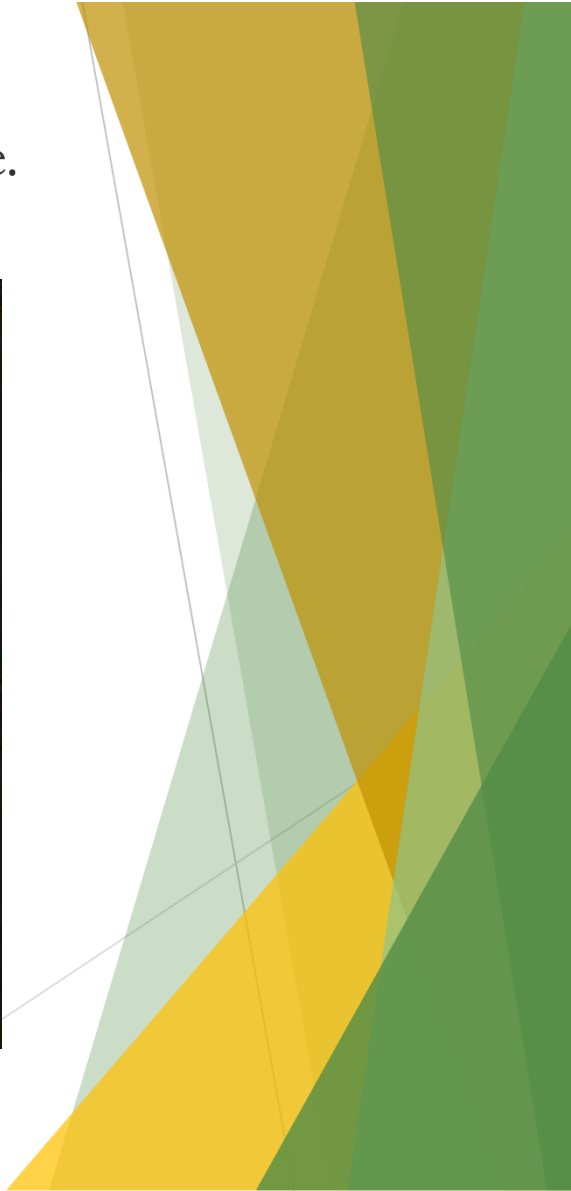
May 2024

# Yavapai College Vision

Making Yavapai County a premier place to learn, work, and live.



Truth in Taxation Public Hearing



# What Does My Property Tax Pay For?

- ▶ Property tax revenues help fund (Primary):
  - State and Local Governments
  - Schools
  - Law Enforcement
  - Library
- ▶ Special Improvements (Secondary):
  - Sewer, Wastewater and Sanitary, Domestic Water
  - Fire Districts
  - Parks
  - Street Lights
  - Other Capital Projects

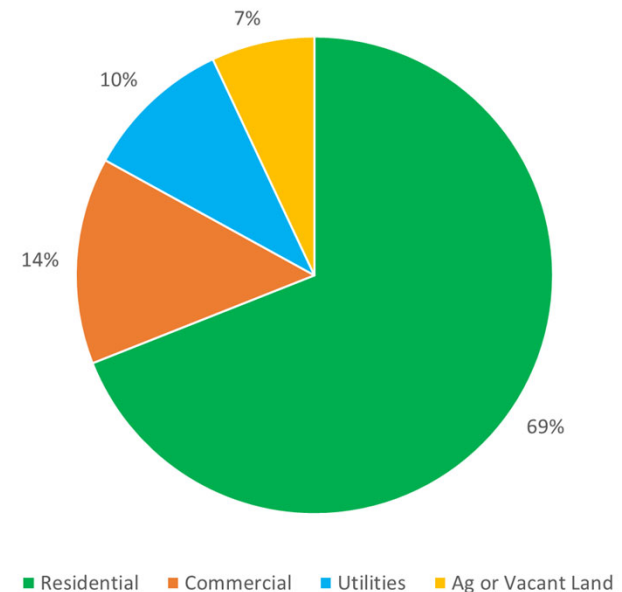


# Formula

- ▶ County Assessor estimates Full Cash Value (FCV) every year
  - Target = 82% Market Value
- ▶ Starting in 2013, FCV growth is limited to 5% per year = Limited Property Value
- ▶ Property classification & Rate
  - Commercial, industrial, utilities, mines (16%)
  - Agriculture and vacant land (15%)
  - Residential (10%)
- ▶  $LPV \times \text{class assessment rate} = \text{Net Assessed Value (NAV)}$
- ▶  $NAV \times \text{Primary Tax Rate} = \text{Primary Taxes Owed}$

Data Provided by Judd Simmons, Yavapai County Auditor

FY23 Yavapai College Taxes by Classification



## Example Calculation Homeowner Property Tax

- ▶ Full Cash Value \$545,000
- ▶ LPV \$230,858
- ▶ Classification rate: 10%
  
- ▶  $LPV \times Class = NAV = \$23,086$
  
- ▶ Primary Tax Rate \$1.4464 (per \$100)
- ▶  $NAV \times Tax\ rate / 100 = \$333.91$

Data Provided by Judd Simmons, Yavapai County Auditor



# Calculating Property Levy in Most States

↑ ↓                      Constant                      ↑ ↓

Assessed Value    **X**    % Tax Rate    =    Property Tax Levy \$

# Calculating Property Levy in Arizona

↑ ↓      ↓ ↑

Assessed Value **X** % Tax Rate = Property Tax Levy \$

Constant

# Splitting the Check





# Split the Town's budget: \$1,000



\$545,000



\$545,000



\$545,000



\$545,000

**\$250**



# Split the Town's budget: \$1,000



\$600,000



\$600,000



\$600,000



\$600,000

**\$250**



# Split the Town's budget: \$1,000



\$450,000



\$450,000



\$450,000



\$450,000

**\$250**



# Split the Town's budget: \$1,000



\$575,000  
(\$250)



\$680,000  
(\$296)



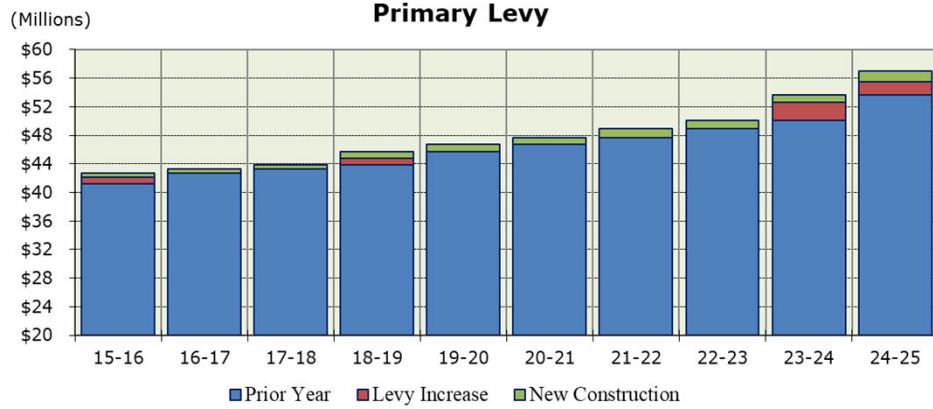
\$500,000  
(\$217)



\$545,000  
(\$237)



# Increasing Property Tax Levy in Arizona



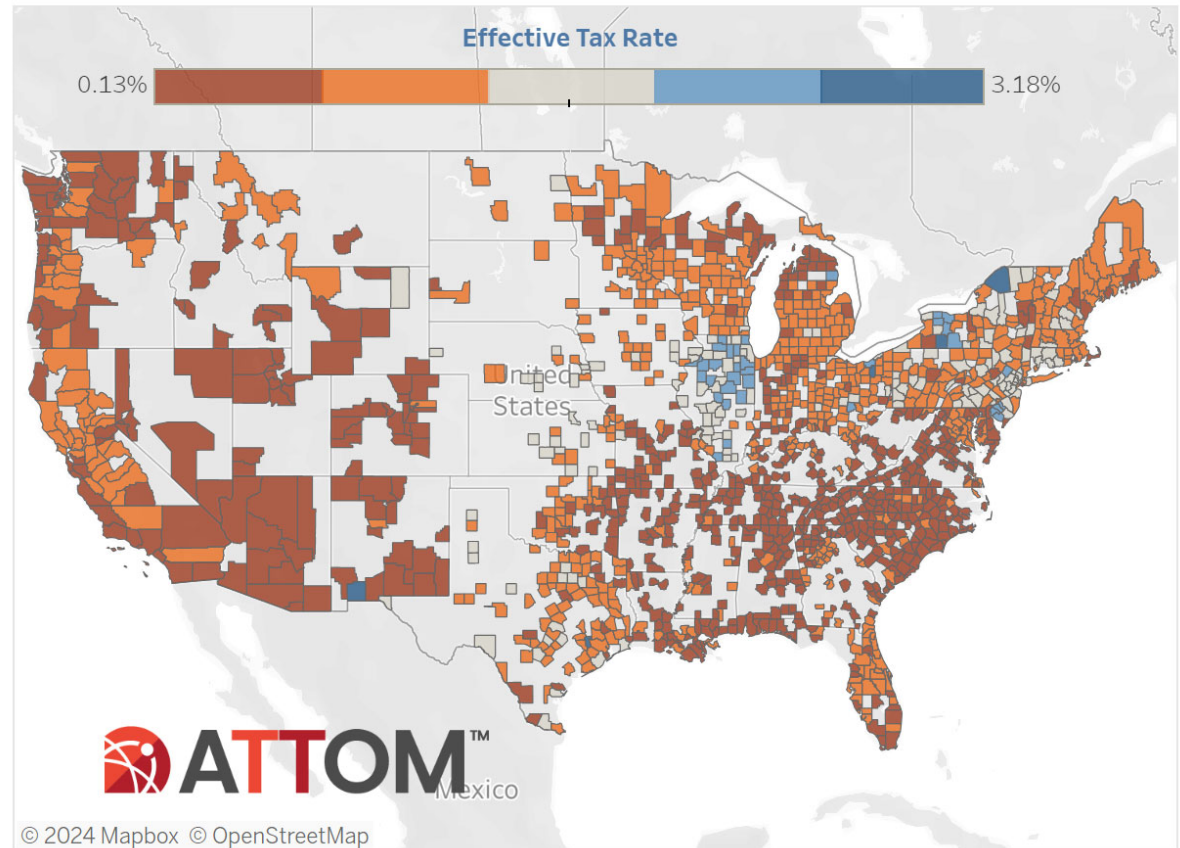
- ▶ New Construction
- ▶ Tax District may increase levy 2% per year
  - ▶ Cumulative
    - ▶ Collect \$56.9M
    - ▶ Allowable \$65.4M

# Value

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- AZ has second-lowest effective property tax rates in US
- Yavapai County has lowest effective property tax rates in AZ
- US property tax rates rose 16.2% over 5 years; college taxes rose 2%

## 2023 Property Taxes by County



# Truth in Taxation (TNT) Calculation

## Primary Property Tax Rate

- ▶ **TNT Tax Rate =**  
Previous year's actual primary property tax levy/  
((current year's Net Assessed Values-value of new construction)/\$100)
- ▶ **TNT Tax Rate =**  
 $\$53,650,100 / ((\$3,709,264,413 - \$97,362,786) / \$100) = \$1.4464$
- ▶ If above this rate, we hold a Truth in Taxation public hearing

# Proposed Primary Property Tax Levy

► **Proposed FY 2024-2025 Tax Levy :**

Total Levy for FY 2023-2024 . . . . . \$53,650,100

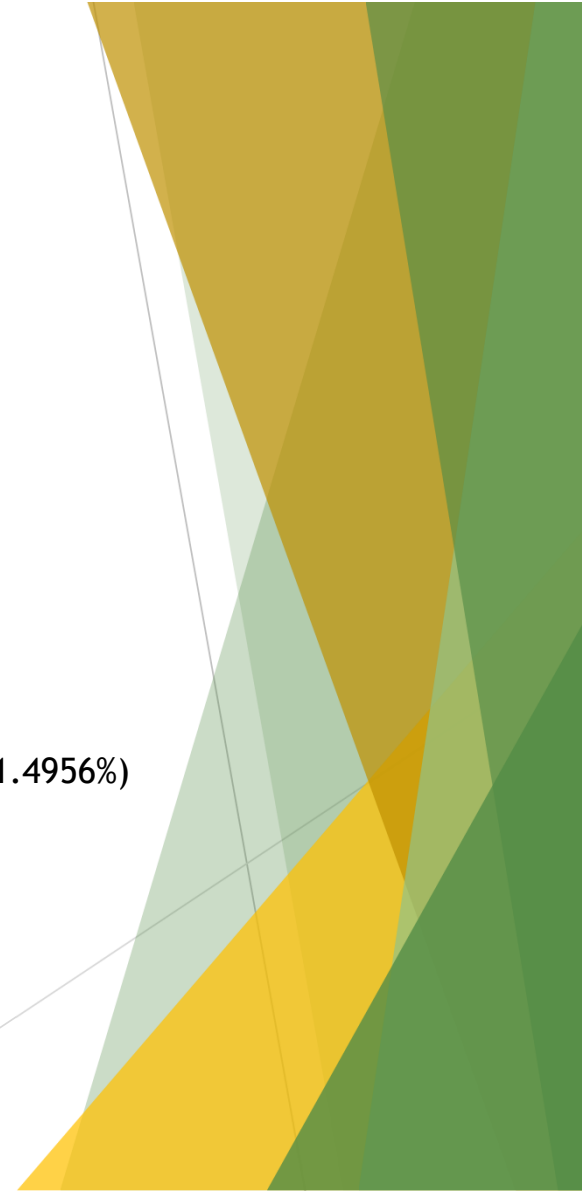
FY 2024-2025 New Construction . . . . . \$ 1,408,300

Levy amount without TNT Hearing . . . . . \$55,058,400

FY 2024-2025 Additional Levy (3.4%). . . . . \$1,872,400

**Total Proposed FY2024-2025 Tax Levy. . .** **\$56,930,800** (1.4956%)

(Total Maximum Allowable Tax Levy FY 2024-2025..... \$65,382,629)





# Average Cost of Proposed Primary Property Tax Levy Increase

► **Effect on \$100,000 home (LPV)**

- FY 2024-2025 without increase. . . . .	\$144.64
- FY 2024-2025 with 3.4% Levy increase . . . . .	<u>\$149.56</u>
	\$4.92/ year

► **Effect on \$230,858 home (LPV)(\$545,000 FCV)**

- FY 2024-2025 without increase. . . . .	\$333.91
- FY 2024-2025 with 3.4% Levy increase . . . . .	<u>\$345.27</u>
	<b>\$11.35/ year</b>

Data Provided by Judd Simmons, Yavapai County Auditor



## Fiscal Stewardship at YC

- ▶ Per Arizona statute, current Yavapai College expenditures per student are at or below the inflation-adjusted 1980 expenditures per student
- ▶ Yavapai College expenditures per student are at the national community college average
- ▶ Yavapai College facilities are some of the best-maintained in higher education
- ▶ Yavapai College tuition prices allow residents affordable access to classes
- ▶ Per ATTOM.com, Arizona has some of lowest property taxes in the nation
- ▶ Arizona taxpayers receive \$6.50 ROI for every dollar invested in Yavapai College

# Questions & Discussion

Truth in Taxation Public Hearing

