

COUNCIL AGENDA MEMO – July 10, 2012

DEPARTMENT: Budget and Finance

AGENDA ITEM: Adoption of Ordinance No. 4838-1301 setting the Fiscal Year 2013 City property tax levies

Approved By:

Date:

Finance Director: Mark Woodfill

City Manager: Craig McConnell

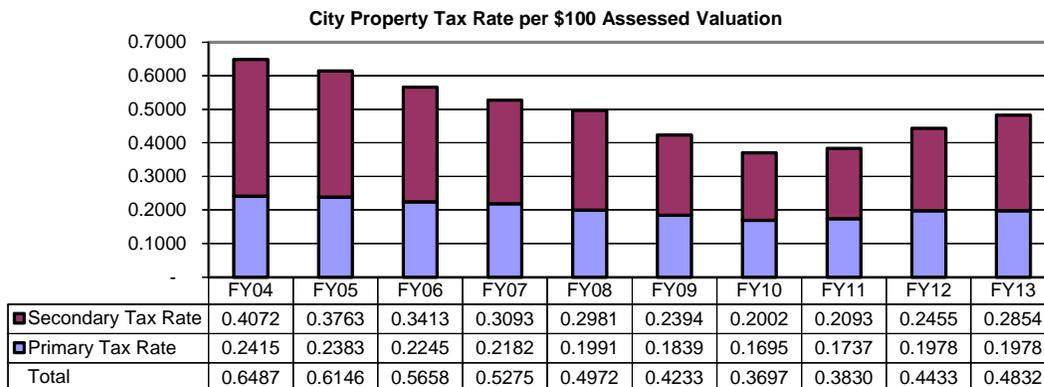
BACKGROUND

On June 26, 2012, Council held the public hearing on the final budget, establishment of the expenditure limitation, and the City property tax levies for Fiscal Year 2013 (FY 13). After the hearing the final budget was adopted, which included establishing the expenditure limitation for FY 13. State law requires that the property tax levies be adopted no earlier than fourteen days after the public hearing.

The primary tax levy for FY 13 is \$1,095,856. This is the amount of revenue anticipated to be generated by the corresponding property tax rate (unchanged from FY 12), and represents a decrease of \$160,022 because of declining property valuations. Revenue from the primary property tax funds general governmental functions, but provides a minor amount of the overall cost: to place this in perspective, \$1,095,856 represents only three weeks of funding for the City’s public safety operations (Police and Fire).

The secondary property tax is for the retirement of debt and will be set at \$1,584,975. This is the final year for a majority of the debt service used to purchase and develop Watson and Willow Lakes. Next year’s secondary levy will drop to about \$190,000.

The City’s combined tax rate for FY 13 is 0.4832 which is 0.0399 higher than last fiscal year. For a home valued at \$200,000 in both 2011 and 2012, the combined property tax will increase by \$7.98. Property tax rates over the last 10 years are shown below.



Recommended Action: MOVE to adopt Ordinance No. 4838-1301.

ORDINANCE NO. 4838-1301

AN ORDINANCE OF THE MAYOR AND COUNCIL OF THE CITY OF PRESCOTT, YAVAPAI COUNTY, ARIZONA, LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF PRESCOTT, SUBJECT TO TAXATION, A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS (\$100.00) OF VALUATION SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM OTHER SOURCES OF REVENUE; PROVIDING FUNDS FOR VARIOUS BOND REDEMPTIONS FOR THE PURPOSE OF PAYING INTEREST UPON BONDED INDEBTEDNESS, AND PROVIDING FUNDS FOR THE GENERAL MUNICIPAL EXPENSES, ALL FOR THE FISCAL YEAR ENDING THE 30TH DAY OF JUNE, 2013

RECITALS:

WHEREAS, by the provisions of State law, the ordinance levying taxes for Fiscal Year 2012-13 is required to be finally adopted not less than fourteen days after adoption of the annual budget; and

WHEREAS, the County of Yavapai is the assessing and collecting authority for the City of Prescott, the Clerk is hereby directed to transmit a certified copy of this ordinance to the County Assessor and the Board of Supervisors of the County of Yavapai, Arizona.

ENACTMENTS:

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF PRESCOTT AS FOLLOWS:

SECTION 1. THAT, there is hereby levied on each one hundred dollars (\$100.00) of the assessed value of all property, both real and personal, within the corporate limits of the City of Prescott, except such property as may be by law exempt from taxation, a primary property tax rate sufficient to raise the sum of \$1,095,856.00 for the Fiscal Year ending on the 30th day of June, 2013. If such sum exceeds the maximum levy allowed by law, the Board of Supervisors or the County of Yavapai is hereby authorized to reduce the levy to the maximum amount allowed by law after providing notice to the City.

SECTION 2. THAT, in addition to the rate set in Section 1 hereof, there is hereby levied on each one hundred dollars (\$100.00) of assessed valuation of all property, both real and personal, within the corporate limits of the City of Prescott, except such property as may be by law exempt from taxation a secondary property tax rate sufficient to raise the sum of \$1,584,975.00, but not more than the actual general obligation bond debt service due during the year for the purpose of providing a bond

interest and redemption fund for the City of Prescott for the Fiscal Year ending June 30, 2013.

SECTION 3. THAT, failure by the County official of Yavapai County, Arizona, to properly return the delinquent list, any irregularity in assessments or omissions in the same, or any irregularity in any proceedings shall not invalidate such proceedings or invalidate any title conveyed by any tax deed; failure or neglect of any officer or officers to timely perform any of the duties assigned to him or to them shall not invalidate any proceedings or any deed or sale pursuant thereto, the validity of the assessment or levy of taxes or of the judgment of sale by which the collection of the same may be enforced shall not affect the lien of the City of Prescott upon such property for the delinquent taxes unpaid thereon; overcharge as to part of the taxes or of costs shall not invalidate any proceedings for the collection of taxes or the foreclosure of the lien therefore or a sale of the property under such foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

PASSED and ADOPTED by the Mayor and Council of the City of Prescott, Arizona, on this 10th day of July, 2012.

MARLIN D. KUYKENDALL, Mayor

ATTEST:

APPROVED AS TO FORM:

KIM WEBB, Interim City Clerk

E. EUGENE NEIL, Interim City Attorney