

Yavapai College
District Governing Board
Truth in Taxation Public Hearing

Tuesday, May 21, 2024

1:00 p.m.

The meeting location will be open to the public at 12:45 p.m. at the latest.

Livestream Link:

<https://www.youtube.com/user/YavapaiCollege>

Prescott Campus
The Community Room 19-147
1100 E. Sheldon Street
Prescott, Arizona 86301

Pursuant to Arizona Revised Statutes (A.R.S.) §38-431.02, notice is hereby given to the members of the Yavapai College District Governing Board and to the general public that the Board will hold a public meeting, open to the public as specified below. The Board reserves the right to change the order of items on the agenda. One or more members of the Board may participate in the meeting by telephonic communication.

Pursuant to A.R.S. §38-431.03.A.2, A.3 and A.4, the Board may vote to go into Executive Session, which will not be open to the public, for legal advice concerning any item on the agenda to review, discuss and consider records exempt by law from public inspection, including the receipt and discussion of information or testimony that is specifically required to be maintained as confidential by state or federal law; or to consult with and instruct its attorneys regarding its position on contracts, litigation or settlement discussions. If indicated on the agenda, the Board may also vote to go into executive session, which will not be open to the public, to discuss specific agenda items.

Persons with a disability may request reasonable accommodation, such as a sign language interpreter or closed caption, by contacting the Executive Assistant at (928)776-2307. Requests should be made as early as possible to allow time to arrange the accommodation.

Please note that the meeting conclusion time is included for planning purposes only and does not necessarily reflect the actual time of the agenda item. When regular board meetings, public hearings (both truth in taxation and budget adoption public hearings) and budget adoption special meetings are scheduled for the same date, each hearing or meeting will begin immediately upon adjournment of the preceding hearing or meeting.

If the agenda includes an Open Call, members of the public will have no more than 3 minutes to speak. The time allotted for each speaker may be less than 3 minutes, depending on the number of individuals wishing to address the board at the meeting and the board president's determination of the total time available for open call at the meeting, given the other matters on the board's agenda. *In addition, if there are a number of people who wish to speak about the same issue and who have the same viewpoint about that issue, the board president may direct them to appoint a representative or representatives to speak for the entire group. Members of the board may not discuss items that are not specifically identified on the agenda but that are raised in Open Call. Matters raised during Open Call that are on the current board agenda may be discussed and/or decided by the board at the appropriate time on the agenda.

AGENDA

1. General Functions: Procedural
 - a. Call to Order {Time: 1}
2. Board Business
 - a. 2024-2025 Yavapai Community College District Proposed Truth in Taxation Overview – Dr. Clint Ewell, Vice President of Finance - **INFORMATION** (*Attached*) {Time: 30}
 - b. Public Comments - **INFORMATION** {*Time: 25*}
3. Adjournment of Truth in Taxation – Public Hearing: Procedural - **DECISION** {Time: 1}

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?

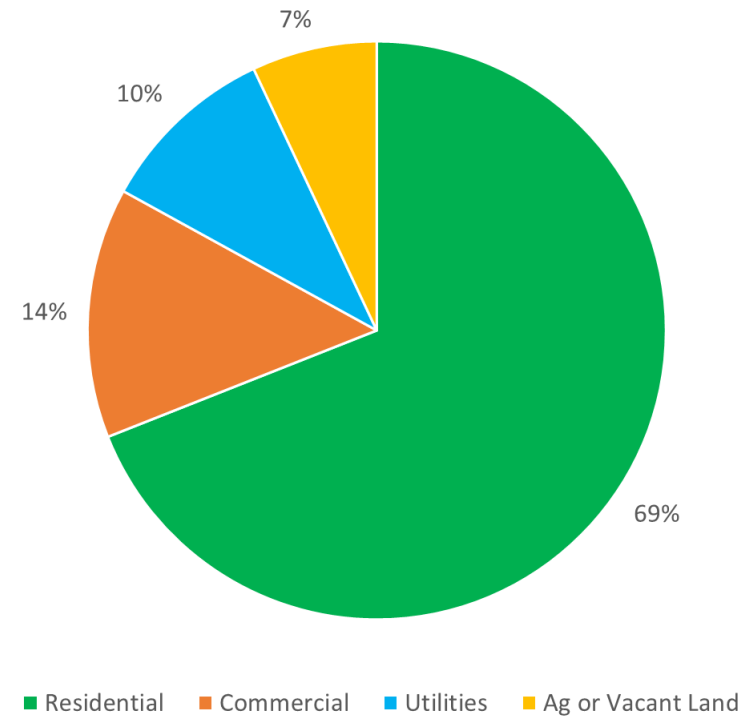
- ▶ Property tax revenues help fund (Primary):
 - State and Local Governments
 - Schools
 - Law Enforcement
 - Library

- ▶ 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%)
- ▶ $LPV \times \text{class assessment rate} = \text{Net Assessed Value (NAV)}$
- ▶ $NAV \times \text{Primary Tax Rate} = \text{Primary Taxes Owed}$

FY23 Yavapai College Taxes by Classification



Data Provided by Judd Simmons, Yavapai County Auditor

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



Calculating Property Levy in Most States

↑ ↓ Constant ↑ ↓

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

Calculating Property Levy in Arizona

↑ ↓ ↓ ↑ Constant

$$\text{Assessed Value} \times \% \text{ Tax Rate} = \text{Property Tax Levy \$}$$

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)

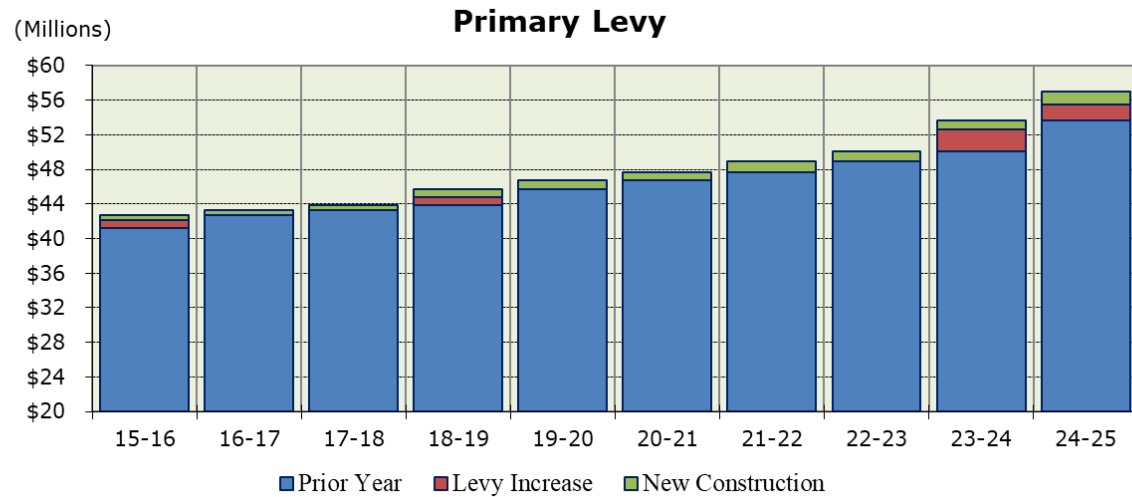


\$500,000
(\$217)



\$545,000
(\$237)

Increasing Property Tax Levy in Arizona

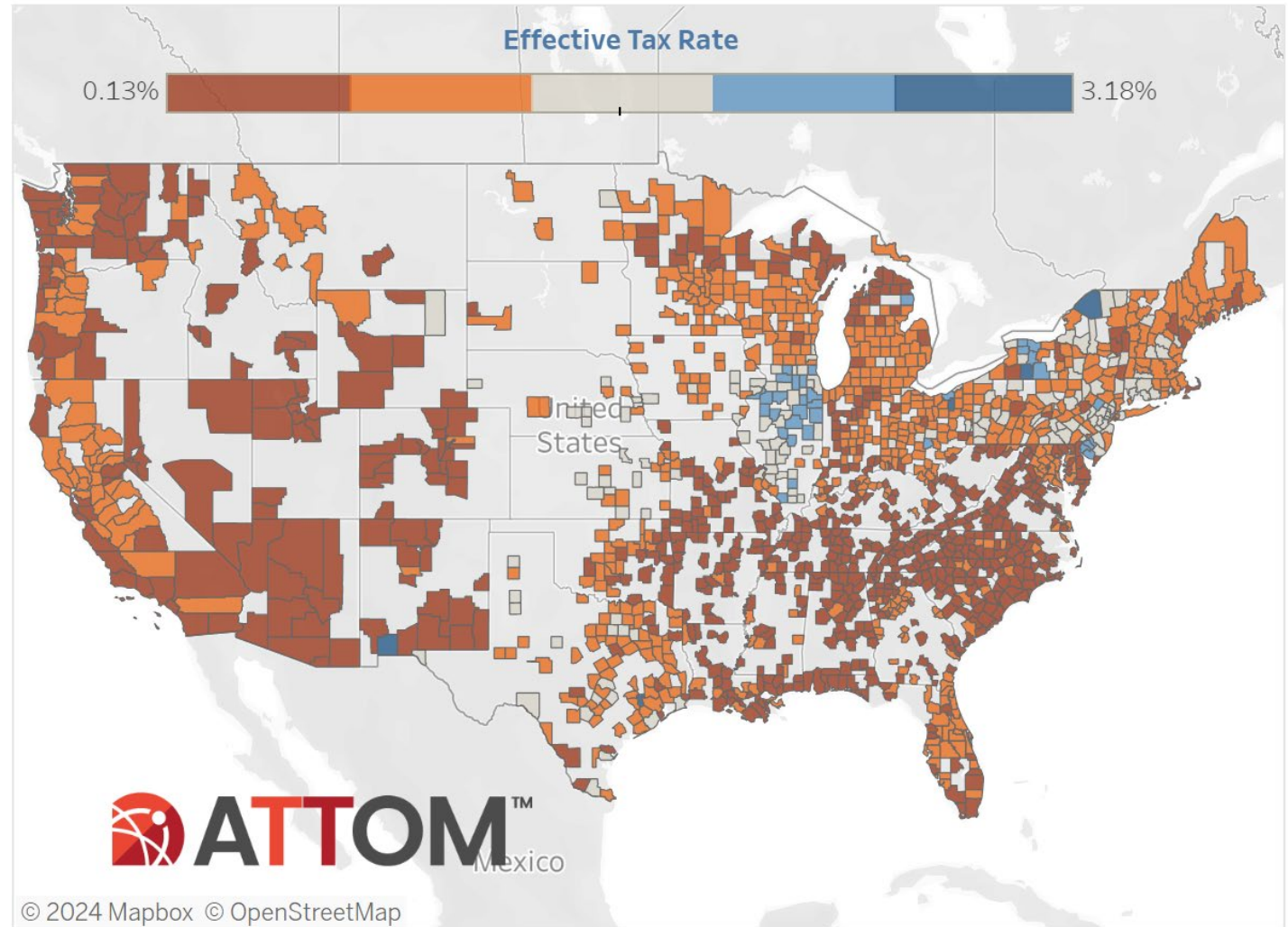


- ▶ New Construction
- ▶ Tax District may increase levy 2% per year
 - ▶ Cumulative
 - ▶ Collect \$56.9M
 - ▶ Allowable \$65.4M

Value

- 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>
	\$11.35/ year

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