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**CITY OF TEMPE  
REQUEST FOR COUNCIL ACTION****Council Meeting Date: 06/09/2016  
Agenda Item: 2**

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**ACTION:** Hold a public hearing as required under the State's Truth in Taxation statute, and adopt a resolution indicating the City's intention to adopt a primary property tax levy that, excluding amounts related to new construction, will be greater than last year's primary tax levy. (Resolution No. R2016.58)

**FISCAL IMPACT:** The primary tax levy, exclusive of new construction, will increase by \$308,830 (or 2%) over last year's primary tax levy.

**RECOMMENDATION:** Adopt Resolution No. R2016.58.

**BACKGROUND INFORMATION:** Pursuant to state statutes, cities and towns are required to provide notice and conduct a public hearing if their primary property tax levy, excluding amounts related to new construction, will be greater than the primary levy in the prior year. The Truth in Taxation law requires a public hearing on the proposed primary levy on or before final budget adoption.

The primary property tax levy reflects the levy limit as estimated by Maricopa County. Since the City intends to adopt a primary property tax levy amount, excluding amounts attributable to new construction, greater than the primary property tax levy amount in the previous year, the provisions of Truth in Taxation are invoked.

The Truth in Taxation notification and hearing requirements do not address the secondary portion of the property tax levy. The secondary levy supports voter-approved debt, while the primary levy funds general City services. As required by state statute, two published notices and a press release have preceded this public hearing.

The introduction and first public hearing setting the fiscal year 2016-17 primary and secondary property tax levy and resulting property tax rates will be held on June 9, 2016. The second and final hearing of the property tax levy and resulting property tax rates will be held on June 23, 2016.

**ATTACHMENTS:** Resolution

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