



CITY OF TEMPE
REQUEST FOR COUNCIL ACTION

Council Meeting Date: 06/23/2016
Agenda Item: 1

ACTION: Hold the second and final public hearing to adopt the fiscal year 2016-17 Property Tax Ordinance. (Ordinance No. O2016.35)

FISCAL IMPACT: Pursuant to Arizona Revised Statutes §42-17151 and in conjunction with the fiscal year (FY) 2016-17 Annual Budget and Capital Improvements Program, the attached ordinance establishes the property tax rate for the FY 2016-17 budget year at \$2.5320 per \$100 of assessed valuation.

Based upon levy information received from the Maricopa County Assessor's Office, City staff estimates that the \$2.5320 tax rate will generate \$42.3 million, including \$15.7 million of primary levy from a \$0.9399 primary tax rate and \$26.6 million of secondary levy from a \$1.5921 secondary tax rate.

RECOMMENDATION: Adopt Ordinance No. O2016.35.

BACKGROUND INFORMATION: As the final budget consideration for FY 2016-17, City Council is required to set the property tax levy and resulting rate for the 2016-17 fiscal year.

The City's Property Tax Stabilization Policy provides for an increase in the total property tax rate from the current \$2.5195 per \$100 of assessed valuation to the proposed \$2.5320 to limit the increase of the City's total property tax levy on existing properties to that of inflation, 1.8%. The limited assessed value of existing properties increased by 1.3%.

The primary property tax levy amount as indicated in the Annual Budget reflects the allowable levy limit as estimated by the Maricopa County Assessor's Office. Since the City intends to adopt a levy equal to the primary levy limit, the provisions of Truth in Taxation are invoked. As required by statute, two published notices and a press release have preceded this public hearing, appearing in the form and manner explicitly prescribed by A.R.S. §42-17107.

ATTACHMENTS: Ordinance

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