

NOTE 5 PROPERTY TAXES

At the time the final budget is adopted, which can be no later than the second Monday in August of each year, the Board of Supervisors holds a public hearing and special meeting to determine the tax levy needed to support the budget. Taxes are assessed and levied seven days afterwards.

Real property taxes are payable in two installments. The first installment is due on the first day of October and becomes delinquent after the first business day of November. The second installment is due on the first day of March and becomes delinquent after the first business day of May. A lien against property assessed attaches on the first day of January prior to the levy. Delinquent taxes are subject to a penalty of 16% per annum.

Unsecured personal property taxes are normally assessed and levied (billed) in up to ten cycles. Each cycle represents a portion of the unsecured personal property tax roll and is billed approximately every 30 days starting in April and ending in February of the subsequent fiscal year. Personal property taxes become delinquent 30 days after they are billed.

Amendments to the Arizona Constitution in 1980 created two separate tax systems:

1. A primary system for taxes levied to pay for current operation and maintenance expenditures, and
2. A secondary system for taxes levied to pay principal and interest on bonded indebtedness and special district assessments.

The taxes levied for primary purposes by the County are limited to a maximum increase of 2% over the prior year's levy plus the amount directly attributable to new construction. In recent years, the County has not levied the maximum amount allowed for primary purposes.

Under the secondary system, annual tax levies for bonded indebtedness and special district assessments (excluding Flood Control District, Library District, and Fire District Assistance) are unlimited provided that they have been authorized by a vote of the people affected.

Property taxes receivable by fund type at June 30, 1998 were as follows (expressed in thousands):

Tax Year	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
<u>Real property taxes:</u>			
1997-98	\$ 4,666	\$ 769	\$ 2,368
1996-97	225	38	511
1995-96	<u> </u>	<u>1</u>	<u>743</u>
Total	<u>\$ 4,891</u>	<u>\$ 808</u>	<u>\$ 3,622</u>
 <u>Personal property taxes:</u>			
1998	\$ 394	\$ 25	\$ 110
1997	<u>210</u>	<u>13</u>	<u>58</u>
Total	<u>\$ 604</u>	<u>\$ 38</u>	<u>\$ 168</u>
Estimated uncollectible tax	<u>(\$ 954)</u>	<u>(\$ 143)</u>	<u>(\$ 513)</u>

Net property			
taxes receivable	<u>\$ 4,541</u>	<u>\$ 703</u>	<u>\$ 3,277</u>

All property tax receivables associated with prior years (not presented in the above schedule) are deemed 100% uncollectible for financial statement presentation purposes.