

NOTE 4: 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. Under Arizona Revised Statutes (ARS), if the proposed primary property tax levy exceeds the amount of the previous year's levy, the County must publish two notices of public hearing in a newspaper of general circulation. The notices must be published fourteen to twenty days and seven to ten days before the hearing. ARS prescribes the wording and format of the notices.

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 assessed against property attaches on the first day of January following assessment and 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 maximum tax levy for primary purposes is 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, 1999, were as follows:

Tax Year	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>
<u>Real property taxes:</u>			
1998-99	\$ 5,636	\$ 878	\$ 1,570
1997-98	28	4	970
1996-97	42	7	459
Total	<u>\$ 5,706</u>	<u>\$ 889</u>	<u>\$ 2,999</u>
<u>Personal property taxes:</u>			
1999	\$ 958	\$ 58	\$ 251
1998	262	16	73
Total	<u>1,220</u>	<u>74</u>	<u>324</u>
Estimated uncollectible tax	<u>(744)</u>	<u>(105)</u>	<u>(508)</u>
Net property taxes receivable	<u>\$ 6,182</u>	<u>\$ 858</u>	<u>\$ 2,815</u>

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