

PROPERTY TAX OVERSIGHT COMMISSION

Arizona Department of Revenue Building



Meeting Minutes September 12, 2022 Virtually meeting held on Google Meets

Douglas A. Ducey
Governor

Neeraj Deshpande
Chairman

Jim Brodnax Member	Kevin McCarthy Member
Chris Kelling Member	Vacant Member

Members in Attendance:

Jim Brodnax, Member
Kevin McCarthy, Member

Staff:

Alexandra Kusen, PTOC
Elaine Smith, PTOC

1. Call to Order

Chairman Deshpande called the meeting to order at 1:31 p.m. and asked Commission members and staff to state their name for the record.

2. Approval of Minutes

The minutes of the August 4, 2022, meeting were reviewed. No additions or deletions were recommended. Mr. Brodnax made a motion to approve the minutes as distributed and Mr. McCarthy seconded the motion. The motion passed unanimously.

3. Truth in Taxation

Per House Bill 2112, we received a copy of the TNT hearing notice, the publisher's affidavit of publication, and a requisite notice of Council's vote. A proposed increase of fifteen or more, excluding new construction, must receive a unanimous roll call vote of the district board or governing body. Of the seventy-eight jurisdictions, thirty-five held a truth in taxation (TNT) hearing (seven counties, seven community colleges, and twenty-one cities or towns).

Mr. McCarthy made a conditional motion to approve the review as presented by staff. Jim Brodnax seconded the motion. The motion passed unanimously.

4. Primary Levy Limits

Involuntary tort judgments were reviewed and accepted by the Attorney General's Office for inclusion in the city's primary property tax levy pursuant to Arizona Administrative Code Regulation 15-12-202. The City of Scottsdale levied for \$536,000 in involuntary torts compared to \$290,000 last year. The City of Tucson levied for \$4,113,459 in involuntary torts.

Mr. McCarthy made a motion to approve the review as presented by staff. Mr. Brodnax seconded the motion. The motion passed unanimously.

5. County Special Districts Truth in Taxation

Of the thirty County Special Districts, 13 held a TNT hearing (five Flood Control, seven Free Library, and one Public Health Services District).

Mr. McCarthy made a conditional motion to approve the review as presented by staff. Mr. Brodnax seconded the motion. The motion passed unanimously.

6. Fire District Secondary Levy Limits

Senate Bill 1828 reduced the assessment ratio for Class 1 property from eighteen percent to sixteen percent over four years. The maximum tax rate for fire districts will increase from \$3.25 for tax year 2021 to \$3.375 for tax year 2022, and \$3.50 for tax year 2023 and each year thereafter.

Coconino County's Tusayan and Pima and Pinal County's Avra Valley Fire Districts have a budget override with a tax rate of \$3.50 that ends in tax year 2022. Mt. Lemmon voters approved to permanently override the levy limits November 2, 2010, for a \$3.25 tax rate.

Mr. McCarthy made a conditional motion to approve the review as presented by staff. Mr. Brodnax seconded the motion. The motion passed unanimously.

7. County School Superintendent's Annual Estimates of Monies for School Districts

Each County School Superintendent, Chief Deputy, or Financial Manager provided an estimate of the primary property tax rates to the school district and the PTOC in July. The data was compared to the adopted County documents.

On April 7, 2021, Yavapai County Board of Supervisors approved lapsing Walnut Grove Elementary School District effective July 1, 2021. The boundary moved to adjoining school districts Kirkland Elementary, Wickenburg Unified, Western Maricopa Education Center (West-MEC) and Career, and Technical Education District (CTED). New districts include Young Elementary, Mobile Elementary, and Oracle Elementary. Removed districts include Paloma Elementary, San Fernando Elementary, and Empire Elementary School Districts. There were thirteen districts with a minimum school tax rate for \$22.7 million. Coconino and Pinal Counties moved their desegregation levy from a primary to secondary levy. Of the twenty-two school districts with fixed tax rates per A.R.S. § 42-17151, eight districts adopted a lower tax rate than last year.

Mr. McCarthy made a motion to approve the review as presented by staff. Mr. Brodnax seconded the motion. The motion passed unanimously.

8. School District Truth in Taxation

Per House Bill 2112, school districts are required to send us a copy of the TNT hearing notice, the publisher's affidavit of publication, and requisite notice of the Governing Board's vote. Forty-one districts were required to hold a TNT hearing. The document reviewed showed a missing TNT published notice or affidavit of publication from sixteen districts. There is no penalty for non-compliance per A.R.S. § 15-905.01.

Mr. Brodnax made a motion to approve the review as presented by staff. Mr. McCarthy seconded the motion. The motion passed unanimously.

9. Adjournment

With all agenda items for the meeting complete, Chairman Deshpande asked if there was a motion to adjourn. Mr. Brodnax made a motion to adjourn and it was seconded by Mr. McCarthy. The motion passed unanimously. The meeting adjourned at 2:23 p.m.