City of Benson
City Council Communication

Regular Meeting **August 12, 2013**

To: Mayor and Council Agenda Item # 4

From: Megan Moreno, Finance Director

Subject:

Ordinance 563 levying upon the assessed valuation of the property within the City of Benson, Arizona, subject to taxation. A certain sum upon each One Hundred Dollars ($100) of valuation, sufficient to raise the amount estimated to be required in the annual budget, less the amount estimated to be received from fines, licenses and other sources of revenue providing a General Fund for the General Municipal Expenses: All for the Fiscal Year ending June 30, 2014

Discussion:

The Property Tax Ordinance is adopted annually no earlier than fourteen days following Council's adoption of the Budget for the next fiscal year.

Property taxes collected are 3.5% of the City's General Fund revenues. The Final Budget for fiscal 2013-2014 approved a property tax levy rate of 0.5070 and budgeted revenues of $230,000. The fiscal 2012-2013 rate was 0.4609 and budgeted revenues were $224,000.

For the past eight years, the City portion of property taxes collected has gradually increased from $220,000 to $230,000 annually. Each year the levy rate has been adjusted, usually downward, as assessed valuations of property have fluctuated, usually upward. The increase in actual dollars collected is due to new construction.

It is important to note that the City receives only about 4.2% of the property taxes paid to the County each year. If your annual property tax bill is $1,000.00, the City receives only $42.00 of your total payment. The vast majority of your $1,000 tax bill goes to support the Benson School District, the San Pedro Valley Hospital and Cochise County.

If your property's assessed value remained constant over the past two years, you would have a tax increase of $2.20 per year due to the change in the City's levy rate. However, the assessed value of most properties has decreased recently, so most properties will see no change to their tax bill due to the City tax levy.

Staff Recommendation:

Approval of Ordinance 563

ORDINANCE 563

AN ORDINANCE LEVYING UPON THE ASSESSED VALUATION OF THE PROPERTY WITHIN THE CITY OF BENSON, ARIZONA, SUBJECT TO TAXATION. A CERTAIN SUM UPON EACH ONE HUNDRED DOLLARS ($100.00) OF VALUATION, SUFFICIENT TO RAISE THE AMOUNT ESTIMATED TO BE REQUIRED IN THE ANNUAL BUDGET, LESS THE AMOUNT ESTIMATED TO BE RECEIVED FROM FINES, LICENSES AND OTHER SOURCES OF REVENUE PROVIDING A GENERAL FUND FOR THE GENERAL MUNICIPAL EXPENSES: ALL FOR THE FISCAL YEAR ENDING JUNE 30, 2014

WHEREAS, by the provisions of the state law, the ordinance levying taxes for the fiscal year 2013-2014 is required to be finally adopted, no later than the third Monday in August; and,

WHEREAS, the County of Cochise is the assessing and collecting authority for the City of Benson, the City Clerk is hereby directed to transmit a certified copy of this ordinance to the Assessor and Board of Supervisors of Cochise County, Arizona.

NOW, THEREFORE BE IT ORDAINED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF BENSON, ARIZONA, as follows:

SECTION 1

There is hereby levied upon each One Hundred Dollars ($100.00) of assessed value of all property, both real and personal, within the corporate limits of the City of Benson, except such property as may be by law exempt from taxation, a tax rate sufficient to raise the sum of $230,000 not to exceed 50.70 cents per $100.00 of the assessed value of all real and personal property in the city of Benson, subject to taxation, such sum to be set aside and used for the GENERAL FUND.

SECTION 2

No failure by County officials of Cochise County, Arizona, to properly return the delinquent list and irregularity in the assessment or omission in the same, or irregularities of any kind in any proceedings shall invalidate such proceedings or invalidate any title conveyed by any tax deed; nor shall any failure or neglect of any officer or officers to perform any of the duties assigned to him or to them on the day within the time specified, work in invalidation of any proceedings or of any such deed or sale, or affect the validity of assessment and levy of taxes, or of the judgment of sale by which the collection of the same may be enforced, or in any manner affect the lien of the City upon such property for the delinquent taxes unpaid thereon, and no overcharge as to part of the taxes or the costs shall invalidate any proceedings for the collection of taxes or the foreclosure; and all acts of officers de facto shall be valid as if performed by officers de jure.

SECTION 3

All Ordinances and parts of Ordinances in conflict therewith are hereby repealed.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, this 12th day of August, 2013.

APPROVED this 12th day of August, 2013.

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TONEY D. KING, SR., Mayor

ATTEST:

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VICKI L. VIVIAN, CMC, City Clerk

APPROVED AS TO FORM:

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MICHAEL J. MASSEE, City Attorney