City of Benson
City Council Communication

Regular Meeting **July 28, 2014**

To: Mayor and Council Agenda Item # 3

From: Megan Moreno, Finance Director

Subject:

Discussion and possible action on Ordinance 573 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, 2015

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. We have followed all requirements in A.R.S for Truth in Taxation. This includes posting a notice of intent to increase the tax on our website, posting a notice in the local newspaper, and holding a public hearing.

Property taxes collected are 3.8% of the City's General Fund revenues. The Final Budget for fiscal 2014-2015 approved a property tax levy rate of 0.5531 and budgeted revenues of $230,000. The fiscal 2013-2014 rate was 0.4609 and budgeted revenues were $209,000. The proposed tax increase will cause the City of Benson's primary property taxes on a $100,000 home to increase $4.31 for the year, or $.36 a month.

For the past eight years, the City portion of property taxes collected has gradually increased from $195,000 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. In most recent years, we have seen the need to adjust our levy rate upward, as property values have decreased.
It is important to note that the City is a small portion of the total property taxes paid to the County each year. The vast majority of each tax bill goes to support the Benson School District, the San Pedro Valley Hospital and Cochise County.

As this tax levy ordinance is an administrative method of setting apart funds necessary for use and maintenance, it does not require an extraordinary ¾ vote to make it effective immediately. This determination is based on a Supreme Court decision and is fully explained in the Municipal Budget and Financial Manual provided by the Arizona League of Cities and Towns.

Staff Recommendation:

Approval of Ordinance 573

ORDINANCE 573

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, 2015

WHEREAS, by the provisions of the state law, the ordinance levying taxes for the fiscal year 2014-2015 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 of 55.31 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.

SECTION 4

This ordinance shall be in full force and effect from and after its passage by the Council and approved by the Mayor.

PASSED AND ADOPTED BY THE MAYOR AND COUNCIL OF THE CITY OF BENSON, ARIZONA, this 28th day of July, 2014.

APPROVED this 28th day of July, 2014.

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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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MESCH, CLARK & ROTHSCHILD
by GARY J. COHEN
City's Attorney