

**SUBMITTED BY:** Alejandro Martinez, Finance Director

**MANAGEMENT TEAM REVIEW:** Ana Urquijo, City Manager

**FOCUS AREA:** Other / NA

**ORGANIZATIONAL IMPROVEMENTS:** EnterTextHere

**SUBJECT:** **FIRST READING OF ORDINANCE NO. 23-1168**, an Ordinance of the Mayor and Council of the City of Douglas, Cochise County, Arizona, **LEVYING UPON** the **ASSESSED VALUATION of the PROPERTY** within the City of Douglas, subject to taxation, a certain rate upon each one hundred dollars (\$100.00) of VALUATION sufficient to raise the amount estimated to be required in the annual budget, and providing funds for general municipal expenses: all for the fiscal year ending the 30<sup>th</sup> day of June 2024; establishing severability of components of Ordinance; and establishing an effective date thereof.

**EXECUTIVE SUMMARY:**

Every fiscal year the City of Douglas is required to adopt its annual property tax levy and submit certification of the levy to the Cochise County Board of Supervisors no later than the third Monday in August. This year the certification must be submitted on or before August 21, 2023.

**BACKGROUND:**

The city was notified on 2/10/23 of the 2023 net assessed primary valuation for the city. As was done last year, we will bring to your consideration the adoption in two separate readings for the levy to be adopted in conjunction with the budget.

The following information pertains to the 2023 tax levy information:

- The primary assessed value for the city this year is \$61,168,071
- Primary assessed valuation went up \$1,936,857 or 3% (excluding new construction)
- \$1,133,659 was added to the tax rolls from new construction
- The recommended property tax rate for this year is to lower the city's property tax rate from 1.1591 to 1.1147 which would levy \$681,841
- The levy is an increase from \$669,226 to \$681,841 for a total increase of \$12,615, due to new construction.

The decrease allows for similar revenue generation while maintaining property tax rates competitive since property values have increased this year. This proposed strategy will not sacrifice revenue and also provide a lower tax rate for the citizens.

**DISCUSSION:**

Staff recommends decreasing the property tax rate to 1.1147 which would increase our levy by \$12,615 due to new construction. The city's portion of the property tax levy of \$100,000 assessed value would be at \$111.47 per year.

The primary property tax levy is used to pay for the general operations expenses of the City government.

**FISCAL IMPACT:**

\$681,841 in General Fund Revenue

**Fiscal Year:** 2023/2024

**Amount Requested:**

**Budgeted:** Y / N

**Account (s):**

**“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE THE PLACEMENT OF ORDINANCE NO. 23-1168, ON ITS FIRST READING BY NUMBER AND TITLE ONLY.”**

**“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE THE FIRST READING OF ORDINANCE NO. 23-1168, AND TO PLACE IT ON SECOND READING BY NUMBER AND TITLE ONLY.”**