

SUBMITTED BY: Alejandro Martinez, Finance Director

MANAGEMENT TEAM REVIEW: Ana Urquijo, City Manager

FOCUS AREA: Other / NA

ORGANIZATIONAL IMPROVEMENTS: EnterTextHere

SUBJECT: **SECOND READING OF ORDINANCE NO. 24-1190**, 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 30th day of June 2025 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 19, 2024.

BACKGROUND:

The city was notified on 2/08/24 of the 2024 net assessed primary valuation for the city. As was done last year, we will bring for 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 2024 tax levy information:

- The primary assessed value for the city this year is \$63,165,919.
- \$1,949,293 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 1.1147 to 1.1138 which would levy \$703,542. This is a reduction in the tax rate of 0.0009.
- The levy is an increase from \$681,841 to \$703,542 for a total increase of \$21,701, due mostly to new construction.

Lowering the tax rate facilitates equivalent revenue generation while upholding competitiveness in property tax rates amidst the current increase in property values. This proposed approach preserves revenue without compromise, while also affording citizens a reduced tax rate.

DISCUSSION:

Staff recommends decreasing the property tax rate to 1.1138 which would increase our levy by \$21,701 due to new construction and higher property assessed values. The city's portion of the property tax levy on \$100,000 assessed value would be at \$111.38 per year.

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

FISCAL IMPACT:

\$703,542 in General Fund Revenue

Fiscal Year: 2024/2025

Amount Requested:

Budgeted: Y / N

Account (s):

“...I MOVE THAT THE MAYOR AND COUNCIL APPROVE THE SECOND READING OF ORDINANCE NO. 24-1190 BY NUMBER AND TITLE ONLY.”