

Property Tax and Sales Tax Overview

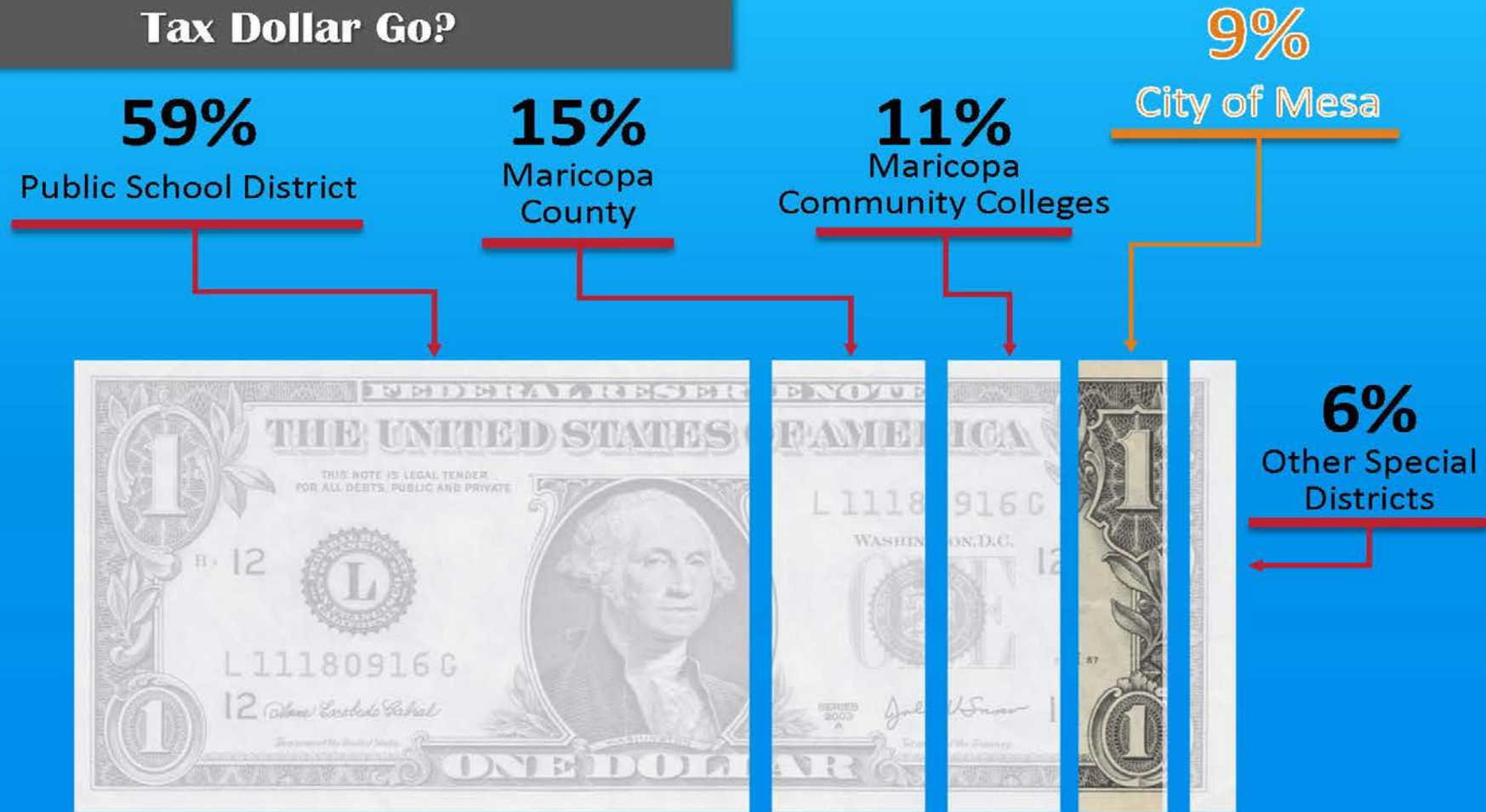
March 22, 2018

City of Mesa

Presented by: Candace Cannistraro, Management and Budget Director
Ryan Wimmer, Management and Budget Deputy Director



Where does a Mesa Resident's Property Tax Dollar Go?



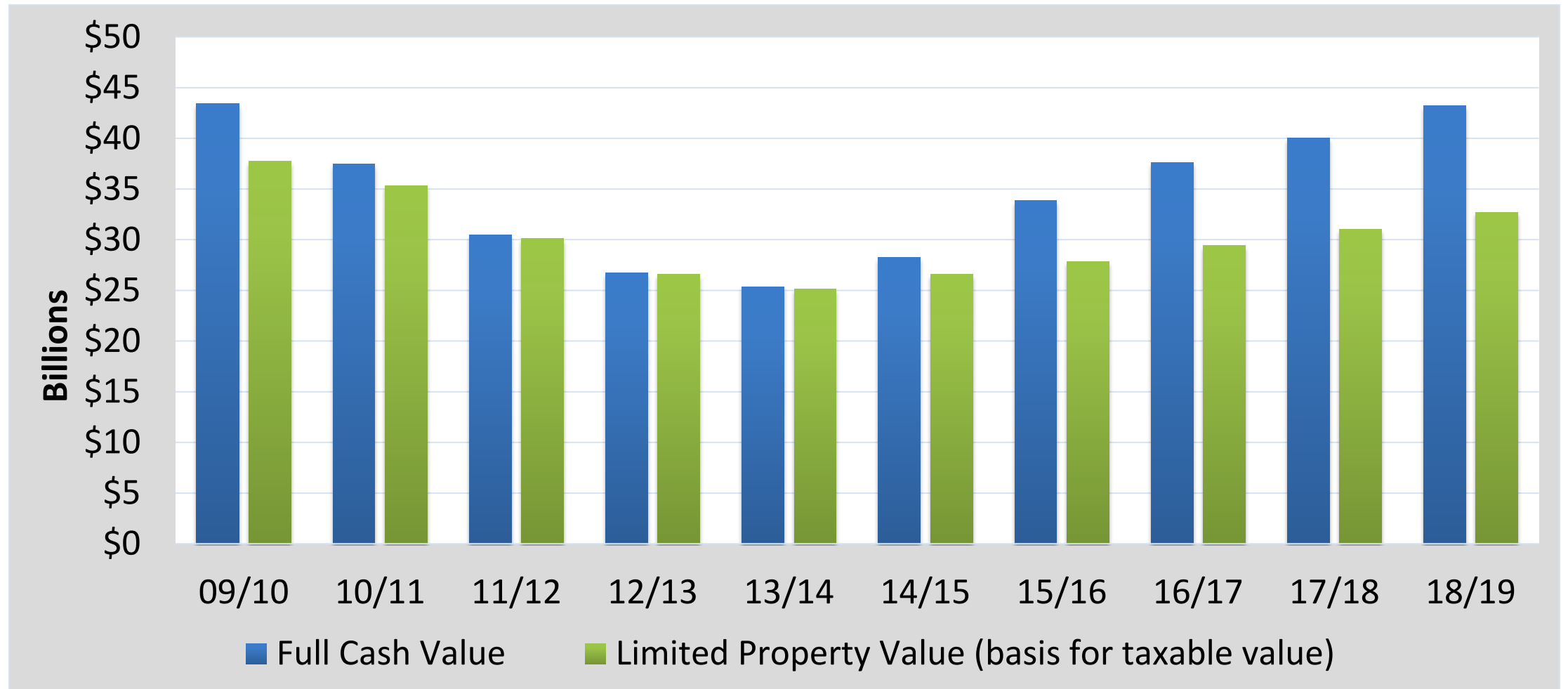
Property Tax

Type	Permitted Use
Primary	General City operations (parks, libraries, public safety, etc.)
Secondary	Debt service on General Obligation (G.O.) bonds approved by voters

Formula:

Property Value * Tax Rate = Tax Levy

Mesa Property Value by Fiscal Year



Property Value Increase FY17/18 to FY18/19

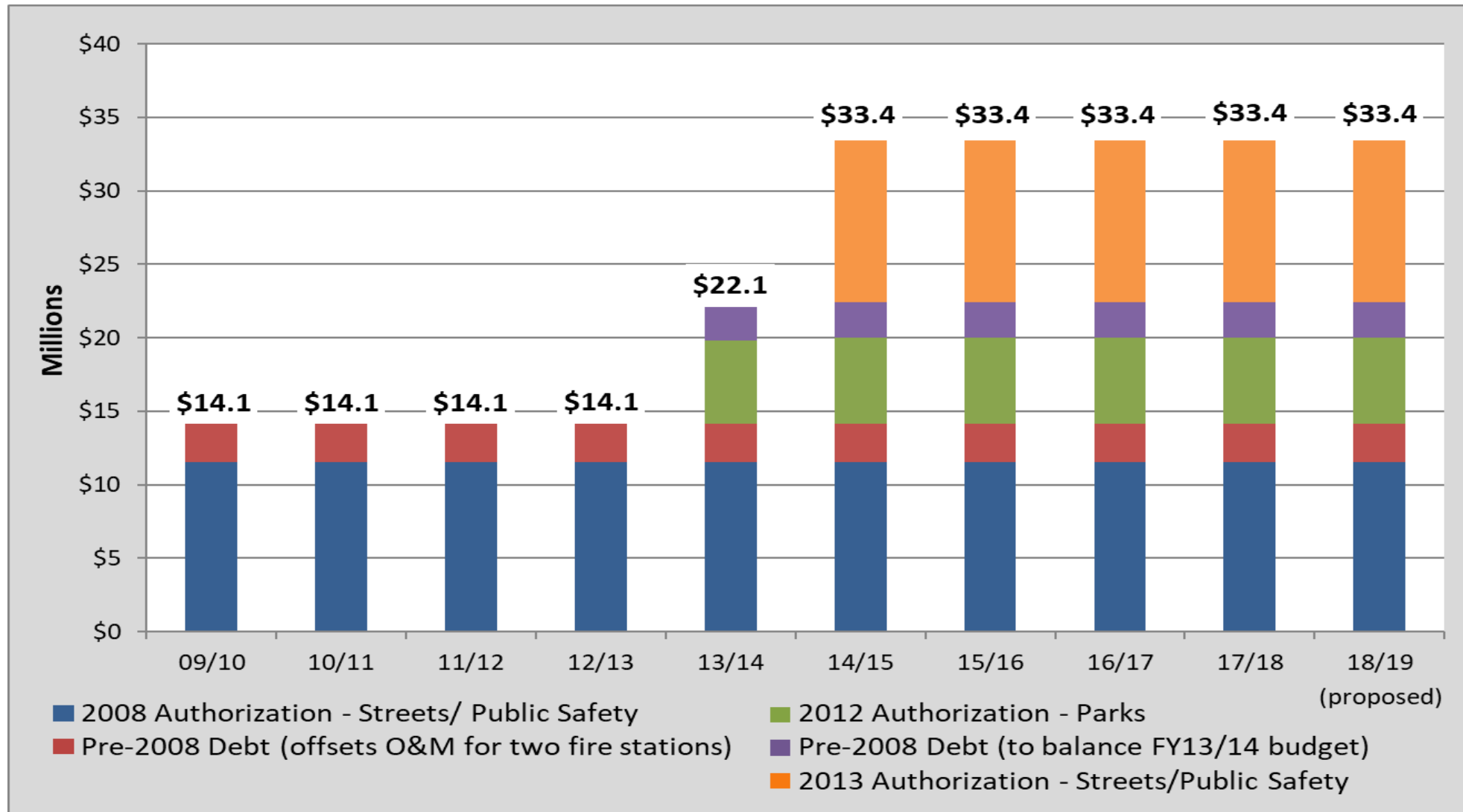
		FY17-18	FY18-19	\$ Change	% Change
a	Net Assessed Value (NAV) (taxable value)	\$3.05 Billion	\$3.28 Billion	+\$229 Million	+7.5%
b	<i>Appreciation of Existing Property</i>			+\$166 Million	+5.5%
c	<i>New Property</i>			+\$ 63 Million	+2.0%

Property Tax Decrease

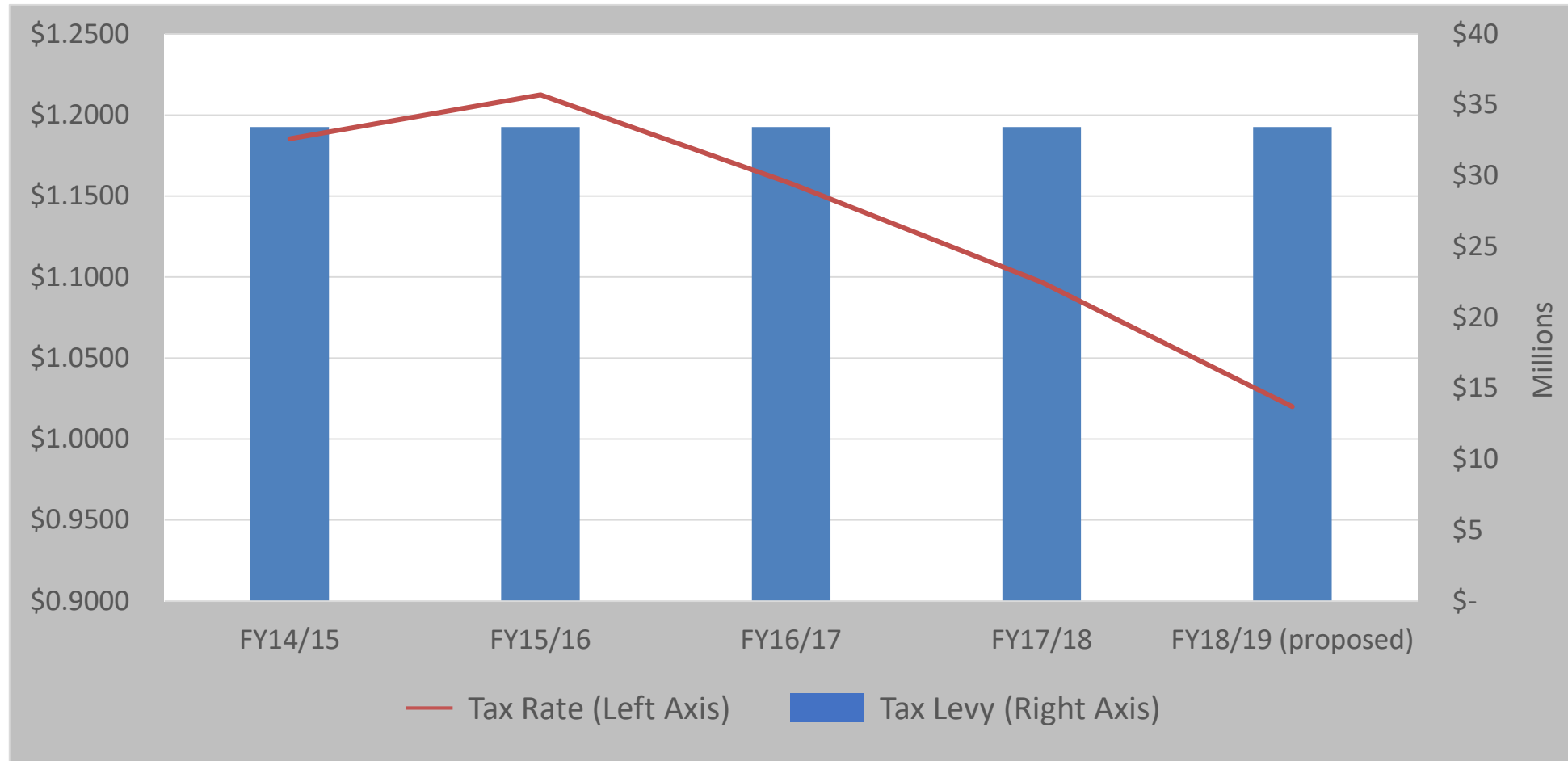
FY17/18 to FY18/19

		FY17-18	FY18-19 (proposed)	\$ Change	% Change
d	Secondary Property Tax Rate (per \$100 of NAV)	\$1.0968	\$1.0201	-\$0.0767	-7.0%
e	Secondary Property Tax Levy (NAV * Tax Rate)	\$33.4 Million	\$33.4 Million	\$0	0.0%
f	Annual Cost to Median Homeowner	\$130.59	\$127.53	-\$3.06	-2.3%

Secondary Property Tax Levy by Purpose



Property Tax Levy and Rate Past 5 Years



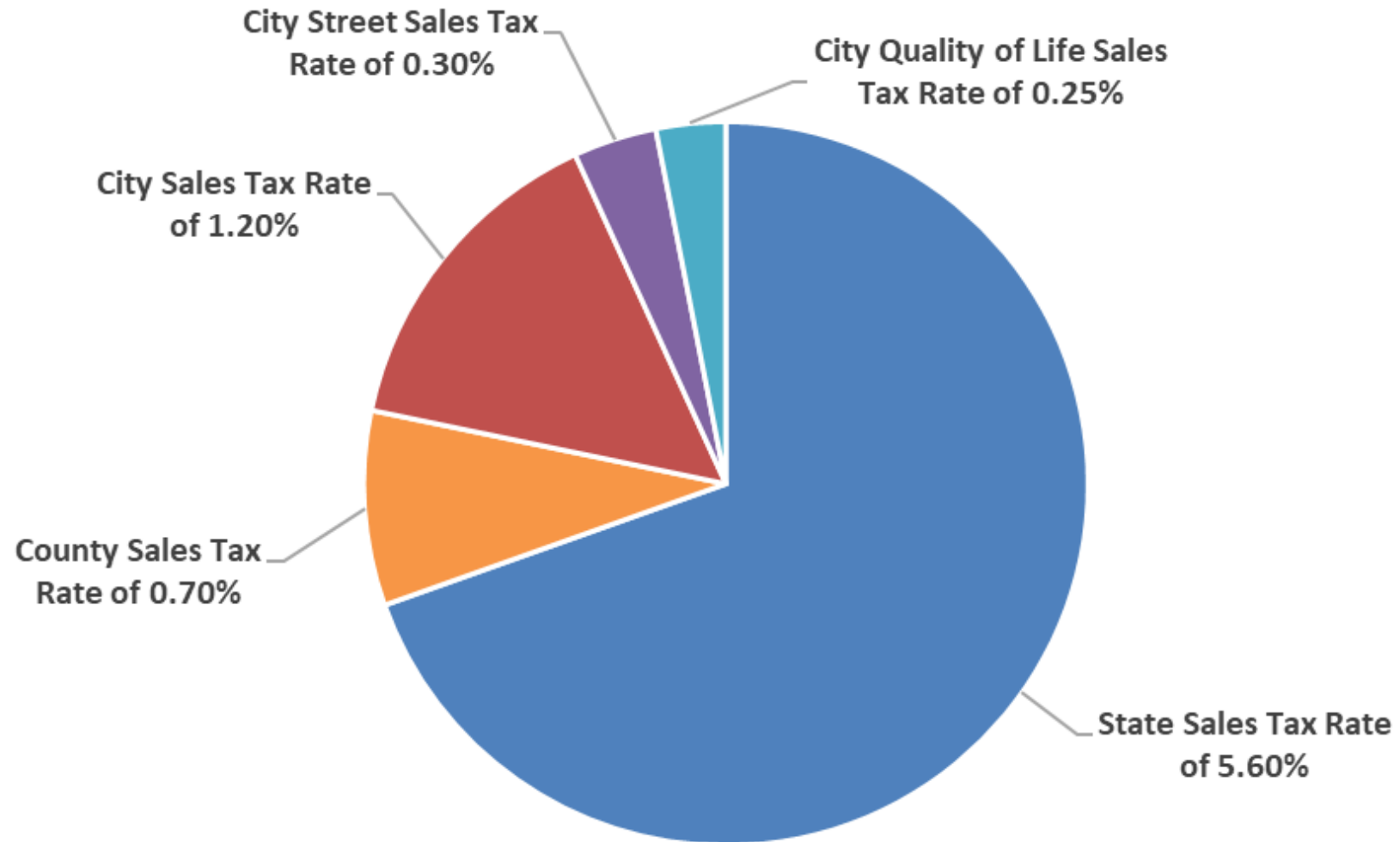
Property Tax Impact Possible 2018 G.O. Bond Election

Project Spending	Annual Cost to Median Homeowner
\$10 million	\$2.89
\$50 million	\$14.46
\$100 million	\$28.92

Median homeowner property value: \$209,000 (Estimate of sale value)

Sales Tax Rates In the City of Mesa

Total of 8.05%



Sales Tax Current Rate Structures

<u>Fund</u>	<u>Rate</u>	<u>FY 18/19 Forecast Revenues</u>	<u>FY 19/20 Forecast Revenues</u>
General Fund	1.20%	\$116.9M	\$121.7M
Quality of Life	0.25%	\$24.4M	\$25.4M
Local Streets	0.30%	\$29.2M	\$30.4M
Total – Current Rates	1.75%	\$170.5M	\$177.5M

Sales Tax Optional Rate Increases

<u>Optional Sales Tax Increase*</u>	<u>Rate</u>	<u>FY 18/19 Forecast Revenues</u>	<u>FY 19/20 Forecast Revenues</u>
0.25% Increase	0.25%	\$10.4M	\$25.4M
0.35% Increase	0.35%	\$14.6M	\$35.5M
0.50% Increase	0.50%	\$20.8M	\$50.7M

*FY 18/19 Options for Public Safety revenues assume a February 1, 2019 effective date

Retail Sales Tax Rate Comparison

City	Rate
Gilbert	1.50%
Chandler	1.50%
Scottsdale	1.65%
Mesa	1.75%
Tempe	1.80%
Phoenix	2.30%
Glendale	2.90%



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