

Yavapai County Assessor's Office

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County Assessor

What Does My Property Tax Pay For?

- Property tax revenues help fund:
 - State and Local Governments
 - Schools
 - Law Enforcement
 - Library
- Special Improvements (**voter approved**)
 - Sewer, Wastewater and Sanitary
 - Domestic Water
 - Fire Districts
 - Parks
 - Street Lights

Property Tax Explanation

The best way to explain Yavapai County's property tax system is with some simple illustrations.

Imagine a little city that consists of four homes, each exactly the same, and each appraised by the Assessor at \$100,000. Let's also say that the annual city budget for our imaginary city is \$1,000. To raise the amount of the budget, each homeowner must pay \$250. Four homes each paying \$250 raises \$1000. Our property tax system is budget based. Taxing Jurisdictions should tax enough to raise the amount in their budget. No more.

\$1000 Budget

\$1,000 Budget



\$1,000 Budget



\$200,000
Value

\$200,000
Value

\$200,000
Value

\$200,000
Value

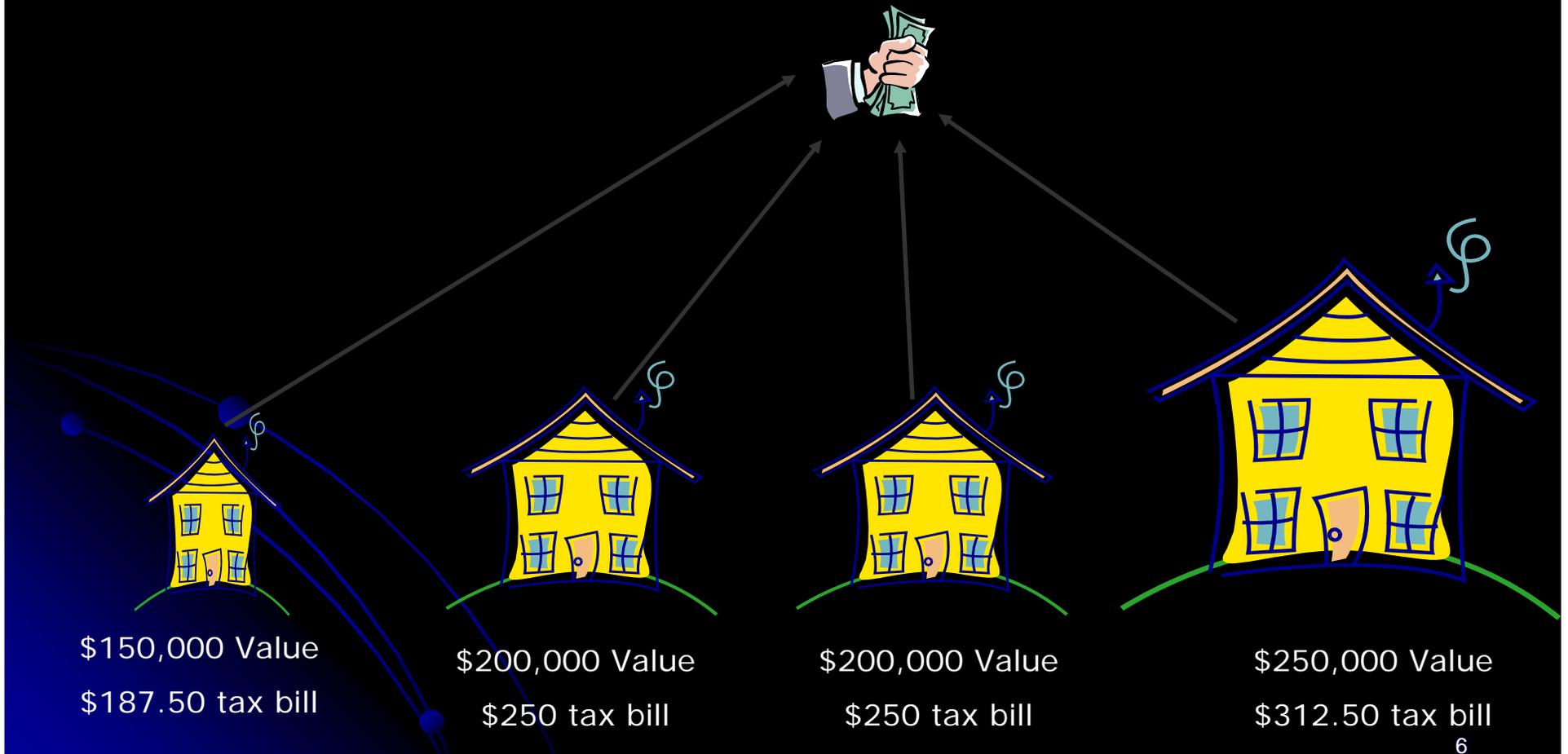
\$250 tax bill

\$250 tax bill

\$250 tax bill

\$250 tax bill

\$1,000 Budget



Three Elements Required In Property Tax Calculations:

- Assessments – Assessor
- Legal Class Code – Legislature
- Tax Rate – Taxing Jurisdictions

Assessor

- Identifies, locates and values real and personal property.
- Values are set using the market, cost and income approach.
(market value is used as the basic measuring tool)
- Assessments spread the tax responsibility over all taxable properties located within the taxing jurisdiction.

Impact Market has on Assessments

- Assessor studies actual sales to help uniformly value property. (sales ratio study)
- Each year The Department of Revenue runs their own sales ratio study between the assessments and the current market.
- If The Department of Revenue finds the Assessor's values either too low or too high, they may raise or lower those values.

Legislature

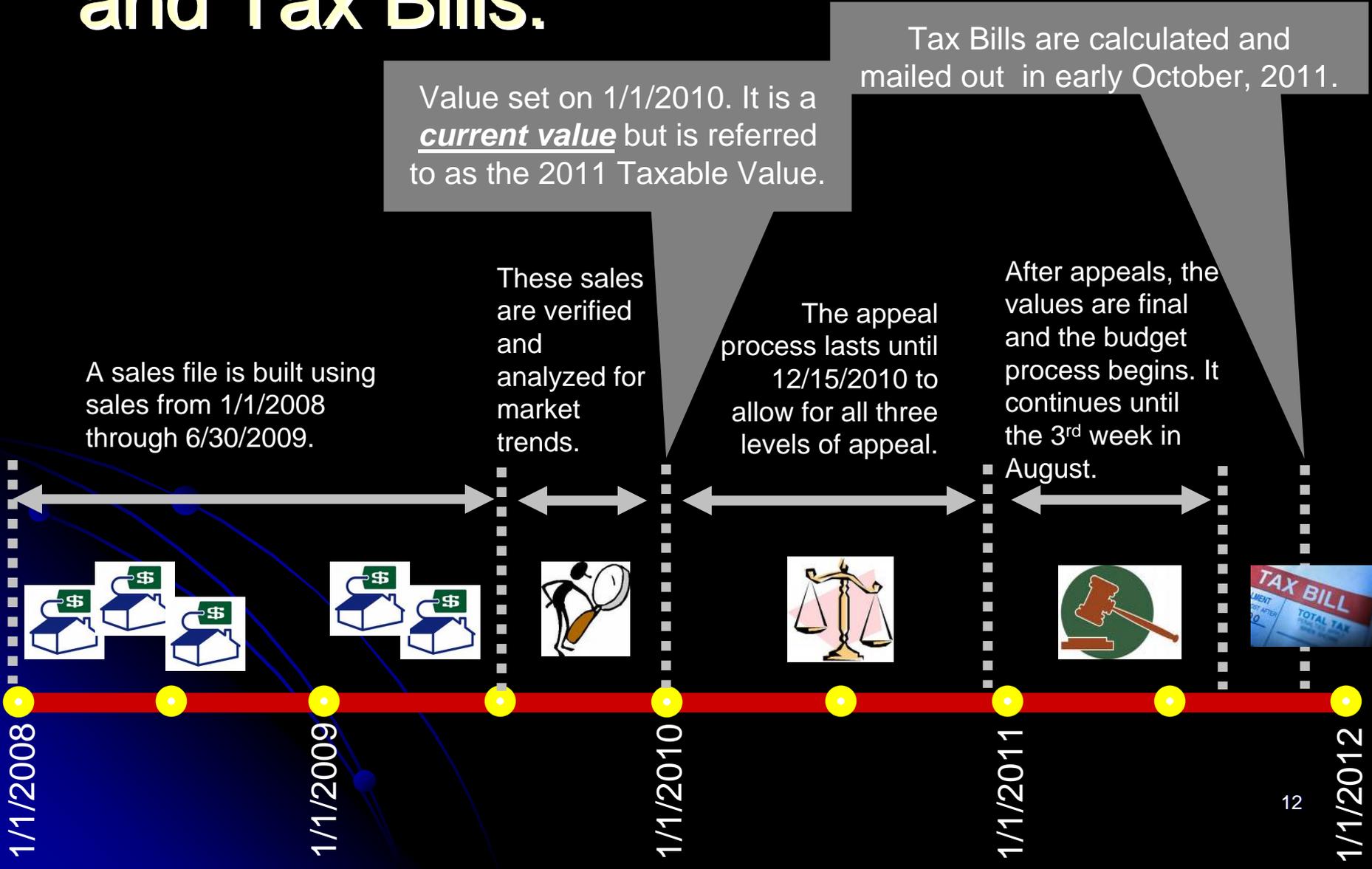
- Establishes Laws That Govern Each Arizona Assessor's Office (Title 42).
- Determines Arizona's Exemptions and Qualification Requirements.
- Establishes Property Use Classification

TAXES

Taxing Jurisdictions

- Taxing Jurisdictions set their own budgets and tax rates.
- The amount budgeted should be based on the needs and expectations of the citizens within the taxing jurisdiction, not the value of the property.

Timeline For Sales, Valuation Date and Tax Bills:



EXPLANATION OF PROPERTY VALUES

Limited Property Value

Limited Property Value:

Growth is limited to the greater of (1) 10% more than prior year's limited value or (2) 25% of the difference between the prior year's limited value and the current year's Full Cash Value.

Refer to A. R. S. §42-13301.

Limited Assessed Value:

Limited Property Value multiplied against a statutory rate/assessment ratio equals the Limited Assessed Value.

**Funds the maintenance and operational budgets
of State and Local Governments**

Full Cash Value

- Full Cash Value –

Full Cash Value is synonymous with market value. Full Cash Value shall be used as the basis for levying secondary property taxes. Refer to A. R. S. §42-11001.

- Assessed Full Cash Value

Full Cash Value multiplied against a statutory rate/assessment ratio equals the Full Cash Assessed Value.

**Funds Voter Approved Services such as
Bonds, Special Districts, etc...**

ASSESSMENT RATIO

- Assessment Ratio - A percent multiplier applied to the Full Cash Value and the Limited Property Value determines the Assessed Values.

The most commonly used classifications are:

| | | |
|----------|--------------------|-----------|
| Class 1: | Commercial (2010) | 21% ratio |
| Class 1: | Commercial (2011) | 20% ratio |
| Class 2: | Vacant Land | 16% ratio |
| Class 3: | Residential | 10% ratio |
| Class 4: | Residential Rental | 10% ratio |

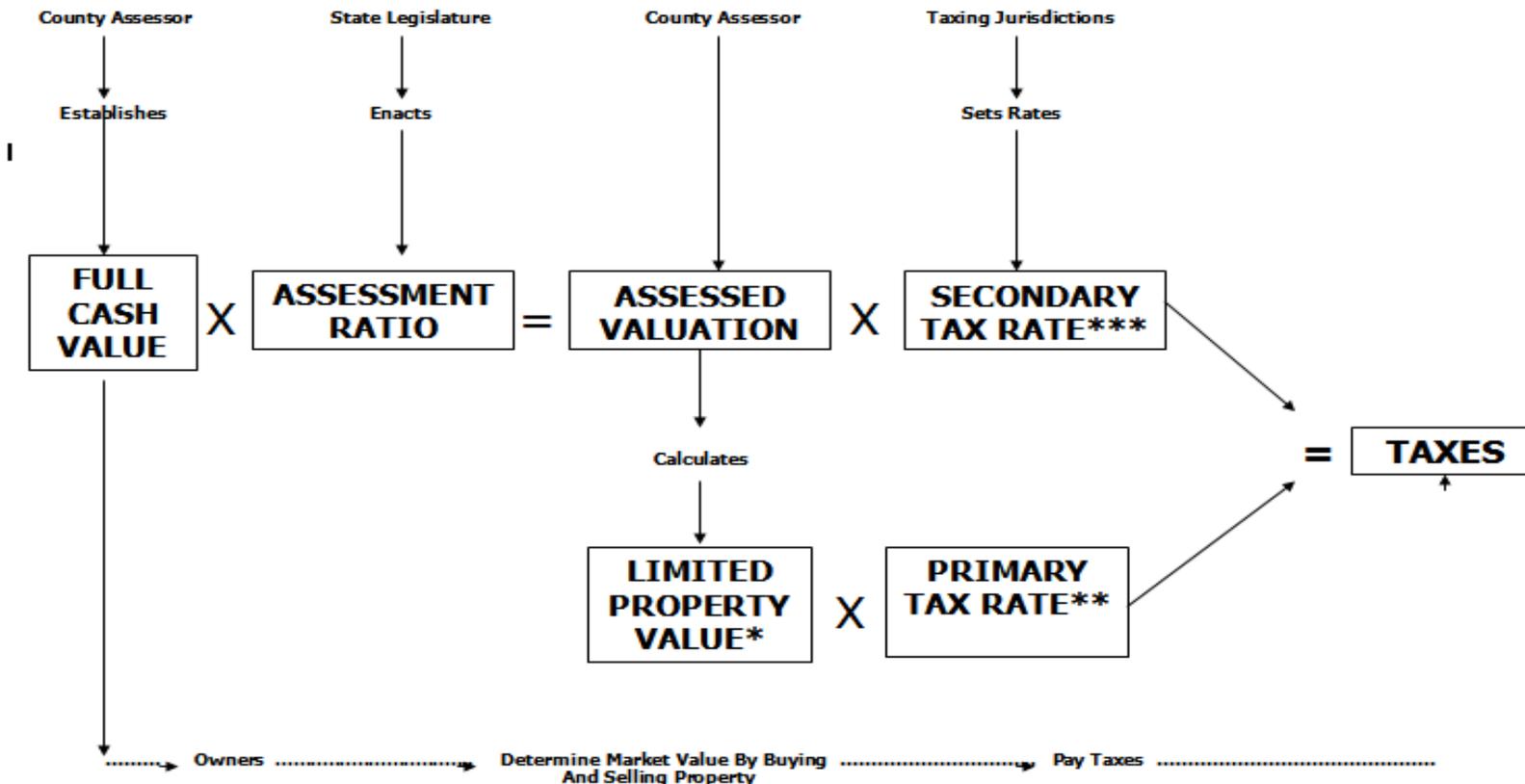
Note:

Rental does not receive state aide to education tax credit.

Commercial ratio will remain at 20% from tax year 2011 forward.

Arizona's Property Tax System

An Overview of Arizona's Property Tax System



*Limited Property Value
Calculated according to statutory
Formula and is designed to
Reduce the effect of inflation on
Property taxes. The LPV cannot
Exceed the Full Cash Value.

**Primary Tax Rate
Covers the basic expenses of
government and schools. The
greatest portion of your taxes are
used here.

***Secondary Tax Rate
Set by bond initiatives, fire and
special districts. Usually, taxpayers
vote for these overrides and the
tax rates are applied to the Full Cash
Value to determine the taxes due.

Options For Arizona Property Tax Payers

- Exemptions are available for qualified Widow/Widowers, Disabled Persons, Churches and some Non-Profit Organizations.

*Applications are accepted January 2nd through last day in February.

- Persons over the age of 65 may apply for the Senior Valuation Freeze. If they meet the qualifications, their Full Cash Value will be frozen for three years. They must re-apply after three years.

*Applications are accepted from January 2nd through September 1st.



STEVE



LEE



SCOTT

Splitting the Check

GUEST CHECK

| | |
|------------------|-------------|
| Lobster | \$30 |
| Hamburger | \$10 |
| Steak | \$20 |
| Total | \$60 |

THANK YOU

For further information, we are
on the web at

www.co.yavapai.az.us

or call us at

928-771-3220 (Prescott)

928-639-8121 (Cottonwood)