

Navajo County Community College District Truth in Taxation Public Hearing Minutes

May 17, 2011 – 11:00 a.m.

2251 East Navajo Boulevard, Holbrook, Arizona, 86025

Governing Board Members Present: Bill Jeffers, Ginny Handorf, Louella Nahsonhoya, E.L. Parsons and Daniel Peaches.

Staff Present: President, Dr. Jeanne Swarthout; Vice President, Blaine Hatch; Vice President, Mark Vest; Information Services Director, Eric Bishop; Recording Secretary to the Board, Russell Dickerson.

1. Call to Order

Chairman Jeffers called the Truth in Taxation public hearing to order at 11:00 a.m.

2. Property Tax – Vice President Hatch

Mr. Hatch reported that the college is required in Arizona Revised Statute to hold a truth in taxation public hearing and noted that the college has published notices of tax increase in the Holbrook Tribune-News and the White Mountain Independent, as well as the college website, and has complied with all publication requirements and timelines as outlined in statute. Mr. Hatch explained that the intent of the notice is to notify taxpayers in the Navajo County Community College District that the college intends to raise the primary property tax over last year's level. Mr. Hatch stated that staff is proposing an increase in the primary property tax of 2%, the maximum allowable increase that can be implemented each fiscal year, which will amount to approximately \$250,000. Mr. Hatch explained that for a \$100,000 home, the 2% increase will result in an increase in annual primary property tax to \$123.87, up from \$121.40, or a difference of \$2.43. Mr. Hatch reported that the tax increase is exclusive of taxes on new construction and noted that the college does not have any additional property tax levies for bonded indebtedness or for budget or tax overrides.

Mr. Hatch reported that in 2009-2010, the college completed payment on a 15 year general obligation bond which eliminated the secondary property tax and resulted in a reduced property tax rate of \$1.13. Mr. Hatch reported that since 2005, when the legislature changed the base year for property tax collections, the college has levied the maximum 2% increase. Mr. Hatch explained that the property tax rate for this year are increasing due to overall assessed valuation declines across the college's taxing district of approximately 8%. Responding to a question from Mr. Parsons regarding the rate of \$1.2144, Mr. Hatch explained that the truth in taxation calculation works upon the concept of average valuation change. Mr. Hatch explained that a \$100,000 assessed valuation home, currently being taxed at a rate of \$1.13, will on average decrease in assessed valuation because county assessed valuations have decreased, on average, by about 8%. Mr. Hatch explained that \$1.21 is the rate at which the home, now with an assessed valuation of approximately \$92,000 due to the 8% average decrease in valuation, would have to be taxed at in order for the homeowner to pay the same amount of property tax to NPC. Mr. Parsons stated that the current rate of \$1.13 with new growth increases to \$1.21 and added that the state statute allows for language that indicates the 2% increase is based the \$1.21 rate. Mr. Parsons stated that in reality, the Board does not have to approve any tax increase, in which case, the tax rate would remain at \$1.1352. Mr. Parsons pointed out that the 2% property tax increase that amounts to \$2.43 per \$100,000 is misleading as the tax rate is increasing 9.3% from \$1.13 to \$1.23 that will generate over \$700,000 in revenue for the college. Mr. Hatch stated that state statute requires the college to use specific truth in taxation language and figures.



3. Invitation of Public Comment

Chairman Jeffers issued a call for public comment regarding the proposed tax levy increase. Six members of the public addressed the Board to voice their opposition to the proposed 2% tax levy increase.

4. Adjournment

Ms. Nahsonhoya moved to adjourn the Truth in Taxation public hearing. Ms. Handorf seconded the motion to adjourn. *The vote was unanimous in the affirmative.*

Respectfully submitted,



Russell Dickerson
Recording Secretary to the Board

Bill Jeffers
Chairman



Ginny Handorf
Secretary to the Board

