

PROPERTY TAX OVERSIGHT COMMISSION

Arizona Department of Revenue Building



Meeting Minutes

August 14, 2023

Virtually meeting held on Google Meets

Katie Hobbs
Governor

Neeraj Deshpande
Chairman

Jim Brodnax Member	Kevin McCarthy Member
Chris Kelling Member	Vacant Member

Members in Attendance:

Neeraj Deshpande, Chairman
Jim Brodnax, Member
Kevin McCarthy, Member
Chris Kelling, Member

Staff:

Alexandra Kusen, PTOC Staff
Elaine Smith, PTOC Staff
Stephen Barney, DOR Staff
Erica Burian, DOR Staff
Jolene Christopherson, DOR Staff
Karen Jacobs, DOR Staff
Adrienne Sloat, DOR Staff
Craig McKee, DOR Staff
Hsin Pai, DOR Staff

Guests:

Timothy Hinton, Apache County
Dennise Jones Apache County Assessor's Office
Juan Frisby, Cochise County
Megan Coons, Coconino County
Cecilia Schmidt Coconino County Assessor's Office
Jami, Van Ess, Coconino Community College
Mindy Mohler, Coconino County Education Service Agency
Sarah Benatar, Coconino County Treasurer
Jacqui Clay, Cochise County Superintendent
Nikki Madden, Cochise County School Superintendent's Office
Juan Frisby, Budget Manager
Maria Pitzlin Chief Deputy Treasurer Cochise County
Mark Barnes, County Supervisors Association
Ginger Stevens, Flagstaff Unified School District
Diane Berube, Greenlee County Treasurer
Cindy Goelz, Maricopa County
Vicki Hanson, Maricopa County
Bridget Harper, Maricopa County
Robert Harwood, Maricopa County
Claudia Ramirez, Maricopa County
Phil Van Kley, Maricopa County Treasurer's Office
Heather Mock, Maricopa County School Superintendent's Office

Luke G. Mournian, Mohave County
Mike File, Mohave County School Superintendent
Craig McKee, Mohave County School Superintendent's Office
Chris Ackerley, Pima County
Anthony Batchelder, Pima County
Kelli Munroe, Pinal County
Chris Young, Santa Cruz County
Blake Brei, Stifel
Ken Cherevka, Stifel
Jillian Johnson, Stifel
Randie Stein Stifel
Martin Brennan, Yavapai County
Ken Burrell, Yavapai County Treasurer
Chip Davis, Yavapai County
Lucy Frank, Yavapai County
Judy Helms, Yavapai County
Heather McRae, Yavapai County
Renee Raskin, Yavapai County
Sharlett Smith, Yavapai County Assessor's Office
Elizabeth Valenzuela, Yuma County School Superintendent's Office

1. Call to Order

Chairman Neeraj Deshpande called the meeting to order at 11:02 a.m. and asked Commission members and staff to state their names for the record.

2. Approval of Minutes

No additions or deletions were recommended for the minutes of the meeting on August 14, 2023. Mr. Kelling made a motion to approve the minutes as distributed and it was seconded by Mr. McCarthy. The motion passed unanimously.

3. Application of Rate Cap for Type 3 Districts

Mr. McCarthy made a motion to exclude the newly imposed tax for tuition per A.R.S. § 15-992(F) as part of the maximum rate, or “frozen rate” per A.R.S. § 42-17151(C). Mr. Brodnax seconded the motion. The motion passed unanimously.

4. Coconino Community College Resolution

Jami Van Ess presented documentation. Mr. McCarthy made a motion to maintain the Coconino Community College adjusted allowable levy limit of \$12,804,717, as previously adopted by the Commission. Mr. Kelling seconded the motion. The motion passed unanimously.

5. Review County School Superintendents’ Annual Estimates of Monies for School Districts

As a result of the most recent data correction to Maricopa County levy limit worksheets, the FY 2024 full QTR decreased from \$3.3130 to \$3.3098. Under the corrected data, statewide

existing property values increased by 3.529% rather than 3.431% and new construction growth increased by 2.353% rather than 2.348%.

Historically, half the QTR is for a high school or an elementary district not offering instruction in high school or the full QTR is for a unified district or a Type 03 elementary district not within a high school district. But, House Bill 2124 changed A.R.S. § 15-992(F) to require a Type 03 district pay a “fair share” levy that mimics the QTR.

Pursuant to HB 2124 the number of high schoolers in the Type 03 district was multiplied by the average equalization base (school funding) in the county. This amount was divided by the primary assessed values and SRP assessed values to calculate the new additional tax rate. To recap, since the language in the bill did not explain how the new rate comports with the applicable QTR that exists in A.R.S. § 15-971(B), the PTOC approved the proposal from the Legislature to levy for grades 9-12 an amount equal to the lesser of the applicable QTR in A.R.S. §15-971 or the amount calculated in A.R.S. 15-992(F).

Staff presented annual estimates from superintendents. Tucson Unified’s tax rate includes the desegregation levy (or \$3.5970 total primary levy plus \$1.5644 for the desegregation levy), and Amphitheater Unified’s tax rate includes the desegregation levy (or \$3.4961 total primary levy plus \$0.2137 for the desegregation levy). The desegregation levy for both school districts is reported as a secondary levy but billed as a primary levy.

Mr. Kelling made a motion to accept the review of the primary property tax calculations as presented by staff. Mr. McCarthy seconded the motion. The motion passed unanimously.

6. Statement from PTOC Staff and ADOR

Mr. Kelling made a motion to accept the request by ADOR’s Local Jurisdictions team regarding providing guidance on the implementation of the newly imposed tuition tax. Mr. McCarthy seconded the motion. The motion passed unanimously.

7. Adjournment

With all agenda items for the meeting complete, the Chairman asked if there was a motion to adjourn. Mr. Kelling made a motion to adjourn and it was seconded by Mr. McCarthy. The motion passed unanimously. The meeting adjourned at 11:44 a.m.