



TOWN OF QUEEN CREEK

Facts about the election for a primary property tax to pay for emergency and public safety services

At the Dec. 20 Town Council meeting, Queen Creek Town Council members adopted a resolution calling for an election for a primary property tax to fund the cost of fire, emergency medical services (EMS) and law enforcement services in the Town. Below are some facts about the May 15 election.

- The Town Council-appointed Fire/EMS Service Study Committee was created in fall 2005 with the mission to research and examine available options, benefits and costs for fire/EMS services in the Town of Queen Creek. The Committee's final recommendation to the Town Council was to contract with a third party to provide fire/EMS services to all Town residents and to pay for the services with a combination of a primary property tax and an increase to the Town's sales taxes.
- The Town Council has proposed the following method to fund the operations and maintenance of a fire/EMS services contract.
 - A primary property tax of up to \$1.95 per \$100 of assessed value.
 - An increase to the general sales tax of 0.25 percent for a total of 2.25 percent.
- In the May 15 election, voters will decide on a property tax that would generate up to \$4.8 million; the Town Council is required by law to estimate the tax rate that would fund a fire/EMS contract.
- It is anticipated that the Town would need to operate and maintain three fire stations during the next five years based upon current population growth, costing \$6.5 million annually. The Town currently has one fire station.
 - The property tax would generate \$4.8 million at the maximum.
 - The sales tax would generate the remaining \$1.7 million.
- The Maricopa County Assessor establishes a Limited Property Value (LPV) for your home. The assessed value is 10 percent of the LPV. The assessed value is the number used to determine the amount of property taxes paid.

For example, an average residential home in the Town of Queen Creek has an LPV of \$210,944 (according to the Maricopa County Assessor's office).

 - The assessed value is 10 percent of the LPV or \$21,094.40 for the example home.
 - To calculate the potential fire/EMS/law enforcement property tax impact at the maximum amount that may be levied, divide the assessed value by \$100 and multiply the result by \$1.95.
 - The property tax for fire/EMS/law enforcement services for the example home would be \$411.34 per year, *if the rate was set to the maximum amount.*
- The Town of Queen Creek does not currently assess a municipal property tax. Property taxes from Queen Creek residents are assessed by counties, school districts and other special districts that are completely separate from the Town government.
- The Town recently began collecting a fire/EMS development fee to pay for some of the capital costs of the Town's fire/EMS services. Development fees, by law, may only be used for capital costs (i.e. land, buildings and equipment), not for operation and maintenance costs. Funding for ongoing operations and maintenance costs requires an additional Town revenue source.
- If the primary property tax is approved by the voters, property taxes collected by the Town would be used to pay for fire/EMS services for Town residents. The rate would be set in August 2007 by the Town Council and the tax would be collected beginning in October 2007. The third-party master fire/EMS services contract is anticipated to begin in January 2008.

For further information, contact Public Safety Division Manager Joe LaFortune at 480-358-3502 or e-mail joe.lafortune@queencreek.org.