



FY 2019-20 Streetlight Improvement Districts (SLIDs) Tax Levies

Town Council Meeting

June 5, 2019



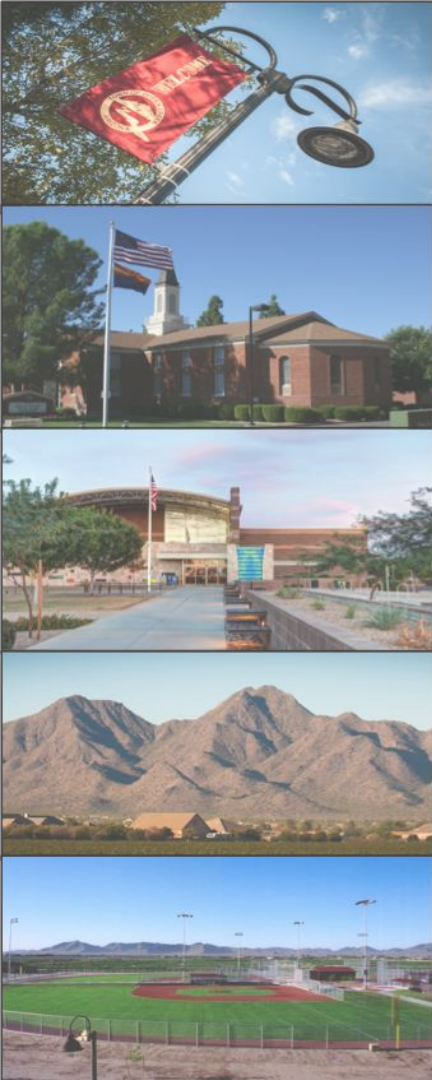
Tonight's Action

- Consider a Motion to Approve Ordinance 695-19 Setting the Secondary Property Tax Levy for Streetlight Improvement Districts for FY 2019-20 at \$560,943



SLID Overview

- Districts formed so that property owners benefitting from the streetlights pay for the operating costs
- Town must adopt ordinance levying a Special Taxing District Property Tax in an amount sufficient to pay the expense of each streetlight district in the Town



SLID Overview (concluded)

- The Property Tax Levy is Affected By:
 - Number and Types of Streetlights
 - Number of Parcels and Total Assessed Valuation (Age /Maturity of SLID)
 - Fund Balance (“Checking Account Balance”)
- Each SLID Property Tax Varies
 - Statutory Cap is \$1.20 per \$100 of Assessed Value (AV)
 - Lowest Rate : \$0.04 per \$100 of AV
 - Highest Rate: \$1.20 per \$100 of AV

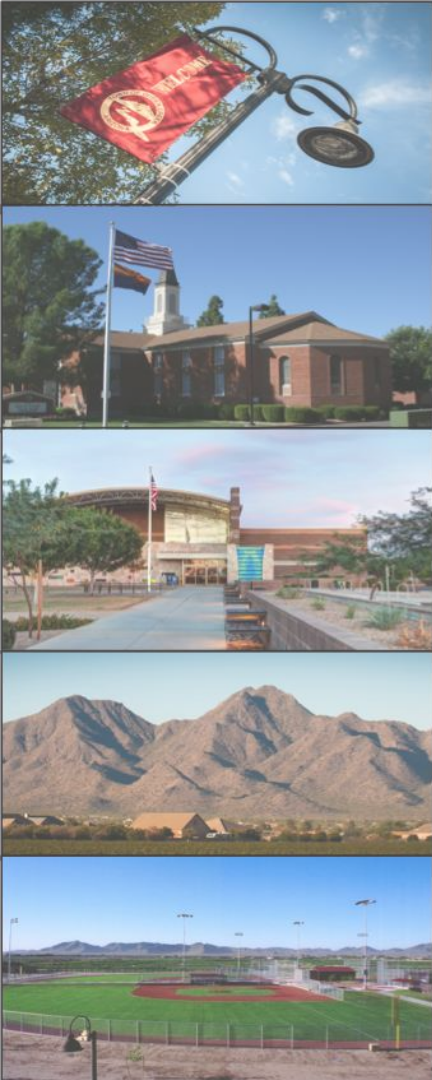
Life Cycle of a SLID

- Years 1 – 3
 - Assessed Values Are Still Developing
 - Electricity Expenses Exceed Revenues
 - Arrears Amount Created
- Year 4 – 6
 - Assessed Values Increase Enough to Pay Annual Expense
 - Arrears Amount Reduced and Eliminated
- Years 7+
 - Full Maturity
 - Levy Set to Cover Annual Expenses

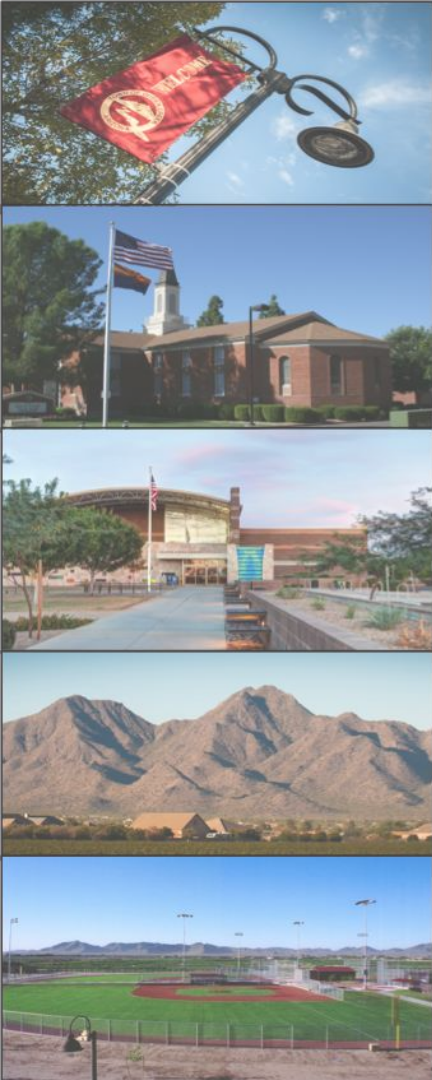


Queen Creek SLID Levy Example

Single-Family Home



	Amount
A) Limited Property Value (LPV) FY 19-20 Median	\$221,466
B) Residential Assessment Ratio	<u>10%</u>
C) Assessed Value at 10% of LPV (A x B)	\$22,147
D) Conversion to a “per \$100” AV (C/\$100)	<u>\$221</u>
E)SLID Rate per \$100 AV	\$0.25
F) SLID Assessment (D x E)	\$55



FY 18-19 SLID Reconciliation

- FY 18-19 Council Approved SLID Fund Balance Adjustments Saving Taxpayers \$232K to Reconcile Prior Years' Activities
- Annual Reconciliations of Each SLID Now Occur



FY 2019-20 SLID Summary

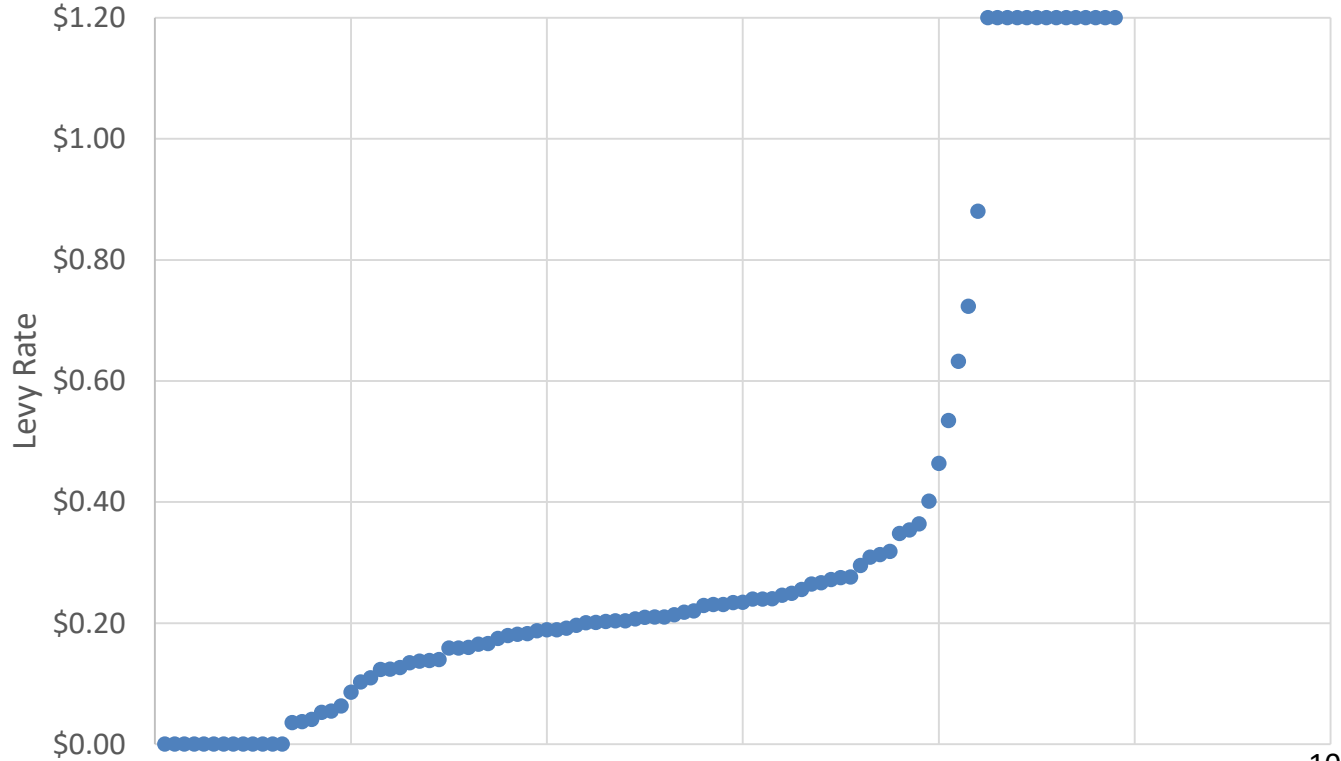
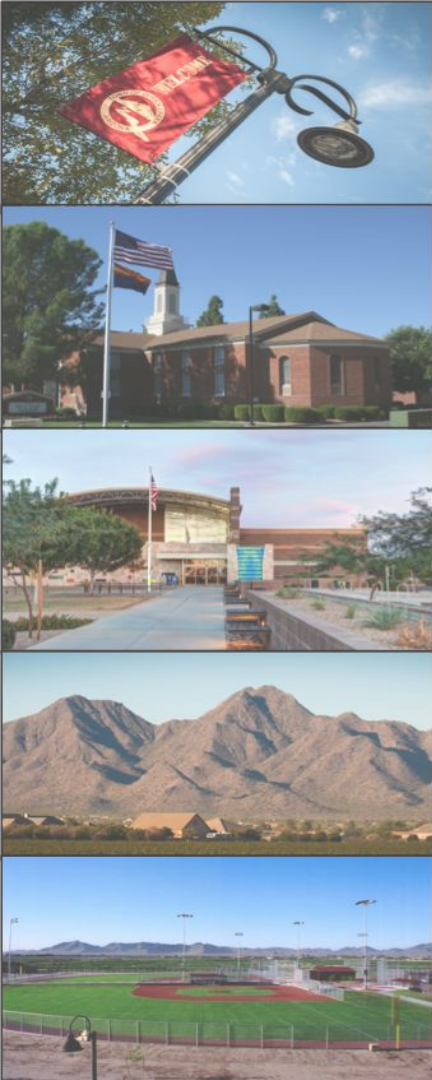
- Results of FY 2018-19 Reconciliation Continues
- Tax Levy of \$561K Is Less Than Expenses of \$680K
 - Fund Balance of \$118K Makes Up the Difference

FY 2019-20 SLIDs

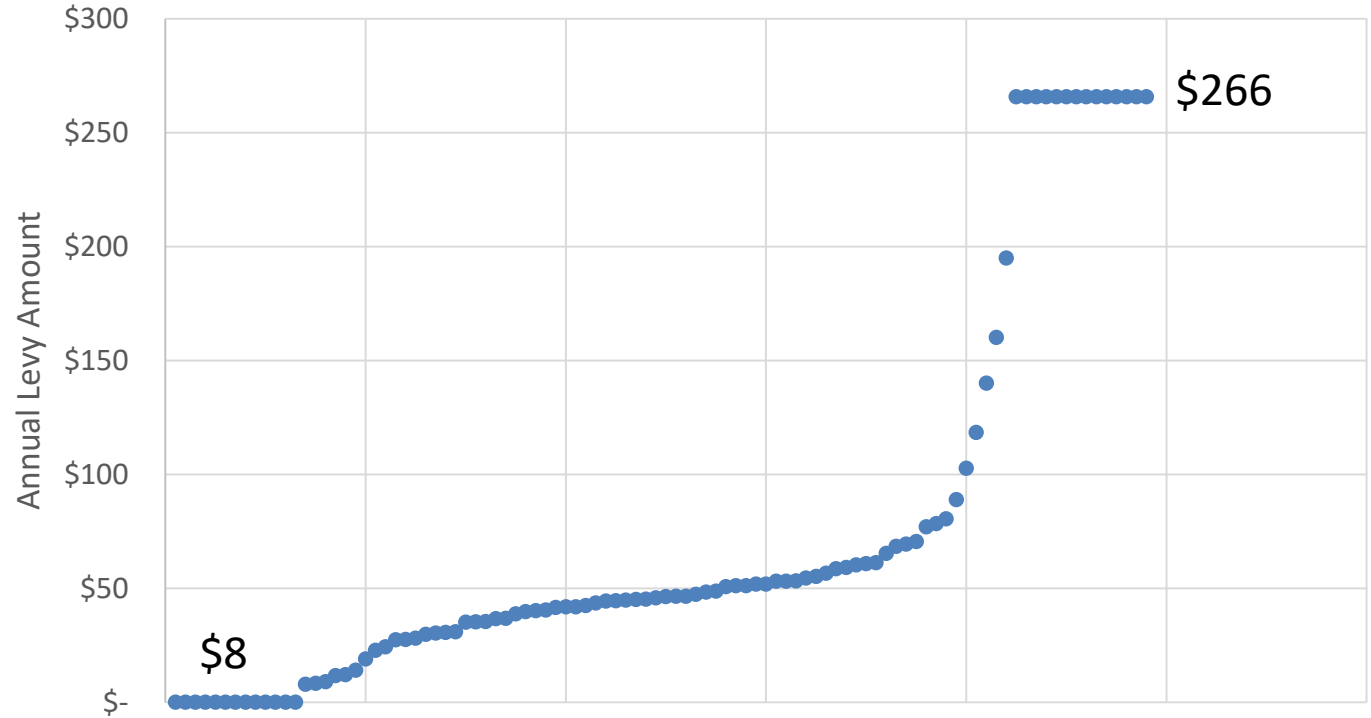
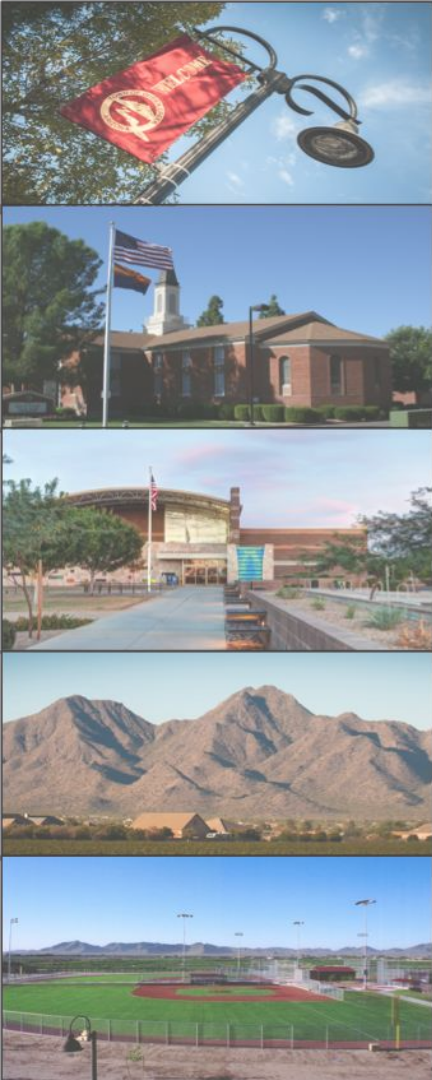
- Assessments: \$561K
- Number of SLIDs: 98
- Number of Parcels: 14,567



FY 19-20 SLID Property Levy Rates



FY 19-20 SLID Property Taxes*



* Based on \$221,466 Median Value

FY 2019-20 SLID Overview

- Status
 - Overpaid
 - Underpaid
 - New



SLID Levy/Expense Summary

FY 18-19 Levy	SLID Status	# of SLIDs	# of Taxpayers	FY 19-20 Levy	FY 19-20 Expenses	FY 19-20 Levy to FY 19-20 Expenses	Change from FY 18-19 Levy
\$383,852	Overpaid	81	12,418	\$408,240	\$550,001	\$(141,761)	\$ 24,388
<u>\$ 23,431</u>	<u>Underpaid</u>	<u>4</u>	<u>544</u>	<u>\$ 45,073</u>	<u>\$ 30,476</u>	<u>\$ 14,597</u>	<u>\$ 21,642</u>
\$407,283	Subtotal Existing SLIDS	85	12,962	\$453,313	\$580,477	\$(127,164)	\$ 46,030
<u>\$ _____</u>	<u>New SLIDs</u>	<u>13</u>	<u>1,605</u>	<u>\$107,630</u>	<u>\$ 99,309</u>	<u>\$ 8,321</u>	<u>\$107,630</u>
\$407,283	Grand Total All	98	14,567	\$560,943	\$679,786	\$(118,843)	\$153,660

Overpaid SLIDs

- 81 SLIDs (12,418 Parcels)
 - 13 SLIDs (1,281 Parcels) with Zero (\$0) Levy
 - Fund Balances Still Sufficient to Cover FY 19-20 Expenses
 - 68 SLIDs (11,137 Parcels) with Levy Set Less than Annual Expense
 - Fund Balances Used to Offset Portion of FY 19-20 Expenses



UnderPaid SLIDs

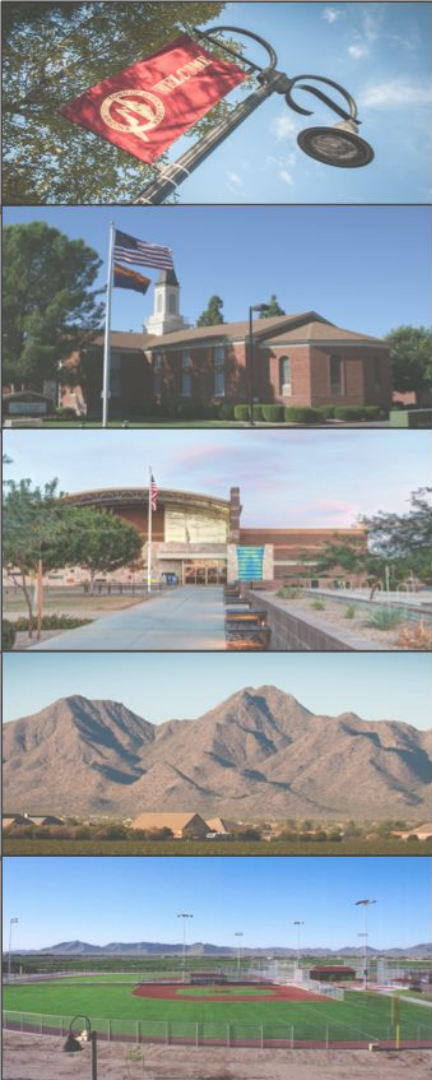
- 4 SLIDs (544 Parcels) with Levies More than Annual Expenses
 - Newer SLIDs Recovering Prior Year Expenses



New SLIDs

- 13 SLIDs (1,605 Parcels) being Levied for the First Time
 - 11 SLIDs (1,297 Parcels) Set at Maximum Levy Rate of \$1.20
 - 2 SLIDs (308 Parcels) Set Lower Than Maximum
 - Assessed Values Sufficient to Recover Costs at Less than Max Rate





Action Required

- Approve Ordinance 695-19 Setting the Secondary Property Tax Levy for Streetlight Improvement Districts for FY 2019-20 at \$560,943