

In May 2018 the Coconino County Flood Control District Board of Directors affirmed the boundaries of the County's Flood Control District (FCD) to ensure that the District is established in accordance with Arizona Revised Statutes. Based on a recent review of FCD policies by independent legal counsel, this affirmation determined that the FCD boundaries must be "contiguous with and coterminous to" the boundaries of Coconino County and include all taxable properties within it. In addition, this review found that the Flood Control District Tax must be levied on all taxable properties within the County including the municipalities of Flagstaff, Fredonia and Page that manage their own floodplain administration responsibilities and have been exempt from FCD taxation since the Flood Control District was formed in 1984. This means that the Flood Control District tax will now appear on all tax bills within Flagstaff, Page and Fredonia. Coconino County is now taxing all private properties within all municipalities consistent with Arizona's 14 other counties who all assess flood control district taxes on all properties within their boundaries (regardless of floodplain management).



County flood control districts are charged with reducing the risk of flood loss; minimizing the impact of floods on human safety, health and welfare and restoring and preserving the natural and beneficial values served by floodplains. The FCD Board of Directors sets each year's budget based on a set of priorities and projects. Recently the District Directors established forest restoration as the top priority to mitigate the threat of catastrophic wildfire and post-wildfire flooding. The current FCD budget remains at approximately \$2.2 million for Fiscal Year 2019 and the tax rate for Tax Year 2018 will drop to 18.08 cents on \$100 of assessed property valuation. The Directors may elect to increase the budget and thus the rate in any given year up to statutory cap of 50 cents on \$100 of assessed property valuation.

County flood control districts are charged with reducing the risk of flood loss; minimizing the impact of floods on human safety, health and welfare and restoring and preserving the natural and beneficial values served by floodplains. The FCD Board of Directors sets each year's budget based on a set of priorities and projects. Recently the District Directors established forest restoration as the top priority to mitigate the threat of catastrophic wildfire and post-wildfire flooding. The current FCD budget remains at approximately \$2.2 million for Fiscal Year 2019 and the tax rate for Tax Year 2018 will drop to 18.08 cents on \$100 of assessed property valuation. The Directors may elect to increase the budget and thus the rate in any given year up to statutory cap of 50 cents on \$100 of assessed property valuation.

**What will be the resulting tax bill to homeowners and commercial properties given the boundary affirmation?**

**Residential Properties:** the annual FCD tax rate of 18.08 cents per \$100 of assessed property valuation translates to an estimated FCD tax bill for a home valued as shown below.

- ❖ Home Valuation = \$100,000 @ 18.08 rate = FCD Tax Bill of \$18.08
- ❖ Home Valuation = \$200,000 @ 18.08 rate = FCD Tax Bill of \$36.16
- ❖ Home Valuation = \$300,000 @ 18.08 rate = FCD Tax Bill of \$54.24
- ❖ Home Valuation = \$400,000 @ 18.08 rate = FCD Tax Bill of \$72.32
- ❖ Home Valuation = \$500,000 @ 18.08 rate = FCD Tax Bill of \$90.40

**Commercial Properties:** As an example, the FCD commercial property tax bill for a property valued at \$500,000 would be calculated as follows:

- ❖ Commercial property value assessed at \$500,000
- ❖ Property value multiplied by 18% (commercial assessment ratio) = \$90,000 (Assessed Value)
- ❖ Assessed value is divided by 100 (taxes are paid on every \$100 worth of assessed value) = \$900
- ❖ \$900 multiplied by .1808 (FCD tax rate reflecting current FCD budget) and using the total assessed value of all private properties within the County = \$1.4 Billion)
- ❖ FCD Commercial Property FCD Tax Bill @ \$500,000 valuation is **\$162.72**

**Why were Flagstaff, Page and Fredonia originally excluded from FCD taxation?**

At the time the FCD was established in 1984, the interpretation of state statute was that those cities and towns that administered their floodplains could "opt out" and not be included in the taxing area for the FCD. Per the Board's recent affirmation, however, independent floodplain administration does not exempt communities within the County's boundaries from their FCD tax obligations.

