



**PIMA COUNTY, ARIZONA  
BOARD OF SUPERVISORS POLICY**

<b>Subject:</b> <b>General Fund Impact of State Legislature Cost Shifts and Disclosure of these Cost Shifts to Taxpayers</b>	<b>Policy Number</b>	<b>Page</b>
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**Purpose**

To establish Pima County policy for evaluating and publicizing the annual primary or secondary property tax levy for funding General Fund increased expenditures due to State Legislature Cost Shifts (Cost Shifts).

**Policy**

The Board of Supervisors supports the full disclosure of how Cost Shifts affect Pima County taxpayers. In order to evaluate cost shifts enacted by the State Legislature to Pima County, staff will provide the Board of Supervisors with a report showing the equivalent amount the primary property or secondary property tax rate would need to be increased in the budget year following the Cost Shift.

The primary or secondary property taxes to be levied annually may include a Cost Shifts component based on the sum of cost shifts enacted by the State Legislature during the prior year. This will be calculated by dividing the increase in Cost Shifts by the applicable year’s primary property tax base (Taxable Net Assessed Value of property/ divided by \$100).

An example of this calculation is shown below for an estimate of \$1 million increase in Cost Shifts using the Fiscal Year 2021/2022 primary property tax base:

	<b>FY 2021/22</b>
<b>State Legislature Cost Shift</b>	\$ 1,000,000
<b>Primary Net Assessed Value/100</b>	\$ 96,961,504
<b>Change to Primary Tax Rate</b>	\$ 0.0103

The County Administrator shall include recommendations within the annual Recommended Budget and the Tentative Budget consistent with this policy for possible allocations to and expenditures from the General Fund.

The County Administrator will provide a written statement regarding the Cost Shifts in or on the property tax bill sent to Pima County taxpayers describing the amount and tax impact of the Cost Shifts.

Adopted Date: August 10, 2021  
 Revised Date: August 15, 2022  
 Effective Date: August 15, 2022