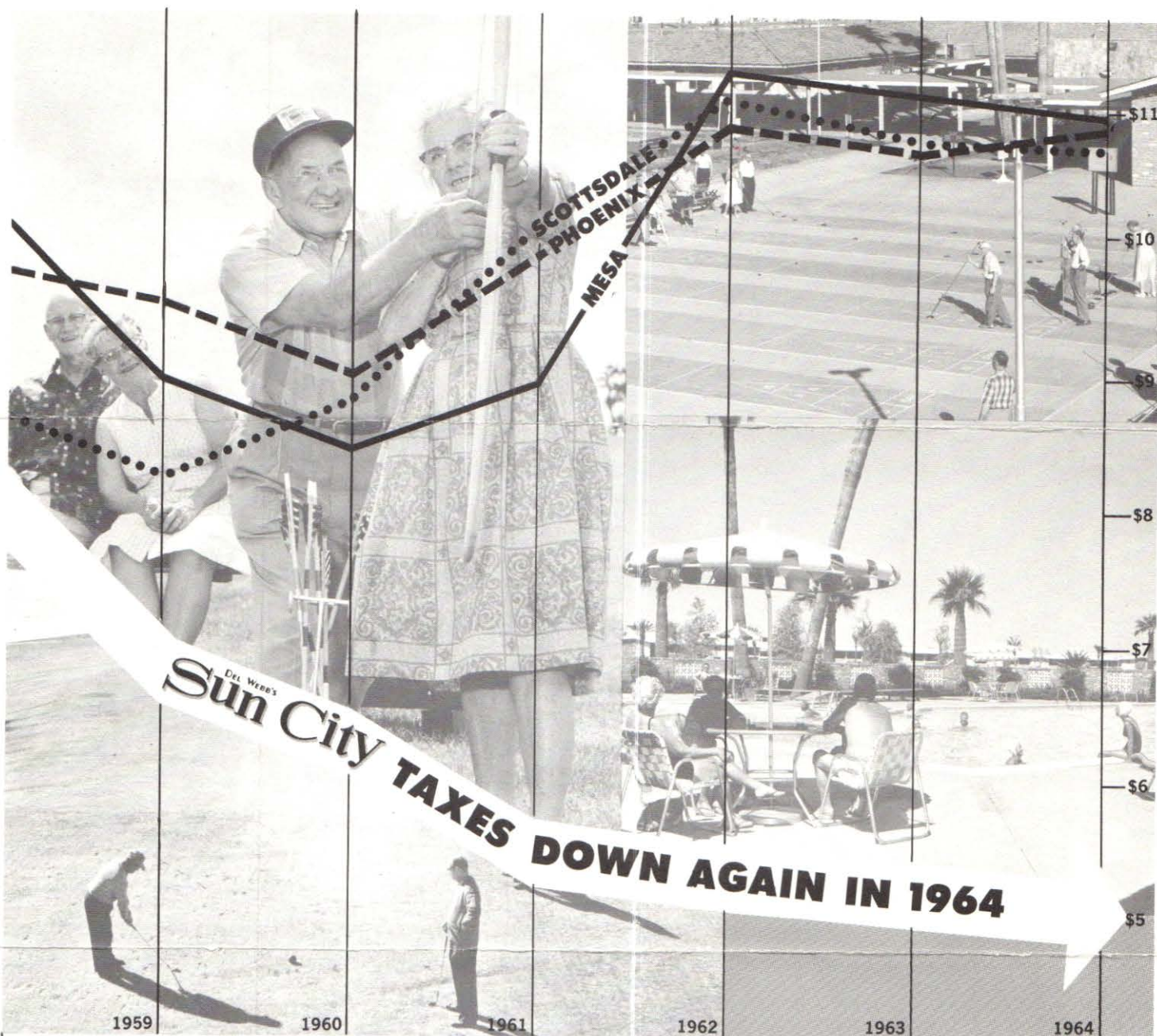


This is a reproduction of an Advertisement which appeared in the Arizona Republic April 14, 1965



LIVE it up...while taxes go down

Well, it happened again! Sun City residents paid lower taxes in 1964 than they did the year before. It was the sixth straight year that Sun City taxes have gone down while taxes in surrounding communities have gone up and up.

The fortunate folks living in Sun City actually paid less than half what their taxes would have been in Phoenix, Mesa, Scottsdale and similar Arizona cities! The 1964 tax rate in Sun City was just \$5.04 per \$100.00 compared with \$10.82 for Phoenix, \$10.95 for Mesa and \$10.79 for Scottsdale. Simple arithmetic shows a saving of 54% or more!

Lower taxes are just one reason Sun City residents

get more value from every dollar . . . more living from every day. What is your idea of "living it up"? Whether you like golf, shuffleboard, bridge, square dancing, swimming, lawn bowling, arts & crafts, cultural groups, civic clubs or just good conversation — you'll find warm, friendly neighbors on every side who enjoy the same things, ready to welcome you.

If you are fortunate enough to be on the freedom side of fifty, Sun City is the place where you can belong. It offers everything you could possibly want — including lower taxes!

Visit Sun City soon . . . get all the details on this active new way of life!

Models open daily 8 A.M. - 6 P.M.

DEL WEBB'S
Sun City

Northwest of Phoenix out Grand Avenue



Built by DEL E. WEBB DEVELOPMENT CO.

A SUBSIDIARY OF

DEL E. WEBB CORPORATION

COMMUNITY DEVELOPMENT DIVISION



THE FACTS SPEAK FOR THEMSELVES

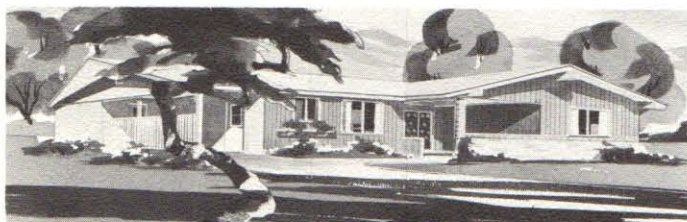
We cannot control taxes in Sun City and certainly wouldn't guarantee that taxes will **continue** their downward trend. Nevertheless, it is a fact . . . Sun City real estate taxes have been reduced **every** year since 1958! □ In the face of generally rising taxes in Arizona and nationwide, we think you will agree that lowering taxes for Sun City citizens is a rather remarkable benefit.



THE SAGUARDO Compact for easy care, yet with a spacious air from kitchen, dining room and beautiful living room to king-size master bedroom that can double as a den.
ESTIMATED TAX BASED ON 1964 RATES **\$124.98**



THE MODERNAIRE A lovely L-shaped living-dining room and kitchen lead onto an insulated covered lanai. Built-in electric range, oven, hood, garbage disposer, and fine cabinets round out the ideal kitchen.
ESTIMATED TAX BASED ON 1964 RATES **\$138.64**



THE BRENTWOOD A stunning home featuring a lanai surrounded by all the living areas. The master bedroom suite includes a dressing area. Both bedrooms have walk-in closets and a full, luxurious bath. The fully equipped kitchen has a breakfast area and pantry.
ESTIMATED TAX BASED ON 1964 RATES **\$164.20**



THE PONDEROSA A rear living room and dining room opening onto the rear yard and covered lanai, as well as three bedrooms and two baths. The kitchen is fully equipped and there is ample storage space inside and out.
ESTIMATED TAX BASED ON 1964 RATES **\$188.49**



THE WESTERNER A beautiful home featuring a leisure room, deluxe kitchen, master bedroom suite, large second bedroom with luxurious bath and a large, covered lanai extending from the leisure room, and many built-in extras.
ESTIMATED TAX BASED ON 1964 RATES **\$187.88**



THE RIVIERA A classic courtyard with the living room, leisure room and master bedroom suite, all opening onto a covered lanai. Three bedrooms, two baths, dining and breakfast areas and a workshop. The kitchen features built-in electric appliances and walk-in pantry.
ESTIMATED TAX BASED ON 1964 RATES **\$221.38**



APARTMENT A-1 For full comfort and economy without the bother of a large house. Bedroom and bath, covered carport, fenced patio, electric kitchen, furnace, cooler and automatic lawn sprinkler system.
ESTIMATED TAX BASED ON 1964 RATES **\$83.74**



APARTMENT A-3 Two bedrooms, two baths, dressing room, covered entrance porch, foyers, pantry, Frigidaire Flair electric range, rear living room, covered lanai and ample storage facilities are just a few of the "extras".
ESTIMATED TAX BASED ON 1964 RATES **\$164.70**

TO HELP YOU COMPARE...

Sun City taxes with those in other areas, we have described above six basic homes and two apartments, showing the estimated taxes on each.

The sooner you come to live in Sun City, the sooner you can take advantage of this lower tax structure. Let us hear from you soon.

for lively adult living
DEL WEBB'S
Sun City
WHERE ACTIVE RETIREMENT ORIGINATED

Examples of typical LOW TAXES levied on Sun City homes

Average County Taxpayer Due for Jolt in Pocketbook

Arizona Republic - Wednesday, July 20, 1966

CUT YOUR PROPERTY TAX 50%

Move to Sun City
Arizona's Most Beautiful City!

COMPARE SUN CITY'S TAX RATE WITH OTHER COMMUNITIES

Phoenix Elementary	\$11.82
Scottsdale	11.44
Tempe	11.60
Glendale	11.72
Mesa	11.70
Madison	11.98
Washington	11.11
SUN CITY	5.66

In addition to low taxes, enjoy a multi-million-dollar resort for just \$20 a year or 5½ cents a day.

This includes over 100 clubs, arts and crafts shops, swimming, shuffleboard, lawn bowling.

Play golf for 47¢ a round, annual basis.

**RETIRED OR NOT, YOUR BEST BUY
IS IN BOOMING SUN CITY!**

You can move to Sun City right now, even though you may still be fully engaged in your career. Have all the conveniences of this complete, thriving community and still be closer to downtown Phoenix than many Scottsdale and Paradise Valley areas. If you are 50 or over, retired or not, you owe it to your pocketbook, your happiness and your future to investigate and invest in Sun City today!

for lively adult living

DEL WEBB'S

Sun City

12 Miles Northwest of Phoenix out Grand Avenue



Built by DEL E. WEBB DEVELOPMENT CO.

A SUBSIDIARY OF*

DEL E. WEBB CORPORATION

COMMUNITY DEVELOPMENT DIVISION



TAXES DOWN AGAIN

Again and again, year after year, as others pay more, Sun Citians' tax bills get smaller and smaller.

In fact, this year, SUN CITIANS are PAYING LESS THAN ONE-HALF what residents of Mesa, Scottsdale and Phoenix must pay.

For instance, on a \$15,000 home in Sun City, the taxes are approximately \$223. With Mesa's rates, that are 2.13 times as much, that bill would be \$477 for the Mesa homeowner.

That's a savings of \$254... a lot of money, and particularly to a retirement budget. For the average Sun City family, it's like getting your telephone, gas, and water free for an entire year and still have plenty left over for groceries or clothing.

And low taxes are just *one* of the reasons Sun Citians' budgets get so much more out of life. Residents also have full use of all the fine facilities they could want for recreational fun, creative work and social and cultural activities for just \$20 per person, per year... they play that beautiful championship golf course at greatly reduced rates... AND their top-quality homes and cooperative apartments are priced from just \$9,950.

If you're lucky enough to be 50 or more, you can be sure that you'll get more from every dollar and more from every day in...

19	
45	
27	
24	
1.25	
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0.10	
0.12	
0.11	
0.42	
0.42	
Rate Per Lot	
2.03	
10.00	
20.00	
5.00	
17 13.64	
22 2.85	

DEL WEBB'S Sun City

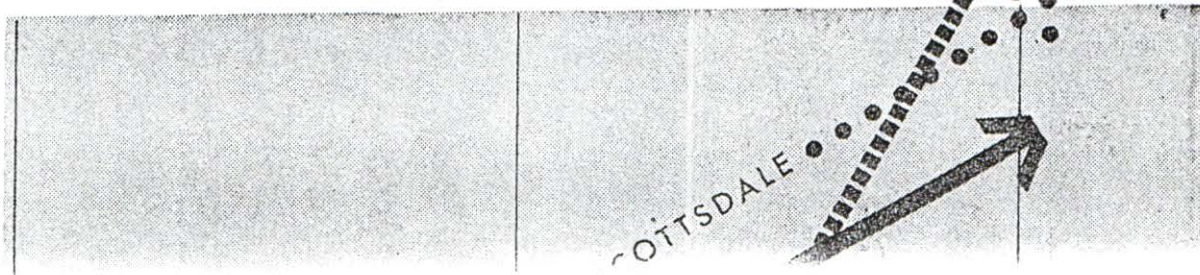
12 Miles NW of Phoenix out Grand Avenue

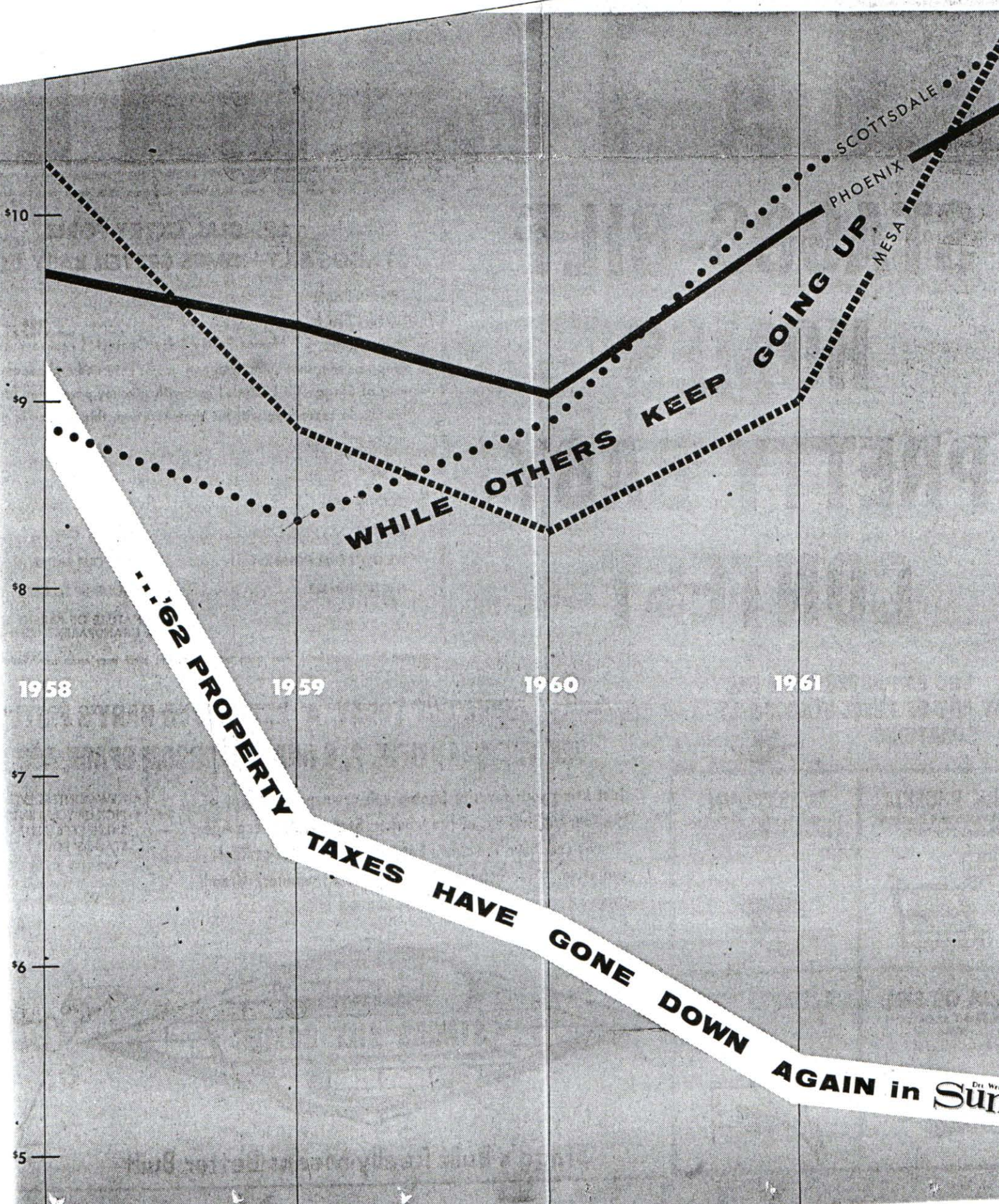


Built by DEL E. WEBB DEVELOPMENT CO.

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DEL E. WEBB CORPORATION





WHILE OTHERS KEEP GOING UP

1962 PROPERTY TAXES

HAVE GONE DOWN AGAIN in Sun

SCOTTSDALE
PHOENIX
MESA

1958 1959 1960 1961

\$10
\$9
\$8
\$7
\$6
\$5

Dr. Wren's Sun

1968 TAX RATE - MARICOPA COUNTY, ARIZONA

State of Arizona	\$2.16
Maricopa County	1.97
City of Phoenix	1.75
Jr. College District	0.49

Compiled by
WM. J. FELDMEIER
Finance Director

Code		Rate Per \$100 Value	Code		Rate Per \$100 Value
879	Apache Country Club Estate	\$0.21	884	Meriway Manor	\$0.15
894	Cactus Gardens No. 1	0.18	903	Moon Valley Gardens	0.08
905	Cactus Gardens No. 2	0.15	825	Mesa Country Club Park	0.38
817	Cavalier	0.42	870	McCormick Estates No. 1	0.41
838	Cox Heights No. 1	0.24	902	Paradise Valley No. 2	0.14
839	Cox Heights No. 2	0.30	837	Scottsdale Country Ac #1	0.28
853	Cox Heights No. 3	0.19	801	Scottsdale Estates No. 1	0.42
888	Cox Heights No. 4	0.21	816	Scottsdale Estates No. 2	0.34
886	Cox Heights No. 6	0.18	821	Scottsdale Estates No. 3	0.30
885	Cox Heights No. 7	0.18	812	Scottsdale Estates No. 4	0.39
878	Cox Meadows No. 1	0.10	827	Scottsdale Estates No. 5	0.31
915	Cox Meadows No. 4	0.11	849	Scottsdale Estates No. 6	0.24
836	Dreamland Villa No. 1	0.37	848	Scottsdale Estates No. 7	0.30
840	Dreamland Villa No. 2	0.17	850	Scottsdale Estates No. 8	0.26
859	Dreamland Villa No. 3	0.30	851	Scottsdale Estates No. 9	0.27
872	Dreamland Villa No. 4	0.25	852	Scottsdale Estates No. 12	0.22
890	Dreamland Villa No. 5	0.33	868	Scottsdale Estates No. 16	0.33
909	Dreamland Villa No. 6	0.32	802	Scottsdale Highlands No. 1	0.28
919	Dreamland Villa No. 7	0.33	813	Scottsdale Highlands No. 2	0.33
921	Dreamland Villa No. 8	0.64	864	Scottsdale Highlands No. 4	0.23
819	Dutchtowne No. 1	0.07	896	Scottsdale Highlands No. 5	0.36
822	Dutchtowne No. 2	0.03	854	Southern Meadows	0.42
844	Esquire Villa No. 1	0.13	920	Southern Meadows No. 2	0.57
855	Glenmar No. 1	0.91	917	Sun City No. 5	0.30
876	Hallcraft No. 3	0.17	916	Sun City No. 6	0.47
820	Hidden Village	0.25	923	Sun City No. 6-C	0.52
913	Holiday Gardens	0.18	924	Sun City No. 6-D	0.56
869	J & O Frontier Place	0.24	925	Sun City No. 6-G	0.45
804	Maryvale No. 1	0.21	898	Surrey Heights No. 2	0.06
805	Maryvale No. 2	0.21	862	Town & Country Scottsdale	0.27
806	Maryvale No. 3	0.16	830	Trail West No. 1	0.24
832	Maryvale No. 4	0.17	865	Trail West No. 2	0.21
833	Maryvale No. 5	0.13	901	Velda Rose No. 1	0.31
863	Maryvale No. 9	0.08	911	Velda Rose No. 2	0.37
831	Maryvale No. 12	0.18	912	Velda Rose No. 3	0.34
843	Maryvale No. 13	0.10	922	Velda Rose Country Club	0.69
826	Maryvale No. 19	0.11	807	West Plaza No. 1	0.20
845	Maryvale No. 20	0.10	811	West Plaza No. 2	0.14
866	Maryvale No. 24	0.10	834	West Plaza No. 3	0.20
867	Maryvale No. 28 & 28A	0.10	842	West Plaza No. 4	0.09
889	Maryvale No. 29	0.10	829	Westtown No. 1	0.16
841	Maryvale Parkway	0.13	857	Westtown No. 2	0.08
809	Melrose Valley No. 1	0.11	858	Westtown No. 3	0.09
818	Melrose Valley No. 2	0.15	881	Westtown No. 6	0.10
823	Melrose Shadows No. 1	0.07	891	Westtown No. 7	0.16
810	Melville	0.46	893	Westtown No. 9	0.22
			803	Wood	0.37

JANUARY 8, 1990

Tax Appeal

CTA-helps people figure assessments

JACQUE PAPPAS
Daily News-Sun staff

SUN CITY — Anyone planning to appeal his property tax assessment notice for 1990 better act fast.

This year's deadline to appeal an assessment is Jan. 31.

In an effort to help local residents who have questions about their property tax assessments, members of the Sun City Taxpayers Association are reviewing the notices of valuation at no cost.

The Maricopa County assessor's office started mailing notices on 1990 assessments in December.

Taxpayers Association members Hays Cape and Ken Larkin will accept appointments for 9 a.m. to noon weekdays to review valuations on residential property until the protest deadline.

Cape said residents' valuations do not usually change from year to year unless they've built an addition on to their home or there is a rate change.

"But sometimes people's valuations do change because of error," Cape said. "The assessor's office by mistake taxes people for having golf course property when their home is not even near a golf course. But for those who really do live on a golf course, I am told that their land value has been increasing."

Cape started reviewing local residents' valuations about 10 years ago when he joined the Taxpayers Association.



Daily News-Sun photo by Frances Guarino

TAX HELPERS — Ken Larkin, left, and Hays Cape use a microfiche machine in their office Thursday at the Sun City Taxpayers Association. The SCTA is helping residents understand their property tax assessments for free.

The Taxpayers Association identifies parcels of land by an identification number listed on the notice of valuation and then looks it up on microfilm files.

"We do not advise people to appeal; we let the individual who owns property to make that decision on their own," Cape said. "But we will give them the form they must fill out by Jan. 31 if they want it."

"Last year we were flooded with requests for appeals," he said. "But if people just read the back of their valuation carefully, a lot of their questions would be answered."

There are nine tax classes in Arizona. Residential property is taxed at 10 percent, rental property is taxed at 12 percent and commercial property is taxed at 25 percent.

Cape said the tax assessments are divided into classifications.

The full cash value is essentially what the home is worth and the limited value is the figure on which property is taxed. Taxes are based on a

percentage of the assessed value.

The county assessor's office mailed out about 800,000 notices of valuation in December, said Daniel Cirks, chief deputy.

There were about 28,000 valuation appeals in 1988, about 19,000 in 1987 and about 11,000 in 1986, he said.

"I don't expect we will get as many people appealing as we did last year," Cirks said. "Our appraisal methods have improved and we have addressed many concerns before the notices went out."

"The assessor's office has come quite a distance in the past year," he said.

Cirks said a new \$900,000 computer system in the office now allows each appraiser instant access to property information when the same information previously took two weeks to get.

Cirks said some residents did not receive valuation notices because of changes in address or other factors.

But even though the property owner may not have received a notice, the appeal deadline is firm, officials said.

The assessor's general information line is 262-3406. Residents can pick up partial copies of their assessments at the office, 111 S. Third Ave. in Phoenix.

Anyone who has not received a valuation notice should get one because mistakes do happen, Larkin said.

"There is a man who came in here and found he got an increase from \$13,000 to \$100,000 on some vacant property he owns near Sun City. So even though you don't think your property valuation will increase, it's good to be safe," Larkin said. "I think the people who we help are happy with the service we provide in reviewing their valuations with them."

The Taxpayers Association is at 12630 N. 103rd Ave. The telephone number is 933-7530. Appointments will not exceed 15 minutes.

Sun Citians paid higher taxes in 1990

Report says state income taxes increased 28 % for local residents

Changes in the state income tax approved in 1989 have hit the senior population — and especially the Sun Cities — harder than were originally expected, prompting one local organization to seek help from the governor.

A report prepared and released earlier this month by the Arizona Department of Revenue reveals that Sun Citians paid an average of 28 percent — about \$676 per filer — more in personal income taxes this year, compared to last.

According to Cliff Cowles, Jr., a member of the Sun City Taxpayers Association, the state has collected \$40 million more than was originally expected with the reforms.

He and fellow SCTA member Kay Sentes met with several area lawmakers last week. The two say they hope to meet with Gov. Symington in the fall to try and convince him to "roll back the 1989 changes."

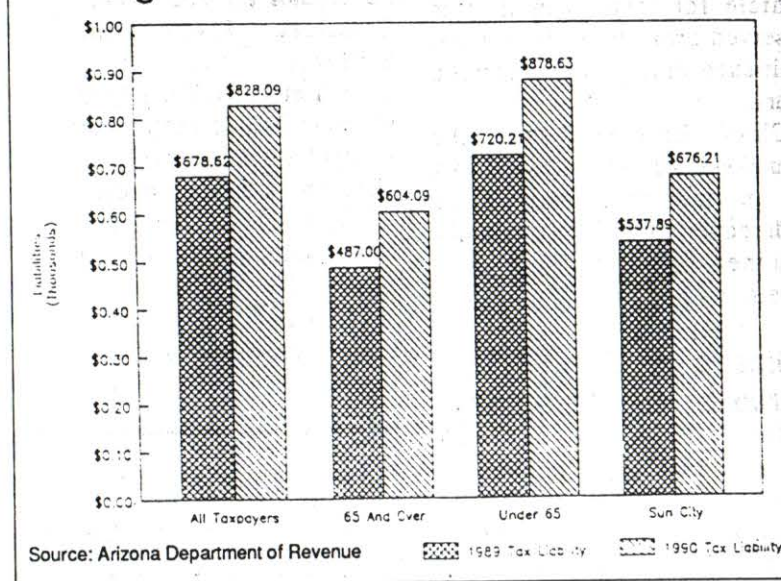
An increase in the state personal income tax was approved by the Legislature in 1989 for the 1990 year.

"Originally it was intended that the lower incomes and over and over-65 category should not be made to carry as much of the increased load," says Mr. Cowles.

"Now, the latest report shows that the 65 and over population is

See TAXES, Page 3

Average tax liabilities: 1989 and 1990



absorbing average increases of over 34 percent from 1989 filings and the final numbers are not yet in," he adds.

According to the report released by Department of Revenue's report, the average increase to state taxpayers was 17.5 percent.

The tax reforms were designed to generate \$110 million for the state. Although Mr. Cowles claims the new tax package has allowed the state to "overcollect," the state report says collections have actually fallen \$7 million short of the projected \$110 million.

Craig Cormier, deputy director of the Arizona Department of Revenue, agrees Sun Citians were "most affected" by the 1989 tax reforms.

"As a group, Sun Citians felt a higher than average increase (in their personal income taxes)," says Mr. Cormier.

He says a big reason for seniors paying more in 1990 was due to the fact that, in the past, those over 65 were able to subtract an additional \$2,229 from their taxes. Under the new reforms, that subtraction has been reduced to \$1,500.

Despite the increase in taxes for those over 65, Mr. Cormier that segment of the population still paid "significantly less" than the rest of the population.

According to the report, the new tax system has raised the income tax for those for those in higher income levels while lowering taxes for those in lower income levels.

Mr. Cormier adds, however, that residents will probably be "paying less in 1992" because in 1992 taxpayers won't be required to claim their federal tax refunds as income.

Mr. Cowles disputes the report and says "as it stands now, every taxpayer in the state has paid roughly 50 percent more in personal income tax" than he or she should have.

He is hopeful the governor will step in to reduce the state income tax.

"We hope to have a meeting with the governor in the very near future at which time we'll present our findings and make a suggestion as to how the tax can be corrected," he says.

Deductions top list of ways to ease taxes

By JACQUE PAPPAS
Daily News-Sun staff

PHOENIX — Lawmakers, accountants and local residents met at the state Capitol Monday to discuss ways to tackle hefty increases in the state's 1990 income tax laws.

Rep. Brenda Burns is spearheading meetings on the tax changes with the hopes of presenting a plan to Gov. Fife Symington within the next month.

"This is not just a Sun City problem. There are many legislators other than the ones in the Northwest Valley who have concerns for residents in their district," Burns said.

Arizona taxpayers paid an average of 17.5 percent more in taxes in 1990 compared with 1989, the Arizona Department of Revenue reports. The average

percent increase for those 65 and older, however, was 28.7 percent.

The tax increase was part of a \$265.6 million tax package signed into law in June 1990 to fund a \$3.5 billion budget. The income portion of the tax package was supposed to raise \$110 million.

Craig Cormier, deputy director of the Department of Revenue, identified three changes that would help ease the burden on the state's taxpayers, especially those 65 years and older.

■ **State exemption for taxpayers 65 and older:**

In 1989, the exemption was \$2,229 for a single taxpayer and \$4,458 for a married couple 65 and older. In 1990, the exemption was lowered to \$1,500 and \$3,000 respectively.

Cormier said changing the

1990 senior exemption back to what it was in 1989 would cost the state \$5 million.

■ **Medical deductions:**

In 1989, taxpayers were allowed to tax full medical deductions on their Schedule A tax form. The 1990 laws limit the deductions to 7.5 percent of their federal adjusted gross income.

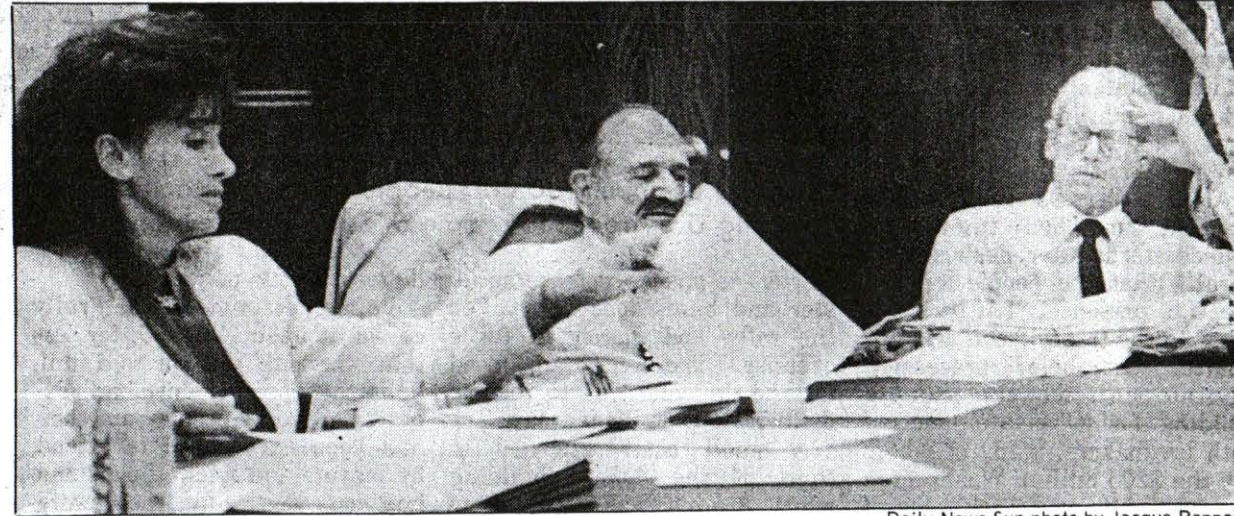
Cormier said the reimplementation of full medical benefits would cost \$24.2 million.

■ **Deduction of federal income taxes:**

In 1989, taxpayers were permitted to deduct federal income taxes on their state taxes. In 1990, that exemption was eliminated.

Cormier said the federal deductions would cost the state \$224.2 million.

See Federal, A5



Daily News-Sun photo by Jacque Pappas

At a meeting at the Capitol Monday, from left, Rep. Brenda Burns, Sun City Accountant Lewis Singer and Department of Revenue Deputy Director Craig Cormier discuss the 1990 tax laws. Northwest Valley legislators, residents and others want to meet with the governor to propose decreases in the tax laws.

OVER

Federal deduction covers all

—From A1

Although members of the committee agreed that the 1990 tax is too high, they do not yet see eye-to-eye on which deductions to go after or how much overcollection there was by the state.

Sun City accountant Lewis Singer said he thinks the inequities for senior citizens should be the state's first priority.

"What we have to correct is discrimination against people 65 and over. We have to see how we can best equalize their taxes because they were hit harder," Singer said. "Once the taxes are equalized then they can start taking care of everybody in the state."

Rep. Kyle Hindman, R-Buckeye, said a bill that targets senior citizens does not have much hope of passage at the Capitol.

"If we can look at something that's across the board and not

target an age group, we would have more success. If we target seniors we are in dead water," Hindman said, suggesting that the group concentrate on the federal and medical deductions.

Sen. Jan Brewer, R-Peoria, agreed that a plan benefiting all taxpayers would have more success.

"I think time is of the essence. We want to go in with good solid figures and a good solid plan. I think we should go in for a plan that is good for all taxpayers and do it quickly and swiftly," Brewer said.

Cliff Cowels, a member of the Sun City Taxpayers Association who has been working on the tax issue, also urged the group to seek the federal deduction.

"The entire state is affected by the federal deduction regardless of age. We want to do the most good for the most taxpayers and the big bucks are in the federal deduction," Cowles said.

While Cowles agreed with the

majority that the medical benefits and the federal deduction should be targeted, he said the state overcollected more than \$13 million in 1990.

The state estimated that the income tax changes would collect \$110 million for the state.

Department of Revenue officials said \$123 million has been collected when an adjustment for growth in federal gross income is considered.

But Cowels said the adjustment for growth does not accurately reflect how much more the state collected than anticipated. Disregarding changes for growth, he said the state has collected \$40 million more in income taxes.

"I think everybody agrees that there is an injustice. How much is the question," Cowels said.

Mike Daggett, of Daggett & Daggett Certified Public Accountants, said he reviewed the state's methodology in dete-

rmining the tax collections and found "little disagreement" with the findings.

Daggett reviewed 280 returns that showed an adjusted increase in Arizona tax of 30 percent. Two-thirds of the clients were from Sun City or retired and one-third are working class filers.

Cowels and Cormier said they plan to compile more statistics this week to come to an agreement. The majority of those present, however, indicated that they want to stand behind the state's figures when they meet with the governor.

"We've got to find out how much money we have to work with and make sure we get 31 votes in the House and 16 in the Senate. We need to bring the governor on board as part of his promise to reduce taxes," Sen. Bob Denny, R-Litchfield Park, said. "The bottom line is that the tax is just too damn high."

Tax targeted retirees, Symington says

By JACQUE PAPPAS
Daily News-Sun staff

PHOENIX — Lawmakers and residents working on ways to reform state income tax laws met with Gov. Fife Symington Thursday to express their concerns and propose solutions.

Although no decisions were made on what changes would be made in the tax laws, Symington did acknowledge that the 1990 tax laws did target retirees and that a reform of some kind was needed.

Rep. Brenda Burns, R-District 17, whose district includes portions of Glendale, Peoria and Sun City, has spearheaded meetings on the tax changes in preparation for the meeting with Symington and his staff.

Burns said she expects Symington to announce by mid-

Panel reviews bond issue

Supervisor Carole Carpenter, D-District 4, and a panel of 12 county officials, judges, doctors and others discussed items included in a \$737 million bond issue that will be decided by county voters Nov. 5.

The issues discussed included:

- How hard the issue would hit taxpayers.

November what changes he will support.

"I thought it was a very positive meeting. The governor reiterated his desire to make changes in the upcoming session," Burns said. "We are working in conjunction with his

- The county's need for a Northwest Regional Center to be built in Peoria.

- Proposed flood control projects.

- Increased juvenile, adult and civil courts.

- The need for a computer system.

For a full report on the meeting turn to A4.

office and we are happy that we had the help of organizations and individuals from communities throughout the state."

Burns was joined at the meeting in the governor's office by legislators and retirees from the Northwest Valley, Green Valley

and other areas of the state.

Clifford Cowles Jr., a member of the Sun City Taxpayers Association who has been working on the income tax issue, gave a report to Symington on the importance of retirees in the state and the inequities in the 1990 tax laws.

"The injustice should be corrected. The retirement industry in the state brings a substantial benefit to the state that is all too often misunderstood and not appreciated and ... this group of taxpayers should be given equity with all other filers," Cowles said.

Arizona taxpayers paid an average of 17.5 percent more in taxes in 1990 compared with 1989, the Arizona Department of Revenue reports. Meanwhile, the

See Lawmakers, A5

Lawmakers, retirees work to reform tax

—From A1

average increase for those 65 and older was 28.7 percent.

The tax increase was part of a \$265 million tax package signed into law in June 1990 to fund a \$3.5 billion budget.

Among the changes was the elimination of the federal income tax deduction on state taxes; a reduction in the 65 and over personal exemption from \$2,229 to \$1,500; and a limitation on medical deductions.

The income portion of the tax package was supposed to raise \$110 million.

Instead, Cowles said the DOR has already collected \$163 million.

"The state has collected half again more tax than they were supposed to," Cowles said.

The state estimates that the figure is much lower when an adjustment for growth in federal gross income is considered.

More than \$8 million of the overcollection was targeted at seniors, Cowles said.

"The retirement industry in the state does exist and is a valuable asset to the state. There is no other single group of

taxpayers or interested citizens that approaches the significant impact of the volunteer work accomplished by our senior citizens," Cowles said at the meeting.

Cowles said retirees are "not all rich" and that they contribute at least \$8.2 billion to the state's economy with their retirement payments, benefits and pension income.

With the backing of the committee, Cowles recommended the governor: restore a partial federal income tax deduction of 13 percent, which would recover

\$30.1 million; reduce the medical exemption to 3 percent, a recovery of \$7.4 million; and increase the 65 and over exemption to \$1,865, a recovery of \$2.5 million.

Whether the governor will back the recommendation is not yet known, said Joe Lane, special assistant in charge of intergovernmental relations.

"I think the meeting went very well and the presentations went well. The governor has long recognized that the retirement people did not get as fair a break," Lane said.

\$4.3 million earmarked for permanent SC senior center

By **BRET McKEAND**
Sun Cities Independent

Referring to Maricopa County as the "fastest growing county in the United States during the 1980s," county Supervisor Carole Carpenter urged Sun Citians last week to support a \$737 million bond package that will be voted upon next month.

Speaking at two public forums — one in Sun City and one in Sun City West — Ms. Carpenter explained the 1991 bond package and how it would affect residents of the Sun Cities.

The bond proposal features eight separate packages. Maricopa County voters will be given an opportunity to vote on each item individually during a special election Nov. 5.

Several county officials and advocates of the bond package joined Ms. Carpenter at the public forums. At each event, residents were given an opportunity to ask questions and voice their opinions.

"In the 1990s, we (Maricopa County) are projected to grow faster than California," says Ms. Carpenter. She says the county is expecting a 31 percent increase in its population.

"Obviously, we are going to play catch-up," she adds.

She supports all eight proposals and says the services and facilities provided for in the bond package are needed and "essential."

A 25-member committee spent nearly two years paring down a "wish list" of more than \$2 billion in projects in developing the final bond package.

See **BOND**, Page 3

County bond package 1991:

Voters will be asked to judge each of the following eight proposals individually on Nov. 5:

- Criminal and civil court facilities, \$143 million.

- Juvenile court, juvenile treatment and detention facilities, \$45 million.

- Law enforcement and public safety, \$108 million.

- Parks and bike paths, \$41 million.

- Environmental protection and environmental monitoring, \$16 million.

- Improved public buildings, handicapped access, asbestos removal and energy management in new and existing facilities, \$135 million.

- Public health facilities, hospital modernization, geriatric clinics and equipment, \$180 million.

- Juvenile delinquency and gang prevention centers; behavioral health and social services facilities (including a permanent site for the Olive Branch Senior Center in Sun City), \$69 million.

What it will cost:

If all eight items pass, the secondary tax rate will increase:

- \$2.52 on a \$60,000 home;

- \$3.36/\$80,000 home.

- \$4.20/\$100,000 home.

County slates \$737 million bond election

According to Ms. Carpenter, if all eight proposals are approved by the voters, the county secondary tax rate would increase \$2.52 a year for a person who owns a \$60,000 home. The increase would remain capped for the 20-year life of the bonds.

An \$80,000 home, she adds, will reflect a \$3.36 increase and the tax bill for a \$100,000 home will increase \$4.20.

Among the projects included in the proposal are: renovation and expansion of juvenile court and treatment facilities; renovation and expansion of county hospital

primary care facilities; creation of more bike paths for public safety; renovation and expansion of county jails and law enforcement support services.

In addition, \$4.3 million is slated for the purchase of a permanent site for the Olive Branch Senior Center in Sun City.

The center is presently located at the Sun Bowl Shopping Center. The county provided initial funds to lease the space, but operating funds have come from donations and grants.

Ms. Carpenter says the bond package would allow the county to

purchase its own permanent home for the facility.

"The senior center is vital but it can no longer sustain itself," says Ms. Carpenter. She says if a permanent facility is not found, the Olive Branch Senior Center "will fold. It simply can't go on."

In addition to the senior center, other expenditures in the bond package affecting the Sun Cities area:

■ In an effort to create "one-stop service centers" throughout the county, a new Northwest Valley county complex would be

constructed on the corner of 83rd and Grand avenues.

The facilities would include courtrooms and offices for the county attorney, county clerk and sheriff.

■ \$79,350 would be used for additional storage space at the Westside Food Bank.

Sample ballots will be mailed Oct. 25 and the ballots where indicate where each household should vote.

Further questions regarding the election, absentee balloting or polling places, call 262-1511.

Absentee voting can be done in person at the county elections department, 111 S. Third Ave., Phoenix, through Nov. 1.

Hours are 8:30 a.m.-5 p.m., Monday through Friday. The office will be open 9 a.m.-4 p.m. Saturday, Oct. 19 and 26.

Voted down

Local Tax-Aide program is nation's largest

By JACQUE PAPPAS
Daily News-Sun staff

SUN CITY — After working for the Internal Revenue Service for more than 25 years, most people would have been fed up with taxes.

But not Sun Citian Edward Gunther. Instead of putting the 1040 forms behind him, Gunther has spent his 21 years of retirement helping others fill them out.

"Taxes are such a worry for so many people. But generally, the taxes create more fear on their part than it's worth," said Gunther, 79.

Gunther is the senior instructor for the Sun City/Youngtown Tax-Aide Program, which provides free income tax counseling and return preparation for low- and moderate-income seniors.

Last week, Gunther and five other local residents began training about 140 volunteers to help area retirees who will seek help on their state and federal income taxes.

The trained volunteers will be on hand at eight locations and visit shut-ins from Feb. 3 to April 15.

The program is sponsored by the American Association of Retired Persons and the Internal Revenue Service, which helped 1.5 million taxpayers last year.

Volunteers also sponsor programs in Peoria, Glendale and Sun City West.

The Sun City/Youngtown group has the largest number of volunteers giving Tax-Aide in the nation. Local volunteers helped more than 5,000 people last year.

Of the 140 Sun City area residents in training, about 50 of them are volunteering for the first time, Gunther said.

"We are happy to have people volunteer because this is such a good program. The people who get tax help are so appreciative of the service because it's free," Gunther said.

Harmon Parham, a former controller of a food company, said he decided to volunteer for the program so he could



Frances Guarino/Daily News-Sun

Roland and Audrey Munamaker attend tax-aid training at Bellevue Heights Baptist Church Friday.

"I can see that helping people who are nervous about their taxes could give a person a great deal of self-satisfaction," Parham said. "Taxes are never simple, but they can be made a lot easier if a person who is trained can help you out."

The volunteers are trained on how to fill out state and federal income tax forms most often used by retirees. In addition, they are given instruction on how to tackle tax issues that most often affect seniors, such as medical deductions.

Sun Citian Milen Susian, 73, said he decided to become a volunteer after he received tax help.

"It really helped me out and now I am trained to help other people. The

right," said Susian, a retired high school math teacher.

Volunteers will be at eight locations in Sun City. Help is given on a first-come, first-served basis:

- 9 a.m. to noon weekdays, Great American Bank, 107th Avenue and Bell Road.

- 9 a.m. to noon weekdays, Valley National Bank, Bell Road and Boswell Boulevard.

- 9 a.m. to noon weekdays, Citibank, 99th Avenue and Thunderbird Road.

- 9 a.m. to 3 p.m. Tuesday, Wednesday and Thursday, Bank of America, 99th Avenue and Greenway Road.

- 9 a.m. to noon weekdays, Olive Branch Senior Center, 107th and Peoria

- 9 a.m. to noon weekdays, Valley National Bank, 12026 N. 111th Ave.

- 9 a.m. to noon Monday, Wednesday and Friday, Caliber Bank, 105th and Grand avenues.

- 9 a.m. to noon Monday, Wednesday and Friday, PriMerit Bank, 106th and Grand avenues.

Shut-in service will be available for those who are physically incapable of traveling to one of the help sites. For information, call Bob Ellis at 972-1310.

Volunteers also help residents in other communities. In Sun City West, call Paul Hemenway at 584-0941; in Peoria, call Ken Bennett at 566-0090; and in Glendale, call Donna Wood at 028 5050

Sun Cities pay plenty in school property taxes, this reader says

To the editor:

It was truly discouraging to read Peter Vilbig's article (May 1992) on the Sun Cities' alleged failure to pay school property taxes and the implications, present and prospective. These statements should not be left unanswered, and I was very glad to see Ev Bey's informative piece in the June edition, pointing out that homeowners of the Sun Cities pay school taxes of \$2.36 per \$100 assessed valuation, as is the case for all Arizonans in similar circumstances.

In addition, homeowners in the Sun Cities pay other education-related property taxes (based on \$100 of assessed valuation):

- The community college district rate of about \$0.85;
- The county education equalization levy of \$0.53;

Moreover, there is a state property tax of \$0.47, which is an important source of revenue for the state's general fund. Among other sources of revenue for the general fund are personal income taxes and sales taxes, which, of course, are paid by residents of the Sun Cities. And around 60 percent of the state's general revenues are allocated to education.

The present situation, therefore, is strikingly different from Mr. Vilbig's perspective, which is not to say that existing fiscal arrangements are eternal verities,

immune to the dynamics of change.

In addition to the tax-based support, there is extensive volunteering and other assistance by Sun Citians for the schools of adjoining communities. It would be fascinating to follow up the author's compliment to the volunteers of the Sun Cities by examining this issue in greater detail.

On a related matter, the unnamed critics of the Sun Cities mentioned by Mr. Vilbig clearly fail to appreciate the beneficial impact of the estimated \$4 billion in relatively liquid capital that the residents have brought to the state. These funds are a valuable and highly-welcome source of capital for economic growth throughout Arizona, generating employment and tax revenues - and, thus, indirectly, more support for education. That would seem to be the appropriate linkage.

In addition, my own research has shown that the spending for goods and services by the residents of the Sun Cities is a major source of employment, resulting in perhaps 10,000 jobs locally and 17,500 statewide. And this, too, is a major plus factor, which often is overlooked.

W.L. Chilton
Sun City

+ District's tax rate still low

Boost attributed to valuation drop

By Lori Baker
Staff writer

SUN CITY — Although the Sun City Fire District's tax rate increased in 1992, it remains the lowest tax rate of the 14 largest fire districts in Arizona.

Sun City's tax rate is \$1.02 per \$100 of assessed valuation, up from 95 cents in 1991. But the other 13 fire districts in the state that have budgets of at least \$1 million had tax rates as high as \$2.60. There are 139 fire districts in Arizona.

"We have a lower rate, and we respond to three times as many emergency medical calls as some of the larger fire districts do," said Brayton Willis, Sun City Fire District board clerk.

Originally, the Maricopa County Treasurer's Office released an inaccurate 1992 tax rate of \$1.13 for Sun City. But Willis said he called county officials, who had miscalculated the fire district's budget information and corrected the tax rate to \$1.02.

One of the reasons for the increase in the tax was that the assessed valuation of property in Sun City decreased from \$200 million to \$191 million, Willis said at the fire district board meeting Sept. 15.

"Even though our budget was lower than the previous year, our tax went up because the assessed valuation decreased," Willis said.

Another reason for the increased rate in Sun City is that a state law approved this year put a \$300,000 cap on the amount of money the fire district could receive from the county. Last year, the district received \$460,000. The County Fire District Assistance Tax is assessed on all property in counties to provide money for fire districts' operational costs.

If state law regarding county funding for fire districts had not undergone two changes, Willis said, Sun City would have received \$2.8 million more in revenues since 1986.

The Sun City Fire District tax rate would only be 43 cents today if the decreases in county funding had not occurred and Sun City's assessed valuation had not dropped, Willis said.

In other business, the board decided to remodel Station 3, at 13013 N. 111th Ave., for an estimated cost of \$125,000.

County property-tax rolls show jump

By BRUCE ELLISON
Staff writer

Residential property values in the county — including those in the Sun Cities — have risen about 14 percent in the last two years, says Maricopa County Assessor Pete Corpstein.

Those higher prices will be reflected in notices of valuation which Corpstein's office will be mailing to tens of thousands of homeowners next week.

The increase is solely from the rising value of property, he said. It does not include the values from



Corpstein

more than 29,000 homes built in the Valley last year, a record number that exceeded the earlier peak set in 1978. Those homes will be added to the tax rolls later.

Corpstein said the real estate market in Greater Phoenix has been hot for two years or more, with asking prices for homes rising regularly. The value of commercial property also has spurted, he said, as have developed lots, which now can run to \$30,000 each.

"Out in Sun City West, where they're still building homes, it was fairly obvious that if you had a house worth \$150,000 in 1993, it likely is worth more now," he said.

"Many homebuilders have been raising prices regularly as they complete subdivisions. I know in the area where I bought in December

1994, the asking price went up about \$1,000 a week for a time."

His builder blamed higher lumber prices, higher land prices and a shortage of skilled labor, Corpstein said.

Steve Meade of Ken Meade Realty, which serves the Sun Cities, said figures from the local Multiple Listing Service support Corpstein's conclusion.

The local market "has definitely gone up the last two years," Meade said. "We had a very solid year for resales in 1994, and 1995 was up too, not quite as much, but still solid."

The assessor noted that the increase in valuation does not necessarily signal an increase in taxes. Most taxing jurisdictions adopt an annual budget, then divide it by the

valuation to set a tax rate. When valuations rise, the tax rate drops to keep the revenue to the district equal.

The notices of valuation Corpstein expects to mail Feb. 6 will apply to taxes in 1997, he said.

They are the first revaluation in two years, another reason for the relatively high increase they will reflect. "Valuations were frozen for a year," the assessor said. "Our 1995 valuations probably were a little on the low side overall, which also has exaggerated the increase this time," he added.

Corpstein said his office plans to staff a branch in the PORA building in Sun City West next month to assist homeowners with questions about

► See Property values, A5

■ From A1

their valuations. The Property Owners and Residents Association office is at 13815 Camino del Sol.

"The real thing to ask yourself when you look at the valuation is this: 'Does this number represent actual market value of my house today?'" the assessor asked.

Getting numbers that represent

true market value is his goal, he said.

Once the true market value is set, various categories of property are taxed at different assessment levels. Commercial property, for instance, is taxed at 25 percent of its value, while owner-occupied residential property is taxed at 10 percent.

Thus, a \$150,000 home will be assessed tax on \$15,000.

Corpstein said that in the last five years, the Legislature has cut assessments for what he called special interest groups, such as the utilities.

"When that happens, the money has to be made up from someplace else, and all too often that place is the individual homeowner," he said.

For instance, Corpstein said, lawmakers had valued apartments at

14 percent of true market value, but recently reduced that figure to 10 percent. "The effect of that was to cut taxes on apartment buildings by 40 percent," he said.

In the same way, legislators slashed the assessment ratio on utility property such as the Palo Verde Nuclear Generating Station in Buckeye, where, Corpstein said, "several out-of-state owners have

seen their tax bills drop by millions of dollars in recent years."

Overall, Corpstein said, "I'd estimate that the Legislature has given away \$1.5 billion to the special interest groups. That has raised the taxes on a \$100,000 home in the Valley by about \$145" in five years.

"When you cut somebody's property tax," Corpstein said, "somebody else has to make up the difference."

TAXES
VF

• FEBRUARY 7-13, 1996 •

State slaps Rec Centers with tax bill

By CINDY TRACY
and PATRICK O'GRADY
Independent Newspapers

Sun City officials turn to legislators in effort to gain sales tax exemption

Legislation may be on the way to save the Recreation Centers of Sun City, Inc. from paying a large amount of back taxes the Arizona Department of Revenue is trying to collect.

Rep. Jerry Overton, R-Litchfield Park, is taking steps to correct a legislative "glitch" that could cost the Recreation Centers of Sun City over \$100,000 in sales taxes on items not previously taxed.

Mr. Overton and Rep. David Eberhart,

R-Glendale, have introduced legislation shielding recreation centers in Sun City and Sun City West from the Arizona Department of Revenue's claims of sales tax delinquencies.

Mr. Overton says the House Committee on Ways and Means will consider a measure exempting nonprofit recreation centers in retirement communities from all sales taxes

related to memberships and member activities. The proposal will be considered as an amendment to House Bill 2088.

Mr. Overton and Mr. Eberhart say senior-only communities throughout the state could be targeted if the Department of Revenue's ruling were to prevail in Sun City. And, they say, there are fears no revenues from membership fees would be exempt from sales tax,

Dist. 15 state Rep. Jerry Overton says assessing private recreation center corporations with sales taxes is "a serious problem" that can only be corrected by legislation.



possibly costing the local recreation centers more than \$600,000.

See ■ TAXES, Page 3

OVER

According to Mr. Overton and Mr. Eberhart, membership fees are exempt from taxes because they constitute more than 80 percent of rec centers revenues. But the Department of Revenue has ruled that golf and bowling games, golf car rentals and movie tickets are one-time costs not covered in memberships — and therefore taxable.

Bill Collier, controller for the Sun City Rec Centers, and other officials met with Mr. Overton Jan. 26 to see what could be done about the Sun City tax bill, which, for the first time, includes taxes on items not covered under membership dues.

Rec Center officials are protesting the assessment.

In the past, user fees such as golf car rentals and other items have shared tax-exempt status with membership dues under Arizona statutes.

Mr. Collier says Rec Centers officials were unaware of a 1994 change in the tax law which inadvertently affected the Sun City Rec Centers.

According to the Recreation Centers of Sun City's 1996 Operating Budget, projected income from membership assessments is \$4.35 million. Other income is expected to come from: privilege and guest cards, \$370,000; bowling fees, \$484,348; prepaid and daily green fees, \$3.56 million; prepaid and daily car fees, \$518,625; driving range, \$150,000;

merchandise sales, \$304,660; food sales, \$1.14 million; rental income, \$71,720.

Mr. Collier says the Rec Centers already pay sales tax on food and merchandise, leaving a potential \$5.15 million in items that could be taxable if the corporation's appeal does not win out or if the state Legislature does not provide a remedy.

Mr. Collier says if the items are taxable in the future, the Rec Centers will be forced to charge sales taxes. The money will not come from membership fees, he says.

"It's a serious problem and we're going to have to address it with legislation," Mr. Overton says.

Mr. Overton says he will bring the bill to committee as soon as possible. "We're going to battle hard for it," he said.

Dan Zemke, public information officer for the Department of Revenue, says the state is unable to comment on any tax situation because information must be kept confidential.

Mr. Zemke says Arizona Revised Statutes currently allow only membership fees to be tax-exempt and only if they meet certain criteria.

According to the statutes passed in 1995 and retroactive to the middle of 1994, any health, fitness or recreational establishment can have its membership and initiation fees exempted if 80 percent of its monthly gross revenues are col-

lected through those fees.

Mr. Zemke says allowances for certain sales exempt from taxes are made in statutes and the wording does not cover the sale or rental of items from recreational facilities.

The statutes also include seven different examples of nonprofit organizations exempt from paying any type of sales tax. Among those are religious and educational institutions, private group instructional activities, county and state fairs, artistic groups, museums, zoos and a few others.

Mr. Zemke says unless groups fall under specific exemptions, they are required to collect sales taxes.

The original legislation was changed because there were no exemptions from sales taxes, Mr. Zemke says.

The state Legislature may go

back and change the wording, making the centers retroactively exempt. But in the end, Mr. Zemke says, there is only a question of fairness and who is able to collect and be exempt from sales taxes.

Dirk Prather, president of the governing board of the Recreation Centers of Sun City West, Inc., says his organization is watching with interest what happens to Sun City during the investigation.

"We're going to watch and help support them if legal action is taken," he says.

Mr. Prather says he has spoken with both Rep. Overton and Sen. Austin Turner over the phone and is hoping the matter can be resolved by the Legislature rather than in the courts.

"They sound supportive on the phone, but until there is something done with it, we'll just have to wait and see," he says.

Daily News-Sun

Feb. 15, 1996

House OKs centers' sales-tax exemption

By BRUCE ELLISON
Staff writer

PHOENIX — The Arizona House of Representatives has approved a bill that would exempt from sales tax all revenues received by organizations such as the recreation centers in Sun City and Sun City West.

The vote Wednesday was 46 to 14.

The bill is sponsored by Reps. Jerry Overton of Litchfield Park, R-District 15, and David Eberhart of Peoria, R-District 19.

They introduced the legislation after the state Department of Revenue early this year assessed the Recreation Centers of Sun City

more than \$200,000 in back taxes allegedly due on receipts from such transactions as golf cart rentals, bowling lines and movie admissions.

Current law exempts recreation centers dues and assessments from sales tax, but a change two years ago left open to question whether use-specific fees were taxable.

The new bill, HB 2088, exempts from tax all revenue from activities and events received by mandatory membership recreational organizations.

Rep. Overton had warned at the Republican Forum meeting Saturday in Sun City that Democrats in the full house planned to oppose

the measure.

Of the 14 nay votes, 10 came from Democrats and four from Republicans, according to the floor vote tally.

The bill now goes to the state Senate, where it must first be considered in committee.

Overton said Sen. Brenda Burns of Glendale, R-District 17, will shepherd the legislation through the Senate.

The Overton-Eberhart bill had cleared the House Ways and Means Committee Feb. 6 on a 9-2 vote.

"The speed with which the bill cleared the House indicates how much the Legislature

values the retirement communities," Overton said in a statement.

"We need to enact this legislation because we believe the decision by (the Department of Revenue) is unfair and imposes an unnecessary burden on the recreation centers and its members," Eberhart added.

The Recreation Centers of Sun City West could face similar assessments had the Revenue officials won their case.

The recreation centers in Sun City formally appealed the state decision with the Revenue Department, but also went to lawmakers for help.

FEBRUARY 21-27, 1996

House bill exempts Rec Centers from sales tax

Measure now moves to Senate for final approval

By **CINDY TRACY**
and **PATRICK O'GRADY**
Sun Cities Independent

Sun City's recreation centers are a step closer to salvation from an Arizona Department of Revenue bill asking for over \$100,000 in back sales taxes.

Rep. Jerry Overton, R-Litchfield Park, says House Bill 2088 passed the House Ways and Means Committee and might reach the House floor as early as

this week.

The bill deals with the tax exemption status of nonprofit organizations, including clubs organized for pleasure, recreation and other nonprofit purposes.

Mr. Overton and Rep. David Eberhart, R-Glendale, co-sponsored an amendment that effectively exempts nonprofit recreational centers from sales tax on some items not covered under membership dues.

The two legislators took the action

after recreation center officials appealed to Mr. Overton for help with a back sales tax bill on one-time only items not covered under membership fees. These included monies the Rec Centers receives from golf and bowling games, golf car rentals and movie tickets.

The exemption, if HB 2088 passes the Legislature, will be retroactive to the middle of 1994, when changes to the Arizona Revised Statutes allowed

for tax exemption of membership and initiation fees for any health, fitness or recreational establishment garnering 80 percent of its monthly gross revenues from those fees.

The Arizona Department of Revenue advised the Sun City Rec Centers they must charge sales tax on the extra fees and that they owed back taxes in an amount exceeding \$100,000.

In addition to the seeking relief from the Legislature, Rec Center officials said they would appeal the tax bill.

But the amendment to HB 2088, quickly introduced to committee by striking wording from an already pending bill, may solve the problem if passed.

Mr. Overton says he has alerted a Senate sponsor who is waiting to take the bill under her wing if it passes the House.



Rep. Jerry Overton has co-sponsored a bill that, if passed, will save the Sun City Rec Centers from having to pay a \$100,000 tax bill.

Daily News-Sun

Centers' tax cut vies for passage

Proposal faces uncertain prospects

By J.J. McCORMACK
Senior staff writer

4-9-96

A sales-tax exemption for Sun Cities recreation centers is competing with a host of other spending and tax-cut measures for \$29 million in general fund revenues, and only those with statewide appeal are expected to make the cut. House Bill 2088 would exempt non-profit recreation services with mandatory memberships from sales tax requirements. It cleared the House easily, but ran into a roadblock in the Senate — the same roadblock erected for all bills deemed to have an impact on the



\$4.8 billion state budget lawmakers agreed to earlier in the session.

Proponents of the sales-tax exemption for the recreation centers worry that the measure will fall through the cracks as the Legislature finishes drafting a \$200 million tax cut proposal and wraps up other business so the session can end within the 100-day time frame prescribed by law.

Legislators had hoped to wrap up their business by Friday. The 100th day of the legislative session is next Tuesday but by law the Legislature can meet through the end of the week that the 100th day falls in.

Representatives of the recreation centers of Sun City and Sun City West have been writing letters and making phone calls to key lawmakers in hopes of ensuring the tax exemp-

► See Centers to, A5

Centers to appeal tax ruling

■ From A1

tion becomes law. Some are not optimistic that the last-ditch lobbying effort will get lawmakers' attention.

Carole Hubbs, chairman of the legal affairs committee of the Recreation Centers of Sun City West, said the governing board sent a letter Monday to all 30 senators asking that HB 2088 be resurrected and approved.

Hubbs predicted the bill would die and the recreation centers would have to wage a costly appeal of a Department of Revenue ruling that recreation centers in the Sun Cities are required to assess sales taxes for such activities as bowling and golf-car rentals.

Under the ruling, the Sun City West centers would owe an estimated \$200,000 in back sales taxes dating to 1993, Hubbs said.

The Sun City recreation centers would face a similar legal battle and sales-tax bill if HB 2088 is pushed aside.

Ed Anderson, board president of the Sun City recreation centers, said Monday he doesn't understand why the tax-exemption is being treated as a revenue bill when the recreation centers haven't been paying sales taxes.

"The fallacy of that is this has nothing to do with spending. They don't even have this in their revenue figures. It should not be a revenue item," Anderson said.

The Sun City recreation centers is in the process of appealing the department of revenue ruling. "Whether the legislation goes through or not, we're going to appeal their audit," Anderson said.

A department audit found Sun City recreation centers owed an estimated \$300,000 in back sales taxes. The sales-tax exemption is expected to save the Sun City centers \$125,000 annually.

A principal sponsor of HB 2088, Rep. Jerry Overton of Litchfield Park, R-District 15, said Monday five senators and eight representatives who support the measure signed a letter to Senate President John Greene saying HB 2088 should be included in any final spending package being developed by Republican majority leaders.

"I think he'll respond to that," Overton said, referring to Greene.

Sun City tax could double

House speaker backs proposal to hike levy for school construction

By Hal Mattem
The Arizona Republic

The politically volatile issue of imposing higher school taxes on retirement communities like Sun City is about to erupt once again at the state Legislature.

Debate over the issue promises to be intense, possibly pitting powerful Republican lawmakers from the East and West Valley against each other.

Two bills have been introduced that would at least double the school property-tax rate in so-called "county education districts" — areas that fall outside of organized school districts.

By far the largest such areas in the state include Sun City and the original Sun City West, which deannexed from their school districts in the 1970s and '80s, respectively.

FIRST-YEAR FREEBIE: Nearly 9,000 new homeowners in Maricopa County won't pay property taxes this year. **A24.**

Residents and businesses in the sprawling northwest Valley retirement communities currently pay half the primary tax rate that is levied in most other areas of Maricopa County to fund schools.

In recent months, as lawmakers have attempted to comply with a court mandate to make the state's school construction

finance system equitable, the issue of taxing retirement communities has become red hot.

"When I attend neighborhood meetings, almost invariably the school tax situation comes up," said Rep. Ken Chevront, D-central Phoenix.

"It is especially important to people in central Phoenix, where the tax rates are high and a lot of elderly residents are on fixed incomes. Why should they have a

— Please see **ERUPTION**, Page A24

Eruption likely over tax proposal

— ERUPTION, from Page A1

higher tax burden than people who move into nice, new homes (in retirement communities)?"

With public frustration growing, many traditionally tax-shy Republicans like House Speaker Jeff Groscoast are backing an effort by Chevront to make the retirement communities pay more.

Proposes to double rate

Chevront introduced a bill Friday that would double the school tax rate in unorganized districts, where residents and businesses are paying \$2.20 per \$100 of assessed valuation (a percentage of full-market value). That means the owner of a \$100,000 house is paying \$220 a year.

In most other areas of the state, the rate, known as the "minimum qualifying tax rate," or QTR, is \$4.40 for school districts, or \$440 a year on a \$100,000 home. Revenues from the QTR go into the state's general fund for use in the public school system.

According to the state Department of Revenue, residents of the unorganized districts pay \$12.2 million a year in school taxes statewide. Of that amount, about \$12 million is paid in Maricopa County — basically by the Sun City communities. Homeowners in the retirement areas account for \$8.3 million of the \$12 million, with businesses paying the rest.

Chevront said that doubling the tax would raise \$12 million more in revenues from the retirement communities, which his bill would divert directly to schools in Maricopa County.

A similar bill introduced by Sen. Joe Eddie Lopez, D-Phoenix, would raise school taxes even higher in areas not affiliated with school districts.

Support for bill

Yet Chevront's bill appears to have the best chance of passing because it is backed by 17 Republican lawmakers, including Groscoast, R-Mesa, whose East Valley district includes retirement communities that don't receive such property tax breaks.

Groscoast, who was out of town and unavailable for comment Friday, is one of six Republicans to sign on as primary sponsors of the bill. A majority of the tax-writing House Ways and Means Committee, where the bill probably will be heard, also is backing the measure.

Groscoast's support could help assure the bill's passage in the House, but it likely will face stiff opposition in the Senate. That could result in a confrontation between Groscoast and Senate President Brenda Burns, R-Glendale, whose district includes Sun City.

Burns opposes the bill because, she said, Sun City residents already pay the \$2.20 property tax rate even

though they don't utilize the school system.

"They are essentially paying for education even though they have no children in schools and no schools in their community," Burns said. "They have no vote in a school district, either. They have no say over the management of any school district."

Clashing proposals

There already were signs Friday that the bill could cause fireworks at the Legislature, with Senate GOP staffers expressing concern that the issue could prompt a messy battle between Groscoast and Burns.

The two legislative leaders already are clashing over proposals to reform the state's school construction finance system, with Groscoast favoring a statewide sales tax and Burns opposed to any new tax. A major disagreement over the property tax issue could further strain their relationship, making it more difficult for lawmakers to agree on a school-finance solution.

But an aide to Burns said the Senate was not overly concerned about the bill.

"We're not panicked," he said. "Let them pass it over there and bring it on. I doubt it will get very far over here."

The debate over school taxes in retirement communities is hardly a new one at the Legislature. It also erupted in the late 1980s, when Arizona was facing an economic downturn.

At the time, both Sun City and the original Sun City West were paying no property taxes for schools because neither was included in a school district. Sun City was allowed to leave the Peoria Unified District in the early 1970s because residents continually voted down bond issues and budget overrides.

Sun City West pulled out of the Dysart Unified District in the early 1980s for the same reason.

Imposition fought

However, in 1988, when the Legislature was searching for new revenues to balance the state budget, lawmakers imposed the full QTR on areas outside organized school districts. The Sun City Taxpayers Association successfully sued, and the state was prohibited from collecting the tax.

Then, in 1989, the Legislature imposed the \$2.20 QTR on communities outside of school districts.

The furor died down until recently, when officials of the financially strapped Dysart Unified complained that residents of the Sun City West expansion area were dashing their efforts to pass bond issues and overrides.

Meanwhile, residents of the expansion area, upset that they were paying three times as much in school taxes as the rest of Sun City West, launched their own drive to be deannexed from the school district.

A vote is scheduled for March 10.

The effort has prompted a flood of media coverage both locally and nationally, resulting in the Legislature's renewed interest in the issue.

Sen. Randall Grant, R-Scottsdale, who supports the bill, said it is a step toward the goal of having all Arizona residents pay their fair share of school taxes. Grant disputes the argument that Sun City residents shouldn't have to pay for education because they have no school-age children in their community.

"There are whole lots of people in the state that have no children in school," he said. "Why should you be exempt from paying for schools simply because of where you live?"

Cite other examples

Opponents of the bill counter that there are several school districts around Arizona where residents also pay lower primary property taxes for schools, mainly because of nuances in the system. They are mainly small districts in rural areas. Some districts on Indian reservations pay no QTR.

"Saying those (retirement community) taxpayers aren't paying their fair share doesn't hold up when you look at the numbers," said Kevin McCarthy, president of the Arizona Tax Research Association. "I don't think a real good case can be made that they are the only ones paying less than the traditional districts."

Chevront noted, however, that in districts where the QTR is low, residents also pay a secondary property tax. Secondary taxes are levied to repay voter-approved bond issues used to fund school construction. Communities not incorporated into districts currently are exempt from those taxes.

When that tax is added in, most districts statewide pay much more than Sun City, he said.

For example, residents of Peoria Unified pay \$9.47 per \$100 of assessed value when primary and secondary property taxes are included. Residents of Dysart Unified pay \$6.93.

"You have to look at both taxes," Chevront said. "You have to include the secondary, which Sun City residents don't pay."

Residents of Sun City are unlikely to agree.

Mary Elaine Charlesworth, president of the Sun City Taxpayers Association, said that although she had not yet seen Chevront's bill, "I have a feeling we would do battle over that."

Charlesworth said that the long-held perception of Sun City residents as wealthy retirees who play golf all day is false. She said many retirees are finding it necessary to work in grocery stores and restaurants to make ends meet.

"This would be really devastating in many cases," she said. "It would hurt a lot of people."

The Arizona Republic Wednesday, February 18, 1998

Bill to hike Sun City school taxes fades

Sponsor: Groscost renewed on word

By Hal Mattern
The Arizona Republic

A politically sensitive proposal to increase school taxes in Sun City appears to be dead, despite widespread support from both Republicans and Democrats at the Capitol.

House Bill 2611 sought to double the school-tax rate in "county education districts" — areas that fall outside organized school districts.

By far the largest such areas in the state include Sun City and the original Sun City West, which

de-annexed from their school districts in the 1970s and '80s, respectively.

Residents and businesses in the retirement communities currently pay half the primary tax rate that is levied in most other areas of Maricopa County to fund schools.

Rep. Ken Chevront, D-central Phoenix, the bill's sponsor, said he was promised by aides to House Speaker Jeff Groscost, R-Mesa, that the measure would receive a fair hearing in the House Ways and Means Committee. A majority of the committee's members, including its chairman, signed on in support of the bill, and Groscost was a primary sponsor.

However, the bill wasn't included

on the committee's agenda for Tuesday, its last scheduled meeting before Friday's deadline for hearing House bills.

"I was promised a hearing, and I didn't get one," Chevront said. "I always thought that someone's word was something you could count on."

Chevront speculated that Senate President Brenda Burns, R-Glendale, whose northwest Valley district includes Sun City, pressured House leaders to drop the bill. Burns was opposed to the measure.

There also was speculation that Groscost used the proposal as leverage in negotiations over plans to equalize school funding in Arizona and agreed to kill the bill in return for other concessions.

Groscost declined to discuss the politics surrounding the bill, saying the school-funding proposal could make the issue moot. The proposal calls for ending bonding to fund school construction, thereby eliminating the secondary property tax now used to repay bonds.

SUN CITIES INDEPENDENT—JANUARY 6-12, 1999

Assessor should offer belated Christmas present

Lower assessments expected for many Sun Citians

By **MIKE RUSSO**
Independent Newspapers

For those Sun Citians who may not have gotten everything they wanted for Christmas, there may be some consolation when property assessments are mailed this month by the Maricopa County Assessor's office.

A belated Christmas present may be in store for a good portion of Sun City's population in the form of reduced property evaluations, thereby resulting in lower property taxes. Unfortunately, a smaller percentage of the population will be less jubilant, as their assessments will rise.

Speaking before the directors of the Sun City Taxpayers Association recently, County Assessor Kevin Ross said his office has been working on a new model for establish-

ing assessed valuations.

"We redid the master appraisal," he said. As a result of the new appraisal method "40 percent of households in Sun City will see a reduction in home values," according to Mr. Ross. "About 20 percent will see their's increase.

"In the county, 30 to 40 percent (of property owners) will see an increase," he said.

Restructuring the model will allow for greater uniformity in assessments and assessments will be more standardized within neighborhoods, according to the assessor.

"This model will be based almost exclusively on square footage with perhaps consideration for the type of tile roof and whether the house is on a premium lot," Mr. Ross explained.

See ■ ASSESSMENTS, Page 8

"We want one standard way of looking at everything," he continued.

Mr. Ross mentioned it has been difficult for his department to keep up with the explosive growth in the county.

Forty-thousand new homes and 1,000 commercial properties have gone onto the tax rolls this year, he noted. "Sun City Grand is the fastest growing area of the county," Mr. Ross said.

Rapid growth has strained county resources, according to the assessor.

"The new development taking place is putting a tremendous burden on the county police protection

services, indigent health care, etc." Mr. Ross said. He cited the example of Gilbert, where he resides, which had 2,100 of the city's 15,000 total homes built last year.

"New construction is a net loss to your area because of infrastructure," Mr. Ross said. "New development is a drain on existing resources."

New residences are especially taxing on the county's resources because there is a delay in getting newly constructed homes on the tax rolls.

"It had been taking 18 to 24 months to bring new construction on the tax rolls. That has been low-

ered to about 60 days," he said.

In addition to updating the modeling system and reducing the length of time it is taking to get new construction onto the tax rolls, Mr. Ross would also like to see a "freezing of values for a longer period of time."

"Why should I have to revalue property every year?" he queried.

Mr. Ross said politicians have taken great delight in recent years in announcing that property tax rates have not increased. However, they always fail to mention that assessments have risen.

"Since 1986, property tax bills have doubled (because of rising assessments)," Mr. Ross said.

"If we stabilize the values than they (politicians) would not have that crutch," he said.

Property valuations rose a m-

odest 3 percent this year, according to Mr. Ross. "They are projected to increase 2 percent in 1999 and 3 percent in 2000," he added.

"We expect valuations to stabilize," Mr. Ross said. He pointed out that in the mid-1980s, valuation skyrocketed over 13 percent.

Mr. Ross mentioned that the full cash value of property in Maricopa County is \$125 billion.

"Property taxes amount to over one-third of taxes collected in the state," he said.

"We have a wonderful tax environment here," Mr. Ross said enthusiastically.

He was especially complimentary in his references to Sun City. "This area out here is heaven and you are fortunate to live here," he said.

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We redid the master appraisal. Forty percent of households in Sun City will see a reduction in home values.
Kevin Ross
Maricopa County Assessor

Sun Citians save on cars, strike out on pensions

By TINA SCHADE
DAILY NEWS-SUN

Sun Citians scored big on cuts to the vehicle license tax in this year's \$12 billion state budget but struck out on a measure that would reduce taxes on their pensions.

Arizona lawmakers Wednesday night finally hammered out the details of the state's budget, shaving \$60 million from the state vehicle license tax over the next two years.

Sun Citians could have seen even more benefits if the budget included a proposal to exempt \$2,500 in pension from taxes, said Sen. Ed Cirillo of Sun City West, R-District 15. The measure failed to make the final cut, he said.

But, Cirillo said, "people are going to see similar re-

ductions in the VLT as they did last year. Many people in the Sun Cities drive expensive cars, and a lot of them have RVs, so I think they'll see a real benefit from this."

Money from the VLT is meted out to fund freeways, schools, cities, counties and state programs. The \$60 million eliminates the state's portion of the tax.

"The first \$60 million is a 5 percent cut. ... Then there will be another \$50 million cut if there is an increase in revenues to the state," said Sen. Scott Bundgaard of Glendale, R-District 19.

If all those cuts come into play, the total VLT cut would be 50 percent, saving the owner of a \$20,000 vehicle about \$60.

"If there are people who are

► See West Valley, A5

West Valley wins road funds

◀ From A1

still concerned with the relatively high cost of their VLT, then they need to direct their ire toward the cities or counties that are receiving VLT," Bundgaard said. "The cities and counties did not want us to cut the VLT. Once the state eliminates its portion of the tax, then most of the revenue goes to the cities."

This year's budget did deal a blow to cities, which will see a reduction in the revenue sharing program.

In the 1940s, the state made an agreement with cities that money generated from personal income tax, about 15 percent, would be divvied up to provide city services.

In the early 1980s, that percentage was increased to 15.8 percent. During this session, state lawmakers voted to reduce that 15.8 percent share to 15 percent.

"That .8 percent reduction, starting in 2001, means Peoria will be receiving \$400,000 less each year," said Phil Hubbard, Peoria inter-governmental relations director.

Typically the money was al-

located for police and fire protection, parks and recreation, libraries and street and maintenance services.

Peoria Mayor John Keegan said the city council is paring back its budget with the \$400,000 cut in mind. Keegan said it is unlikely the council will vote to hike taxes to compensate for the loss.

Mayor Joan Shafer said the Surprise will lose nearly \$60,000.

She said Surprise had plans to increase the police force by at least six officers and increase the number of firefighters by one on each shift.

With the proposed cuts, the city may not be able to add the extra people.

"The state has always had these taxes, and they allocate them out according to population and I think it is a fair way to do it," Shafer said "If they want to get rid of the taxes, then we don't have any use for the state legislators."

A real boon for the West Valley, said Rep. Mike Gleason of Sun City West, R-District 15, will be the increased funds designated to improve roads.

The nearly \$100 million

figure that the Valley will receive in additional transportation funds was arrived at through a compromise between two West Valley legislators, Rep. Jerry Overton of Litchfield Park, R-District 15, and Senate President Brenda Burns of Glendale, R-District 17.

Overton originally pitched a \$400 million bill to fix roads, but it called for borrowing money against the state treasury.

While Burns agreed road work needed to be completed, she opposed Overton's mechanism for obtaining the funds.

The hybrid of the two ideas is that the money will be borrowed from the state's infrastructure bank. The money will be used to build eight flyovers along Grand Avenue and to finish work on the 303 south of U.S. 60, said Brian Tassinari, spokesman for Burns' office.

"I'm extremely happy with the outcome. Everybody said completing the freeway system without raising taxes couldn't be done," Overton said.

Keegan said the commitment and the money is a victory for the West Valley be-

cause, for the past 30 years, a lopsided amount of money earmarked for transportation had been funneled to the East Valley with many funds siphoned off to improve U.S. 60.

The budget also includes increased education funding amounting to about \$215 more per student. The budget increases spending for grades K-12 by some \$200 million.

The budget deal came together as a dozen GOP hold-outs agreed after legislative leaders added money for grades K-12. The new education money would become available only if state revenues are higher than expected — and then only after nearly \$70 million in tax cuts.

The new education money would be in addition to the \$137 million increase in education spending already included in the budget. Excluding a \$30 million increase for special education, the added school spending would amount to about \$215 per student over the two years.

"We have more dollars for education. We have more accountability for education," Burns said.

6/16/99

- SUN CITIES INDEPENDENT -



Photo by MIKE RUSSO/Independent Newspapers

Maricopa County District 4 Supervisor Jan Brewer discusses issues with constituent Paul Schwartz, a member of the Sun City Home Owners Association Transportation Committee, following the June 7 presentation of the proposed county budget at the county's Northwest Valley Facility in Surprise.

Pass the burgers

County budget features reduction in property taxes

By MIKE RUSSO
Independent Newspapers

The first property tax rate reduction in a decade highlights the 1999-2000 Maricopa County budget.

District 4 Supervisor Jan Brewer told a sizable audience at Maricopa County's Northwest Facility in Surprise that the county's policy of fiscal reasonability allowed for a 2.27 cent reduction in the tax rate, from \$1.6475 per \$100 of assessed valuation to \$1.6248. That equates to a savings of \$2.27 for the owner of a \$100,000 home.

"That should be enough for you to buy a hamburger this year," Supervisor Brewer said. "Next year, we hope you can buy a hamburger and fries, and the following year, hopefully it can be hamburger, fries and a Coke."

"The proposed tax rate reduc-

tion corresponds to the actual decrease in the debt service levy, thanks to the board of supervisors 'pay as you go' financial strategy," according to David Smith, county manager.

"It took a lot of diligent work and a lot of saying no to reduce the tax rate," he added.

The pay as you go system used by the county has allowed it to keep its debt rate at \$37.50 per capita, compared to a national average of \$520 per capita, Mr. Smith noted.

"That means Maricopa County is doing a good, good, good job," he said.

He further mentioned the county's goal is to have "zero general obligation debt in four years."

The proposed budget is \$1.842 billion, an increase of 7.345 percent over the previous year.

See ■ BUDGET, Page 22

"A lot of that is due to the criminal justice system, and the jail you approved overwhelmingly," Supervisor Brewer said.

County voters last year approved the 1/5 cent sales tax to fund adult and juvenile correction facilities. The tax is designed to last for nine years or until \$900 million is raised, whichever comes first.

"We do not expect to ask to extend the jail tax," Mr. Smith pledged.

While the tax rate reduction is good news for northwest Valley residents, the remainder of the budget does not contain many items to stir the imagination of the region's residents.

The county budget does contain \$237,655 for operation of the new Northwest Valley Regional Library to be built in Surprise.

However, Sun Citizens seeking a more visible police presence will be disappointed to find that the Maricopa County Sheriff's Office budget does not contain funding for additional deputies for the burgeoning northwest Valley, according to

Sandra Wilson, deputy court administrator.

"Most of the MCSO budget for the new jail," Mr. Wilson explained. In anticipation of the expansion, the Sheriff's Office is budgeting \$4.5 million for 132 new detention officers, according to Mrs. Wilson.

"There is also \$329,000 budgeted for detective staffing and \$1 million for pay raises," she added.

Supervisor Brewer pointed out that 89 percent of the county's budget is mandated by the state or federal government. That is up from 87 percent in 1997-98.

"Maricopa County is growing faster than any other in the country," Mr. Smith observed. "We have to be ready for the reality that people want to move here."

That is why the county has already begun planning "in 20 years horizons."

"We must be cost effective, yet responsive to citizens," Mr. Smith added.

One manner in which the county is trying to be more responsive

through performance budgeting, which is "measuring the services as though we were a private sector company," according to Mr. Smith.

As an example of the county's success with performance budgeting, he cited the county call center. "We receive a million calls a year and our goal is to keep waits to less than one minute," he said.

As has been the case for many years, the largest portion of the budget, 49.05 percent, or \$892 million, is earmarked for health, welfare and sanitation.

Public safety is set to receive 30.47 percent of the budget, or \$554 million, with the new adult and juvenile jail facilities accounting for about \$170 million of that total.

General government is allotted \$231 million, or 12.7 percent of the budget. The remainder will be spent in the following manner: highways and streets, \$117 million, or 6.44 percent; culture and recreation, \$23 million, or 1.26 percent; and education, \$1 million, .08 percent.

Mary Charlesworth, president of the Sun City Taxpayer Association, asked if money had been put into the budget for corner neighborhood blight cleanup and will the jail in the northwest Valley be reopened?

"The sheriff wanted the jail closed, it was not cost effective," responded Supervisor Brewer.

"We are trying to do our best to address the issue (of blight). We did a sweep in Glendale last week," she said, and she pledged the county's continued diligence in that area.

In response to a question about plans for a county park in the northwest Valley, Mr. Smith replied, "We have no plans for an additional park in the northwest Valley. We already have the White Tank in the west. There is talk of a greenbelt area along the North River."

The public meeting in Surprise was attended by about 75 people, the first of four the board of supervisors will hold prior to final adoption of the budget on June 21.

New law could benefit recreation centers

'Windfall' could mean higher taxes for area homeowners

By **TOM BARRY**
Independent Newspapers

A new state law could provide a hefty property tax break for recreation centers in all three Sun City communities in the west Valley.

According to the Maricopa County Assessor's Office, the reductions could total as much as \$564,518, or nearly a 99 percent break from current taxes.

The legislation became effective Aug. 6, and is intended to provide relief for so-called "residential com-

mon areas" — typically buildings and facilities owned and maintained by non-profit homeowners and condominium owners associations. It excludes golf courses.

Starting with tax year 2000, the value of each parcel will be set at a flat rate of \$500, as opposed to tax rates based on the full cash value of each parcel. An estimated 10,000 parcels countywide may be eligible under the new law, including nearly \$45.9 million in taxable property in the Sun Cities communities.

In Sun City, which has eight

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It's not so much a tax reduction but a tax shift.

Fred Kelly
Deputy Assessor

parcels belonging to the recreation centers, taxes would fall from the current \$158,583 to only \$4,000;

Sun City West, with five parcels and \$326,138 in taxes, would pay \$2,500; Sun City Grand's tax obligation would fall sharply, from \$86,796 to a mere \$500.

Instead of paying a net total of \$571,518, the three associations would pay only \$7,000 next year.

But while many residents are already pondering how they may benefit from the supposed "windfall," others are eyeing it with deep concern. According to officials, the new law could in fact hurt property owners in terms of increased taxes

or tax rates.

Further, it has yet to be determined whether all of the Sun Cities recreation centers in fact qualify for the provision since none have applied with the county for the tax break, said Deputy Assessor Fred Kelly.

"It's not so much a tax reduction but a tax shift. When you remove that much from the books there's going to be a downside," he said.

"While the homeowners associations stand to benefit from this, the

See ■ WINDFALL, Page 2

individual homeowners may not realize any benefit. It's like a spider web, you touch it over here and you feel it over there," Mr. Kelly added.

The Recreation Centers of Sun City West is still in litigation with the county over its property taxes, and is among 42 appeals filed on common area assessments for tax year 2000.

Because the overall tax base would be reduced, special taxing districts, such as schools, fire and street lighting districts, may see their tax revenue decline. The Assessor's Office is still evaluating the overall impact the reductions may have on those districts.

Sun City Grand, as well as a small portion of Sun City West, stand to suffer the most since both areas are within the Dysart Unified School District. Sun City and the bulk of Sun City West are assessed by the fire districts and lighting districts.

Sun City Fire Chief Jim Sebert said

his fire district stands to lose from the tax relief measure. "If we lose substantially most of the taxable benefit of all of the recreation center properties, the fire district faces the possibility of a higher tax rate next year. And that will not sit well with homeowners out here," he said.

All of this is contingent upon the recreation centers meeting the criteria established under the law for common areas, said Jeffrey Jones, spokesman for the Assessor's Office. In order to qualify for the tax break, the associations must prove they meet the statutory definition of a common area and also record a deed restriction with the Assessor's Office.

One provision, requiring all property owners to be members of the association, could pose a problem for the heirs of estates who may not meet the age restrictions or have full recreation center privileges.

Said Sun City West Fire Chief Robert Biscoe: "we may be counting our chickens before they hatch."

VF TAXES - GENERAL

Windfall

Massive tax cut benefits rec centers

By BRUCE ELLISON
and TINA SCHADE
DAILY NEWS-SUN

Property taxes on recreation centers in Sun City, Sun City West, Sun City Grand and in Westbrook Village in Peoria will fall to almost nothing next year, the result of a little-noticed revision in state tax law that took effect this week.

Under the new law, which applies only to "common areas" owned and operated by mandatory membership homeowner associations, the assessed value of any rec centers property other than golf courses will drop to \$500.

The Bell Recreation Center in Sun City, for instance, now will be worth only \$500 for tax purposes, reducing the annual taxes to only a few dollars. Last year the Sun City centers paid \$165,000 in property taxes on all its centers.

Golf courses are not affected by the change, though by law they already are valued at a relatively low per-acre cost.

The net effect of the cut in valuations will be a massive tax cut for the recreation centers — in many cases a cut of hundreds of thousands of dollars.

Bill Collier, financial chief at the Recreation Centers of Sun City, said he's not sure just how much the centers will save, or exactly how and when the law will be applied.

But he said the current assessed value of the centers is \$2.65 million for "the eight or nine complexes we own."

"As I understand the law, each of them will drop to just \$500, for a total of \$4,500."

"That sure should cut our tax bill significantly if that's

See Fire districts, A5



In Sun City West, centers officials often have said that the total value of all centers facilities such as Palm Ridge Recreation Center pictured at top, is about \$70 million. Each recreation center, including Bell Recreation Center in Sun City, left, now will be worth only \$500 for tax purposes, reducing the annual taxes to only a few dollars. Last year the Sun City centers paid \$165,000 in property taxes on all its centers.



OVER

the way it'll work," he said.

The centers 1998 tax bill was about \$165,000, Collier said.

In Sun City West, centers' officials often have said that the total installed value of all centers facilities, golf courses included, is about \$70 million, or about \$4,000 per home.

Jon Cannon, chief financial officer, said he hasn't compiled data yet on the exact values of all the properties that aren't golf courses, but he, too, expects the taxes to drop sharply.

In Westbrook Village, general manager Jim Smolensky said his board "has anxiously awaited" the passage of the law.

As for savings, "we're working on it right now, to figure out how much" taxes will fall.

Smolensky said each of the two recreation centers in Westbrook Village is probably worth \$1.5 million to \$2 million. The new law will cut that to just \$500 each.

Lawyers for all three centers are looking at exactly how the law will apply to their associations, the officials said. In each case, the officials were cautious about benefits without having heard from the lawyers.

Spokesmen for Sun City Grand in Surprise weren't able to provide a figure for the savings there.

Maricopa County Assessor Kevin Ross said his office anticipates that at least 10,000 parcels county-wide will have to be reevaluated, with the biggest savings going to the largest homeowner association-run communities, as in the Sun Cities and at places such as Estrella and Pebblebrook in Goodyear, and Sun Lakes in the southeast Valley.

The valuation change does not apply to condominium complexes.

The biggest potential beneficiary, Ross said, will be the Del Webb Corp.'s Anthem development near New River. That's a massive community under construction with all amenities provided by what appears to be a qualifying homeowner's association. Ross said about \$51 million in taxable property might have to be slashed to almost nothing.

While the tax cuts will help rec centers' budgets, they won't have much impact on taxing authorities other than the Sun City and Sun City West fire districts.

That's because most taxing districts here are county-wide, drawing from a large base. Community colleges, the library district and the county in general tax vast amounts of property.

But the two fire districts draw only from the two Sun Cities, and at last year's tax rates, could lose thousands of dollars each from the assessment change.

The legislative action came as a surprise to many observers and wasn't appreciated by some.

Opponents of the tax reduction almost persuaded Maricopa County supervisors last week to ask the county attorney to appeal the matter to the state Supreme Court to check its legality.

Supervisor Jan Brewer, who represents District 4 and the Sun Cities, said she was inundated with e-mail and phone calls about leaving well enough alone. Many of those communications came from homebuilders.

She also received a letter from Carole Hubbs, president of the Sun City West rec board, asking that the supervisors not act on any appeal.

Brewer was able to persuade supervisors chairman Fulton Brock to remove the item from the agenda, effectively killing it.

It was the Recreation Centers of Sun City West that precipitated the legislation.

Financial manager Cannon said it all started with arcane and complex methods of valuation of property some two years ago, when the assessor's office noticed that Sun City West centers property was being assessed at 10 percent of actual cash value, the rate for residential property, while that of other recreation complexes was assessed at 16 percent, a catch-all category.

So the ratio was boosted in

Sun City West, a move that would have hiked property taxes there by 60 percent.

That hike was included in the centers' budget but was appealed to the state and eventually to the Supreme Court.

Lawmakers thought it best to clarify the matter, and the May 4 approval of the law was the result.

Legislative records are unclear about who actually introduced the provision.

The rationale behind the law is that Recreation Centers members were being taxed twice on the same property.

Del Webb Corp. provided all the facilities to the associations without charge, simply deeding over complete centers.

But Webb loaded the cost of those facilities into its home prices.

As a result of having the facilities available, homes in the retirement communities are worth thousands of dollars more than similar homes without such amenities.

So, the lawyers and lobbyists said, the county is taxing the same property twice — one as owned by the centers, and again in the higher values of the homes.

Lawmakers agreed.

The law says it is retroactive to assessments as of Dec. 31, 1998, but lawyers for the recreation centers believe it won't affect taxes for another year.

Here are the criteria for property eligible for the special \$500 per parcel value:

- Property must be owned by a non-profit homeowners association, community association or corporation.
- The owner must be organized to provide for the maintenance and management of the common area.
- The owners of all lots, lands and areas in the development must be members of the non-profit association.
- All property owners must be required to be members of the association.
- All members of the association must have the right to use and enjoy the common areas.
- The common area must be deeded to the association.
- The property must be restricted to use as a common area.

Common areas are defined as property intended for the use of owners and residents of a residential development or subdivision, including beautification areas (such as landscaped median strips). Golf courses are specifically excluded, and the law does not apply to condos.

Bill to freeze senior home values

LAWMAKERS: Seniors have paid enough taxes already, backers say

HOWARD FISCHER
CAPITOL MEDIA SERVICES

PHOENIX — State lawmakers are setting the stage for a ballot battle between seniors and everyone else.

A measure unanimously approved Wednesday by the House Committee on Government Reform would freeze the taxable value of the homes of most seniors as long as they live there. The net effect would be that their taxes to support cities, counties, schools and special districts would not go up.

The action comes even as another legislator is pushing a plan to give everyone the same treatment: No hike in property

values while you own your own home. That proposal by Rep. Jerry Overton, R-Litchfield Park, contains no age or income restrictions.

But Overton conceded that the seniors-only plan has more support in the Legislature — and is more likely the one that will be put before voters in November.

He said, though, there are political implications to putting the seniors' tax break on the ballot, with or without his measure.

"It pits the young folks against the old folks," he said.

Rep. Dean Cooley, R-Mesa, sponsor of the measure approved Wednesday, said it is only fair to give seniors on fixed incomes a break.

He acknowledged that, because of the way property taxes are levied in Arizona, whatever the seniors do not pay would be borne by everyone else. Cooley said,

though, the added tax burden would be minimal.

What is driving both plans is the rapid rise in home values in most of the state. That translates into higher assessed valuations which, in turn, can mean higher taxes.

The legislation approved Wednesday specifies that once someone 65 or older lives in a home for at least two years the assessed valuation is frozen at that level until the property is sold. The income limit in the plan is \$23,232 for a single person and \$43,450 for a couple — both of whom have to be 65 to get the tax break.

"This is a wonderful way to give a break to senior citizens who have paid taxes year after year after year," said Rep. Wayne Gardner, R-Mesa.

Cooley said the Legislature can't do anything about rising costs of everything from water and telephone to food and

prescriptions.

"This is something we in government can do to give them some relief," he said.

He acknowledged that a couple making more than \$40,000 a year may not exactly qualify as poor. Cooley said he may amend the measure before it makes the ballot to have a single income standard of less than \$30,000 that applies to both single and married people.

Overton said the Cooley plan is fine -- as far as it goes. The problem, he said, is it doesn't go far enough.

He said the problem is that rising property values are of no benefit to someone who wants to stay in his or her own home.

The plan drew the support of several Maricopa County supervisors.

"These people have paid their dues, raised their kids and now live on fixed income," said Jan Brewer.

In fact, Brewer said, if it were up to

About the legislation

● House Concurrent Resolution 2028 would ask Arizona voters in November to allow certain senior homeowners to seek "a property valuation protection option" for their home. To qualify for the property valuation freeze, residents must be at least 65 years old, have owned their home for at least two years and meet a household income requirement.

● To get a copy of the resolution, call the House information desk at 602-542-4221. Bills and resolutions also are available at www.azleg.state.az.us/legtext/bills.htm on the Internet.

● To reach the resolution's sponsor, Rep. Dean Cooley, R-Mesa, call 602-542-5874.

her there would be no income restrictions on the measure. "I think it should be for everyone over 65 years of age," she said.

SUN CITIES INDEPENDENT— JANUARY 26-FEBRUARY 1, 2000

Assessor offers mixed blessings for Sun Citians

Property assessments on rise

By LORA BERRY
Independent Newspapers

Maricopa County Assessor Kevin Ross had some good and bad news for Sun City residents when he addressed them during the Sun City Taxpayers Association annual meeting Jan. 10.

The good news for Sun Citians was the new property-tax exempt status of Sun City's six recreation centers, which would reduce the recreation centers tax burden and may allow the Recreation Centers of Sun City to forestall any fee increases.

The bad news is residential property assessments in Sun City will be going up about 3.5 percent.

Property valuations for fiscal year 2001-2001 will be mailed out by the end of January. The Assessor's Office will be providing the assessments every two years where previously they had been provided yearly.

Since it is a two-year valuation, property owners will see no change or increase in their valuations in 2002. After receiving their assessment for 2001-2002, citizens will not receive another change in assessed value until January 2003.

The main factor in determining home valuations is comparable home sales, Mr. Ross noted.

Last year, the average home value in Sun City increased from \$78,000

to \$81,500, and the average resale price went from \$92,500 to \$98,000. Mr. Ross said with the growth initiatives on the ballot this year, Sun Citians could expect high appreciation of their home values once these initiatives are in place. However, the county wants to support legislation to exempt low income seniors from the increase in taxes that would result.

"If you can't build anymore but you still have demand for those homes, you can expect the prices to go up," said Mr. Ross. Even though retirement communities are hard hit by increases, last year Sun City had the fourth lowest increase in the county. The county average increased 9.11 percent from 1999-2000 while Sun City assessments increased 2.6 percent last year.

"The Assessor's Office will make Sun City a major, major focus ...," said Mr. Ross. To do that they will have support staff stationed twice a week at the SCTA office to answer residents' questions about their property valuations.

Actually, even the good news may eventually turn out to be bad news for Sun Citians. If the Recreation Centers enjoy a reduction in its tax assessment, the revenues for the county will have to be made up in other ways — which may include higher tax rates for residential property owners.

Saturday, Feb. 19 and Sunday, Feb. 20, 2000

VF TAXES - GENERAL

Plan excludes SC, SCW voters from decision on stadium tax

NO VOTE, NO TAX: Latest revision would bar unincorporated areas from having a say, or being taxed

BRUCE ELLISON
DAILY NEWS-SUN

Voters in the Sun Cities may be left out of a revised plan now being studied to help pay for a new stadium for the Arizona Cardinals.

Stadium backers are mulling a plan that would levy additional sales taxes only on the incorporated areas of Maricopa County.

By doing so, they think, they could keep Sun Citians and others in unincorporated areas from voting on the plan.

The fear is that the 70,000 residents in the Sun Cities, opposed to public funding for such stadiums, might vote in a bloc against the project, stalling the effort.

"That's taking away our right

to vote," said Mary Elaine Charlesworth, president of the Sun City Taxpayers Association.

Eliminating the new taxes in the Sun Cities is "a ploy to keep us from voting," said Phil Garner, president of the Sun City West Property Owners and Residents Association.

Charlesworth, Garner, Blaine Donaldson of the Sun City Home Owners Association, and Bill Beyer, a Sun City lawyer who often represents local organizations, met Friday morning with Senate President Brenda Burns, a Glendale Republican, for a briefing on the so-called Plan B funding mechanism for the stadium, which likely would be built in the East Valley or in downtown Phoenix.

Two of Burns' staff members also attended.

Hosting the session was Diane McCarthy, president of the West Maricopa Coalition, a public-private group promoting West Valley economic interests.

P O R A a n d H O A

See Local leaders, A5

From A1

representatives are on the West-marc executive board.

"The original plan was for a statewide tax" on tourist-related business, Burns said. "So I made it clear it would have to go to a vote statewide."

Objections to that plan came from Tucson and Flagstaff hostellers, which saw little benefit to having their guests finance a Phoenix-area stadium.

"But some of these stadium backers came to me later with a plan just to boost taxes only in incorporated areas of Maricopa County, and I realized that probably would mean they would only vote on the plan in those incorporated areas," she said.

The goal, she and others suggested, was to keep residents of Sun City and Sun City West away from the polls.

But, Garner pointed out, imposing the additional taxes only in cities would impact residents here.

"There are no hotels or motels in the Sun Cities," he said. "There are no new car dealers. There are few car rental places."

"We or our guests mostly buy those things out of town, where the taxes would be imposed, but we wouldn't be able to vote on them."

Plan B would increase the hotel-motel tax by 1 percent in Maricopa County, and by one-half percent in other areas.

It also would add a 3 percent sales tax on car rentals but delete a \$2.50 a day existing tax.

The proposals would bring in \$159 million of the expected \$329 million pricetag for the new stadium, backers say.

"They are trying to isolate us," Charlesworth said.

"I don't like that idea. It's not in the best interest of the public, though it may be in the best interest of the stadium backers."

McCarthy noted that the overall plan, with tax money coming in for 30 years, would also provide only limited funds for any additional sports-related facilities in the West Valley.

And, she said, the stadium planners never looked at a West Valley location for the Cardinals.

Donaldson, of the Sun City HOA, noted that in setting up the stadium task force, "Gov. Hull ignored the West Valley in picking members, and the task force members ignored the West Valley in picking potential sites."

Burns said stadium backers claim the additional cash would boost state spending on tourism promotion. But, she said, "the hotel-motel industry isn't doing well now, so I'm not sure an additional tax is a way to help."

While the hike probably wouldn't affect the vacationing executive who wants golf in January, it could make the Valley less attractive to meeting planners who look not at one room, but at several thousand at a time, she said.

"I'd like to see the Cardinals stay in the area," Burns said. "I'd like to see something work out."

But she's also pledged not to use public money for the stadium, a pledge she repeated Friday.

As Senate president, Burns

could use Senate rules to bottle up legislation she didn't like.

"If there is a fair package, I may not support it but I wouldn't try to keep it off the ballot," she said.

But she was clear that the plan to write off the Sun Cities and other unincorporated areas isn't fair.

If that legislation for new taxes in Maricopa County is going to make it out of the Senate, she said, all voters in the county will have to have a say on it.

"I want folks out here to know what's going on," Burns said. "I want them to have a chance to talk" with their own legislators and with the homeowners and taxpayer associations.

Deadline nears for tax initiative

TOO MUCH: Activists protest the high cost of vehicle license taxes in Arizona

HAYLEY RINGLE
DAILY NEWS-SUN

Floyd L. Hanna of Sun City does not think he should have to pay \$2,000 in vehicle license taxes for his motor home every year, and 75 people he talked to in Sun City are on his side.

Hanna is one of the approximately 150 petitioners from all over the state who are hitting the streets in an attempt to collect 102,000 signatures by Thursday to get the Abolish Car Tax initiative on the September primary-election ballot.

The initiative would eliminate the

vehicle license tax and replace it with a one-time \$8.50 plate processing fee and a \$25-a-year registration fee. To offset the lost revenue, a 3-cent-per-gallon additional tax would be added to gas and diesel for roads and freeways.

Arizona Rep. Marilyn Jarrett, of Mesa, R-District 21, who started the initiative over a year ago, said she doubts enough signatures would be acquired by the July 6 deadline, but Janie Thom, ACT events coordinator, said it's too early to throw in the towel.

With about 150 ballots still unaccounted for, a final count will not be tallied until the end of the week.

"This is a citizens initiative done by volunteers," said Thom, who has been involved with ACT since May 1999. "Until we get all the ballots back and counted, I'm still optimistic."

Thom's phone has been ringing off the hook ever since her Mesa phone number was made available for anyone interested in collecting signatures.

"I've had one call after the other, from first thing in the morning to late at night," Thom said. "People have been absolutely marvelous."

Thom recalls a man who went around his neighborhood in his wheelchair to get signatures.



Tom Shue of Sun City West puts his 2001 tag on his license plate after visiting the Department of Motor Vehicles office. He says he thinks Arizonans pay too much in vehicle license taxes.

"This is the tax that people dislike the most," said Thom, who at one time was paying taxes on eight vehicles. "Arizona has the third largest vehicle license tax in the nation."

While vehicle license taxes in most other states have gone down, Arizona's car tax has increased 7 percent, Thom said.

"I think the prices here are inflated," said Tom Shue of Sun City West, who

was at the Department of Motor Vehicle office in Surprise. "Something should be done for a fairer adjustment."

The vehicle license tax in Arizona is measured on the car's value, and with more and more people buying new cars that means the state is getting more taxes.

Haila Halverson of Surprise said s

See Sun Citizens, A1

From A1

paid \$40 in car taxes in Wisconsin.

Her bill in Arizona for the same car — \$600.

"I think it's ridiculous," she said.

About 70 percent of the car-tax money collected by the state is re-distributed to the county

means it can be used for anything, Thom said.

The other 30 percent is used for the Highway User Revenue Fund, for state highways and freeways, she said.

Taxes collected from gasoline sales can be spent only on highways and freeways, Thom said.

"We are also losing \$200 million a year to people who are reg-

cheaper states, like Idaho, New Mexico and Oregon," she said. "We're only hurting ourselves by having a high car tax."

Ernie Lofthouse of Sun City recently bought a new Dodge Neon and said his \$300 in car taxes is absolutely ridiculous.

"We are taxed to the nth degree," said Lofthouse, who was at the DMV last week. "It's disproportionate."

If the initiative doesn't make it on the ballot this time around, Jarrett said she will start again collecting signatures to get it on the next election's ballot.

"The state is after every dime I have," said Hanna, who paid only \$54 on his motor home in Illinois. "There's no reason for this."

For information, call Janie Thom at 180.218.1810.

SUN CITIES AREA: Many unaware of current inequity in tax code

PATRICK O'GRADY
DAILY NEWS-SUN

Sun City residents Ralph and Carolyn Cline know they have lost a little bit of money each year because they are married, but they said they don't believe it has cost that much.

What may have been costing the couple, who celebrated their 50th anniversary in June, is the so-called "marriage penalty" in federal income taxes that does not allow married couples to have the same dollar amount of personal deductions as they would filing as two single people.

"I've heard people complain about it, but I have my taxes done and they tell me it doesn't make much of a difference either way," Ralph said.

For those who are impacted by the tax-code abnormality, the U.S. Senate yesterday passed a bill that would allow married couples to take the same deduction as two single people. The bill would equalize deductions for married and single people. Currently, a married couple take a deduction of \$7,350, about 60 percent more than a single person. It is less, however, than the \$8,800 deduction two people would receive should they file singly.

Many people in the Sun Cities were not aware of any less deductions they were receiving as a result of being married, and had

heard of the issue only in the past few weeks. Still, the possibility of equalizing deductions for single and married people was well received, even among those who said they knew little or nothing about the issue.

"I don't understand why single people would get better benefits than married people," said Joe Brandi, who said he had neither seen nor heard much marriage-penalty debate.

Even those well-versed on the subject said they have noticed the lack of attention the marriage-penalty debate seems to draw, even though it would impact millions of people.

Sun City Grand resident Betty Marty said while she and her husband will not be impacted, her daughter would.

"I think most every person would want it if it were more publicized," she said.

Regardless of the bill's congressional approval, few believe it will become law after President Bill Clinton promised to veto it unless it was accompanied by a Medicare prescription package. Marty said she was surprised senators would vote against the issue, and that Clinton would use the issue politically.

"He says he will only take that with the prescription plan, but it has to be *his* prescription plan," Marty said.

Ralph Cline said he views the move to change the tax code as more political than motivated by a desire to actually help people.

"Knowing that Congress is interested in passing it means that it only impacts people making \$100,000 a year or more," he said.

DAILY NEWS-SUN

Monday, Nov. 20, 2000

Seniors warm to freeze

QUESTIONS: Sun Citizens wonder how many people, programs to be affected by property-tax measure



Gatzke



Wigler



Andrews

JOHN SOKOLICH
DAILY NEWS-SUN

Wes Gatzke of Sun City says the senior citizens who qualify for the property-tax freeze provided by the recently passed Proposition 104 will get a good deal.

Estimating that possibly 50 percent of Sun City residents might qualify for the program, Jim Meulemans, deputy assessor for the Maricopa County Assessor's Office, agreed that seniors can reap benefits from the program.

But despite the estimates, Gatzke isn't convinced many residents will qualify for the tax freeze.

"If you make less than \$24,000 a year, I don't think it will be a bad deal for senior citizens," Gatzke said. "But the question I have is: How many people in Sun City actually make less than that

amount?"

The proposition, a senior homeowner-protection act, allows some seniors on fixed incomes to have a property-tax freeze starting in 2002. The property-tax freeze will benefit seniors 65 and older who earn less than \$24,576 a year individually or \$30,720 as a couple.

As a retired school teacher, Gatzke said he is concerned how the tax freeze would affect other aspects of government, especially public schools, if up to 50 percent of seniors could qualify for the freeze.

"Arizona schools need as much money as possible," he said. "How this Del Webb community got away with not paying many school taxes puzzles me. I think Sun City needs to be paying taxes to the schools, even with the amount of money they donate out each year."

Meulemans, however, said the

program was designed to target specific seniors, and based on national averages, up to half of Arizona seniors can qualify. "This program is to really help those seniors who are on fixed incomes," he said. "The specifics of registration haven't

been worked out yet, but we are trying to make it as simple as possible."

Meulemans said the main questions seniors have had about the tax freeze is the time frame for registration into the program.

"Many people think that there is only going to be a two- or three-month window for registration, but we are allowing registering for all of 2001," he said. The tax freeze would start in 2002.

Although Meulemans said the program should benefit a moderate number of senior citizens in Maricopa County, Sun City residents who were asked about the act Saturday agreed with Gatzke that few people will qualify.

Jack Wigler of Sun City said he believes the property-tax freeze is a good idea, especially with the cost increases in other aspects of daily life.

"I think it's a good idea," he said. "I'm not able to take advantage of the break,

but I know that there are a lot of people who are struggling, and for them this program will be good."

Some of the rising costs for seniors are medical related, Wigler said, while other costs he attributes to just cost-of-living increases.

"For people on fixed incomes, money doesn't go that far," he said. "HMOs are doing less and less, and costs keep getting higher and higher."

Kelly Andrews of Sun City agreed.

"There are a lot of seniors who need any help they can get," he said. "I'm not sure of many who fit into the income level that's required, but any little bit helps. I think it's a good idea."

Data compiled by the Maricopa County Assessor's Office shows that the tax freeze would work gradually for those who qualify. An example given was a house valued at \$70,000, which would receive a break of \$2,100 the first year of the program and increasing breaks in following years.

In addition to the income requirement for the program, another stipulation is that seniors have to be living in their homes for at least two years to qualify.

For those seniors who do fit the requirements of the property-tax freeze, registering will start in January through the county's assessor's office.

For information, visit the county assessor's Web site at www.maricopa.gov/assessor.

January 22, 2003

SUN CITIES INDEPENDENT

Assessor's rep offers aid in Sun Cities

Assistance program is presented for 13th successive year

By **Mike Russo**
Independent Newspapers

Sun Citians having questions about their county property tax assessment or seeking an assist with filing for senior property valuation protection will again be able to avoid a trip downtown Phoenix to have problems rectified.

For the 13th consecutive

year, the Maricopa County Assessor's Office is temporarily stationing a representative in Sun City and Sun City West during the annual property Notice of Valuation mailing.

The county is tentatively scheduled to send out the notices on Feb. 7, and property owners have 45 days to appeal.

Jacque Varner will be avail-

able for consultation at the Sun City Taxpayers Association office, 12630 N. 103rd Ave., Sun City, and the Property Owners and Residents Association office, 13815 Camino del Sol, Sun City West through March 31.

Ms. Varner, who has administered the program since its inception, is in Sun City three times weekly and she spends

two days in Sun City West. She is available 9 a.m.-5 p.m. Mondays, Wednesdays and Fridays at the Sun City Taxpayers Association Office, 12611 N. 103rd Ave., Ste. D, Sun City.

Appointments are encouraged.

Ms. Varner is available by appointment on Tuesdays and Thursdays at the Property

Owners and Residents Association, 13815 Camino del Sol, Sun City West.

Although Ms. Varner is no longer employed by the Assessor's Office, having retired in 1997 after 16 years of service, she volunteers her time each year to assist Sun Citians.

She helps property owners

See **Assessor** — Page 3

Assessor

Continued From Page 1

review their Notice of Valuation, assisting them with the completion of exemption forms and accepting the submission of valuation appeals.

"She is so wonderful with the residents," said Gerald Dolezal, SCTA vice president. "She spends so much time with them.

"We really appreciate all she does for Sun City residents," he added.

Ms. Varner was honored by the Taxpayers during last year's annual meeting, with a

plaque being presented to her, for her efforts on behalf of the community.

In addition to assisting with property valuation questions, Ms. Varner will help residents file for the Senior Home Ownership Protection (Proposition 104), which freezes the full-cash property assessments of qualifying senior citizens.

To qualify for the program, one of the property's owners, living in the house, must be at least 65 years of age, the house must be the primary residence and the owners must have lived in the home for at least two years. Annual income must not exceed \$26,496 for a

single person or \$33,120 for couples. Residents would have to reapply for the exemption every three years - to determine if there has been a change in status.

Anyone seeking to file for the valuation freeze must bring proof of age. A driver's license will suffice.

They will also need to present proof that the house is their primary residence. That can be done through a voter registration card, property valuation notice or property tax bill to show ownership of property, or a deed.

All income, including Social Security payments, are used

to compute income eligibility.

As for the exemption granted to widows or widowers, Ms. Varner noted, "The spouse must have passed away in Arizona or you must show proof that he or she was a resident at the time of death."

The income qualifier for the exemption is \$13,200 from all income sources, excluding Social Security.

Assessed property valuation cannot exceed \$10,000, which is 10 percent of full cash value.

To make an appointment to meet with Ms. Varner, call SCTA at 933-7530, or PORA at 623-584-4288.

DAILY NEWS-SUN SATURDAY, APRIL 5, AND SUNDAY, APRIL 6, 2003

Senator opposes property tax plan

MICHAEL MARESH
DAILY NEWS-SUN

At least one local senator plans to fight tooth and nail against a proposal that would raise property taxes in Sun City, most of Sun City West and other communities that aren't in local school districts.

The Sun City West expansion area is in Dysart Unified School District, but the majority of that community and Sun City do not pay local school taxes. All areas of the communities pay some education taxes.

The proposal — supported by Sens. Pete Rios, D-District 23, and Slade Mead, R-District 20 — would about double the property tax rate for education levied on communities not in school districts, making those residents pay the same amount as those already in districts. The rate is \$4.06 per \$100 of assessed value for homeowners within school districts.

Sen. Jack Harper of Surprise, R-District 4, said Rios and Mead will likely have to come up with a bill rather than just a proposal since any legislator attempting to raise taxes must take responsibility for such actions.

Harper said a bill would have to be drafted because Senate Appropriations Chairman Bob Burns, R-District 9, would never allow tax increases to be hidden in the budget with no input from the public or other lawmakers.

"It will have to be a bill," Harper said.

From A1

Arizona Senior Citizens Forum lobbyist Gretchen Jacobs, who represents the Sun Cities' interests at the Legislature, said she was under the impression the increased property-tax rate could be placed into the budget as a last-minute addition.

She said Burns and House Appropriations Chairman Russell Pearce, R-District 18, are involved in the budget process, and the property-tax increase proposal would likely have to go before their committees.

Pearce and Burns did not return phone calls as of press time.

Maricopa County Assessor Kevin Ross has said about 40 to 50 percent of an average homeowner's property taxes go toward school taxes. On a \$100,000 home, that would mean an increase of about \$200 per year for homeowners in communities not already paying local school taxes if their tax rate were increased to match those within districts.

Harper said nine of 30 senators have pledged not to raise taxes, and he is confident any bill to raise taxes would fail to get out of the appropriations committee.

"We are going to squash it," he said. "If they try to

raise taxes, they have to take responsibility."

If such a bill is placed on the committee's agenda, Burns would have to make the decision whether to hear it or not, Harper said.

If such a bill passes through appropriations, Harper said his fellow legislators had better be prepared for a marathon session because he will not support any tax increase. He said he is prepared to spend days if necessary to explain his opinions.

Harper said since 21 senators did not take the pledge not to raise taxes, it could be a tough battle. "I will wear them down on the floor," he said.

Harper said Sun Citizens need to let their voices be heard. He said they should e-mail and give their opinions on the tax rate to everyone on the Appropriations Committee except himself since he has already made up his mind to fight the proposal. Mead, Harper said, has made up his mind to push for the tax increase, so contacting him would be fruitless as well.

If a tax-increase bill passes through appropriations, Harper said, residents should voice their concerns at the Capitol when the bill reaches the floor.

See BILL, A6

Irked

Remarks calling Sun City parasitic upsets residents

By Karen Kirk
The Phoenix Gazette

SUN CITY — Maricopa County supervisor George Campbell's suggestion that the county is subsidizing Sun City and that it should ask the retirement community to incorporate has left plenty of Sun Citians steaming.

Campbell made the remark last Monday during a meeting in which the county Board of Supervisors agreed to pay an estimated \$3,365 for the electricity to run sprinklers in Sun City medians. He then called for a study of the amount the county pays to maintain the Sun City Fire District, provide law enforcement, street repair and other services.

Sun Citians, who have debated the issue of incorporation for years, say they pay for their share of services and more.

Kay Sentes, president of the Retirement Community Association, a 5,000-member anti-incorporationist group, said, "We pay more than we take out of the county. We have no jails, no courts or anything like that. He (Campbell) is out of line." She also said that such community volunteer groups as the Sun City Prides have saved the county an estimated \$30 million over the years in maintenance of the roads and medians.

Brayton Willis, Sun City Fire District clerk, said that county taxes are used to pay only 20 percent of the operations cost of the Sun City Fire Department. The other 80 percent is raised through a fire tax levied only on Sun Citians.

"Last year the county gave us 40 percent. This year they are hardly giving us anything. I don't know where he gets off saying that the county is paying for the fire department," Willis said.

Les Merydith, president of the 1,800-member pro-incorporation Citizens for Self Government, said that although he agrees with Campbell that Sun City should be incorporated, he disagrees with the supervisor's remark that Sun City is not paying its fair share in taxes.

"I think he is correct in saying that we should be incorporated and running our own affairs, but I also think his comment that Sun City is being subsidized by the county should be modified to say that Sun City is being subsidized only in municipal services. This doesn't mean we are not paying our own way," Merydith said.

"We are paying more than our fair share of taxes. The county is now providing us \$2 million in services like street maintenance, law enforcement and the fire district, that we would have to pay for out of our city budget if we were incorporated. But 60 percent of the county budget is spent for welfare and child support, jails and juvenile facilities. Our people are not in jails and they don't take welfare, so we don't get this back.

"I think it should be made clear that we are not subsidized by the county, but we are subsidized unfairly in municipal services and other municipalities have a good reason to complain."

Sun City CAN names top volunteer

Board takes unusual step for honor

By Rusty Bradshaw
INDEPENDENT NEWSMEDIA

The Sun City Community Assistance Network Board of Directors took an unusual step in naming its volunteer of the year for 2016.

An agency, especially Sun City CAN, normally does not give the honor to a sitting board member. But in October the board unanimously voted to name Hugh Duncan, the board's president, as the agency's volunteer of the year.

"While it is unusual to select a sitting board member for this honor, the board decided there was no one more deserving of recognition than Hugh Duncan for his years of dedication to this organization," said Linda Miskimen, Sun City CAN executive director.

Mr. Duncan has been active in the community since he and his late wife, Beverly, moved to Sun City from Boise, Idaho in 2002. He is an Episcopal priest and a retired U.S. Navy officer.



Hugh Duncan

His association with Sun City CAN dates back several years prior to his election as board president in 2010. He continues to serve in that capacity.

"Hugh carries our message when he speaks to community groups, churches and civic clubs," Ms. Miskimen said. "His knowledge, experience and expertise in fund raising has been the primary reason for our financial stability and success."

Mr. Duncan also authors the CAN Connection newsletter and regularly submits articles that are then

published in local newspapers. He has also volunteered with the AARP Tax-Aide program for 14 years, first as a tax counselor and preparer, and now as a floor manager.

"Most importantly, Hugh keeps his finger on the pulse of this organization giving direction to make sure SC CAN is focused on our target of 'Connecting people with resources to enhance their standard of living'" Ms. Miskimen said. "His efforts continue to benefit those who come to SC CAN needing our help and he is truly appreciated."

Call 623-933-7530 or visit www.suncitycan.org.

Rusty Bradshaw can be reached at 623-445-2725 or rbradshaw@newszap.com. Continue the discussion at www.yourwestvalley.com.

VFSE
Sun City Tax Payers Assn.

TAXES

Some winter visitors considered Arizona residents

State law provides definition

By Hugh Duncan
SPECIAL TO INDEPENDENT
NEWSMEDIA

Some winter visitors to Arizona wonder just what their status will be come tax

time.

Sun City Community Assistance Network officials sometimes hear winter visitors say, for example, "I've got to get back to Minnesota. If I stay here more than six months I'll have to become an Arizona resident or a part-time Arizona resident and pay Arizona in-

come taxes." However, that is not true.

Under Arizona law there is presumption that every individual who spends, in the aggregate, more than nine months (not six months) within the state is a resident. Even the nine-month presumption may be overcome by competent evidence that

the individual is in the state for a temporary or transitory purpose.

Examples of actions that are considered in determining a person's residency are physical presence of an individual in the new locality, registration of an automobile, application for a driver's license or relinquishing an

old one, location of bank accounts and business connections, purchase of a home or sale of an old home, payment of personal or real property taxes, payment of state income taxes, voter registration location and consistent use of a permanent address on all appropriate records and correspondence.

"The question of residency for state income tax purposes cannot be answered by a general rule, but depends largely on the circumstances of each case. Generally, no one single factor is controlling, but all relevant facts must be considered," Arizona's Individual Income Tax

Procedure. "A determination of residency is dependent on physical presence and an intent to abandon the former residence and remain in the new residence for an indefinite period of time. A new residence can only come into being when both of these criteria coexist."

For more details, consult Arizona Individual Income Tax Procedure ITP-92-1 "Procedure for determining residency status" on the ADOR website, www.ador.gov.

Editor's Note: Mr. Duncan is Sun City Community Assistance Network board president.