

# Credits or refunds ordered for

## 'Sun City' case collected \$10 million

By Brent Whiting  
The Arizona Republic

2/27/90

Property owners can choose between refunds or tax credits in recovering an estimated \$10 million in state taxes that illegally was collected in 1988 for areas outside organized school districts, a judge said Monday.

Maricopa County Superior Court

Judge William Moroney, who presides over the Arizona Tax Court, also said property owners are entitled to 10 percent annual interest on those taxes.

He directed Maricopa County Treasurer Glenn Stapley to administer the payback program in Maricopa County, where an estimated 46,000 property owners may recover refunds or apply for tax credits.

The process is to begin July 1 and be completed by June 30, 1991, and the Arizona Department of Revenue must reimburse Stapley's office for the administrative costs of the reimbursement program, he said.

Moroney's rulings followed a Jan. 16 order in which he declared that the state agency collected the taxes under an "unconstitutional statute," but the judge left undecided how the money would be returned to property owners.

The decisions came in the so-called Sun City school-tax case, so dubbed because the tax was levied on Sun City, Sun City West, Youngtown and about 22 other areas statewide as part of a multimillion-dollar tax bill passed in 1988. The tax was challenged in an October 1988 lawsuit filed by Kenneth J. Larkin, president of the Sun City Taxpayers Association.

William D. Hostetler, an assistant

attorney general representing the Revenue Department, said Monday that the case has opened a Pandora's box of problems for the department.

First of all, the department does not have \$10 million for refunds but must rely on the Legislature to provide the money for the new fiscal year, which begins July 1, Hostetler said.

Secondly, when Moroney signs a formal judgment, as expected, within the next two weeks, the agency must weigh the financial risks of lengthy litigation by deciding whether to appeal, he said.

Arthur W. Pederson, a Phoenix

lawyer for Larkin, said that in addition to 46,000 property owners in Maricopa County, as many as 2,000 in Pima County may be entitled to refunds or tax credits.

Stapley said it may cost as much as \$250,000 for his office to identify Maricopa County property owners, notify them of the option they need to make and send them refund checks or apply credits to 1990 tax bills. Other counties are doing their own work.

Stapley said the payback will impose a heavy administrative burden on the limited resources of his office.

He said his office hopes to send out notices during the first week of Ju

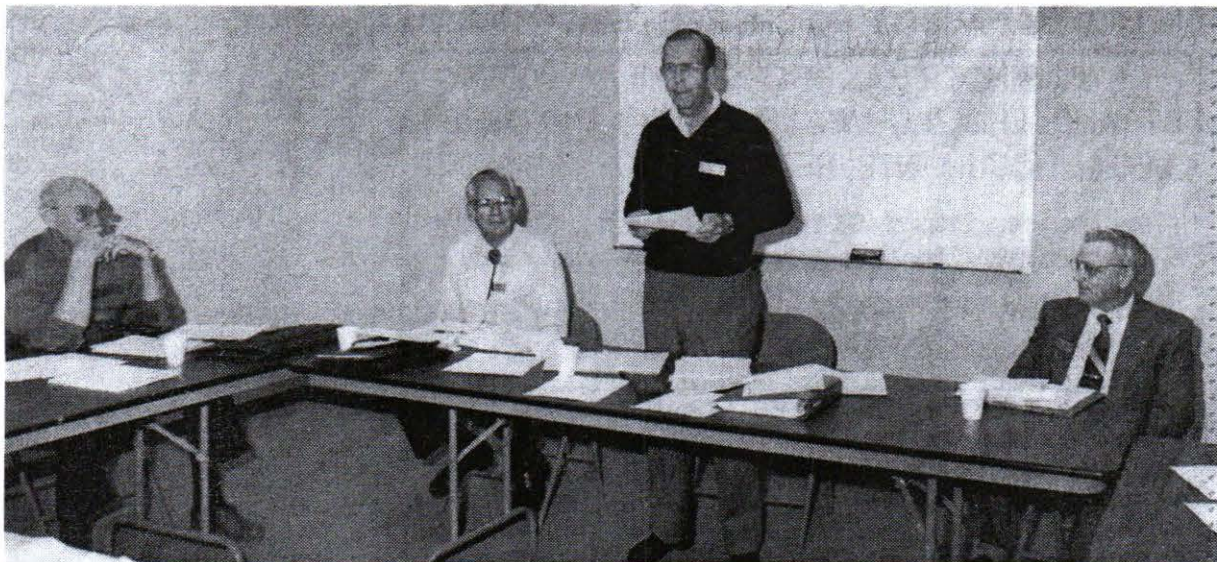
## illegal tax

but the problem is complicated because 30 to 35 percent of the property that is subject to refunds or tax credits has changed hands since the tax was collected in 1988.

Moroney ruled in July that the tax violated the Arizona Constitution because it collected four times more money than was needed to reach its objective of educating children not living in organized school districts.

The cost of educating pupils outside school districts is \$2.5 million a year. But the tax, which was collected by the counties and given to the state for distribution, raised \$10 million in 1988, he said.





Laurie Hurd-Moore/Independent

**INCREASING MEMBERSHIP** and expanding the responsibilities of several PORA committees will be major priorities for the homeowners group in 1990, says new PORA president Morey Jensen, standing. Mr. Jensen outlined his organization's goals during the first board meeting (above, held Jan. 9) and general membership meeting, held Jan. 11.

## \$10 million in 'Sun City taxes' ordered refunded by state court

By Susan Leonard  
The Arizona Republic

1/18/90

About \$10 million in taxes paid in 1988 by property owners in Sun City and other areas outside school districts must be refunded, probably through a tax credit, an Arizona Tax Court judge has ruled.

Judge William T. Moroney of Maricopa County Superior Court, who presides over the Tax Court, said Tuesday that the taxes must be refunded because they were collected under an "unconstitutional statute."

The judge said he will complete action on refunding the money to nearly 50,000 homeowners and businesses in Maricopa County and 20,000 more elsewhere after state and county officials work out a refund plan.

The ruling came in the so-called

"Sun City school tax" case. It has been dubbed that because the tax was levied on Sun City, Sun City West, Youngtown and about 22 other unorganized school districts as part of a multimillion-dollar-tax bill in 1988.

At a hearing Tuesday, Maricopa County Treasurer Glenn Stapley suggested giving property owners a tax credit in 1990 rather than trying to send out refunds, which he said would be very difficult.

Moroney said a tax credit is an acceptable method of refunding the money "provided that the amount of the credit is the same as the amount of the illegal tax collected, plus interest."

He told Stapley and other tax officials that they also must find a way of providing for those people "who paid the tax and are no longer

able to be credited because they no longer own the property."

Moroney scheduled a hearing for Thursday to review how a tax credit could be implemented.

The judge ruled in July that the tax violated the state Constitution because it collected four times more money than was needed to reach its objective of educating children not living in organized school districts.

The tax law imposed a levy of 50 cents per \$100 of assessed valuation on residential property not part of an organized school district. The assessment was to increase gradually until being capped at \$4.72.

Businesses and rental properties were assessed the full \$4.72 beginning in 1988.



# School tax refunds pour into Sun Cities

Daily News-Sun staff

3/14/91

**SUN CITY** — The check is in the mail!

Thousands of Sun Cities and Youngtown residents who filled out refund claim forms for illegal school taxes they paid in 1988 are getting their long-awaited checks in the mail.

The Maricopa County Treasurer's Office has been working night and day to get the refund checks mailed to residents in unorganized school districts, said Greg Martin, who is supervising the process in Sun City.

Martin said the office has received more than 20,000 claim forms from property owners who are owed money by the state.

"Things are moving well. We are ahead of schedule," Martin said.

The property tax on education was declared unconstitutional by a Superior Court judge in July 1989 because it collected more than needed to educate children in unorganized school districts.

The state Supreme Court upheld the decision Nov. 7 and now the state must pay more than \$12 million in illegal taxes and interest to 70,000 residential, rental and business property owners in the state.

The treasurer's office has set up a temporary office at the Sun City Taxpayers Association to help local residents fill out their claim forms.

Martin said the office, 12630 N. 103rd Ave, will stay open for at least two more weeks. For information, call 933-7530.

Although the tax refund amounts to about \$40 for many homeowners, Sun Citizens Ken



Daily News-Sun photo by Frances Guarino

**AT LAST!** — Sun Citizens Murray Karsten, left, and Ken Larkin have been waiting for their school tax refund checks for more than two years. They challenged the tax in court and won a refund for nearly 70,000 property owners.

Larkin and Murray Karsten said their checks feel like \$1 million.

Karsten got a check for \$42.59. Larkin got a check for \$31.05. They received the checks this week.

Larkin said a number of local residents have donated their refunds to the taxpayers to help with legal fees.

"Even people outside the Sun Cities in Pinnacle Peak Estates have given us donations," Larkin said. "It's a great feeling."

The men took the case to court in November 1988 on behalf of the Sun City Taxpayers Association.

"This is the end of a 2½-year battle through the Legislature and judicial process. We met

resistance every step of the way," Karsten said. "Believe it or not, we are still paying our lawyer."

The association has been charged \$245,000 for legal fees in the case. The court has agreed to reimburse the association \$85,000 toward the fees. Larkin said additional reimbursements are being sought since the group won the case.

"The irony of all this is that if the Supreme Court had taken jurisdiction on the case in the first place, we would have avoided this whole mess," Larkin said.

The tax was challenged in Superior Court after the state's high court declined to review the tax.



# Area legislators to push for revisions in school tax

## Lawmakers take discussion to state leaders; hope to present proposal to Arizona Legislature

By **BRET McKEAND**  
Sun Cities Independent

4/11-17/89

As the Arizona Legislature reconvenes this week, Sun Cities lawmakers are preparing to introduce a bill that would modify the so-called Sun City school tax.

All nine legislators representing the Sun Cities have agreed to meet with House and Senate leaders and attempt to develop a bill that will revise the tax.

The legislators say they will attempt to introduce legislation that combines three of six proposals recently discussed at community forums.

The six proposals were discussed by Sun City residents at a Jan. 4 community forum and Sun City West residents at a similar forum held Dec. 21.

Ken Larkin, president of the Sun City Taxpayers Association, says he met with area lawmakers Jan. 9 before the Legislature

convened this week.

"They (area legislators) want to talk to the leaders first and see what they will accept," says Mr. Larkin.

"They would like to combine proposals three, four and six," he added, "but they want to gain support from the leadership before they introduce anything."

Proposal three and four call for the qualifying tax rate to be cut in half and give Sun Citizens the same 56 percent rebate provided to other Arizona taxpayers.

Proposal six asks that Sun Citizens only be required to pay for those students living within the Sun Cities and Youngtown.

After meeting with House and Senate leaders, area legislators will once again meet with local organizations to discuss any proposal that may be developed.

Seven of the area's nine legislators appeared at the Jan. 4 meeting. All seven agreed that

attempts to repeal the tax will be unsuccessful.

"We can go for broke but I think we will end up with nothing," says Rep. Brenda Burns, District 17.

"We have to look at the realities of the thing," she adds.

Rep. Burns says there is not enough support in either the House or the Senate to repeal the tax. In addition, she says, the governor would probably not sign such a bill.

For a majority, 31 votes are needed in the House; 16 in the Senate.

"We can count on six or seven right off the bat," says Bob Denny, senator-elect in District 15.

"But I can tell you, once we get out of Sun City we don't have a lot of support."

The legislators urged residents

*See TAX, page 5*

to support a bill that would modify the tax rather than repeal it.

"The reality is, we will not get enough votes to repeal this issue," says Sen. Pat Wright, District 17.

The controversial school tax was passed by the Arizona Legislature in the final moments of the 1988 session.

The law imposes an education tax on those living outside organized school districts.

There are 22 communities in Arizona that do not belong to school districts. Sun City and Sun City West are the two largest such communities.

The tax, which went into effect immediately, is to be phased in over a number of years for homeowners.

In 1988 homeowners were assessed a tax of 50 cents per \$100

of assessed valuation. The tax is to be increased 50 cents each year until it reaches the \$4.72 qualifying tax rate.

In Maricopa County, the average school tax paid by homeowners is \$3.95 per \$100 of assessed valuation.

The Sun City Taxpayers Association has filed a lawsuit in an attempt to have the tax ruled unconstitutional. The suit is expected to be heard later this month in Superior Court.

In November, state legislators representing the Sun Cities -- Districts 15, 17 and 19 -- developed six proposals designed to either repeal or revise the school tax.

The following proposal, proposal No. 3, was supported by the four organizations and the majority of residents attending

the two forums:

- Cut the qualifying tax rate in half -- from \$4.72 to \$2.36;
- Provide taxpayers in unorganized school districts with the same 56 percent homeowners rebate that is available to taxpayers in organized school districts;
- Allow the tax to continue to be phased in;
- Require the county to collect and monitor the spending of the funds rather than distribute them into the state's general fund.

"If we can settle for one-half the tax rate, plus the rebate, I think we'd be in hog heaven," says Bob Williams, representative-elect for District 17.

"There are a lot of legislators willing to help us and that's encouraging," he adds.

"It all depends on what we go in with."



Thursday, April 7, 1994 Daily News-Sun, Sun City, Ariz.

## Sales tax varies in Northwest Valley

By JULIE LARSON  
Daily News-Sun staff

Attention consumers: If you're going shopping today and you're counting your pennies, remember there's a difference in retail sales tax you'll pay in Northwest Valley communities.

Shoppers in the Sun Cities will pay 5.5 percent in retail sales tax. That amount is the combined 5 percent state retail sales tax and half percent county transportation tax. Sun Citizens pay the tax when buying items at local stores — except groceries — and when visiting local restaurants and bars.

If you're heading to Surprise, El Mirage or Youngtown, plan on paying more for retail sales.

The following percentages are the total amount of tax you pay in area

cities for retail sales, food for home consumption and in restaurants and bars.

The amounts were figured by taking each city's sales tax and adding it to the state's 5 percent sales tax and the county's half percent transportation tax. Food for home consumption is not taxed under that 5.5 percent tax.

■ Sun City and Sun City West: Residents only pay the state and county's combined 5.5 percent tax for retail sales and in restaurants and bars, but pay no tax on food for home consumption.

■ Surprise: Retail sales — 7.5 percent; food for home consumption — 1 percent; restaurants and bars — 8.5 percent.

■ El Mirage: Retail sales — 7.5

percent; food for home consumption — 0 percent; restaurants and bars — 7.5 percent.

■ Youngtown: Retail sales — 7.5 percent; food for home consumption — 0 percent; restaurants and bars — 7.5 percent.

■ Peoria: Retail sales — 7 percent; food for home consumption — 1.5 percent; restaurants and bars — 8 percent.

■ Glendale: Voters approved a sales tax increase of one-tenth of one percent, effective April 14. The changes are: Retail sales — 6.8 percent; food for home consumption — 1.3 percent; restaurants and bars — 7.8 percent.

■ Phoenix: Retail sales — 6.8 percent; food for home consumption — 0 percent; restaurants and bars — 6.8 percent.



# Tax-hike proposal draws ire of HOA, PORA

## EDUCATION FUNDING: Lawmakers look to tap unincorporated communities

MICHAEL MARESH  
DAILY NEWS-SUN

Two legislators are pushing a proposal to fund education that would increase property taxes in the unincorporated Sun Cities.

The plan — supported by Sens. Pete Rios, D-District 23, and Slade

Mead, R-District 20 — is to increase the proportion of the property-tax rate used in unincorporated communities to fund education. The rate stands at \$4.06 per \$100 of assessed value for homeowners within school districts.

Maricopa County Assessor Kevin Ross said that on a \$100,000 home, 40 percent to 50 percent of the property taxes — about the amount for which school taxes account — would increase the cost to homeowners in unincorporated communities to about \$200 a year.

Homeowners in Sun City and two-thirds of Sun City West pay one-half of what incorporated communities pay to school districts. Part of Sun City West's expansion area pays Dysart Unified School District taxes, while another part of that area pays Peoria Unified School District taxes.

Sun City West Property Owners and Residents Association President Randy Fuller said it is his understanding Rios or Slade are discussing the proposal with colleagues.

This is not the first time

lawmakers looked at increasing qualified tax rates for unincorporated communities. Late last year, a few outgoing legislators looked into the possibility. Fuller said the current proposal is part of a study to support the governor's budget proposal, and is now in the hands of the Senate Appropriations Budget Committee.

Ross said raising taxes requires a two-thirds vote for approval, and that will be tough to accomplish.

Fuller, whose home is in the Dysart School District, said he pays

\$600 to \$700 a year more than owners of comparable Sun City West homes not in school districts. He said he is not complaining, because he knew he would be paying more when he purchased his home, but that residents whose homes are not in a school district should not be penalized.

Ross said he is surprised legislators and the governor are looking at the increase, saying it gives money for students at seniors' expense.

**See TAXES, A5**

### From A1

The Sun City Home Owners Association opposes the hike as well.

"What this bill would do is make (the qualified tax rate for unincorporated communities) 100 percent — it would double your taxes," said HOA director Tom Stolt. "They'd like the unincorporated areas to go from 50 to 100 percent, and that's supposed to make up for our nonparticipation in school taxes."

But HOA Director Waldo

Smith pointed out that Sun Cities residents, like those of other unincorporated areas, do pay school taxes, just not at the level of residents living within school districts: "I think there's a vast misunderstanding that we don't pay school taxes."

A couple of HOA directors said they would like to see the Sun City Taxpayers Association get involved, but SCTA isn't a member of the Arizona Senior Citizens Forum, the lobbying effort that brought the issue to

local organizations' attention.

"Isn't this an issue that our Sun City Taxpayers Association should be involved in?" asked HOA Director Bob Kortright. "That's their charter."

Stolt said because the issue was brought up by the Senior Citizens Forum, that organization should approach SCTA members and ask for their participation.

Kortright was concerned protocol might get in the way of action: "Let's not get caught up in our underwear."

"It is not a done deal yet," added Ross. "It's a way to save money and raise taxes on the state level."

PORA is asking residents to let their voices be heard, and will supply the names and e-mail addresses of all legislators to residents wanting them. The e-mail addresses are available at the PORA office, and can also be obtained at [www.porascw.org](http://www.porascw.org) or [www.dailynews-sun.com](http://www.dailynews-sun.com).

Michael Maresch can be reached at 876-2513 or [mmmaresch@aztrib.com](mailto:mmmaresch@aztrib.com).



## Fire District of SCW clarifies tax rate information 2/14/02 WESTER

In an attempt to proactively address any potential concerns or misconceptions that may exist, the Fire District of Sun City West Board of Directors has responded to the open letter that was on the front page of the January 10, 2002, issue of "The Wester" which expressed concern over the Fire District tax rate.

The response stated, "The Fire District is pleased to see that this citizen was interested in the regulation of his property taxes. The Fire District and the Fire District Board of Directors are also vigilant to keep the tax rate at the most reasonable level possible and still provide quality fire and medical services to the citizens of Sun City West.

"One question concerned how the tax rate can be controlled or monitored. The tax rate is controlled and monitored by five Fire District Board of Directors elected or appointed by the residents of Sun City West. Also, all fire districts have a maximum tax limit of \$3. The current Sun City West Fire District tax rate is \$1.9684.

"There are 151 fire districts in Arizona that are listed in the Ari-

zona Fire District Association Directory. Of those listed 78 currently have a higher tax rate than Sun City West's \$1.9684 rate. Seventy-three districts have a lower tax rate. Of those 73 districts with a lower tax rate, 69, the majority of the personnel are volunteers. As the citizen who wrote to express his views is aware from his experience as a volunteer firefighter, a volunteer department would not be able to provide nearly the same level and variety of service that the citizens of Sun City West receive.

"The Fire District of Sun City West is proud of those services. No 'out of pocket' expense for a Sun City West resident for an ambulance transport is one of the more important services offered. Whatever ambulance costs are not covered by insurance are subsidized by the Fire District for Sun City West residents. This is an important and very unique service in an area where emergency medical calls are the majority of the calls for assistance. Many districts have an equal or higher tax rate and the citizens are also charged for ambulance service which could amount to \$500 or more per transport. Ad-

ditionally, when the ambulance responds in Sun City West, it is staffed with paramedics. Paramedics have the highest level of pre-hospital emergency medical training.

"Cutting edge firefighting technology and techniques are utilized for fire suppression and mitigation which has resulted in a reduced fire loss for the community each year since 1998.

"The District offers many public education programs regarding fire and life safety including age specific education for senior citizens as they have been identified as a high risk group for both fall

and fire injuries by the National Fire Prevention Association and the Center for Disease Control and Prevention. Individuals can request home fire safety inspections to determine if there are "at risk" situations for fire or injury in their home. Public CPR classes are available through the Fire District. Free blood pressure checks are available at Station 101 Monday through Friday from 9 a.m. to 10 a.m.

"Sun City West Fire District continues to offer many services that other departments have dis-

See FIRE, Page 3



**FIRE: District of SCW clarifies tax rate information, from**

continued. These include invalid assistance, lock-out assistance, and dangerous animal removal. The services are offered because they are valuable services on which the citizens of Sun City West have come to rely.

"The increase in the Fire District budget in recent years is attributable to various budgetary necessities to keep services operating at an optimal level. Inflation, increased medical costs, a new fire station, and the attempt to gradually bring salaries and benefits for Fire District personnel in line with other districts and departments in the Northwest Valley and metro Phoenix area to retain quality personnel and reduce training costs are just a few examples of those necessities.

"The Fire District's main focus when drafting each year's budget is to improve the quality of services they provide and keep the tax rate as low as possible. The district has made adjustments for growth and increased calls and has maintained the average emergency response time at approximately three minutes and thirty seconds, one of the best response

times in the metro Phoenix area. This response time is obviously a critical factor as it directly correlates to the survivability of lives and property as brain damage occurs after four minutes without oxygen and crucial fire mitigation time occurs between four and five minutes.

"The Fire District of Sun City West was recently awarded an Insurance Services Office (ISO) Public Protection Classification of 2. The best ISO rating is a 1 and the worst rating is a 10. Only .8% of fire departments across the nation have a rating of 2 or better. Only three years ago, the Sun City West rating was a 5/9 because some areas were rated a 5 and some were rated a 9. This change in classification can result in fire insurance savings for both residential and commercial properties as well as additional service upgrades. More details and information on the ISO Rating process, which is exhaustive and comprehensive, will be covered in future news releases.

"A key consideration when evaluating increases in the tax



# SCW Fire District holds key to rising property taxes

By William Hamel

The following data/background information is presented to indicate a concern over what appears to be an out-of-control property tax situation that, when coupled with the ever-increasing property "assessed value" increases, can cause severe hardship to some fixed income Sun City West residents.

The issue here is the yearly tax increases issued by the Sun City West Fire District. Each year, of course, there is a statement issued by the Fire Chief as to why the increases are necessary, ranging from the new station in the expansion area (property and some funding provided by Del Webb),

more personnel, tire and fuel problems, insurance increases, etc. We all appreciate the value and need for a good fire department and this data is not intended as a strike at the department itself, but is a concern over the control of the property tax.

Let's look at actual/specific costs (does not include assessed value increases) of Fire District rates per year:

1995—\$1.06 per \$100 assessment  
1996—\$1.13 per \$100 assessment  
1997—\$1.45 per \$100 assessment \*  
1998—\$1.58 per \$100 assessment

ment

1999—\$1.65 per \$100 assessment

2000—\$1.80 per \$100 assessment

2001—\$1.97 per \$100 assessment

\* The year the SCW Expansion Area was added to the property tax rolls.

Background data:

According to papers provided by the County Tax Assessor's office, the Sun City West "Special Fire District Tax" was approved in 1981, with the legal boundary description of the basic Sun City West. The Assessor's office stated that a letter from the

newly-formed Fire District Board stated that a vote of the residents to change boundaries, or increase budgets, would not be necessary, as the Board was elected by the residents in the affected area.

The state statutes on special tax Districts at the time only required that, if a special tax District wanted to annex additional areas, they would have to issue an impact statement to the county outlining the impact/potential problems for the original area, and conduct meetings with the original area property owners to advise them of the actions.

Unfortunately, a later version of the special tax statutes, 48-262-4, has been issued, stating that "Any property whose land is within a County that contains a Fire District and whose land is adjacent to the boundaries of the

See FIRE, Page 2



## **FIRE: District holds key to rising taxes, from Page 1**

Fire District may request in writing that the governing body of the District amend the District boundaries to include that property owner's land." This change "would be final on the recording of the governing body's order that includes a description of the property that is added to the District." If this is done, a petition and impact statement will not be required.

Concerns of the annexation of Pleasant Valley Ranch to Sun City West Fire District include:

A representative of Jan Brewer's office stated that talks with Del Webb's (Pulte Homes) John Waldron indicated the Sun City West Fire District intended to assess each parcel of the Pleasant Valley Ranch (PVR) an initial fee to pay for the Fire District support. A short talk with Waldron indicated he was not sure what or how an assessment would be made.

Some past articles in the papers have indicated the Sun City West Fire Chief already has determined Sun City West will provide fire coverage to Pleasant Valley Ranch. A recent article by Lynne Carbrey (The Wester) stated that the Fire Board has approved a new fee of \$350 for new single family homes in Sun

City West. Apparently this is the property in the expansion area. Will it apply to Pleasant Valley Ranch?

Of concern: Did Del Webb request in writing that they want the Sun City West Fire District to provide fire service? If so, how and what fee will be collected? Will Webb pay for each parcel up front or collect it with each home sale at escrow closing? Or will the Fire District have to collect from each homeowner after the tax bill is issued?

Since Pleasant Valley Ranch is not part of Sun City West, how will the Fire District track costs versus income for Sun City West versus Pleasant Valley Ranch? Would tax rates remain the same for both with no concern over charges? Is there going to be a new fire station in Pleasant Valley Ranch?

What we need is an impact statement.

How are we going to control our Fire District property tax?

It is time we paid attention to who we elect to the Fire District Board of Directors.

*Editor's note: Hamel, a SCW resident, is a former volunteer Fireman in Southern California and a former Del Webb employee.*



# Sun Citians shoulder more school costs

**MORE BURDEN TO COME:**  
Voter-approved 0.6 % sales  
tax kicks in June 6

**BRUCE ELLISON**  
DAILY NEWS-SUN

Homeowners in Sun City and Sun City West are picking up a greater share of the costs of education these days, even though most of them still pay no local school taxes.

Those residents "are being drawn back into more support of local schools" as a result of

the state's Students FIRST program, and last fall's approval of an additional 0.6 percent in state sales taxes, state Rep. Ted Carpenter of Phoenix, R-District 19, told members of the Michigan Club of the Sun Cities this week.

Sun City and Sun City West, with almost 40,000 homes not in any school district, comprise the largest part of the state where residents aren't taxed for local schools.

Students FIRST was a move by the Legislature two years ago in response to a lawsuit alleging that districts with low tax bases were at a disadvantage when it came to building schools. The court eventually ordered

lawmakers to change that, and Students FIRST was the result.

It essentially took school construction costs out of the hands of local taxpayers and made them a state responsibility.

This year, for instance, the Arizona School Facilities Board, set up under the Students FIRST program, will distribute about \$470 million to schools for new construction, building renewal and renovation and "efficiency improvements," said board spokeswoman Darla Jordan.

All that money comes from the state's general fund, primarily supported by sales and

income taxes paid by all residents, rather than only from property owners within the district getting the buildings.

Thus, Sun Citians who left the Peoria Unified School District years ago are helping to pay some of \$27 million in state money that Peoria spent on three new schools in the last two years.

"That was exactly the idea — to spread the burden more evenly," said Tim Hogan of the Arizona Center for Law in the Public Interest, the group that brought the suit that led to the

**See Sun Citians, A5**

## From A1

change.

"It was our intent to level out capital costs among districts and place that burden more equally on all taxpayers," he said. "Now it's a state responsibility."

The burden on local taxpayers will get heavier come June 1, when the voter-approved 0.6 percent sales tax hike for education goes into effect.

That tax is expected to bring in about \$480 million a year, to be added to the \$2.5 billion the state now spends on educating students from kindergarten to the 12th grade — a boost of about 18 percent.

State payments to local districts are just about half of all local district spending on K-12 education, which runs at \$5.3 billion a year for regular schools, plus \$163 million for charter schools, state Department of Education figures show.

But the sales tax burden on Arizonans, without the new boost, is 11th highest per-capita among all states, at \$1,025 annually, reports the Arizona Tax Research Association.

As a result of the changes Carpenter cited, taxpayers statewide soon will be ponying up almost \$1 billion more to the state for schools, and everyone will be paying a share — seniors in unorganized territory included.



# Residents Toot Bill for neighbors' street lights

Daily News-Sun  
Tuesday, Nov. 14, 2000

## SUN CITY WEST:

Homeowners east of Veterans Drive were billed for lighting in newer housing to the west

BRUCE ELLISON  
DAILY NEWS-SUN

Many Sun City West expansion area residents may receive revised — and lowered — tax bills before their second payment is due in March.

That's the good word from Maricopa County's top financial officer, Tom Manos.

Manos and others in county government have been probing why some residents in the area — generally east of Veterans Drive — found their tax bills for street lighting more than triple in a year.

For instance, Charles Ullman saw his bill for street lights skyrocket to \$168.64 this year from only \$56.20 last year. Ullman lives on Cheyenne Drive near the Palm Ridge Recreation Center. His bills for street lighting have varied enormously, he said, rising from \$10 in 1994 to \$117.50 in 1996, then falling back to \$79, \$75 and \$56 before skyrocketing again this year.

County officials now know why that's been happening.

Residents of the eastern part of the expansion area have been paying for the street lights in the area west of Veterans Drive.

As development was completed in Sun City West, paperwork to expand the tax collection for the street-lighting district somehow either was never filed properly or acted on by the county, officials said.

And Arizona Public Service Co., unsure of who to bill for the power, billed the county — which apparently concluded the sums were to go on tax bills for the existing, but smaller, lighting district.

It will take some time and considerable effort to straighten all that out, said Manos.

"APS is working now to try to determine what lights were billed, and for how long, and to see what part of the billing was in error," he said Monday following a meeting of county, APS and Del Webb Corp. officials.

Dick Wallace, a permits official in the county department of transportation, did some of the research after taxpayer complaints, finding in mid-October that no street-lighting district ever was created for land in Section 17, the area to the west of 147th Avenue (Veterans Drive).

"The residents (in the older district to the east) should not, cannot legally be billed for lights in Section 17 (to the west)," he wrote in a memo to Tom Buick of

the Maricopa County Department of Transportation. Copies of the memo also went to the county treasurer and county attorney's office.

Wallace's reasoning explains why some expansion area residents will be getting lower bills.

In that western area, "There are street lights in an area where no (taxing) district exists," and no way to compel residents to pay for the lights, he said.

Manos said the county hopes to clear up the erroneous tax bills promptly, and then try to see how to handle the future.

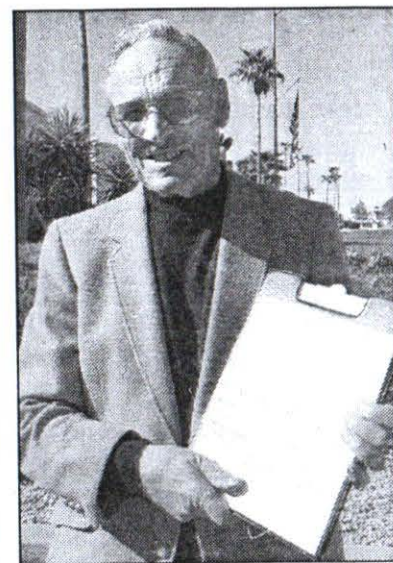
The area with the sharply higher tax bills contains 2,152 parcels where homes were billed a total of \$339,000, said Diane Goke, an associate in Manos' office.

How much of that wasn't for lights actually in use within the area is what APS now is trying to determine.

Webb officials have been working with the county and the power company on the problem.

"As you can imagine, trying to figure out when each light was installed, when the billing started and who was charged is quite a job," Webb spokesman John Waldron said. "It's an intricate research problem. After we find out what happened, the three groups will get together to see how to resolve it."

Maricopa County Supervisor



JOY LAMBERT/DAILY NEWS-SUN

Chuck Ullman, PORA board director, holds his tax bill Monday outside PORA offices after a meeting with APS. County and Del Webb Corp. officials.

Jan Brewer has heard from some of the residents whose bills jumped, and has kept after county staff to resolve the error, she said.

"The right figures never got to the right people at the right time," she said.

The mistake compounded over the years.

Manos and others said once the incorrect billings are cleared up, the likely next step is to create a new street-lighting district.

OVER



REC. TOT.	146000	14600	-CITY	503.88	1503	777.82
			-SCHOOLS	22.67	53276	
			-COMM COL.	835.86		
			SUBTOTAL			
SPECIAL DISTRICT	VALUE/ACRES/SQ. FT.	ASSESSED	DIST.			
SUN CITY WEST FD	14600	11574		242.90	18024	263.16
SUN CITY WEST EXPAN	14600	13383		56.20	11551	168.64
IF NOT PAID BY DELINQUENT DATES, CALL OR WRITE FOR INTEREST AMOUNT.				1982.18	TOTALS	\$2,057.60

INTEREST ON LATE PAYMENT  
IS 16% PER YEAR PRORATED  
MONTHLY AS OF THE FIRST DAY  
OF THE MONTH. ARS 42-18053

**KEEP THIS  
PORTION FOR  
YOUR RECORDS**

In accordance with the Americans with Disabilities Act, the County Treasurer will provide materials in alternative formats and will make other reasonable accommodations upon request.

JOY LAMBERT/DAILY NEWS-SUN

The bottom line entry on Chuck Ullman's tax bill indicates more than a three-fold increase



# SCW residents not radiant over light tax

By David Madrid  
The Arizona Republic

October 11, 2000

Some Sun City West expansion-area residents aren't happy that their property taxes for street lighting have more than tripled.

They also want to know why some of their neighbors who also benefit from street-lights aren't being taxed at all.

The bad news for the residents who saw their lighting taxes skyrocket is that they are paying for three years in which they weren't charged for the energy and maintenance associated with 160 light poles that the Arizona Public Service Co. neglected to count. And they are making up for an error by Maricopa County last year that resulted in not enough money being levied to pay the utility bills for the remaining street-lights.

The somewhat better news, though, is that APS says it will absorb the costs of the 160 poles for 1997 and 1998. And even though the residents are paying for those years now, their lighting district bills next year will reflect the credit that APS is giving the county for those two years.

"They (taxpayers) will feel a pretty good drop in their

## 6 vie for posts on Sun City tax panel

The Arizona Republic

Six people are vying for five seats on the Sun City Taxpayers Association board. The election will be held from 1 to 4 p.m. Thursday. Ballots will be taken at the Lakeview Recreation Center, Social Hall 1, 103rd Avenue and Thunderbird Road.

The candidates are Bernard Berardini, Raymond Dare, Gerald Dolezal, Robert Stumpe, Suzanne Garrison and Wendy Latimer.

Known as the "guardian of Sun City's pocketbook," the 18,000-member taxpayers association has been successful in several fights involving proposed increases in taxes and utility rates.

Each year, the membership elects five directors to its 15-member board. Directors serve three-year terms.

From Page 1

tax bill next year," said Andrew Huhn, Maricopa County deputy finance director.

Kendra Cea, area manager for APS customer relations, said APS was supposed to begin billing the county for the 160 poles in 1997. An audit last year revealed that the utility had missed the poles, but Cea could not explain why.

"They (residents) are getting the benefit of three years and the cost of only one," she said.

Charles Ullman, a Sun City West expansion area resident, saw his assessment jump from \$56.20 in 1999 to \$168.64 in 2000, a 200 percent increase.

"You would assume things would be steady, maybe \$4 or \$5 difference," he said. "But things are all over the place, and they are not consistent throughout the community. That's what bothers me."

Eleanor Nelson saw her bill jump from \$48.94 in 1999 to \$155.94 in 2000. She paid \$75.80 in 1997 and \$70.80 in 1998.

This is the second time Nelson's tax assessment has jumped in such a manner. After paying \$32.28 in 1995 for the streetlights, she was hit with a \$120.12 tax in 1996. She was told then that APS had miscounted the poles.

"This is the second time," she said. "What's going on?"

She said forcing residents to pay for all three of the years the poles weren't counted, even if they receive a two-year credit, is unacceptable.

Nelson and Ullman also aren't happy that the county didn't tell the residents what happened. Some residents' tax assessment quadrupled, while some aren't being taxed at all, they said.

Take Louis Goldman, for example. The expansion-area resident doesn't have the lighting district assessment on his tax bill. Nor is it on his neighbor's bill.

Goldman said that until he compared bills with other expansion-area taxpayers, he had no idea the tax existed, but he fully expects to be taxed for the lighting district.

"If APS and the county made an error, there ought to be some way to settle this equitably so no one gets banged over the head," Goldman said. "I will object if it appears in one lump-sum payment for \$300 or \$400. They have to be reasonable also."

Huhn said the county is trying to confirm whether some residents aren't paying the tax, and if so, why.

Reach the reporter at david.madrid@arizonarepublic.com or (602) 444-6926.

See **LIGHTS** | Page 3



# Special district tax hike irks SCW residents

**ENLIGHTENING:** Price tag triples for upkeep of street lights in expansion area

**PATRICK O'GRADY**  
DAILY NEWS-SUN

It was right there on Eleanor Nelson's tax bill, the increase to keep her neighborhood street lights up and running.

A Sun City West Expansion Area resident, Nelson said she and other neighbors noticed the increase under the section of their tax bills for special districts.

"The rate has tripled since last year," said Nelson, who is not alone in discovering the change in their tax bill.

Residents throughout the Sun Cities getting ready to submit their portion of property taxes back to the county by the Oct. 1 deadline have noticed a change, too. Some have seen increases in the special lighting district, while others have seen a jump in the amount they pay.

County officials say the districts, which are governed over by the Maricopa County Board of Supervisors, are designed as ways to pay bills ranging from covering the cost of electricity to installing new lights.

In the case of the expansion area lighting district, the fund is anywhere from \$80,000 to \$150,000 in the red, possibly because of continuing light pole installation in the section of the community that was just finished in recent years, county

officials said.

"Sometimes you can be finished selling houses, but there are improvements that need to be made," said Fran McCarroll, clerk of the Board of Supervisors.

The way the special lighting district works is simple: Arizona Public Service Co. installs the lights and bills the county for their installation and upkeep. APS officials provide estimates to the county finance department, which then recommends appropriate tax rates to supervisors to cover the cost of the lights.

"It's our way of providing lighting service to the unincorporated areas of Maricopa County," said Randy Clawson, APS customer service consultant.

APS bills the county on a monthly

basis, while the county only collects twice a year through property taxes. Any debts at the time the bills are sent out in August, as well as estimations for costs for the coming year, are figured into the tax rate, officials said. Depending on the rate increase residents could see more than \$100 added to their annual property tax bill in various districts, but accurate figures depend on the value at which a property is assessed and the tax rate of individual lighting districts.

In Nelson's case, the tax rate went up from 38 cents to \$1.15 per \$100 of assessed valuation. Using those numbers for a \$100,000 home, the bill for lights would have gone from about \$30.40 to

**See Lighting district, A5**

From A1 9-21-2000

\$92 per year.

APS has two possible reasons why it has presented some higher bills to the county. In developing areas, the installation of new street lights will raise the tax bill of homeowners. In older areas, the introduction of replacement lights might be the cause, Clawson said.

"All of the new lights are high-pressure sodium lights, which are a little more expensive," he said. "As the older mercury vapor lights become defective, and need replacing they are being replaced with the sodium lights."

The new lights are brought in, despite their higher cost, but dark sky ordinances around the

state have prompted the move to sodium lights, Clawson said.

What also bothers Nelson, she said, is the accountability for the districts, which were often created by developers before homeowners moved in, and those homeowners have no say in what can be done within the lighting districts.

"These districts are not beholden to anyone," Nelson said.

Typically, residents form districts as long as there is a simple majority of people who wish to seek a project improvement for which they are willing to pay. In the Sun Cities, the districts were created while Del Webb Corp. was the majority property owner so lighting could be brought in to the community.

VF  
TAXES  
SCW



# SCW residents use tax break to help school

By Lora Berry

The Arizona Republic

WITTMANN — Like a second family, Sun City West residents, particularly members of the Briarwood Country Club, have taken to the students at Nadaburg Elementary School.

The club members have taken advantage of new Arizona legislation that allows individuals to donate up to \$200 to schools for extracurricular activities and receive a credit on their state income tax.

The law has brought in more than \$55,000 to Nadaburg so far, and about

60 percent of the funds were from Briarwood members.

"I'm interested in changing the image that Sun City West residents are selfish and not willing to contribute to the schools. It is just not true," said Andy Anderson, president of the club.

Last week, Anderson presented a check for \$32,800 to Nadaburg Superintendent Steven Yokobosky.

The fund drive started in November when Kathy Adams, a Nadaburg teacher, wanted to get the kids outdoors on a camping trip. Robert Sebo, a Briarwood

member who volunteers at the school, started the donation effort.

Working with the school, Anderson and Sebo paid to mail information about the credit to club members and followed up with phone calls.

"We have a close relationship with Sun City West," Yokobosky said, adding that the donations will provide activities to Nadaburg that it usually couldn't afford.

Teachers have recommended that the funds be used for after-hours instruction, clubs and field trips and for individual help in reading and math. With computer

classes, arts and crafts classes and clubs, the students can improve their skills and their ability to listen and follow instructions, teachers said.

"We'd like to have a latchkey program and provide homework help after school," Yokobosky added.

The contributors can pinpoint where they want the money to be used, but most leave it up to the administration, he said.

Briarwood Country Club members have volunteered for years at Nadaburg, working as teachers' aides, field-trip organizers and tutors.



# Sun Citians responsible for 87 percent of donations received

## TAX CREDIT: Sun Citians lead way in donations

STAFF REPORT

Santa might be the only guy getting more mail than the Dysart Unified School District.

This week, the district office has been inundated with donations from people taking last-minute advantage of the state's tax-credit program.

Under a law passed by the Arizona Legislature two years ago, taxpayers can get a

dollar-for-dollar tax credit up to \$200 for money donated to a public school.

Money must be used for extracurricular activities, such as clubs, after-school programs and athletics and may be designated for a specific cause.

For the second year, Dysart is attempting to take full advantage of the program by launching an aggressive campaign to educate taxpayers about the benefits.

Apparently it's been working.

At Dysart's school board meeting just more than one week ago, staff reported that

**See Sun Citians, A5**

### From A1

\$188,000 had been received. By Monday, the total had jumped to \$288,000 and counting.

"We received over 200 on Monday. You've got to figure that amounts to another \$40,000," said board President Robert Koch, who spent Tuesday morning helping school staff to sort through the mound of mail.

But most of that mail, Koch pointed out, has a return address of Sun City West.

Of the initial \$188,000 received, 784 donations, or 67 percent, came from Sun City West, while another 236, or 20 percent, came from Sun City.

Only 99 donations were from Surprise, where the large majority of Dysart's students live.

"I went all over talking on it,"

said Mayor Joan Shafer, one of the first to write a check.

Nevertheless, she defended the relatively poor returns from her city.

"Our working families have a hard enough time going payday to payday. I remember those days," she said. "Yes, it (the tax credit) looks good to them, but they don't have the money."

As for her neighbors in Sun City Grand, Shafer said some give to other school districts, some don't pay state income tax, and others haven't been here long enough to develop strong ties to the area.

"I don't ask my neighbors what they give and don't give. It's not any of my business," she said. "I've talked it up to them, and I know they're very generous people."

An estimated 17,000 tax credit forms have been distributed this year.

Forms are available at 41 sites throughout Surprise and Sun Cities area, including grocery stores, Furr's Cafeteria and the recreation centers.

## Tax Credit Tips

- An Arizona tax credit of up to \$200 is available for payment of fees or voluntary donations for extracurricular activities at any Arizona public school. Any public or charter school for grades kindergarten through 12 are eligible to receive the donations.

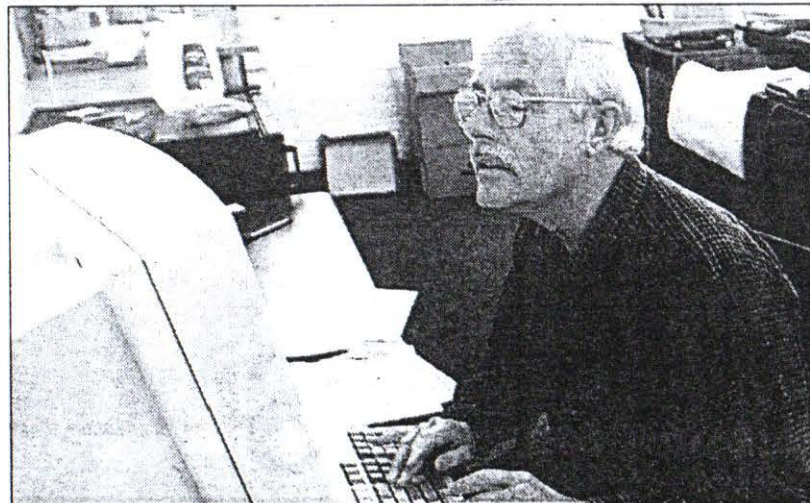
- To receive the full dollar-for-dollar credit, taxpayers must make a contribution by Dec. 31 to any qualified school and receive a receipt. Then next year's tax liability will be reduced \$1 for each dollar donated. For example, if a taxpayer owed \$500 and

contributed \$200 to a school, the taxpayer would only owe \$300.

- The tax credit is not refundable. However, it can be carried over from year to year. For example, if a taxpayer owed the state nothing and took advantage of the credit, \$200 would not be refunded. But, a \$200 credit would be applied to the following year's taxes.

- To pick up a contribution form, go to the customer service counter at any grocery store in the Sun Cities or the Dysart School District office on Dysart Road, south of Thunderbird Road.

Bob Koch, president of the Dysart Unified School District governing board, inputs information from donations received for the school district.



STEVE CHERNEK/DAILY NEWS-SUN



# School tax targeting retirement communities is ruled illegal

**By Brent Whiting**  
The Arizona Republic

A Maricopa County judge Wednesday struck down a property tax that was levied last year on Sun City, Sun City West and other areas of the state outside organized school districts.

William T. Moroney, a Superior Court judge who presides over the Arizona Tax Court, said the levy is illegal because it raises more money than is necessary to accomplish its

educational purpose.

Francis Migray, an assistant attorney general representing the Arizona Department of Revenue, said no decision has been made whether to appeal, but sources close to the case said an appeal is expected.

In an 18-page ruling, Moroney said that the cost of educating pupils outside school districts is \$2.5 million a year but that the tax raised \$10 million in 1988.

school districts.

Residents of areas not in school districts were required to pay school taxes of 50 cents per \$100 of assessed valuation in 1988, with the tax increasing by 50 cents every year through 1996, when it is scheduled to reach \$4.72 per \$100 of assessed valuation.

The tax cost owners of an \$80,000

home an extra \$32.75 each this year, according to the Revenue Department.

Rental units and other business property were taxed immediately at the full \$4.72 per \$100 of assessed valuation.

Moroney's order prohibits state and county officials from further collection of the tax. The judge also said that he will decide later whether refunds should be ordered to those

"The court holds that a tax imposed by a statute graduated to increase sharply over a span of years, which collects four times as much revenue in its first year as is necessary to accomplish the object of the tax, is not reasonably related to the object of the tax," Moroney said.

The so-called Sun City school tax, pushed by Democrats, won approval at the end of the 1988 legislative session as part of a \$202.5 million tax

package and closing of loopholes, in a push to balance the state budget.

Worries over the tax law spurred lawmakers during the past legislative session to grant a break to those affected by the measure.

Under the law, which took effect July 1, 1988, taxes are collected by counties and given to the state, which redistributes them on the basis of need to educate pupils outside organized

who have paid the tax.

The measure was challenged in an Oct. 21 suit filed by Sun City resident Kenneth J. Larkin, president of the Sun City Taxpayers Association.

"It's a victory that we figured would happen," he said.

Residents of retirement communities other than Sun City and Sun City West also contributed money to help finance the suit, which already has cost \$48,500 to litigate, Larkin said.

Arthur Pederson, a lawyer for Larkin, said the purpose of the action was to win refunds for residents who think the tax is illegal.

"We're pleased that he (Moroney) ruled in our favor," Pederson said.

Rep. Nancy Wessel, a northwest Phoenix Republican whose district includes areas affected by the tax, said she was unable to comment on the ruling because she hadn't seen it.

However, she said that concerns

about the tax's impact prompted her to sponsor a bill that won approval during the waning days of the past session granting a break to taxpayers outside organized school units.

"The majority of Sun City residents do want to contribute toward education, but they want it to be fair," Wessel said.

She backed legislation that slashed the maximum rate to \$2.36, effective next year, for both commercial and

residential properties and that made homeowners eligible for a state rebate that would drop the effective tax rate for homeowners to about \$1.04.

Leaders of several groups representing the Sun City area contended that they should be given a lower tax rate because they demand few government services, contribute to the state's economy and live on fixed incomes from pensions or Social Security.



# Retirees support school taxes

By Jack Lavelle  
The Phoenix Gazette

Contrary to popular opinion, the folks from the Sun Cities and other retirement enclaves do not mind paying property taxes to fund the public schools.

It's just that retirees, according to 10 people who appeared Monday before the Senate Finance Committee, object to the amount of the tax and the way state lawmakers decided to "stick it" to them last year without giving them a chance to respond.

The witnesses — many of them officers in various homeowners' associations — also complained at the treatment they receive from the media.

Specifically, they resent editorial columns and cartoons pub-

lished by *The Arizona Republic* and *The Phoenix Gazette*.

One cartoon by the *Republic's* Steve Benson portrayed a Sun City resident running over a group of school children with his golf cart.

"We've been depicted as a group that feels we have no obligation to educate children," said R.L. Richmond, vice president of the Rio Verde Community Association. Rio Verde is located northeast of Scottsdale.

"We are willing to support education, but that message doesn't get beyond the hearing room," said Sanford Goldstein, first vice president of the Property Owners and Residents Association of Sun City West.

"We're not sure why you want to stick it to Sun City," said Elaine

Grossman, a resident of the retirement community. "We ask almost nothing of your state. We come here and sprinkle our money among you."

While Youngtown Mayor Jim Weaver said the residents of his city want to help educate children, he urged consideration for retirees who have an annual income that is 53 percent lower than the average of a Phoenix resident.

During the late 1970s, residents of retirement communities were required to pay school property taxes. But they later were excluded after battles with school officials over budgetary matters.

Goldstein said he recently had a discussion with an official of the Dysart schools over the possibility

See ■ Tax, B-2

of retirees rejoining the district.

His response, Goldstein said, was: "No way. We don't want you back."

In June, in order to raise \$9.3 million and help balance the budget, lawmakers imposed a property-tax rate of 50 cents per \$100 in assessed valuation on landowners who live outside the boundaries of organized school districts.

The tax is scheduled to increase 50 cents a year for homeowners until it reaches the state qualifying tax rate of \$4.72 by 1997.

But it won't get there, if residents of the Sun Cities, Pinnacle Peak and Rio Verde have any say.

Under terms of legislation discussed by the finance panel Monday, the tax in unorganized school

districts would be capped at \$2.36 — half the qualifying tax rate.

Homeowners would pay \$1 in the coming year and would receive the 56 percent rebate provided to residents who live within organized districts.

In addition, the owners of other classes of property in the unorganized areas would see their tax rate halved from \$4.72 to \$2.36.

If enacted into law, the state would lose \$3.75 million in anticipated revenues from the taxes.

An identical bill was brought up in the House. Although it passed the House Ways and Means Committee, it was killed in the House Rules Committee and hasn't been revived.

Finance chairman Doug Todd, R-Tempe, declined to allow a vote

on the legislation Monday, but Sen. Bob Denny, R-Litchfield Park, said he will try to bring the measure to the floor for consideration by the full Senate.

Denny said he and other lawmakers have spoken to about 900 people, whom they presented with six options on taxes. Only a handful want a full repeal of last year's statute, he said.

Of the 61,000 people in the Sun City area, only 44 are school-age children. But only a few of the people he has spoken with would favor taxing residents only to pay the \$176,000 necessary to educate those children for a year, Denny said.

Instead, the majority favors the proposal under discussion, Denny added.



# School tax on Sun Cities declared unconstitutional

By Anthony Sommer  
*The Phoenix Gazette*

A school tax imposed on property owners in Sun City, Sun City West and several other areas outside organized school districts has been declared unconstitutional by Arizona Tax Court Judge William Moroney.

Moroney also opened the door to a possible \$10 million tax refund for those who paid the property tax in 1988, which would have to come from the state's already strained coffers.

In a ruling issued Wednesday, Moroney said the tax violates a provision of

the Arizona Constitution limiting the use of tax revenues to the purpose for which the tax was levied.

The property tax was passed by the Legislature last year and made retroactive to Jan. 1, 1988. Its stated purpose was to pay for the education provided by public school districts to children who live outside of any organized school district.

Moroney noted that in 1988, the first year of the tax, approximately \$10 million was collected.

The cost of educating children living outside of organized school districts was \$2.5 million.

The remaining \$7.5 million went to the state general fund to be used for any other purpose the Legislature decided.

"A tax ... which collects four times as much revenue in its first year as is necessary to accomplish the object of the tax, is not reasonably related to the object of the tax," Moroney wrote.

The judge also noted that the tax was designed to increase each year over the next 10 years, creating an increasing disparity between the amount collected and the stated purpose of the tax.

Moroney issued an injunction barring the State Department of Revenue from collecting any taxes under the law in 1989.

He also ordered the Sun City Taxpayers Association, which filed the lawsuit challenging the tax, and the Arizona Attorney General's Office to submit recommendations on a possible refund of the \$10 million collected in 1988.

Although an appeal by the state is expected, Assistant Attorney General Frances Migray said Wednesday that he had not yet discussed the decision with state officials.

Migray also said the problem with the law "would be fixable legislatively."

"What position the Legislature would want to take is up to them. But their choice seems to be to either change the purpose (of the tax) or lower the tax," Migray said.

The tax was structured so that owners of residential property paid 50 cents per \$100 of assessed valuation in 1988, or about \$50 on a home with a market value of \$100,000.

The levy was designed to increase to \$1 per \$100 of assessed valuation in 1990 and continue to increase annually until 1996, when it would reach \$4.72.

Owners of business and vacant properties began paying the full \$4.72 per \$100 of assessed valuation last year.

In addition to the Sun City Taxpayers Association, the challenge to the new tax was supported by residents of Sun City West, Youngtown, Pinnacle Peak, Rio Verde and some areas in Santa Cruz County that are outside organized school districts.



# Group files bid to avoid school taxes

## Senior communities seek to leave district

By Lori Baker  
The Arizona Republic

9/8/97

Tired of paying higher school taxes than their fellow senior-citizen neighbors, some Sun City West, Youngtown and Sun Village residents want out of the Dysart Unified School District.

Citizens for Tax Equity submitted petitions Wednesday to the Maricopa County Superintendent of Schools Office. If enough of the signatures are valid, voters will consider de-annexing four areas from the Dysart district.

The group of senior citizens has been blamed for defeating two overrides and three bond proposals in the past two years. The group has decided to take it a step further and try to get out of the district.

"It's a miracle that we got the signatures when half our population is gone this time of year, and it only took us four days to get them," said Eleanor R. Nelson, vice president of Citizens for Tax Equity. "It shows the dedication of the people who were signing petitions in the heat and in the rain."

To get on the ballot, each petition needs 1,202 valid signatures, which equals 10 percent of the district's registered voters.

The areas are:

- Sun Village, a retirement community of about 1,400 residences in Surprise. There were 2,087 signatures submitted.

- Youngtown. There were 2,123 signatures submitted.

- The Sun City West expansion area, which has been divided into two parts for the purpose of the de-annexation. There were 2,120 signatures submitted from one part and 1,911 signatures submitted from the other.

Nelson said she hopes the de-annexation election will be held March 10.

"We were assured by the county that six months was adequate between the time when we brought in the signatures and the time it would be on the ballot," she said. "We worked very hard to meet that requirement."

T. Rae Zapata, county elections administrative coordinator, said the election date depends on when the County Recorder's Office validates the signatures to determine whether the election should be called. Zapata said state law does not set a time limit for the verification.

— GROUP, from Page 1

To pass the issues, "yes" votes are needed from a majority of those voting both inside and outside the areas that want to be de-annexed.

Dysart board member Rachel Villanueva said she hopes voters will reject the de-annexation proposals.

"It's not fair to our community, our district and our students," she said. "The bottom line is, I feel that everybody should contribute to education no matter what community they live in."

Board member Pamela Justice said she believes de-annexation would cause a domino effect.

"When the new retirement communities being built in the district gain in population and control the outcome of our bond and override, they will want out," she said. "We can't afford to lose the assessed valuation."

Besides Sun City West and Sun Village, two more retirement communities are being built in the Dysart district.

The largest one under construction is Del Webb's Sun City Grand, which has about 700 residents. Plans call for 17,000 residents in 9,500 homes within 13 years, Webb spokesman John Waldron said.

"All of the residents in Sun City Grand will be part of the Dysart district, and we're working hard to include them in the district by encouraging them to do volunteer work," Waldron said.

Construction also has begun on Arizona Traditions North, a joint development by Westcor and Continental Homes, with about 2,200 homes planned.

Justice said she will lobby the state Legislature to change the law that allows de-annexation from school districts.

"I don't think we'll get support from legislators representing the Dysart district, because the Sun Cities are the majority of their constituency and they want to get re-elected," Justice said. "But the majority of people in the nation think it should be everybody's responsibility to pay for the education of our youth, because they are the future of our country."

The citizens group, primarily made up of retirees from the Sun City West expansion area, has been trying to de-annex from Dysart since 1995, saying it's not fair that other Sun City West residents don't pay Dysart taxes.

In 1981, the original Sun City West forced a de-annexation from the district after seniors took over a majority of the school board seats. Earlier, Sun City had

defeated 16 Peoria Unified School District bond requests before constituents voted the area out in 1974.

Those two retirement communities now pay an unorganized school district tax rate of \$2.20 per \$100 of assessed valuation, compared with the Dysart district tax rate of about \$8.12 per \$100. The unorganized district tax revenue is shared among all school districts rather than in a specific one.

If the proposed four areas are de-annexed, Dysart would lose about one-fourth to one-third of its assessed valuation of property, or \$31 million to \$41 million. The primary assessed valuation is about \$123 million, said David Hammond, Dysart's business manager.

That would result in an increase in the primary tax rate for remaining taxpayers of 1.97 to \$2.96 per \$100 assessed valuation. The current primary tax rate is \$5.92, he said. The primary tax rate generates revenue for the day-to-day operation of the school district.

The effect on the secondary tax rate is uncertain, because county officials are waiting for a legal opinion about whether the de-annexed areas would have to pay for old bond debt. This year's secondary tax rate is \$2.20. The secondary tax rate repays bond debt. Hammond said Dysart's attorney believes that the de-annexed areas do have to repay the old debt.

If the de-annexed areas would not have to repay the old debt, Hammond said, the secondary tax rate would go up \$.73 to \$1.10 per \$100 assessed valuation for taxpayers remaining in the district. It would remain at \$2.20 if those in the de-annexed areas would have to pay the debt.

If the de-annexation goes through and those taxpayers don't have to repay the old bond debt.

In addition, Hammond said, the lower property valuation would affect the district's ability to sell bonds because of a state formula that is tied to property values.

If voters approved bonds, the district would be able to sell about \$23 million worth under existing valuation; de-annexation would mean only \$13 million worth of bonds could be sold.

The de-annexation would affect future tax rates as well. If remaining taxpayers approve an override or bond proposal, their tax rate would be higher than if the de-annexed areas were included in the tax base.

Lori Baker can be reached at 444-7120 or at [lori.baker@pni.com](mailto:lori.baker@pni.com) via e-mail.



# Homeowners rail SCW tax inequity

By P. SOLOMON BANDA  
Staff writer

Seventy-five residents protested in front of the Sundome Center for the Performing Arts at Del Webb's Sun City West residents meeting Thursday.

The residents, some carrying signs that read "P.O.W. Prisoner of Webb," and "P.O.W. Pawns of Webb. Dysart School Tax Victim," and "Del Webb You Divided Sun City West. Make us Whole. Make Taxes Equal," wanted to inform residents of their plight.

The protest also served to warn would-be buyers of homes in Sun City Grand, Del Webb Corp.'s new master planned retirement community in Surprise, that their tax rate will be higher than that of their neighbors.

At issue is the difference in school taxes from one district to another. For instance, the owners of a \$160,000 home in Sun City West north of the Deer Valley Road extension pays \$1,171 in taxes vs. the \$377 owners south of there

pay for a similarly valued home.

Residents think that's unfair.

Sun City West expansion area residents say they should have been told they were in a school district and were going to pay more in taxes than their neighbors in the original Sun City West and Sun City to the south.

They say they weren't.

Now they want Del Webb Corp. to use its corporate muscle to fix this problem.

"We believe Del Webb Corp. is the organization that created the situation and they should be the ones to fix it," said Robert Koch, one of the protesters.

Many protesters from a group calling itself the Committee to Inform the Public of the Del Webb Corporation's Role in our Tax Inequities say they were bargaining chips when Sun City West deannexed from the Dysart Unified School District in 1981.

"They actively designated a particular part of land as a

► See Dysart boundaries, A5



Mollie J. Hoppes/Daily News-Sun

Homeowners from the Sun City West expansion area protest Thursday afternoon outside the Sundome before Chuck Roach of Del Webb addressed the audience. The residents are upset because they pay higher taxes than the other Sun City West owners.

OVER



# Dysart boundaries irk residents

■ From A1

carrot," said Ruth Locker, one of the protesters, referring to how district boundaries were drawn when the retirees placed the issue on a ballot to vote themselves out of the district in 1981.

Sun City West resident Robert Williams, chairman of the PORA ad hoc committee Dysart School District Committee that helped draw the new boundaries back then, said the only part of Sun City West that was left in the district was the commercial core near R.H. Johnson Boulevard and Camino del Sol.

"We didn't want to totally drop the Dysart district," Williams said. "We thought we'd leave the commercial core as a tax base."

The land where the Sun City West expansion area is now, was undeveloped desert, separated by a drainage canal and a brick wall.

"That's (the expansion area as a carrot) is totally out of focus," Williams said. "Webb didn't own the land back then."

Del Webb Corp. acquired the land for the expansion in 1992 and broke ground in 1993, said John Waldron, Webb spokesman.

But what irks the residents is that some were told their taxes would be higher, others were not.

"It was the luck of the draw," Locker said. "It depended on the salesperson."

What adds to the confusion is the number of school districts in Sun City West, Chuck Roach, senior vice president and general manager of Sun City Grand, told the 4,100 residents inside the Sundome.

"There are three districts in Sun City West and all have different tax rates," Roach said.

Peoria Unified School District, Dysart and the unorganized school district are all within both parts of Sun City West. Dysart's secondary rate is \$7.32 and the unorganized district's rate is \$2.36.

Residents were told before they bought their homes what their total tax rate would be as required by the state Department of Real Estate, Waldron said.

There has never been a question raised by residents on the accuracy of Webb's tax estimates.

Webb added another disclosure form about a year ago in response to customers' complaints, Waldron said. The new form, which will also be used in Sun City Grand, informs residents that there are three school districts in the area in addition to the legal requirements.

"I think they knew this when they bought their homes," said Bob Otto, a resident of the original Sun City West. The pair went to the meeting to keep up with what's happening in Sun City Grand. They say they have no desire to move.

"From our vantage point, the entire school finance system is broke," Roach said. "It's the responsibility of the (state) Legislature to recognize the problem and two, to solve the problem."

It's the one thing both sides agree on.

"This is a state problem and it needs to be resolved as such," Koch said. "It needs to be resolved in a rational and constructive way."

Waldron said Webb Corp.'s lobbyist will continue to follow the issue, as the company has in the past.



## Dysart-retiree relationship at rock bottom

By Angela Rabago-Mussi  
Staff writer

With the failure of yet another bond and override election, the idea of voting the new Sun City West area out of the Dysart Unified School District might seem tempting to some residents outside the retirement community.

But school officials say the district can't afford to let the highly valued property go.

No matter what the final decision, the issue of school funding and the retirement communities won't go away. More and more will be built inside district boundaries.

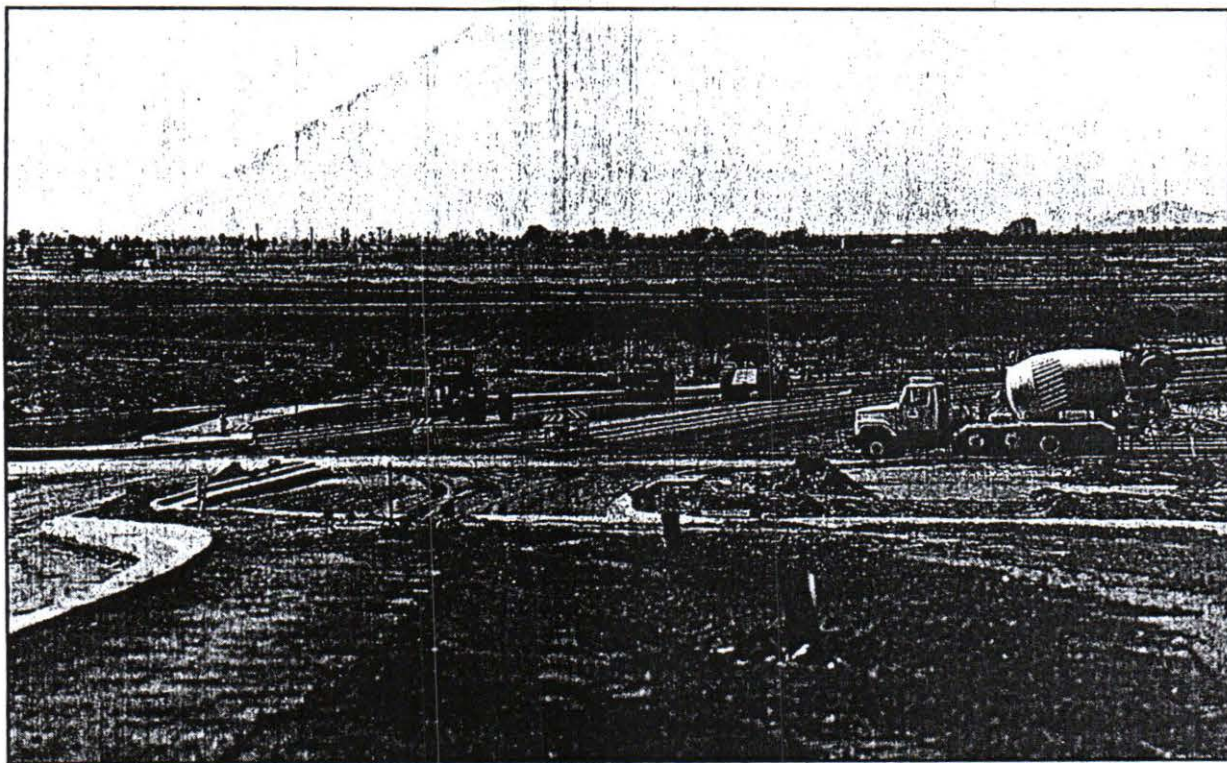
There is historical precedent for retirement communities forcing their way out of school districts by voting down tax increases.

It happened in 1974 with Sun City and the Peoria School District and in 1982 with the original Sun City West and the Dysart School District.

Will history repeat itself with the new area of the Sun City West retirement community?

For now, Dysart district officials say no.

"Essentially, we would have to pay  
See SCHOOL, Page 4



David Petkiewicz / Staff photographer

Construction has begun on Del Webb Corp.'s Sun City Grand retirement community. About 9,500 retirement homes are expected to be built in the next 15 years here.



their taxes," school board President Macario Garcia said. "That is too much for our community to pick up. Besides, we don't think we should pay their taxes. They have a responsibility to our community and to our society."

But Garcia said that the issue must be resolved because more people are moving into retirement communities in Surprise.

Already, Del Webb Corp. has started construction on about 4,000 acres in Surprise for a new retirement community, Sun City Grand. About 9,500 homes are expected to be built there over the next 15 years.

The city expects more than 6,000 additional retirement homes to be built in other developments in the next 20 years.

Deannexation may be the only choice if the well-organized group of retirees in the expansion area of Sun City West continues voting down bond and override proposals. In the latest election, in March, 81 percent of the "no" votes came from the Sun City West precinct.

The district had sought to pass a \$55 million bond and a \$1.5 million budget-override authorization.

School officials say the retirement community, led by Citizens for Tax Equity, has crushed two overrides and three bond issues in the past year. The money would have gone to renovate buildings, construct new ones, fund programs and employee raises, and pay for additional teachers.

Although she said the district probably can't afford to lose the

area's tax support, Carol Mayer said it might have no choice but to let the retirees go. She remembers a similar situation when Sun City residents forced their way out of the Peoria Unified School District by voting down bonds 16 times.

"They finally had to deannex them," said Mayer, president of the Dysart Education Association. "They are a powerful force. There are retirees in other areas, but they're not grouped together in one area as they are here."

The two retirement communities of Sun City and the original Sun City West pay a low, unorganized-school-district tax rate of \$2.36 per \$100 of assessed valuation.

Citizens for Tax Equity wants the same for the newer area of Sun City West, which is generally north of Deer Valley Drive. A few expansion-area residents are in the Peoria School District.

Although he has said deannexation is not something the district wants, Superintendent Jesus de la Garza said figures are being compiled to see what the total assessed valuation is in the new part of Sun City West.

Since the March election, the wall between the retirement community and the school district has gotten higher.

"I don't see how relations could get any worse," Garcia said. "There hasn't been much of a relationship between that retirement community (the new Sun City West) and our community here. They basically came here to

get away from everything, and that is what they've done."

But Jerry Medford, president of Citizens for Tax Equity, said the retirees want others to understand their views.

"They have not seen our side," he said. "We want to work with the school and we want to be part of the community, but they can't ask for a \$55 million bond when it can't be justified."

Garcia and others say the only way for the district to survive without losing the retirement communities' tax support may be through the Legislature and equalized funding for all school districts.

He would like to work with Sun City West residents to force the Legislature to come up with a plan.

Medford said his group supports that idea.

"We have gone door-to-door here to give people ideas for them to write letters to their legislators," he said.

"It's very disappointing that the Legislature is ignoring this issue (of equalized funding). The school system in this state really needs funding. Why don't they do what is right for the children and don't load the tax burden on people like us?"

Although he said his group is willing to discuss the issues with the school district, he said communication must start with the district.

"They have everything in their court; we have absolutely nothing except the ability to pay taxes."



# Residents get promising tax news

By Lori Baker  
Staff writer

SUN CITY WEST — State legislators have delivered promising news to Sun City West residents.

If proposed legislation goes through, taxes will not be levied in Sun City West in two areas. One involves ground water, the other the Property Owners and Residents Association building.

Rep. Jerry Overton, R-Litchfield Park, told a crowd of more than 300 on April 8 that a bill is sailing through the Legislature covering ground-water taxes.

Overton joined Sen. Austin Turner, R-Waddell, and Rep. Ned King, R-Litchfield Park, in speaking at the PORA meeting.

If Senate Bill 1425 is passed, it will replace the 1991 Ground Water Replenishment District law. The 1991 law, which was not implemented, sought to tax ground-water pumping.

Since Sun City West's only source of water is ground water, residents would be required to pay the tax.

But the legislation would make participation in the replenishment district voluntary rather than mandatory. Communities such as Sun City West could choose not to participate and not be taxed.

"Pumping ground water is not evil," Overton said. "Our aquifer on the west side has been rising during the past 20 years. We have an abundance of water."

Overton said the legislation passed the House but awaits passage in the Senate and Gov. Fife Symington's signature.

Tax legislation sponsored by Turner also would benefit Sun City West.

Senate Bill 1047 would provide tax-exempt status for quasi-government organizations such as PORA in Sun City West and the Home Owners Association in Sun City.

PORA paid more than \$2,500 in property taxes for its building in the 1990-91 fiscal year.

PORA officials argued that the building should be exempt from property taxes because it is used for government-type services such as assisting residents with consumer problems and deed restrictions. The master gardeners pro-

gram and the county building department use space in the building.

"The legislation is very close to being approved," Turner said. It was approved by a 29-1 vote in the Senate in February. If approved by the House, it would go to the governor for his signature.

Turner, former chief executive officer of Sun Health Corp., also said the success of the two hospitals in the Sun Cities is due to residents who volunteer.

King, a former commander of Luke Air Force Base, said he is confident that Luke will remain open.

With the closure of Williams Air Force Base, King said he is concerned about the impact on Luke's hospital. Williams' hospital is open only to active military employees. Retired military employees use the Luke hospital or participate in a "managed" health care program.



1993

# Taxes won't hike rec fees

## Centers president eases anxiety

By Lori Baker  
Staff writer

SUN CITY WEST — Recreation centers members won't find themselves paying higher membership fees because of school taxes in the expansion area, as was earlier rumored.

That was the message that Al Spanjer, rec centers board president, gave to about 350 people attending a Property Owners and Residents Association meeting Thursday.

Ever since Del Webb Corp. announced expansion of the retirement community a year ago, residents have voiced concern about school taxes.

Construction will start in early 1993 on the \$6.5 million recreation center, which will be in the Peoria Unified School District.

One-third of the \$6.5 million golf course, now under construction, is in the Peoria district, and two-thirds is in the Dysart Unified School District.

The recreation centers will pay more for school taxes because the Peoria and Dysart districts have higher tax rates than the unorganized school tax rate paid for recreational facilities in the original Sun City West.

But Spanjer said the school taxes will not cause an increase in membership fees.

He said membership dues paid for home lots in the expansion area will generate about \$600,000 in annual revenues, which will more than compensate for the higher taxes.

If the expansion area were not part of a school district, the cost for unorganized school taxes would have been \$3,738 for the golf course and \$14,616 for the recreation center.

But because the rec center and golf course are in the school districts, higher tax rates apply. The estimated taxes will be \$13,712 for the golf course and \$49,082 for the recreation center.

Del Webb Corp. has agreed to pay the recreation centers' \$110 membership fee times 1.86 people for each of the unsold lots. That amounts to about \$600,000 initially.

As people buy homes, they will pay the membership fee.

The estimated 6,100 homeowners in the expansion area also will pay school taxes on their homes. The expansion area covers 1,320 acres north of Deer Valley Drive between 135th and 151st avenues.

The owner of a home assessed by the  
See TAX, Page 6

county at \$97,000 would pay about \$387 more annually for the Dysart taxes or \$324 more for the Peoria taxes than if the house was in an unorganized area, according to Sandy Goldstein, a retired assistant superintendent who chaired the PORA school tax study committee.

In the original Sun City West, homes, golf courses and recreation centers are not subject to school taxes because the area was de-annexed in 1981 by the Dysart Unified School District. Some owners of commercial property in Sun City West still pay Dysart taxes.

Since 1989, Sun City West residents have paid a special school tax as residents of an unorganized school district. The rate is \$2.36 per \$100 of assessed valuation on their residences and recreational facilities.

The Dysart school tax rate is \$9 per \$100, and the Peoria rate is \$7.92 per \$100.

Although, residents are satisfied that their membership fees won't increase because of the school taxes, they raised the issue of taxation without representation.

Sun City West resident Phil Vision complained that all recreation centers members will pay school taxes for the recreational facilities, but they will not be able to vote in district elections.

Only people who own homes in the expansion area will be allowed to vote in elections or run for a board seat, according to Goldstein.

Issues of de-annexing the expansion area or annexing the existing Sun City West quickly surfaced.

Both actions — de-annexing by residents or annexing by school districts — would require majority approval by property owners in the affected jurisdictions.



# School taxes looming

## New SCW area won't be exempt

By Lori Baker  
Staff writer

**SUN CITY WEST** — New houses and recreational facilities to be built in Del Webb Corp.'s planned expansion of Sun City West will be subject to taxes by the Dysart and Peoria unified school districts.

In the existing Sun City West, homes and the golf courses and recreation centers are not subject to district taxes because the area was de-annexed in 1981 by the Dysart district. However, owners of property in the commercial core of Sun City West still pay Dysart taxes.

The school taxes for the 18-hole golf course and recreation center in the expansion area will come out of the budget of the Recreation Centers of Sun City West, which is supported by membership dues from all Sun City West residents.

However, Del Webb Corp. officials said the community expansion will not result in increased recreation center annual dues and fees for existing Sun City West residents.

"We have made the statement on numerous occasions that the opening of the new facilities will not cause recreation fee increases for the new residents, and we meant it," said Chuck Roach, Del Webb's Sun City West vice president and general manager.

In addition, Webb will financially support the golf division for two years after the opening of the community's eighth golf course.

"In our 32-year history in the Sun Cities, we have always delivered quality facilities and financially supported them until the population was sufficient to meet

See TAXES, Page 6

Fri., May 1, 1992

The Arizona Republic/THE PHOENIX GAZETTE

## TAXES

From Page 1

the operating expenses," Roach said.

The expansion area north of Deer Valley Drive between 135th and 151st avenues has 660 acres in the Dysart Unified School District and 235 acres in the Peoria Unified School District.

This year, the Dysart tax rate is \$11.20 per \$100 assessed valuation and Peoria district's tax rate is \$8.56 per \$100 assessed valuation. In the existing Sun City West, residents since 1989 have been paying an unorganized school tax rate of \$2.36 per \$100 assessed valuation on their residences and recreational facilities.

Roach said he could not estimate how much the property taxes would be for homes and recreational facilities in the expansion area because building valuations have not been set yet.

Webb does not plan to request that the expansion area be de-an-

nexed from the school districts, Webb spokeswoman Martha Moyer said.

"We've learned a valuable lesson from Sun City and Sun City West that when you take that action, you take a lot of heat from the surrounding communities," Moyer said.

Sun City and Youngtown had been de-annexed from the Peoria district in 1974 after a series of bond elections were defeated.

The question about school taxes was raised during a recreation centers advisory board meeting April 14.

Barbara Gerould, advisory board vice president, said the board is aware of the school districts' boundaries.

"The advisory board is working on many of the expansion issues to achieve an optimal recreational operation," Gerould said.



# School tax subject of new debate

## Expansion area faces rate raise

By Lori Baker  
Staff writer

SUN CITY WEST — A controversy is looming again over retirees' influence on the Dysart and Peoria unified school districts.

While the existing Sun City West withdrew from the Dysart district in 1981, an expansion area of the retirement community is partially in the Dysart district and partially in Peoria Unified. The dividing boundary is near 140th Avenue.

An estimated 6,100 residents will live on 1,320 acres north of Deer Valley Drive between 135th and 151st avenues. They will be required to pay school taxes on their homes to either the Peoria or Dysart districts.

Existing Sun City West residents will be affected by the expansion because a new recreation center and golf course, being developed in connection with the expansion, will be assessed about \$54,000 in school taxes annually, Sandy Goldstein said. He chairs a school tax committee for the Sun City West Property Owners and Residents Association and is chairman of the county Planning and Zoning Commission.

All Sun City West residents are members of the Recreation Centers of Sun City West Inc., which will pay any school taxes for the recreation center and golf course.

The \$6.4 million recreation center, which will be under construction in early 1993, is in the Dysart district. One-third of the \$6.5 million golf course, now under construction, is in the Peoria district and

See HALL; Page 4



two-thirds are in the Dysart district.

Goldstein discussed the effect of school taxes on the expansion area during a town hall meeting Monday. The session, attended by about 342 people, was sponsored by the Citizens Alert Group.

Other speakers talked about traffic safety and water in the expansion area and existing Sun City West.

Goldstein emphasized that existing Sun City West residents will continue to pay an unorganized area school tax for their homes and current recreational facilities. That rate is \$2.36 per \$100 assessed valuation.

The Dysart school tax rate is \$9 per \$100, and the Peoria rate is \$7.92 per \$100.

If the new recreational facilities were in an unorganized district like the rest of Sun City West, Goldstein calculated the taxes would be only about \$10,000 annually or about \$44,000 less than they will be in the Dysart and Peoria districts.

Goldstein, a retired assistant schools superintendent, has been meeting with administrators from the Peoria and Dysart districts.

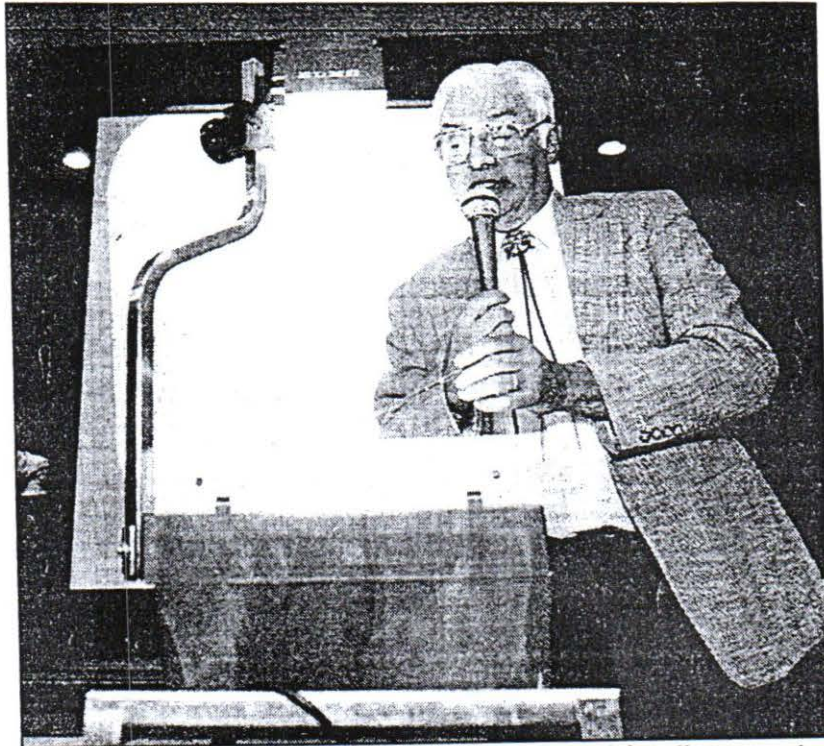
"The Dysart district will have the advantage of the increased assessed valuation from the expansion area," Goldstein said. "The Peoria district will not have as great of an impact because only a small portion is in that district."

In the past, the Dysart and Peoria districts decided to withdraw from Sun City West and Sun City because retirees tended to control the board and defeated bond elections.

No action has been taken to begin the process of withdrawing the expansion area from the two school districts. Del Webb Co., which is developing the area, has no plans to request a withdrawal.

But new residents in the expansion area and members of the recreation centers governing board may consider seeking to withdraw from the districts to avoid the higher school taxes.

The owner of a home assessed by the county at \$97,000 would pay about \$387 more annually for the Dysart taxes or \$324 more for the



Dana Leonard / Staff photographer  
Sun City West resident Dr. Sanford Goldstein explains school taxes on an expansion area of the retirement community. Those living in this area will be required to pay school taxes.



Sun City West residents packed the social hall of the R. H. Johnson Recreation Center during a town hall meeting to discuss school taxes.

Community

Peoria taxes than if the house was in an unorganized area, Goldstein calculated.

State law requires a districtwide vote before an area can withdraw from a school district. The election could be called based on a school board decision or citizen petitions.

The school tax committee that Goldstein chairs will sponsor a panel discussion Feb. 11 on school taxes in Sun City West. It will be at 9 a.m. in the R.H. Johnson Recreation Center social hall, R.H. Johnson and Meeker boulevards.



THE WESTER

Nov. 19-25, 1992

## Goldstein to Address SCW School Tax Problem

Story,  
Mildred Baker

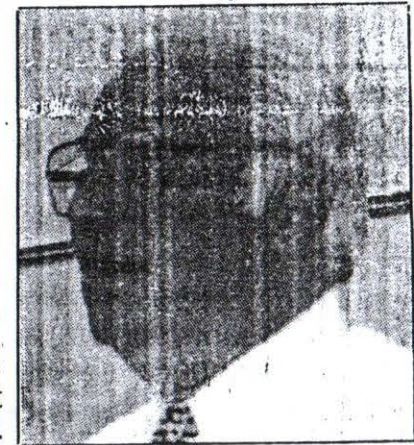
The Citizens Alert Group announces that Sanford G. Goldstein, Ed.D., a prominent educator, recognized authority in the area of school taxation programs and a Sun City West resident, has accepted an invitation to discuss the issue of school taxes at the group's Town Hall meeting, Monday, Nov. 30th, 2 p.m., at the R.H. Johnson Social Hall in Sun City West.

The purpose of the meet-

ing is to discuss the Webb Corporation's proposed plans for development of 1320 acres of land north of Deer Valley Road between 135th and 151st Avenues and its impact upon the lifestyles of current Sun City West residents, and additional school taxes residents will be required to pay.

As proposed by the Webb Corp., a new recreation center and one-third of a new golf course will be located within the Peoria School District. The remain-

ing two-thirds of the proposed course and a majority of the new houses to be constructed are within the Dysart School District. Currently the Dysart School District tax rate is \$9 per \$100 of assessed valuation. The Peoria rate is \$7.92 per \$100 of assessed valuation. Since 1989, Sun City West residents have paid an unorganized area school tax applicable to both residence and recreational facilities, at the rate of \$2.36 per \$100 of assessed valuation.



Sanford G. Goldstein

Mort Leeper, a Citizens Alert Board member and  
**SCHOOL TAX PROBLEM**  
Continued on Page B10



spokesperson, noted, "Taxes always go up. Taxes never go down. There is reasonable cause for concern; most of our residents live on a fixed income. We are concerned about potential significant increase the Webb development plans will have on the tax burden of all Sun City West residents".

"We are very fortunate that Dr. Goldstein is available to address residents' concerns regarding the additional tax burden. It exceeds by far anything we anticipated. Will Current residents be drawn into either of the school districts? What will be the impact on recreation centers' tax assessment? On taxes residents pay? On the governing board's annual budget? On a \$100,000 home in Sun City West and the proposed development area? The Webb proposed plans provide more questions than answers. We anticipate Dr. Goldstein will provide most, if not all, of the answers".

When Charles T. Roach, Webb Corp. executive vice president and general manager of Sun City West, initially announced development plans at a public meeting at the Sundome in February, according to Citizens Alert Group, Roach made no mention of the land to be developed being in Dysart and Peoria School Districts. Nor was there any indication of Roach's position on school taxes. He is quoted as having said, "Everyone has a duty to pay school taxes for

the sake of our children".

According to Citizens Alert, Sun City West residents pay school taxes of \$2.36 per \$100 of assessed valuation. "We are doing our duty for the sake of our children and have for many years".

Citizens Alert urges residents to attend the Town Hall meeting. Other speakers include Richard Egan, president of PORA and former prominent attorney, who will discuss five aspects of water issue. A speaker to discuss traffic and safety will be announced at a later date. Everyone will have an opportunity to ask questions, get answers from qualified speakers and become better informed.

Citizens Alert Group was organized for educational purposes to keep residents informed through meetings, publications and legal means of their rights and privileges in order to maintain a "lifestyle they purchased through the Webb Corp. We do not wish to see this lifestyle diminished so that the Webb Corp. can sell houses and increase its profits at our expense," concludes Leeper.



# Residents in SC West expansion to pay higher school district taxes

By ANNE RYMAN  
Sun Cities Independent

Residents in the Sun City West expansion area will pay a higher school district tax rate on their homes than those in the current area because the expansion falls into the Dysart and Peoria unified school districts.

Del Webb Corporation plans to expand Sun City West by 895 acres between 135th and 151st avenues north of Deer Valley Drive, of which 660 acres are located within the Dysart School District and the remaining

235 are within the Peoria School District.

Company officials expect to find out this summer if an adjacent 367 acres of state-owned land, located in the Dysart School District, will be up for public auction.

Dysart's tax rate this year is \$11.20 per \$100 assessed valuation while Peoria's is \$8.56 per \$100 assessed valuation, according to Maricopa County Treasurer's Office records.

Residents of Sun City West now pay an unorganized school district tax of \$2.36 per \$100 assessed valuation.

The school district tax affects homeowners, businesses and recreational facilities in the new area.

Although residents in the expansion area will pay higher school district taxes on their homes, Del Webb Corporation officials say the expansion will not increase the recreation center annual fees. Annual fees are \$110 per person listed on the title of property.

"We have made the statement on numerous occasions that the opening of the new facilities will not cause recreation fee increases for the residents and we meant it,"

says Chuck Roach, Del Webb's Sun City West vice president and general manager.

Mr. Roach says it is too soon to estimate what the taxes on the recreation facilities in the expansion area will be.

"There are many variables involved in the calculation of property taxes which would include a higher education assessment than the current rate. Important factors such as acreage and building valuations have not been finalized for the new facilities and

See SCHOOL TAX, Page 3

## ■ SCHOOL TAX

From Page 1

consequently no accurate numbers are available."

Martha Moyer, Del Webb's public and community relations manager, says the recreation centers are designed to break even financially when the community reaches 21,500 people. But, Ms. Moyer says, the current Sun City West is designed for 25,000 people.

"This 3,500 people provide a significant financial cushion for operations," she says.

"It's very important to Del Webb that the current residents not be affected by the expansion," she says.

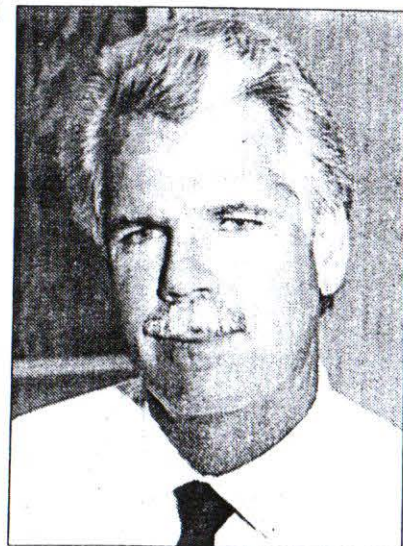
She says while the higher tax rates on homes present an interesting marketing challenge for the company, Del Webb will not pursue de-annexation of the expansion area.

She says while Sun City West residents support education, surrounding communities viewed them as not willing to pay their fair share.

Sun City and Youngtown were de-annexed from the Peoria district in 1974 and the Sun City West area was de-annexed in 1981 from the Dysart district.

"... the opening of the new facilities (in the expansion area) will not cause recreation fee increases for the residents ... ."

— Chuck Roach  
Sun City West vice president  
and general manager





# School taxes looming

## New SCW area won't be exempt

By Lori Baker  
Staff writer

**SUN CITY WEST** — New houses and recreational facilities to be built in Del Webb Corp.'s planned expansion of Sun City West will be subject to taxes by the Dysart and Peoria unified school districts.

In the existing Sun City West, homes and the golf courses and recreation centers are not subject to district taxes because the area was de-annexed in 1981 by the Dysart district. However, owners of property in the commercial core of Sun City West still pay Dysart taxes.

The school taxes for the 18-hole golf course and recreation center in the expansion area will come out of the budget of the Recreation Centers of Sun City West, which is supported by membership dues from all Sun City West residents.

However, Del Webb Corp. officials said the community expansion will not result in increased recreation center annual dues and fees for existing Sun City West residents.

"We have made the statement on numerous occasions that the opening of the new facilities will not cause recreation fee increases for the new residents, and we meant it," said Chuck Roach, Del Webb's Sun City West vice president and general manager.

In addition, Webb will financially support the golf division for two years after the opening of the community's eighth golf course.

"In our 32-year history in the Sun Cities, we have always delivered quality facilities and financially supported them until the population was sufficient to meet

See TAXES, Page 6

Fri., May 1, 1992

The Arizona Republic/THE PHOENIX GAZETTE

## TAXES

From Page 1

the operating expenses," Roach said.

The expansion area north of Deer Valley Drive between 135th and 151st avenues has 660 acres in the Dysart Unified School District and 235 acres in the Peoria Unified School District.

This year, the Dysart tax rate is \$11.20 per \$100 assessed valuation and Peoria district's tax rate is \$8.56 per \$100 assessed valuation. In the existing Sun City West, residents since 1989 have been paying an unorganized school tax rate of \$2.36 per \$100 assessed valuation on their residences and recreational facilities.

Roach said he could not estimate how much the property taxes would be for homes and recreational facilities in the expansion area because building valuations have not been set yet.

Webb does not plan to request that the expansion area be de-an-

nexed from the school districts, Webb spokeswoman Martha Moyer said.

"We've learned a valuable lesson from Sun City and Sun City West that when you take that action, you take a lot of heat from the surrounding communities," Moyer said.

Sun City and Youngtown had been de-annexed from the Peoria district in 1974 after a series of bond elections were defeated.

The question about school taxes was raised during a recreation centers advisory board meeting April 14.

Barbara Gerould, advisory board vice president, said the board is aware of the school districts' boundaries.

"The advisory board is working on many of the expansion issues to achieve an optimal recreational operation," Gerould said.