



The taxpayer's watchdog for 85 years

ARIZONA TAX RESEARCH ASSOCIATION NEWSLETTER VOLUME 85 NUMBER 5 JULY 2025

ATRA Business Personal Property Tax Relief Measure Enacted

For decades, ATRA has been a strong advocate for reducing the tax and costly administrative burdens on locally assessed business personal property (BPP). ATRA's 2025 legislative recommendation to reduce the BPP tax was successfully enacted as part of this year's state budget package.

This year's effort was initially introduced by Senator J.D. Mesnard in SB1069 to increase the BPP exemption from the current \$248k to \$500k. Due to the fiscal note, the bill was negotiated as part of the state budget and ultimately enacted under the tax omnibus act under SB1749.

Along with tax relief, the exemption increase will entirely eliminate the costly administrative burden for many Arizona small businesses to comply with the annual filing requirements for their equipment.

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Counties Proposing to Increase Property Taxes

Arizona's counties are in the process of adopting their budgets for FY 2026 and 11 of the 15 counties are proposing to increase property taxes by a collective \$54.8M.

Truth in Taxation (TNT)

Primary property taxes, which fund the maintenance and operations of county budgets, are subject to TNT. The TNT law also applies to certain countywide special taxing districts. TNT requires taxing entities to notify taxpayers of the intent to increase property taxes over the previous year, exclusive of new construction, by publishing notice in a newspaper of general circulation and to hold a public hearing to vote on the proposed tax increase.

Proposed Tax Increases

Primary property taxes are a major funding source supporting county general fund operating budgets. Primary levies are also subject to the constitutional levy

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Save the Dates!

ATRA Golf Tournament

Wednesday, November 5th

ATRA Outlook Conference

Friday, Nov 21st

INSIDE:

- **City/Town Property Taxes Grow to \$477 Million in FY26, pg. 4**
- **Community Colleges Report Stagnant Enrollment While Revenue Gaps Widen, pg. 6**

BPP, *Continued from page 1***Decades of BPP Reform**

Reducing the tax and administrative burdens of BPP has been a bipartisan effort at the Capitol for decades. As a result of the reforms over the last 30 years, locally assessed BPP now only accounts for about 3% of the state's property tax base.

In 1996, the voters approved an ATRA supported constitutional amendment to exempt the first \$50k on BPP per taxpayer. Led by Governor Brewer in 2011, that exemption was enhanced through a change in the inflation adjustment from the GDP price deflator to the Employment Cost Index bringing the current exemption to \$248k.

In addition to the effort to provide administrative relief to small businesses, ATRA also pursued a series of efforts to decrease the high effective tax rates on personal property through accelerated depreciation. In 1993, the Legislature enacted the first accelerated depreciation statute for newly acquired BPP and subsequently enhanced it again in 1998, 2007, and 2011.

The decades long effort to reduce reliance on the BPP actually made possible the most significant change which occurred in 2022. Led by Governor Ducey, state policymakers reduced the valuation factor for all new BPP to only 2.5%. While existing BPP continues to be depreciated and new BPP is brought on the tax roll at 2.5% of value, the influence of BPP will begin to rapidly decline going forward.

In total, all of these changes potentially set the stage for a complete elimination of the BPP by state policymakers. In 2022 Arizona voters passed Proposition 130, which gave the Legislature the authority to fully exempt the tax on locally assessed BPP.

- Jennifer Stielow

Counties, *Continued from page 1*

limits of 2% plus new construction. It is rare for a county to levy to its constitutional limit—only Apache and Coconino currently do.

The counties levy secondary property taxes, mainly to support the countywide special taxing districts for jails, libraries, flood control, and public health services. In addition to being subject to TNT, a few are subject to tax rate caps.

Of the eleven counties that are proposing to increase property taxes, Pima is proposing the largest increase of \$33M, mainly by increasing its primary tax rate nearly 25 cents over TNT. The county is also proposing to exceed TNT for its flood control and library districts.

For the first time in five years, Maricopa County is proposing to increase its primary property taxes by keeping the rate the same. Doing so will cause primary property taxes to increase by \$12.5M due to the growth in the tax

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ARIZONA TAX RESEARCH ASSOCIATION
 Bill Molina.....Chairman
 Kevin J. McCarthy.....President
 Jennifer Stielow.....Vice President
 Jack Moody.....Senior Research Analyst
 Kathleen Farnsworth.....Office Manager

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1814 W. Washington Street
 Phoenix, Arizona 85007
 (602) 253-9121

www.arizonatax.org

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base exclusive of new construction.

On a percentage basis, Coconino is proposing to increase taxes for its library district 11.5% over TNT, which will generate an additional \$780k for the district. Coconino also levies the maximum amounts for its primary taxes and secondary taxes for the flood control and public health services districts, bringing the total tax increase to \$1.8M. Mohave County is planning to increase its primary property taxes by 7%, which equates to a \$3.2M tax increase.

Four counties, Graham, Greenlee, La Paz, and Pinal, are choosing not to increase property taxes this year.

- Jennifer Stielow

	FY 2025	FY 2026					FY 2025	FY 2026			
County	PRIMARY RATE	TNT RATE	MAX RATE	PROPOSED RATE	Exceeds TNT?	\$ </> TNT	Primary Levy	TNT LEVY	PROPOSED LEVY	\$ </> TNT	% </> TNT
Apache Primary	0.7179	0.7353	0.7500	0.7500	YES	0.0147	\$3,476,986	\$3,535,184	\$3,605,859	\$70,675	2.0%
Apache Flood Control	0.0817	0.0793	0.5000	0.0793	NO	0.0000	\$168,482	\$169,675	\$169,675	\$0	0.0%
Apache Library	0.3230	0.3308	N/A	0.3308	NO	0.0000	\$1,564,377	\$1,590,424	\$1,590,424	\$0	0.0%
Apache Jail	0.2000	0.2048	0.2000	0.2000	NO	-0.0048	\$968,655	\$984,640	\$964,185	-\$20,455	-2.1%
Apache Juvenile Jail	0.1000	0.1024	0.1000	0.1000	NO	-0.0024	\$484,327	\$492,320	\$482,093	-\$10,227	-2.1%
Apache Public Health Svcs.	0.2500	0.2561	0.2500	0.2500	NO	-0.0061	\$1,210,818	\$1,231,281	\$1,201,953	-\$29,328	-2.4%
JR College	0.2590	N/A	N/A	0.3200	N/A	N/A	\$1,254,408	N/A	\$1,542,696	N/A	N/A
Post Secondary Ed	0.1500	N/A	N/A	0.1500	N/A	N/A	\$726,491	N/A	\$723,139	N/A	N/A
Cochise Primary	2.7282	2.6720	4.1766	2.6736	YES	0.0016	\$30,394,330	\$31,101,618	\$31,120,242	\$18,624	0.1%
Cochise Flood Control	0.2597	0.2493	0.5347	0.2597	YES	0.0104	\$2,469,929	\$2,518,356	\$2,623,414	\$105,058	4.2%
Cochise Library	0.1451	0.1421	N/A	0.1451	YES	0.0030	\$1,616,530	\$1,654,019	\$1,655,160	\$1,141	0.1%
Coconino Primary	0.4944	0.4735	0.4830	0.4830	YES	0.0095	\$11,365,375	\$11,502,733	\$11,733,517	\$230,784	2.0%
Coconino Flood Control	0.5000	0.4758	0.5000	0.5000	YES	0.0242	\$10,424,397	\$10,470,181	\$11,002,713	\$532,532	5.1%
Coconino Library	0.2956	0.2831	N/A	0.3156	YES	0.0325	\$6,795,317	\$6,877,347	\$7,666,869	\$789,522	11.5%
Coconino Public Health Svcs.	0.2500	0.2394	0.2500	0.2500	YES	0.0106	\$5,747,054	\$5,815,743	\$6,073,249	\$257,506	4.4%
Gila Primary	4.1900	4.1824	6.4594	4.1900	YES	0.0076	\$27,881,571	\$28,144,475	\$28,195,617	\$51,142	0.2%
Gila Library	0.2425	0.2421	N/A	0.2425	YES	0.0004	\$1,613,671	\$1,629,155	\$1,631,847	\$2,692	0.2%
Graham Primary	2.1293	2.3900	2.4378	2.3900	NO	0.0000	\$7,116,939	\$7,305,984	\$7,305,984	\$0	0.0%
Graham Flood Control	0.1200	0.1205	0.5000	0.1205	NO	0.0000	\$269,865	\$276,305	\$276,305	\$0	0.0%
Greenlee Primary	0.8036	0.8587	1.5089	0.8036	NO	-0.0551	\$3,805,218	\$3,982,672	\$3,727,117	-\$255,555	-6.4%
Greenlee Flood Control	0.1948	0.2706	0.5000	0.2400	NO	-0.0306	\$137,781	\$156,931	\$139,185	-\$17,746	-11.3%
Greenlee Public Health Svcs.	0.2475	0.2645	0.2500	0.2500	NO	-0.0145	\$1,171,966	\$1,226,757	\$1,159,506	-\$67,251	-5.5%
La Paz Primary	2.5795	2.5285	2.6307	2.5157	NO	-0.0128	\$6,589,274	\$6,755,260	\$6,721,085	-\$34,175	-0.5%
Maricopa Primary	1.1591	1.1385	1.6029	1.1591	YES	0.0206	\$676,087,804	\$691,348,628	\$703,857,878	\$12,509,250	1.8%
Maricopa Flood Control	0.1470	0.0462	0.5000	0.0462	NO	0.0000	\$79,198,583	\$28,054,727	\$28,054,727	\$0	0.0%
Maricopa Library	0.0470	0.1428	N/A	0.1428	NO	0.0000	\$27,414,483	\$80,760,291	\$80,760,291	\$0	0.0%
Mohave Primary	1.7547	1.6966	2.2548	1.8147	YES	0.1181	\$45,081,407	\$46,152,152	\$49,364,795	\$3,212,643	7.0%
Mohave Flood Control	0.5000	0.4789	0.5000	0.5000	YES	0.0211	\$11,547,818	\$11,767,343	\$12,285,804	\$518,461	4.4%
Mohave Library	0.2548	0.2464	N/A	0.2148	NO	-0.0316	\$6,546,271	\$6,702,753	\$5,843,146	-\$859,607	-12.8%
Mohave T.V.	0.0563	N/A	N/A	0.0363	N/A	N/A	\$1,446,449	N/A	\$987,459	N/A	-
Navajo Primary	0.8114	0.7867	0.8631	0.8114	YES	0.0247	\$8,404,408	\$8,592,832	\$8,862,621	\$269,789	3.1%
Navajo Flood Control	0.2465	0.2366	0.5000	0.2465	YES	0.0099	\$2,113,086	\$2,155,874	\$2,246,082	\$90,208	4.2%
Navajo Library	0.0902	0.0875	N/A	0.0902	YES	0.0027	\$934,283	\$955,730	\$985,221	\$29,491	3.1%
Navajo Public Health Svcs.	0.2257	0.2188	0.2500	0.2257	YES	0.0069	\$2,337,780	\$2,389,871	\$2,465,237	\$75,366	3.2%
Pima Primary	4.0990	3.9831	4.6758	4.2299	YES	0.2468	\$461,322,412	\$470,344,788	\$499,488,192	\$29,143,404	6.2%
Pima Flood Control	0.3271	0.3150	0.8460	0.3289	YES	0.0139	\$33,521,856	\$34,105,003	\$35,609,954	\$1,504,951	4.4%
Pima Library	0.5537	0.5380	N/A	0.5579	YES	0.0199	\$62,316,228	\$63,529,787	\$65,879,681	\$2,349,894	3.7%
Pima Debt	0.1250	N/A	N/A	0.1150	N/A	N/A	\$14,068,139	N/A	\$13,579,787	N/A	-
Pinal Primary	3.4500	3.3630	5.3189	3.3630	NO	0.0000	\$130,165,668	\$136,992,171	\$136,992,171	\$0	0.0%
Pinal Flood Control	0.1693	0.1620	0.6726	0.1620	NO	0.0000	\$5,600,999	\$5,823,578	\$5,823,578	\$0	0.0%
Pinal Library	0.0913	0.0890	N/A	0.0890	NO	0.0000	\$3,444,674	\$3,625,425	\$3,625,425	\$0	0.0%
Santa Cruz Primary	4.0065	3.8848	4.5795	3.9765	YES	0.0917	\$17,691,357	\$17,906,837	\$18,329,524	\$422,687	2.4%
Santa Cruz Flood Control	0.8013	0.7764	0.7953	0.7953	YES	0.0189	\$3,266,175	\$3,302,067	\$3,382,450	\$80,383	2.4%
Yavapai Primary	1.6443	1.5901	1.9341	1.6443	YES	0.0542	\$62,592,371	\$64,031,482	\$66,214,053	\$2,182,571	3.4%
Yavapai Flood Control	0.1674	0.1599	0.5000	0.1599	NO	0.0000	\$5,720,051	\$5,843,240	\$5,843,240	\$0	0.0%
Yavapai Library	0.1346	0.1302	N/A	0.1346	YES	0.0044	\$5,123,720	\$5,243,003	\$5,420,186	\$177,183	3.4%
Yuma Primary	2.4206	2.3653	2.5780	2.4206	YES	0.0553	\$38,499,100	\$39,678,744	\$40,606,421	\$927,677	2.3%
Yuma Flood Control	0.2487	0.2396	0.4841	0.2487	YES	0.0091	\$3,403,600	\$3,465,205	\$3,596,813	\$131,608	3.8%
Yuma Library (M&O)	0.6923	0.6765	N/A	0.7016	YES	0.0251	\$11,010,876	\$11,348,527	\$11,769,588	\$421,061	3.7%
Yuma Library (BONDS)	0.1892	N/A	N/A	0.1799	N/A	N/A	\$3,009,769	N/A	\$3,017,519	N/A	-

*Tax Rates in red font indicate max tax rate is proposed to be levied.

*FCD max tax rate is greater of \$0.50 or 20% of county proposed primary tax rate.

City/Town Property Taxes Grow to \$477 Million in FY26

Out of Arizona's 91 cities and towns, 51 will levy a primary property tax to fund their maintenance and operations budgets in FY26. Twenty-four cities have budgeted for tax increases in excess of their Truth-in-Taxation (TNT) limits. TNT requires that if a jurisdiction proposes to increase primary property tax levies exclusive of new construction, the jurisdiction must hold a public hearing and publish notice of the tax increase in a newspaper of general circulation. Cumulatively, these increases will lead to \$6.9 million in additional property taxes. Phoenix and Tucson will see the largest dollar increases above their TNT limits, at \$2.7 million and \$1.3 million, respectively.

Collectively, the cities and towns have budgeted for over \$477 million in primary levies in FY26. Additionally, Scottsdale and Tucson will again exceed their levy limits this year, as they have done repeatedly, by way of tort judgments. Nine cities will reflexively increase taxes this year by simply leaving the tax rate the same. Most homeowners and businesses statewide will see the Prop 117 5% mandated increase in their taxable value.

Eighteen cities and towns will levy nearly as much in secondary property taxes to pay debt service on voter-approved General Obligation (G.O.) bonds as the 51 that levy primary taxes. In FY26, secondary levies will grow

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City	FY25 Adopted Rate	FY26 Proposed Rate	% Chg	\$ Chg	FY25 Adopted Levy	FY26 Proposed Levy	% Chg	\$ Chg
Avondale	0.8351	0.8497	2%	0.0146	\$ 5,407,729	\$ 6,045,322	12%	\$ 637,593
Casa Grande	0.3184	0.4154	30%	0.0970	\$ 1,941,155	\$ 2,579,429	33%	\$ 638,274
Chandler	0.8700	0.8700	0%	0.0000	\$ 35,740,068	\$ 35,881,040	0%	\$ 140,972
Coolidge	0.1543	0.2088	35%	0.0545	\$ 166,608	\$ 257,182	54%	\$ 90,574
El Mirage	1.0752	0.9778	-9%	-0.0974	\$ 1,930,000	\$ 1,930,000	0%	\$ -
Flagstaff	0.8000	0.8000	0%	0.0000	\$ 9,091,154	\$ 9,613,775	6%	\$ 522,621
Gilbert	0.9800	0.9800	0%	0.0000	\$ 33,275,000	\$ 34,838,000	5%	\$ 1,563,000
Glendale	1.1597	1.1296	-3%	-0.0301	\$ 24,423,783	\$ 25,351,530	4%	\$ 927,747
Goodyear	0.8093	0.8031	-1%	-0.0062	\$ 13,237,000	\$ 14,222,200	7%	\$ 985,200
Maricopa	0.6910	0.5950	-14%	-0.0960	\$ 3,256,709	\$ 3,039,854	-7%	\$ (216,855)
Mesa	0.8582	0.8582	0%	0.0000	\$ 42,006,022	\$ 44,337,000	6%	\$ 2,330,978
Peoria	1.1500	1.1500	0%	0.0000	\$ 24,630,684	\$ 25,812,488	5%	\$ 1,181,804
Phoenix	0.8141	0.8141	0%	0.0000	\$ 139,947,664	\$ 144,688,188	3%	\$ 4,740,524
Scottsdale	0.4358	0.4233	-3%	-0.0125	\$ 34,839,617	\$ 34,851,032	0%	\$ 11,415
Surprise	0.3880	0.3880	0%	0.0000	\$ 6,690,298	\$ 7,282,778	9%	\$ 592,480
Tempe	1.5544	1.5849	2%	0.0305	\$ 40,061,431	\$ 42,085,879	5%	\$ 2,024,448
Tolleson	1.1602	1.1602	0%	0.0000	\$ 3,663,800	\$ 3,787,800	3%	\$ 124,000
Tucson	0.6034	0.5510	-9%	-0.0524	\$ 27,412,670	\$ 25,955,650	-5%	\$ (1,457,020)
Total					\$ 447,721,392	\$ 462,559,147	3%	\$ 14,837,755

*Chandler's proposed rate computes a different levy value than budgeted. A levy based on the proposed rates is displayed instead

Cities, *Continued from page 4*

by 3% to over \$462 million. Coolidge and Casa Grande will see the largest percentage increases in secondary taxes at 54% and 33%, respectively, and also lead in rate growth, at 35% and 30%. Eight cities, including Chandler, Flagstaff, Gilbert, Mesa, Peoria, Phoenix, Surprise, and Tolleson will keep their secondary rates the same. Overall, only six of the cities and towns will reduce their secondary rates, and yet only two of those rate reductions will translate to reductions in the levy.

- Jack Moody

Cities & Towns FY 2026 Primary Tax Rates & Levies											
City	FY 2025 ADOPTED RATE	FY 2026 TNT Rate	FY 2026 PROPOSED RATE	FY 2026 MAX T.R.	\$ </> TNT	Exceed TNT?	FY 2025 LEVY	FY 2026 TNT LEVY	FY 2026 PROPOSED LEVY	\$ </> TNT	% </> TNT
Avondale	0.6241	0.5976	0.6095	0.6095	0.0119	YES	\$ 4,041,254	\$ 4,251,747	\$ 4,336,412	\$ 84,665	1.99%
Benson	0.9224	0.8595	0.8767	0.8767	0.0172	YES	\$ 403,949	\$ 415,538	\$ 423,854	\$ 8,316	2.00%
Bisbee	3.0163	2.9472	3.0061	3.0061	0.0589	YES	\$ 1,351,729	\$ 1,402,786	\$ 1,430,821	\$ 28,035	2.00%
Buckeye	1.6077	1.5690	1.6004	1.6004	0.0314	YES	\$ 15,329,552	\$ 16,351,754	\$ 16,678,998	\$ 327,244	2.00%
Casa Grande	0.9643	0.9967	0.9643	1.1353	-0.0324	NO	\$ 5,878,352	\$ 6,142,241	\$ 5,987,000	\$ (155,241)	-2.53%
Chandler	0.2126	0.2258	0.2118	0.6420	-0.0140	NO	\$ 8,733,722	\$ 9,312,573	\$ 8,645,198	\$ (667,375)	-7.17%
Clarkdale	1.3443	1.2794	1.3443	1.4448	0.0649	YES	\$ 667,000	\$ 693,477	\$ 728,000	\$ 34,523	4.98%
Clifton	4.2329	4.2113	4.2329	6.1550	0.0216	YES	\$ 650,000	\$ 658,758	\$ 662,137	\$ 3,379	0.51%
Coolidge	1.5368	1.5367	1.5988	1.5988	0.0621	YES	\$ 1,659,338	\$ 1,879,743	\$ 1,968,878	\$ 89,135	4.74%
Douglas	1.1138	1.0783	1.0783	1.5853	0.0000	NO	\$ 703,542	\$ 724,941	\$ 724,941	\$ -	0.00%
Duncan	0.8600	0.9121	0.7576	1.5303	-0.1545	NO	\$ 15,031	\$ 18,061	\$ 15,000	\$ (3,061)	-16.95%
El Mirage	1.7104	1.6598	1.6596	1.6930	-0.0002	NO	\$ 3,070,298	\$ 3,276,299	\$ 3,276,000	\$ (299)	-0.01%
Eloy	1.0115	0.9577	0.9769	0.9769	0.0192	YES	\$ 1,468,865	\$ 1,521,285	\$ 1,564,785	\$ 43,500	2.86%
Flagstaff	0.6363	0.6045	0.6045	0.6808	0.0000	NO	\$ 7,230,877	\$ 7,264,408	\$ 7,264,408	\$ -	0.00%
Florence	1.0289	0.9898	1.0289	1.0390	0.0391	YES	\$ 1,546,284	\$ 1,607,515	\$ 1,683,788	\$ 76,273	4.74%
Gila Bend	0.6559	0.6705	0.7180	1.0440	0.0475	YES	\$ 461,530	\$ 477,435	\$ 511,313	\$ 33,878	7.10%
Glendale	0.3328	0.3242	0.3242	0.3951	0.0000	NO	\$ 7,008,912	\$ 7,275,997	\$ 7,275,997	\$ -	0.00%
Globe	1.2211	1.1892	1.1892	2.0148	0.0000	NO	\$ 541,941	\$ 545,264	\$ 545,264	\$ -	0.00%
Goodyear	0.9257	0.9136	0.9319	0.9319	0.0183	YES	\$ 15,140,885	\$ 16,179,052	\$ 16,503,128	\$ 324,076	2.00%
Hayden	13.0000	14.5146	13.0000	123.1530	-1.5146	NO	\$ 1,591,121	\$ 1,574,209	\$ 1,409,940	\$ (164,269)	-10.44%
Holbrook	0.4686	0.4583	0.4598	0.5160	0.0015	YES	\$ 115,018	\$ 116,925	\$ 117,308	\$ 383	0.33%
Huachuca City	1.4102	1.3722	1.3722	1.5896	0.0000	NO	\$ 113,684	\$ 115,008	\$ 115,008	\$ -	0.00%
Jerome	0.6340	0.6104	0.6084	1.3299	-0.0020	NO	\$ 47,500	\$ 47,651	\$ 47,500	\$ (151)	-0.32%
Kearny	2.2738	2.2068		3.1163	-2.2068	NO	\$ 162,055	\$ 162,673	\$ (162,673)	\$ -	-100.00%
Lake Havasu City	0.6718	0.6420	0.6718	0.7923	0.0298	YES	\$ 6,761,417	\$ 6,872,478	\$ 7,191,481	\$ 319,003	4.64%
Mammoth	1.8747	1.8092		3.3495	-1.8092	NO	\$ 55,353	\$ 55,950	\$ (55,950)	\$ -	-100.00%
Maricopa	3.6427	3.4773	3.4773	4.1270	0.0000	NO	\$ 17,020,783	\$ 17,759,757	\$ 17,764,860	\$ 5,103	0.03%
Miami	4.4542	4.4160	4.4200	6.7792	0.0040	YES	\$ 198,530	\$ 200,242	\$ 200,242	\$ -	0.00%
Payson	0.2992	0.2855	0.2855	0.3820	0.0000	NO	\$ 717,831	\$ 720,566	\$ 720,566	\$ -	0.00%
Peoria	0.2900	0.2812	0.2900	0.3355	0.0088	YES	\$ 6,211,216	\$ 6,311,715	\$ 6,509,236	\$ 197,521	3.13%
Phoenix	1.2658	1.2505	1.2658	1.2755	0.0153	YES	\$ 217,597,043	\$ 222,248,592	\$ 224,967,827	\$ 2,719,235	1.22%
Pima	0.1115	0.1051		0.1799	-0.1051	NO	\$ 17,032	\$ 18,077	\$ (18,077)	\$ -	-100.00%
Prescott	0.2423	0.2329	0.2329	0.2423	0.0000	NO	\$ 2,267,210	\$ 2,304,514	\$ 2,304,514	\$ -	0.00%
Queen Creek	1.6314	1.5485	1.5485	2.4798	0.0000	NO	\$ 13,920,642	\$ 14,810,813	\$ 14,810,813	\$ -	0.00%
Safford	0.5135	0.4763	0.5135	0.6447	0.0372	YES	\$ 308,227	\$ 311,131	\$ 313,585	\$ 2,454	0.79%
Scottsdale	0.4958	0.4869	0.4891	0.4809	0.0022	YES	\$ 39,640,195	\$ 40,086,012	\$ 40,686,884	\$ 600,872	1.50%
Sierra Vista	0.1033	0.1019	0.1018	0.1844	-0.0001	NO	\$ 387,280	\$ 395,361	\$ 394,973	\$ (388)	-0.10%
Somerton	1.5355	1.4548	1.5355	1.4839	0.0807	YES	\$ 823,042	\$ 834,331	\$ 880,613	\$ 46,282	5.55%
South Tucson	0.2192	0.2193	0.2193	0.3695	0.0000	NO	\$ 61,871	\$ 64,598	\$ 60,000	\$ (4,598)	-7.12%
Superior	5.2543	5.2164	5.2164	7.8478	0.0000	NO	\$ 679,003	\$ 687,051	\$ 697,457	\$ 10,406	1.51%
Surprise	0.5693	0.5535	0.5534	0.7928	-0.0001	NO	\$ 9,816,577	\$ 10,389,220	\$ 10,387,300	\$ (1,920)	-0.02%
Tempe	0.8747	0.8573	0.8744	0.8744	0.0171	YES	\$ 22,543,575	\$ 22,764,985	\$ 23,219,063	\$ 454,078	1.99%
Tolleson	1.5194	1.5158	1.5158	1.9385	0.0000	NO	\$ 4,798,134	\$ 4,948,563	\$ 4,948,563	\$ -	0.00%
Tombstone	0.8866	0.8688	0.8688	1.3187	0.0000	NO	\$ 137,331	\$ 138,222	\$ 138,222	\$ -	0.00%
Tucson	0.4311	0.4177	0.4453	0.4085	0.0276	YES	\$ 19,586,734	\$ 19,675,617	\$ 20,975,540	\$ 1,299,923	6.61%
Wickenburg	0.4132	0.3997	0.3997	0.6441	0.0000	NO	\$ 600,027	\$ 615,050	\$ 615,000	\$ (50)	-0.01%
Willcox	0.3824	0.3841	0.3548	0.5492	-0.0293	NO	\$ 85,467	\$ 87,651	\$ 80,965	\$ (6,686)	-7.63%
Williams	0.9789	0.9443	0.9443	1.3997	0.0000	NO	\$ 652,666	\$ 656,465	\$ 656,465	\$ -	0.00%
Winkelman	7.1694	7.0835	7.1694	11.5417	0.0859	YES	\$ 44,862	\$ 45,424	\$ 45,980	\$ 556	1.22%
Winslow	1.2963	1.2791	1.3047	1.3047	0.0256	YES	\$ 474,180	\$ 481,333	\$ 490,966	\$ 9,633	2.00%
Yuma	2.1321	2.0812	2.1433	2.1433	0.0621	YES	\$ 16,443,414	\$ 16,777,317	\$ 16,933,870	\$ 156,553	0.93%
Total							\$ 459,782,081	\$ 472,276,375	\$ 477,910,663	\$ 6,875,026	

Community Colleges Report Stagnant Enrollment While Revenue Gaps Widen

FY26 tentative community college general fund (GF) budgeted expenditures are up 2.9% from FY25. Mojave saw the largest GF budget percentage increase at 12.7%, for the second year in a row. Yuma/La Paz and Coconino followed with 6.3% growth. Three districts budgeted for reductions of their GF expenditures in FY26; Gila, Cochise, and Graham with respective reductions of 4.9%, 2%, and 0.8%. Maricopa's GF budget grew by more than \$20 million, significantly more than the other eleven districts.

General Fund Expenditures				
District	FY25	FY26	Difference	% Chg.
Cochise	\$58,714,970	\$57,547,584	-\$1,167,386	-2.0%
Coconino	\$27,901,400	\$29,657,222	\$1,755,822	6.3%
Gila	\$8,162,764	\$7,765,498	-\$397,266	-4.9%
Graham	\$47,682,919	\$47,285,860	-\$397,059	-0.8%
Maricopa	\$805,547,738	\$826,063,364	\$20,515,626	2.5%
Mohave	\$43,533,602	\$49,073,673	\$5,540,071	12.7%
Navajo	\$38,827,550	\$40,225,908	\$1,398,358	3.6%
Pima	\$218,567,000	\$224,779,000	\$6,212,000	2.8%
Pinal	\$55,994,965	\$58,383,240	\$2,388,275	4.3%
Santa Cruz	\$1,795,372	\$1,831,954	\$36,582	2.0%
Yavapai	\$64,025,200	\$65,974,600	\$1,949,400	3.0%
Yuma/La Paz	\$61,671,244	\$65,579,000	\$3,907,756	6.3%
Total	\$1,432,424,724	\$1,474,166,903	\$41,742,179	2.9%

As ATRA has reported in recent years, declining or otherwise stagnant student enrollment continues to be a problem for Arizona's community college districts. Between fiscal years 2014 and 2024, statewide audited full time student equivalent (FTSE) counts have declined by more than 34,000 or nearly 27%. Only in the last two years of available audited figures, from FY22 to FY24, did the downward trend start to reverse, with FTSE

increasing slightly from 89,004 to 93,809. Collectively, budgeted FTSE is up 2.8% in FY26 from FY25.

Enrollment declines threaten two district funding mechanisms—tuition/fees and state aid—forcing districts to look to the property tax base as a replacement. From FY16 to FY26, primary levies per FTSE increased an average of 63%. Over the same period, total community college levies grew 55%. Even as enrollment recovers modestly, community colleges continue to be structurally reliant on property tax growth to sustain their budgets. In fact, only four of the twelve districts (Mohave, Pima, Pinal, and Yavapai) adjusted their property tax rates enough to avoid a Truth-in-Taxation (TNT) hearing in FY26.

Accordingly, property taxes continue to occupy a greater share of overall college revenues every year. In FY16, primary levies comprised 62% of total revenues, compared to 33% from tuition. By FY26, the gap has widened substantially, with levies projected to represent 70% of total revenues and tuition falling to just 24%. Over the same period, collective state aid revenues have nearly doubled since FY16.

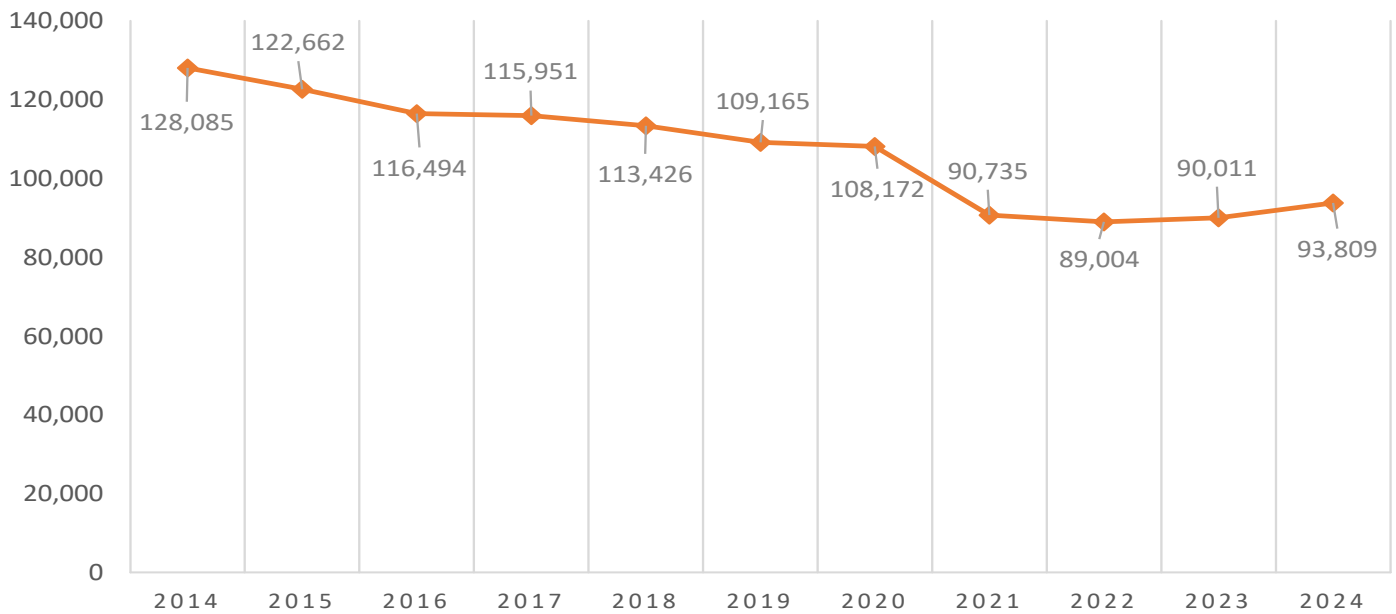
Declining FTSE not only affects revenues but also constrains the constitutional expenditure limits (EL) that govern community college spending. Because the

FTSE (Audited)				
District	FY23	FY24	Difference	% Chg.
Cochise	5,244	4,899	-345	-6.6%
Coconino	1,561	1,634	73	4.7%
Gila	451	458	7	1.6%
Graham	2,167	2,255	88	4.1%
Maricopa	53,964	56,294	2,330	4.3%
Mohave	2,009	2,179	170	8.5%
Navajo	1,425	1,545	120	8.4%
Pima	11,568	12,147	579	5.0%
Pinal	3,137	3,275	138	4.4%
Santa Cruz	199	181	-18	-9.0%
Yavapai	3,206	3,543	337	10.5%
Yuma/La Paz	5,080	5,399	319	6.3%
Total	90,011	93,809	3,798	4.2%

Colleges, *Continued from page 6*

District	Primary Rates			Primary Levies			Over TNT?
	FY25	FY26	% Chg.	FY25	FY26	% Chg.	
Cochise	\$2.4444	\$2.4420	-0.1%	\$27,232,571	\$28,424,248	4.4%	Yes
Coconino	\$0.6870	\$0.6711	-2.3%	\$15,792,906	\$16,303,029	3.2%	Yes
Gila	\$0.9048	\$0.9212	1.8%	\$6,020,822	\$6,198,998	3.0%	Yes
Graham	\$2.4609	\$2.7823	13.1%	\$8,225,274	\$8,609,960	4.7%	Yes
Maricopa	\$1.0486	\$1.0600	1.1%	\$611,634,606	\$643,679,882	5.2%	Yes
Mohave	\$1.1129	\$1.0760	-3.3%	\$28,592,408	\$29,322,272	2.6%	No
Navajo	\$1.7707	\$1.7512	-1.1%	\$18,340,750	\$19,127,708	4.3%	Yes
Pima	\$1.2530	\$1.2176	-2.8%	\$141,019,025	\$143,780,426	2.0%	No
Pinal	\$1.6886	\$1.6460	-2.5%	\$63,709,492	\$62,102,229	-2.5%	No
Santa Cruz	\$0.4066	\$0.4021	-1.1%	\$1,795,409	\$1,831,954	2.0%	Yes
Yavapai	\$1.4956	\$1.4463	-3.3%	\$56,930,800	\$58,240,800	2.3%	No
Yuma/La Paz	\$2.0391	\$2.0252	-0.7%	\$37,547,092	\$39,385,000	4.9%	Yes
Total/Average	\$1.4427	\$1.4534	0.7%	\$1,016,841,155	\$1,057,006,506	3.0%	

AZ TOTAL COMM COLLEGE FTSE (AUDITED) FY14-24



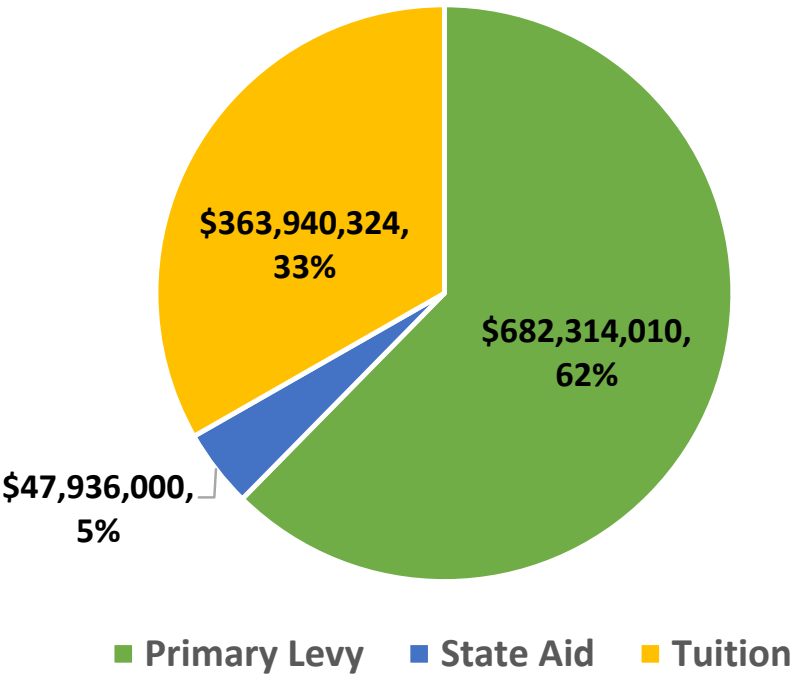
expenditure limit calculation is tied to FTSE, prolonged enrollment declines reduce budget capacity regardless of whether revenues increase. As a result, districts may find themselves generating more local revenue than they are legally permitted to spend. This led the cash reserves of some districts, like Santa Cruz and Navajo, to climb as high as 405% and 288% of their GF budgets, respectively. For years, the colleges have viewed the legislature as the preferred source of EL relief, thereby circumventing the voters. However, two districts (Maricopa and Graham) successfully secured that relief from their voters in 2024.

See Page 8 for a breakdown of college revenues

- Jack Moody

Colleges, Continued from page 7

FY16 Revenues



FY26 Revenues

