

City of Flagstaff FY 2025-26 Budget and Property Taxes



June 17, 2025



Budget Timeline

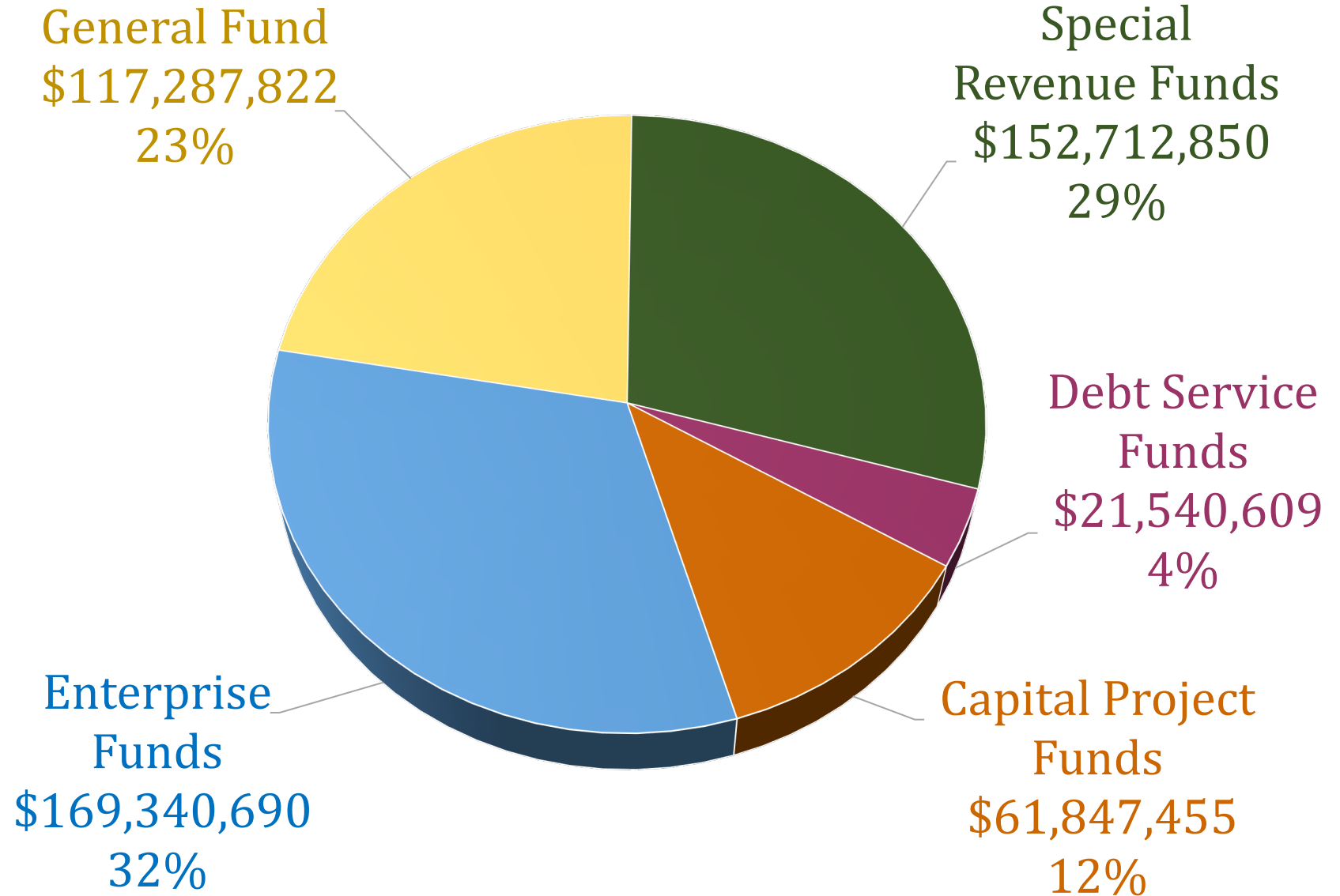
- ✓ **June 3rd – Tentative Budget Adoption**
- **June 17th**
 - Public Hearing for Budget and Tax Levy
 - Final Budget Adoption
 - 1st Reading of Property Tax Ordinance
- **July 1st**
 - 2nd Reading and Adoption of Property Tax Ordinance



Legal Schedule A

**Total
FY 2025-26
Budget:
\$522,729,426**

**\$56.7M (10%) decrease
over FY 2024-25**





Proposed Property Tax

Total Proposed Primary Tax Levy: \$7,264,408

- New construction revenue totals \$35,501
- Assessed values increased 5.26% on average
- Proposed tax rate of 0.6045 per \$100/AV
- Rate decrease from 0.6363 in the prior year
- Adopting \$916,914 below maximum allowed
- Unrestricted revenue per state statutes

Total Proposed Secondary Tax Levy: \$9,613,775

- Proposed tax rate of \$0.8000 per \$100/AV, same as prior year
- 5.7% levy increase
- Cannot exceed the estimated general obligation debt service payments for FY 2025-26



Property Tax Rate History

Property Tax	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26 Proposed
Primary	0.7186	0.6954	0.6634	0.6363	0.6045
Secondary	0.8000	0.8000	0.8000	0.8000	0.8000
Total	1.5186	1.4954	1.4634	1.4363	1.4045

- **Primary Property Tax Rate (FY 2025-26)**
 - Proposed: 0.6045 per \$100/AV
 - Flat Levy: 0.6045 per \$100/AV
 - Maximum: 0.6808 per \$100/AV



Property Assessed Values

	Budget FY 2024-25 (Tax Year 2024)	Budget FY 2025-26 (Tax Year 2025)	% Increase
Limited Net AV	\$ 1,136,394,237	\$ 1,201,721,829	5.8%
Full Cash Net AV	\$ 1,834,376,367	\$ 1,877,253,380	2.3%

- Determined by the County Assessor's Office
- New construction .5%, \$5.6M assessed value
- Values based on valuation done in late 2023 for Tax Year 2025
- Limited assessed value is used to calculate both the primary and secondary property tax per State Statutes
- Limited assessed value is limited to maximum 5% increase per year for most real property



City Property Tax Impact

Residential Example:

	\$100,000 Property in 2024		\$100,000 Property in 2025	
City Taxing Authority	Rate	Taxes	Rate	Taxes
Primary Property Tax	0.6363	\$ 63.63	0.6045	\$ 60.45
Secondary Property Tax	0.8000	\$ 80.00	0.8000	\$ 80.00
Total: City Taxing Authority	1.4363	\$ 143.63	1.4045	\$ 140.45
			Change	\$ (3.18)

In FY 2024-25, City property taxes were approximately 20% of the total residential property tax bill



City Property Tax Impact

Commercial Example:

	\$1,000,000 Property in 2024		\$1,000,000 Property in 2025	
City Taxing Authority	Rate	Taxes	Rate	Taxes
Primary Property Tax	0.6363	\$ 1,113.53	0.6045	\$ 1,057.88
Secondary Property Tax	0.8000	\$ 1,400.00	0.8000	\$ 1,400.00
Total: City Taxing Authority	1.4363	\$ 2,513.53	1.4045	\$ 2,457.88
			Change	\$ (55.65)

*Estimated assessment ratio of 17.5%

Questions

Heidi Derryberry, Budget Director

hderryberry@flagstaffaz.gov

928-213-2215

