

ARIZONA STATE, COUNTY AND SCHOOL PROPERTY TAXES COMPARED

IN THE MINING AND AGRICULTURAL INDUSTRIES

PERIOD 1949-1952

Source: Arizona State Tax Commission Biennial Reports

Former reports issued by this Department comparing property taxes paid by the mining, agricultural and livestock industries in Arizona, have shown the total property taxes without a breakdown into State, County, City and School District taxes. This study is an attempt to break the taxes down into separate state, county and school taxes. City taxes were eliminated in this new comparison because they are separate incorporated business entities which collect taxes to pay for the special services and advantages which they render to their own citizens. Those outside the city should not be expected to pay for those services which they do not receive.

Aside from the state property tax, figures are not available that would permit an accurate segregation of taxes paid by the mining industry as distinguished from the agricultural industry. Hence, to determine a fair comparison, it was felt that the county and school taxes paid by the five leading agricultural counties, and those paid by the five leading mining counties would afford a fairly representative comparison. The five major agricultural counties are Maricopa, Pinal, Yuma, Pima and Graham, and the five major mining counties are Greenlee, Gila, Pima, Pinal and Cochise. It will be noted that Pinal and Pima Counties occur in both groups, making the comparison that much more representative.

An accurate determination of the county and school tax-rates was made for the five major agricultural counties, and these rates were then applied to the total state agricultural and livestock valuations. The same procedure was followed for the five major mining counties, and the tax-rates applied against the total state mining valuations.

Following is a summary of the comparative rates and taxes paid:

<u>4 Year Period (1949-1952)</u>	<u>Mining Industry</u>	<u>Agricultural & Livestock Industry</u>
State Property Tax-rate	\$1.012	\$1.009
County " " "	.748	.883
School " " "	2.219	3.517
Total " " "	<u>\$3.979</u>	<u>\$5.409</u>
Total Property Taxes Paid	\$ 7,793,024	\$ 5,468,088
Total Severance or Sales Tax Paid*	1,847,561	484,484
Total Property-Product.Taxes	<u>\$ 9,640,585</u>	<u>\$ 5,952,572</u>

* This is the 1% Severance Tax on Mine Production, and $\frac{1}{4}$ of 1% Sales Tax on Wholesale Meat Packing and Wholesale Feed.

The 45% greater property tax paid by the mining industry over the combined agricultural and livestock industry (\$7,793,024 vs. \$5,468,088.) indicate a disparity in the property valuations of both industries, especially when the relative value of their annual production is considered: namely, \$208,725,750 for the mining industry, and \$313,857,000 for the agricultural and livestock industry.

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The object of this survey was to stress the need of a better way to assess the value of mining properties, not to change the method of valuation of the agricultural industry, which this Department feels is reasonably fair. A step in the right direction would seem to be to assess mining properties at two-thirds of the average annual value of their production for the preceding four or five years. For example, two-thirds of the average value of mine production for the period 1949-1952, (\$208,725,750), would be \$139,150,361. With a tax-rate of \$3.979, the total mining property tax would be \$5,536,793, as compared with \$5,468,088 for the combined agricultural and livestock industries. Incidentally, the two-thirds figure would be more than twice the ratio (32.2%) of the assessed valuation of the combined agricultural and livestock industries to the value of their marketings.

SCHOOL TAXES

Though the cost of education of the youth of the state might properly be assessed equally among all citizens of the state, it is true that the city schools are probably better equipped than the rural or mining district schools. However, the employment of good teachers is equally available to all districts, and the children are not discriminately treated in this important respect. To bring about a partial equalization, the State of Arizona appropriates \$95 per pupil for the education of all children in public schools. This money comes from the general fund which receives its income from property taxes, sales taxes, income taxes, severance taxes, etcetera. Thus it may be said that mining districts are contributing to the support of the schools throughout the state. The higher school tax-rate in counties other than mining might be partly due to the greater advantages which city schools offer over rural. However, to treat all Arizona children equitably, it has been suggested that perhaps all school funds should be raised and administered by the state. Then, needless to say, the difficulty of centralization versus home rule would arise. The school districts in which big mines are located, are known to be efficiently managed, because the mining companies know they have to pay nearly all the taxes needed to operate the schools in their districts, and they naturally would want good business principles employed in their administration. Moreover, there are certain costs which the city schools have to pay but from which the mining district schools are free. Such costs are absorbed by the mining companies, and thus do not show on the tax rate.

Arizona Department of Mineral Resources

December, 1953

TABLE I

5 MAJOR AGRICULTURAL COUNTIES ASSESSED VALUATIONSAND STATE, COUNTY AND SCHOOL TAXES PAID

Source - State Tax Commission Reports

	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>Average</u>
<u>ASSESSED VALUATIONS</u>					
Maricopa	\$238,906,578	\$248,799,096	\$281,345,523	\$311,101,169	\$270,038,092
Pinal	52,969,406	53,596,501	59,297,624	64,542,644	57,601,544
Yuma	30,296,973	32,021,755	36,857,410	38,580,810	34,439,237
Pima	125,241,358	136,537,079	149,068,729	158,565,007	142,353,043
Graham	9,986,607	10,101,677	11,211,051	11,539,117	10,709,613
TOTAL	\$457,400,922	\$481,056,108	\$537,780,337	\$584,328,747	\$515,141,529
<u>STATE TAXES</u>					
Maricopa	\$ 1,552,893	\$ 3,856,386	\$ 2,672,782	\$ 2,799,911	\$ 2,720,493
Pinal	344,301	830,746	563,327	580,884	579,815
Yuma	196,930	496,337	350,145	347,227	347,660
Pima	814,068	2,116,325	1,416,153	1,427,085	1,443,408
Graham	64,913	156,576	106,505	103,852	107,961
TOTAL	\$ 2,973,105	\$ 7,456,370	\$ 5,108,912	\$ 5,258,959	\$ 5,199,337
<u>COUNTY TAXES</u>					
Maricopa	\$ 1,911,253	\$ 1,965,513	\$ 2,165,723	\$ 2,146,598	\$ 2,047,272
Pinal	529,694	602,535	568,251	810,010	627,623
Yuma	290,851	309,170	327,699	283,337	302,764
Pima	1,210,403	1,182,684	1,365,768	1,898,657	1,414,378
Graham	204,424	137,064	143,423	134,667	154,894
TOTAL	\$ 4,146,625	\$ 4,196,966	\$ 4,570,864	\$ 5,273,269	\$ 4,546,931
<u>SCHOOL DISTRICT TAXES</u>					
Maricopa	\$ 9,936,946	\$ 9,269,367	\$ 11,181,233	\$ 12,498,842	\$ 10,721,597
Pinal	1,063,835	1,038,419	1,407,137	1,703,775	1,303,291
Yuma	730,374	716,716	771,447	1,231,910	862,612
Pima	4,591,660	4,653,638	4,861,414	5,256,017	4,840,682
Graham	294,208	360,746	423,347	469,814	387,004
TOTAL	\$ 16,616,923	\$ 16,038,886	\$ 18,644,578	\$ 21,160,358	\$ 18,115,186

TABLE II

5 MAJOR MINING COUNTIES ASSESSED VALUATIONSAND STATE, COUNTY AND SCHOOL TAXES PAID

Source: State Tax Commission Reports

	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>Average</u>
<u>ASSESSED VALUATIONS</u>					
Greenlee	\$ 79,624,665	\$ 86,462,865	\$ 86,789,460	\$ 86,838,723	\$ 84,928,928
Gila	39,019,313	38,859,097	39,717,029	39,483,475	39,269,729
Pima	125,241,358	136,537,079	149,068,729	158,565,007	142,353,043
Pinal	52,969,406	53,596,501	59,297,624	64,542,644	57,601,544
Cochise	49,627,562	43,833,535	48,439,239	48,856,492	47,689,207
TOTAL	\$346,482,304	\$359,289,077	\$383,312,081	\$398,286,341	\$371,842,451
<u>STATE TAXES</u>					
Greenlee	\$ 517,560	\$ 1,340,174	\$ 824,500	\$ 781,549	\$ 865,946
Gila	253,626	602,316	377,312	355,351	397,151
Pima	814,068	2,116,325	1,416,153	1,427,085	1,443,408
Pinal	344,301	830,746	563,327	580,884	579,814
Cochise	322,579	679,420	460,173	439,708	475,470
TOTAL	\$ 2,252,134	\$ 5,568,981	\$ 3,641,465	\$ 3,584,577	\$ 3,761,789
<u>COUNTY TAXES</u>					
Greenlee	\$ -	\$ -	\$ -	\$ -	\$ -
Gila	215,307	252,994	140,000	194,850	200,788
Pima	1,210,403	1,182,684	1,365,768	1,898,657	1,414,378
Pinal	529,694	602,535	568,251	810,010	627,622
Cochise	580,642	530,386	523,144	522,764	539,234
TOTAL	\$ 2,536,046	\$ 2,568,599	\$ 2,597,163	\$ 3,426,281	\$ 2,782,022
<u>SCHOOL DISTRICT TAXES</u>					
Greenlee	\$ 205,136	\$ 176,885	\$ 185,128	\$ 125,517	\$ 173,166
Gila	528,470	556,298	629,319	746,872	615,240
Pima	4,591,660	4,653,638	4,861,414	5,256,017	4,840,682
Pinal	1,063,835	1,038,419	1,407,137	1,703,775	1,303,292
Cochise	1,334,861	1,265,949	1,317,811	1,359,360	1,319,495
TOTAL	\$ 7,723,962	\$ 7,691,189	\$ 8,400,809	\$ 9,191,541	\$ 8,251,875

TABLE III

TOTAL STATE, COUNTY, AND SCHOOL TAXES IN ARIZONA
4 YEAR PERIOD - 1949-1952
ENTIRE STATE OF ARIZONA

Source: State Tax Commission Biennial Reports

	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>Average Per Year</u>
Assessed Val.	\$732,917,861	\$756,219,540	\$828,078,186	\$878,772,574	\$798,997,040
State Prop. Taxes	4,763,966	11,721,403	7,866,742	7,908,953	8,065,266
Rate per \$100 Val.	\$.65	\$1.55	\$.95	\$.90	\$1.009
County Prop. Taxes	5,915,430	6,032,683	6,204,675	6,900,195	6,263,246
Rate per \$100 Val.	\$.807	\$.798	\$.749	\$.785	\$.784
School Dist. Taxes	20,817,526	20,115,389	23,023,591	25,959,650	22,479,039
Rate per \$100 Val.	\$2.840	\$2.660	\$2.780	\$2.954	\$2.81
Total State, County, School Taxes	31,496,922	37,869,475	37,095,008	40,768,798	36,807,551
Rate per \$100 Val.	\$4.297	\$5.008	\$4.479	\$4.639	\$4.607

TABLE IV

STATE, COUNTY & SCHOOL TAXES
IN 5 MAJOR AGRICULTURAL COUNTIES IN ARIZONA

	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>Average Per Year</u>
Assessed Val.	\$457,400,922	\$481,056,108	\$537,780,337	\$584,328,747	\$515,141,529
State Prop. Taxes	2,973,105	7,456,370	5,108,912	5,258,959	5,199,337
Rate per \$100 Val.	\$.65	\$1.55	\$.95	\$.90	\$1.009
County Prop. Taxes	4,146,625	4,196,966	4,570,864	5,273,269	4,546,931
Rate per \$100 Val.	\$.907	\$.872	\$.850	\$.902	\$.883
School Dist. Taxes	16,616,923	16,038,886	18,644,578	21,160,358	18,115,186
Rate per \$100 Val.	\$3.633	\$3.334	\$3.467	\$3.621	\$3.517
Total State, County, School Taxes	23,736,653	27,692,222	28,324,354	31,692,586	27,861,454
Rate per \$100 Val.	\$5.190	\$5.756	\$5.267	\$5.423	\$5.409

STATE, COUNTY & SCHOOL TAXES
IN 5 MAJOR MINING COUNTIES

Assessed Val.	\$346,482,304	\$359,289,077	\$383,312,081	\$398,286,341	\$371,842,451
State Prop. Taxes	2,252,134	5,568,981	3,641,465	3,584,577	3,761,789
Rate per \$100 Val.	\$.65	\$1.55	\$.95	\$.90	\$1.012
County Prop. Taxes	2,536,046	2,568,599	2,597,163	3,426,281	2,782,022
Rate per \$100 Val.	\$.732	\$.715	\$.676	\$.860	\$.748
School Dist. Taxes	7,723,962	7,691,189	8,400,809	9,191,541	8,251,875
Rate per \$100 Val.	\$2.229	\$2.141	\$2.193	\$2.308	\$2.219
Total State, County, School Taxes	12,512,142	15,828,769	14,639,437	16,202,399	14,795,686
Rate per \$100 Val.	\$3.611	\$4.406	\$3.819	\$4.068	\$3.979

TABLE V

STATE ASSESSED VALUATIONS OF ALL AGRICULTURAL,
LIVESTOCK AND MINING INDUSTRIES

	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>Average Per Year</u>
All Lands & Improvements	\$ 82,420,716	\$ 85,311,859	\$ 87,883,879	\$ 94,284,530	\$ 87,475,246
All Livestock	11,919,156	11,643,522	12,341,094	18,503,720	13,601,873
TOTAL	\$ 94,339,872	\$ 96,955,381	\$100,224,973	\$112,788,250	\$101,077,119
All Min'g Prop.	\$195,070,613	\$194,680,500	\$197,786,912	\$196,582,867	\$196,030,223

TABLE VI

STATE, COUNTY AND SCHOOL PROPERTY TAXES PAID
(Using rates for 5 Major Mining Counties, & Total Valuations
of All Mining Property)

State Taxes Pd.	\$ 1,267,959	\$ 3,017,548	\$ 1,878,975	\$ 1,769,246	\$ 1,983,432
County " "	1,427,917	1,391,965	1,337,040	1,690,612	1,461,883
School " "	4,348,124	4,168,110	4,337,467	4,537,133	4,347,709
GRAND TOTAL	\$ 7,044,000	\$ 8,577,623	\$ 7,553,482	\$ 7,996,991	\$ 7,793,024

STATE, COUNTY AND SCHOOL PROPERTY TAXES PAID
(Using Rates for 5 Major Agricultural Counties and Total Valuations
of Agricultural and Livestock Industries)

<u>STATE TAXES PAID:</u>	<u>1949</u>	<u>1950</u>	<u>1951</u>	<u>1952</u>	<u>Average Per Year</u>
All Lands & Improvements	\$ 535,735	\$ 1,322,334	\$ 834,897	\$ 848,561	\$ 885,382
All Livestock	77,475	180,475	117,240	166,533	135,431
TOTAL	\$ 613,210	\$ 1,502,809	\$ 952,137	\$ 1,015,094	\$ 1,020,813

COUNTY TAXES PAID:

All Lands & Improvements	\$ 747,556	\$ 743,919	\$ 747,013	\$ 850,446	\$ 772,234
All Livestock	108,107	101,532	104,899	166,904	120,360
TOTAL	\$ 855,663	\$ 845,451	\$ 851,912	\$ 1,017,350	\$ 892,594

SCHOOL TAXES PAID:

All Lands & Improvements	\$ 2,994,345	\$ 2,844,297	\$ 3,046,934	\$ 3,414,043	\$ 3,074,905
All Livestock	433,023	388,195	427,866	670,020	479,776
TOTAL	\$ 3,427,368	\$ 3,232,492	\$ 3,474,800	\$ 4,084,063	\$ 3,554,681
GRAND TOTAL	\$ 4,896,241	\$ 5,580,752	\$ 5,278,849	\$ 6,116,507	\$ 5,468,088

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