



Special Election

May 21, 2019

Ballot Question No. 1

Road Construction & Maintenance Program
Funded by Primary Property Tax



Current funding available to maintain Chino Valley’s existing road network is insufficient. During a series of meetings with various community members, Mayor Croft and Town Manager Gritman heard consistent concerns about the condition of roads and streets within Town limits. After evaluating options to pay for road maintenance and repair, the Town Council is proposing to establish a primary property tax to be used to provide additional funding specifically for road maintenance and construction.

Q: Where can I learn more about this ballot Question?

A: Visit the Town’s Special Election web page at www.chinoaz.net/468/. Follow us on social media (see website homepage for links). Households with a registered voter will receive a voter information pamphlet about a month before the election.

Q: Where can I get general voter information?

A: You can also obtain voter information from Yavapai County Elections and Voter Registration at (928) 771-3248 or www.yavapai.us/electionsvr.



Town of Chino Valley
202 North State Route 89
Chino Valley, AZ 86323
(928) 636-2646
www.chinoaz.net



Q: How is road maintenance funded now?

A: The main source comes from the Highway User Revenue Fund (HURF). HURF revenues are maintained in a separate fund and are required to be used exclusively for road and street maintenance, and associated costs, such as personnel, equipment, fuel, signage and unscheduled repairs. Out of these funds, approximately only \$400,000 is available for scheduled road maintenance. The proposed Road Construction and Maintenance Program requires approximately \$1.6 million per year. (Table 1)

The Town is proposing a property tax levy of \$1.5 million for 20 years (Table 2). This amount would maintain current roads and provide an additional \$300,000 per year for road improvements and/or new construction.

Q: Why is a Property Tax being proposed?

A: Over the past ten years, the State has drastically reduced HURF funds being distributed to cities and towns for road maintenance. This decade-long deficit has resulted in the deterioration of our roads.

The proposed property tax will provide the necessary funding needed to keep the Town’s roads maintained on a regular cycle. This will ensure they last longer and cost less to repair.

Q: Why do Town residents have to vote on this?

A: Per state law, voters must authorize any new property tax. The Mayor and Council are asking our citizens if they support this mechanism for funding our road maintenance.

Q: If approved, how much will my property taxes increase?

A: Table 3 shows the tax amount per \$100,000 of assessed value.

Q: What will a property tax be used for?

A: If approved, these property tax funds can be used for road maintenance and construction services **ONLY** and in some cases, acquisition of right-of-way. They cannot go toward employee pay, equipment purchases, and/or overhead costs.

Q: Was other funding evaluated to pay for road maintenance?

A: The Town’s Roads and Streets Committee evaluated sales tax, bonding, and impact fees. Chino Valley’s sales tax is already the highest in the area. There is no room for another increase.

Bonding would also require voter approval. However, the Town Council believes it is more responsible to pay for repairs as we receive money, rather than borrowing and paying interest. This would save taxpayer money in the long run.

Per state law, impact fees cannot be used for maintenance and repair of existing roads.

By limiting the tax to 20 years, voters can monitor progress and see that the money is invested as approved. If supplemental funding is needed later to maintain roads, another property tax can be presented to voters after 20 years.

Q: How will residents be assured that these tax revenues will be used strictly as approved by the voters?

A: Property tax funds will be accounted for in a separate fund and audited by independent auditors. Audit results are reported to the Town Council, and will be made available on the Town’s website detailing how the funds were used along with ballot measure compliance

Q: What will happen if the property tax is defeated by voters?

A: The Town will continue to follow its current process of assessing the roads each year and performing maintenance based on available funding. The Town will continue to actively pursue other revenue streams, but unless new and/or increased adequate revenue is generated, many roads will continue to deteriorate.

Table 1

Projected Total Road Maintenance Income & Expenses	
Road Materials HURF Funds	\$400,000
Property Tax Funds (Proposed Levy)	\$1,500,000
Total Funds Available	\$1,900,000
Funds Needed for Maintenance	\$1,600,000
Additional Funds Available for Improvements/New Roads	\$300,000

Table 2

Total Estimated Cost Over 20 Years To Properly Maintain Town Roads (No Improvements/New)	
Arterial/Collector	\$16,000,000
Residential/Rural	\$16,000,000
Total	\$32,000,000
Average Annual	\$1,600,000
Current Annual Budget	+/- \$400,000

Table 3

Projected Tax Amount Based On \$100,000 Primary Assessed Valuation Of Home		
First Year Property Tax	Biannual Tax Payment	Mortgage Increase/Month
\$196.91	\$98.46	\$16.41

Table 4

Repair & Maintenance Strategy
<ul style="list-style-type: none"> Use seal coats as much as possible Some roads may need overlays Some roads may need reconstruction or expansion
General Repair Strategy
<ul style="list-style-type: none"> Arterials/Collector Streets – Overlays and seal coats Residential Streets – Mostly seal coats Treat every road at least once every 7 years if possible