

Cochise County Treasurer

The Cochise County Treasurer is the fiscal custodian of the County and is responsible for the administration and control of cash and securities. The duties involved in this responsibility include tax administration; receipt, deposit and disbursement of cash; supervision of county bank accounts; cash flow projections; investment of idle funds; debt management of bond issues, lines of credit and registered warrants. The County Treasurer plays a crucial role in county government administration.



Treasurer Seal
Cochise County Arizona

Several county officers including the treasurer must have an official seal to place on deeds and important documents. The seals were established when Arizona was a territory and most remain unchanged today. Cochise County Treasurer's seal is most unusual. It is a copy of a twenty dollar gold piece, as pictured above.

Property Tax Process



Working within guidelines from the Arizona Department of Revenue, the County Assessor determines what the value of property will be for property tax purposes each year. Assessed values of a homeowner's property are determined generally by the real estate market activity (sales) within a designated area in which that property is located. Tax year values reflect market activity from two years prior to the current tax year. Assessed property values for school districts vary from district to district depending on the market activity within each particular district.



Each year, counties cities and towns are required to estimate the amount of money that will be necessary to meet their expenses for the following year. Once adopted by their board or council, this amount of money becomes the annual budget.



The Arizona Constitution requires the State Legislature to enact laws and provide funding for a general and uniform school system. To do so, the Legislature sets a minimum standard of funding for all public schools in Arizona. They then determine how much of the cost will be borne by local property taxes and how much will come from Arizona's general fund. Local school districts are then required to set their budgets within the prescribed allocations. Governing boards are permitted to exceed the state mandated funding levels through local bond elections and budget overrides - only if it is approved by their local taxpayers. In determining what tax rate will be used for school district taxes, the state uses the assessed value of property statewide. That statewide assessed value is put into a formula that establishes a "qualifying tax rate". The qualifying tax rate is applied to properties within a school district to determine the local effort for school needs. If the local effort is below the guaranteed minimum funding level, the school district will receive equalization assistance in order to reach the guaranteed minimum funding level. Even property not located within any school district is subject to the statewide equalization tax.

Property Tax Process

Step 4
School Superintendent

The County School Superintendent is responsible for reviewing the proposed budget for all school districts within a county and certifying to the County Board of Supervisors that the required formulas have been correctly used and certifying that the amount of money to be levied for school districts is consistent with education funding guidelines under Arizona law.

Step 5
Public Hearing

All of the taxing authorities are required to hold a public hearing, typically in June or July each year, to invite public comment on the amount of money proposed to be adopted in the annual budget.

Step 6
Tax Rates

The amount of an individual property owner's tax liability each year depends on the assessed value of their property and the combined tax rate to that value. Tax rates are calculated as a byproduct of the assessed value, the taxing authority budgets and constitutional and statutory limitations related to property taxation. Once a specific amount of money is identified in the budgets within the legal framework for levying property taxes, that amount is applied to the tax year assessed value to determine what tax rate will be used to collect the budgeted amount. Tax rates are adopted by a board of supervisors for county taxing authorities and school districts.

Step 7
Treasurer

County Treasurers are responsible for collecting the amount each individual property owner is responsible for paying based on the assessed value of the property and the adopted tax rates.

Treasurer's Office Tax Collection Totals from Recent Years

- 2014 tax collected thru 6/30/15: \$114,834,663.64
- 2015 tax collected thru 4/20/16: \$82,340,729.30
- 2014 tax lien sale collected: \$1,243,156.47
- 2015 tax lien sale collected: \$895,141.21
- 2016 tax lien sale collected: \$1,311,977.60
- Year to date back tax collected: \$10,107,923.68



Taxes Due: Property taxes are due October 1. Arizona law allows the option for property taxes to be paid in two installments on most property. The first installment is due October 1st and becomes delinquent November 1st at 5:00 PM. The second installment is due March 1st and becomes delinquent May 1st at 5:00 PM. If the taxes are \$100 or less, they become due and payable in full October 1st and delinquent December 31st at 5:00 PM. If taxes are paid in full by December 31st, any interest accrued after November 1st is no longer applicable. If any of the delinquency dates fall on a Saturday, Sunday or legal holiday, the time of delinquency is 5:00 PM the following business day.

Back Tax or Delinquent: According to state law once the delinquency date has passed, simple interest starts to accrue at 16% per year prorated monthly. Whether paid on the last day of the month or the first day of the month, 1.333% will be due each month on the amount of delinquent tax. After the May 1 delinquent date, if taxes are not paid before the following January, an additional 5% (minimum \$5.00) penalty is assessed. In February, all delinquent taxes will be offered for sale at the annual Tax Lien Sale. This is a sale of the County lien on delinquent parcels - not a sale of property. Once a property is in the tax lien sale it is considered a "back tax parcel". After 3 years from the date of the tax lien sale, the purchaser of the tax lien can foreclose on the lien and acquire the property. Arizona law requires the tax lien sale to be held each February. The date for the Cochise County tax lien sale will be posted on the Cochise County Treasurer's website prior to the month of February



Deeding to State: Five years after a parcel goes through a tax lien sale where the lien was not purchased, the process of deeding it to the State of Arizona in care of Board of Supervisors of Cochise County begins.

First step, certified letters being sent to the property owners, and other interested parties if needed. After the 90 day time frame has passed, a legal notice is then published in the newspaper for 2 consecutive weeks. Once the Affidavit of Publication is received, a deed is typed up, signed and recorded. The unpaid back taxes are then abated from the tax roll. A list is prepared each October of the tax deed parcels and sent to the Clerk of the Board of Supervisors. The Board of Supervisors will then auction the parcels and the ones purchased then go back on the tax roll with the new owner.

The list created in 2014 for the 2015 auction submitted to the Board of Supervisors contained 356 parcels. During the online auction, 140 parcels were sold for a total of \$94,431.34. The list created in October 2015 has 456 parcels.

Special Districts: Arizona law allows a group of citizens in a given area to form a special district to provide a specific service to the area. Districts are formed for fire protection, water delivery both domestic and irrigation, hospital and ambulance service, roads, street lights, flood control, sewer systems, libraries, jails and general improvement districts.

The Cochise County Special District office works with the district and provides oversight of the operation of the district while providing training for the governing board members and employees.

Local boards are elected to govern the district; however, the Cochise County Board of Supervisors can also serve as the board. The Cochise County Treasurer serves as the treasurer of all special districts. It shall be the policy of the Cochise County Treasurer to provide financial services to all districts to aid each district in providing much needed services across the County.

The Board of Supervisors must pass a resolution to approve every district. Once a district is formed, the Board of Supervisors passes a resolution and a copy is sent to the Treasurer. The resolution is the authority to establish a new special district.



Investments: Cochise County Treasurer invests all County money daily in accordance with Arizona Law to achieve the maximum return for Cochise County residents and taxpayers, while at the same time protecting the security of public funds and meeting cash requirements.

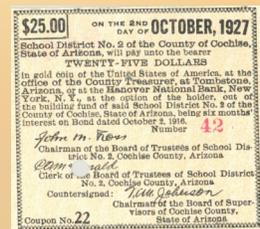
Treasurer's Receipts: Cochise County Treasurer Office processes Treasurer's Receipts daily from all entities throughout the county, including School Districts and Special Districts. Last fiscal year the Treasurer's Office processed 6998 Treasurer's Receipts in the amount of \$ 200,998,870.08.

Bonds

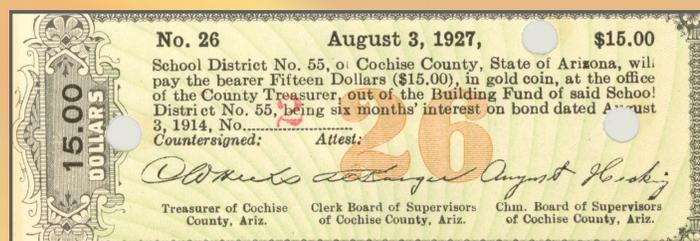
One duty a County Treasurer is assigned is acting as the paying agent for all bonds issued to county government agencies. A government agency, such as Cochise County or any one of the 23 school districts, must first hold an election for the voters to approve the issuance of bonds or debt, usually to construct a building, these are general obligation bonds (GO Bonds).

Once the bond is approved, they are sold to investors and each year a separate tax rate is set to pay the annual and/or semi-annual bond payments and interest.

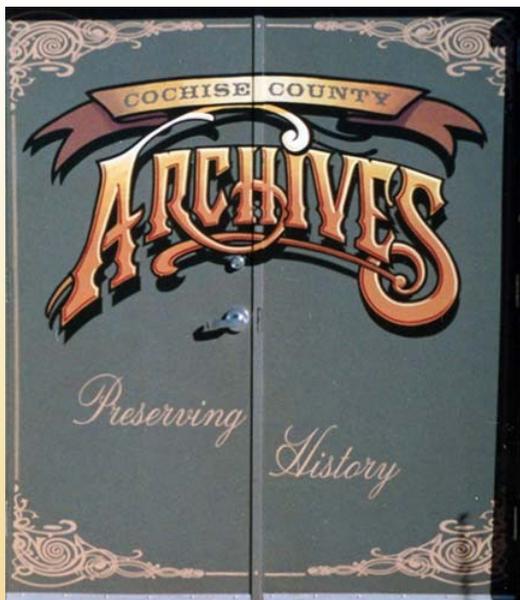
Originally bonds were printed documents for the face amount, usually \$1,000 or \$5,000 each with interest coupons attached to each bond. Bonds were a written promise to pay a specified sum of money at a specified future date secured by the faith and credit of the issuer. The original bonds were bearer bonds payable to any bearer. When the record of investors was not kept and the interest was due, the investor would send in his interest coupon directly to the treasurer for payment or process through his bank. This was a huge process in the treasurer's office twice a year. Coupons were not a standard size but were left to the printing company to design the actual forms. Some were not much bigger than a postage stamp.



The process changed in 1982 with the Tax Equity and Fiscal Responsibility Act (TEFRA), mandating all long-term obligations of state and local governments be issued in registered form. This required governments to keep records of all owners of bonds. One reason given was so bonds could not be used to launder money; but with the modern computer age, bond payments and interest are paid with a computer transmission and wire transfer, coupons are no longer necessary.



Archives



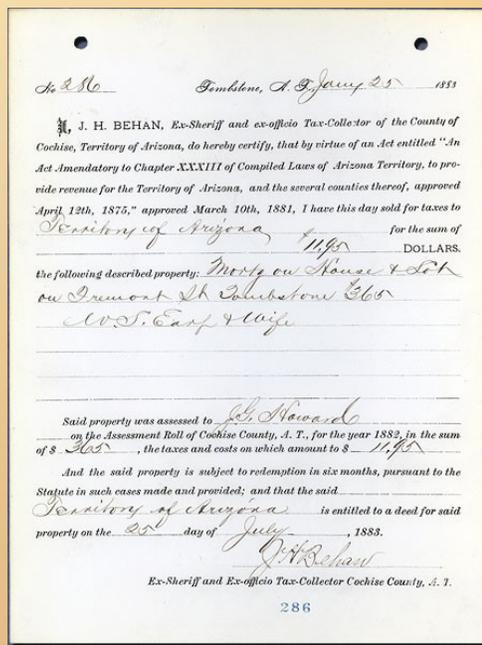
Treasurer's Office Photo

The Cochise County Archives Center was established to protect county vital records, files, film, documents, books, photographs, maps and items of historical interest to the citizens of Cochise County; and to preserve these items to the best of the Treasurer's ability for future generations.

The Cochise County Archival Building was constructed in 2004 and dedicated February 1, 2006. The building is equipped with climate temperature and humidity. It meets the recommended archival standard to preserve 135 years of vital county records. Treasurer's office employees searched various repositories around the county. They located vital archival records. The records were then cleaned, organized, indexed and made accessible to county offices and the public.

Arizona law requires four county offices to keep archival records – Board of Supervisors, Clerk of the Court, Recorder and Treasurer. Cochise County has kept tax roll, Treasurer deed and tax lien sale information since 1881. Famous and notorious names are found throughout the Treasurer's records – John Slaughter, Nellie Cashman, Barry Goldwater, C.S. Fly, Ed Schiefelin, and many more evidenced by the copy of the delinquent tax on property with Wyatt Earp as mortgagee and signed by John Behan.

The National Association of Counties presented Cochise County Treasurer's Archives Project as a 2006 Achievement Award Winner . "in recognition of an innovative program which contributes to and enhances county government in the United States".



Delinquent property tax, Wyatt Earp as mortgagee and signed by John Behan
Treasurer's Office Photo

NEW SERVICE

eNoticesOnline

A new service offered by the Treasurer's Office print and online vendor The Master's Touch. Taxpayers can sign up to go paperless. Tax Notices will be available to view through a secured portal. Register at eNoticesOnline.com.



eNotices Online gives you so many ways to save while reducing your paper footprint and going green. Its quick, it's easy and it's FREE to go paperless on your next notice.

NEW SYSTEM
In Production

Treasurer's Remittance & Online Collection System

In the fall of 2016, the Cochise County Treasurer's office will be implementing a new computer system called the Treasurer's Remittance and Online Collection System (TROCS). The new system will streamline and automate many office functions. The new system will be based on Microsoft SQL Server and will replace the current system, which has been in use for three decades. TROCS will greatly boost efficiency by integrating all Treasurer's Office functions into one system, including tax payment processing, accounting, tax roll creation, reporting, warrant processing, back taxes/ tax liens and taxpayer inquiries.