



**Fiscal Year 2027 - Final Budget
Adoption
June 23, 2026**

FY27 Council Budget Process to Date

1/20/26 to 1/21/26	Council Strategic Planning Retreat
03/03/26	FY26 mid-year budget report and FY27 preliminary look
01/15/26 to 03/13/26	Dept planning and submission of budget information and requests
03/30/26 to 04/10/26	City Manager and Budget Department review and formation of FY27 proposed budget
04/27/26	Annual Council Budget Workshop #1
05/11/26	Annual Council Budget Workshop #2
5/19/26	Annual Council Budget Workshop #3
05/26/26	Council Meeting - Budget Discussion and Follow up
06/09/26	Tentative budget adoption FY27
06/23/26	Public Hearing, Property Tax Hearing, Final budget adoption FY27
7/14/26	Property Tax Levy Adoption



Final Total City Budget

	FY26	FY27	%
	Adopted	Proposed	Change
Operating Budget	\$ 145,732,441	\$ 155,940,573	7.0%
Capital Budget	148,013,721	145,555,925	-1.7%
Subtotal	293,746,162	301,496,498	2.6%
Contingency	10,000,000	10,000,000	0.0%
Total	\$ 303,746,162	\$ 311,496,498	2.6%

General Fund - Property Tax

- Why is it needed?
 - The proposed property tax levy helps fund essential community services which rely on limited or no user fees, such as library, recreation, parks, and other General Fund services.
 - Property tax is one important component of the General Fund's overall funding mix, alongside sales tax, state-shared revenues, and other revenues. It is 4% of the total operating revenue for FY27.
 - The total increase in levy is \$188,473, as compared to increases in operating budget for the Library of \$180,420 and Recreation Services \$114,992 in FY27.
- Statutory Limits
 - The Maximum Levy Limit increases by 2% per year, plus capacity for new construction
 - The Limited Property Value maximum increase is 5%

General Fund - Property Tax

	FY2026 Adopted	FY2027 Proposed
Levy	\$2,304,514	\$2,492,987
Rate	0.2329 per \$100 assessed	0.2374 per \$100 assessed

Total levy increase is \$188,473 (\$44,606 associated with new construction + \$143,867 additional for levy capacity up to limit)

City of Prescott Property Tax vs Total Bill

AREA CODE	PRIMARY TAX RATE PER \$100 ASSESSED VALUE	SECONDARY TAX RATE PER \$100 ASSESSED VALUE	SPECIAL DISTRICT \$ PER ACRE	2025 TAX SUMMARY	
0120	5.5673	0.4864		PRIMARY PROPERTY TAX	2,919.19
				LESS STATE AID TO EDUCATION	-588.27
				NET PRIMARY PROPERTY TAX	2,330.92
				SECONDARY PROPERTY TAX	255.04
				SPECIAL DISTRICT TAX	0.00
				TOTAL TAX DUE FOR 2025	2,585.96

	TAX AUTHORITY	LEVY	PURPOSE	TAX RATE	2024 TAX	2025 TAX	INCREASE / DECREASE
	2000 YAVAPAI COUNTY	PRM		1.6443	821.14	862.18	41.04
	4155 CITY OF PRESCOTT	PRM		0.2329	121.00	122.12	1.12
IN	7001 PRESCOTT UNIFIED SD #1	PRM		2.2438	569.60	588.26	18.66
	8150 YAVAPAI COMMUNITY COLLEGE	PRM		1.4463	746.86	758.36	11.50
	11900 FIRE DISTRICT ASSISTANCE TAX	SEC		0.0767	40.20	40.22	0.02
	14900 YAVAPAI COUNTY LIBRARY DIST.	SEC		0.1346	67.22	70.58	3.36
	15001 YAVAPAI FLOOD CONTROL DIST.	SEC		0.1599	83.60	83.84	0.24
	30001 MOUNTAIN INSTITUTE CTED	SEC		0.0500	24.96	26.22	1.26
	57001 SEC. PRESCOTT UNIFIED SD #1	SEC		0.0652	33.22	34.18	0.96
	TOTALS				2,507.80	2,585.96	78.16

4.7% of total bill
 - 2026 tax amount with this value would be \$124.48, a \$2.36 increase

Property Tax - Example Residence Calculation

	2025 Values	2026 Values	\$ Change	% Change
Limited Property Value (LPV)*	\$500,000	\$525,000	\$ 25,000	5.0%
Assessment Ratio - Primary Residence	10%	10%		
Net Assessed Limited Property Value	\$50,000	\$52,500	\$2,500	5.0%
City of Prescott Tax Rate per \$100	0.2329	0.2374		1.9%
Annual Tax Amount	\$116.45	\$124.64	\$8.19	7.0%

LPV is the value used to calculate property taxes and is limited to a 5% annual increase. Currently, there is typically a significant gap between LPV and Full Cash Value (FCV).

Calculated Annual Property Tax Amounts

City of Prescott Annual Tax Amount					\$ Increases	
Limited Property Value	Primary Residence Assessed Limited Property Value (Assessment Ratio - 10%)	FY26 Adopted	FY27 Proposed	FY26 Adopted to FY27 Proposed	FY27 Change with 5% increase in LPV	
\$ 100,000	\$ 10,000	\$ 23.29	\$ 23.74	\$ 0.45	\$ 1.64	
\$ 200,000	\$ 20,000	\$ 46.58	\$ 47.48	\$ 0.90	\$ 3.27	
\$ 300,000	\$ 30,000	\$ 69.87	\$ 71.22	\$ 1.35	\$ 4.91	
\$ 400,000	\$ 40,000	\$ 93.16	\$ 94.96	\$ 1.80	\$ 6.55	
\$ 500,000	\$ 50,000	\$ 116.45	\$ 118.70	\$ 2.25	\$ 8.19	
\$ 600,000	\$ 60,000	\$ 139.74	\$ 142.44	\$ 2.70	\$ 9.82	
\$ 700,000	\$ 70,000	\$ 163.03	\$ 166.18	\$ 3.15	\$ 11.46	
\$ 800,000	\$ 80,000	\$ 186.32	\$ 189.92	\$ 3.60	\$ 13.10	
\$ 900,000	\$ 90,000	\$ 209.61	\$ 213.66	\$ 4.05	\$ 14.73	
\$ 1,000,000	\$ 100,000	\$ 232.90	\$ 237.40	\$ 4.50	\$ 16.37	

Follow-up from June 9th

General Fund - Intergovernmental - County	Estimated Revenue - 2026	Actual Revenue - 2026	Estimated Revenue - 2027
Vehicle License Tax	4,097,757	4,300,000	4,262,475
Library County Aid	350,000	463,955	463,955
County Contribution - Parking Garage	-	500	500
	4,447,757	4,764,455	4,726,930

Upcoming Steps in the FY27 Budget Process

6/23/2026

Public hearings:

- **FY27 Budget**
- **Alternative Expenditure Limitation**
- **Property Tax Levy / Truth in Taxation**

Adopt Final Budget, Personnel Roster, Approved Expenditure List (AEL)

7/14/2026

Adopt property tax levies