

Example Calculations of the City of Mesa Primary Property Tax Levy and Levy Limit
Using \$29,674,000 as First Maximum Primary Tax Levy

Footnotes:	Assessed Values	Primary Assessed Value % Chg.	Maximum Primary Property Tax Rate	Calculated Maximum Primary Tax Levy	Primary Levy % Change	Primary Valuation of Property Excluding New Growth		Total Primary Levy Amount	Total Primary Levy Amount Change
						(2) (6)	(3) (6)		
2005/06	\$ 2,753,736,004	9.89%						\$ 29,674,000	
2006/07	\$ 2,967,653,000	7.76%	1.0000	\$ 29,674,000		\$ 3,119,959,024		\$ 31,024,000	
2007/08	\$ 3,197,958,000	7.77%		\$ 30,267,480	2.00%				4.55%

How maximum primary tax rate is calculated:

2006/07: No previous levy, amount on primary tax ballot is used. For example, in this exhibit:
 Primary Net Assessed Value = $\frac{\$2,967,653,000}{\$100} =$
 Maximum Primary Tax Rate

2006/07
 \$ 29,674,000 /
 \$ 29,673,650
 \$ 1,0000

2007/08: Calculated Maximum Primary Tax Levy
 Current tax year's primary net assessed value subject to taxation in the previous year / \$100 =
 Maximum Primary Tax Rate
 Total Primary Net Assessed Values
 Total Primary Levy Amount

2007/08
 \$ 30,267,480 /
 \$ 31,199,590 *
 \$ 31,024,000
 \$ 3,197,958,000
 \$ 3,119,959,024

Current tax year's total primary net assessed values
 Current tax year's primary net assessed value subject to taxation in the previous year
 Current tax year's primary levy from new growth

Example Calculation of the Primary Value for a Single Family Home for a Three Year Period

Market Full Value % Increase (Demonstration Only)	Full Value of a Single Family Home, If at Full Market Increase	Limited Primary Value*	Percentage Increase in Limited Primary Value*	Maricopa Co. Equalization Adjustment	Property Class Assessment Ratio	Primary Net Assessed Value/ \$100	Maximum Primary Property Tax Bill	Primary Property Tax Bill	Increase in Primary Tax Bill %
2006/07 17%	\$ 237,655	\$ 258,592	10%	85%	10%	\$ 23,195	\$ 188	\$ 1,0000	6.7%
2007/08 25%	\$ 278,056	\$ 323,241	12%	85%	10%	\$ 23,195	\$ 207	\$ 0.9701	9.5%
2008/09	\$ 347,570	\$ 272,880					\$ 232	\$ 0.9460	

PRIMEVAL EXCELLENCE LIMITED PARTNERSHIP, A LIMITED LIABILITY COMPANY, EQUALIZATION ADJUSTMENT RATIO: PROPERTY CLASS ASSESSMENT RATIO: PRIMARY NET ASSESSED VALUE / PRIMARY NET ASSESSED VALUE / \$100 = THE EXIMUM PRIMARY PROPERTY TAX RATIO: PRIMARY PROPERTY TAX BILL

* The increase in the primary value is limited to 10%, except when 25% of the difference in the current year's full value less the previous year's primary value exceeds the previous year's primary net assessed valuation.

Calculation of Primary Value Limitation:

Full Value of a Single Family Home	Previous Year's Limited Primary Value*	Full Value Less the Limited Primary Value	25% of Difference in Values (A)	Previous Year's Primary Net Assessed Value (B)	(A) - (B)	Adjustment Analysis:
2007/08 \$ 278,056	\$ 221,019	\$ 57,037	\$ 14,259	\$ 5,447	(4,527)	Resultant is less than 10% limitation, no adjustment required to Limited Primary Value.
2008/09 \$ 347,570	\$ 233,121	\$ 104,449	\$ 26,112	\$ 5,447	5,447	Resultant is greater than 10% limitation, the difference is added to the Limited Primary Value.

Median Value of a Single Family Home: \$ 237,655
 Source: Arizona Real Estate Center, ASU East website for 2nd Qtr 2005

Explanation of Terms:
Limited Primary Value: Unlike the full value, on which secondary property taxes are levied, the primary value is limited in growth by two methods: 1) up to 10% of the previous year's limited primary value or 2) 25% of the difference between the current year's secondary value and the previous year's limited primary value, whichever is greater.
Maricopa Co. Equalization Adjustment: Factor determined by the State Board of Equalization to equalize inequities existing in full cash values between or within counties or property classifications
Property Class Assessment Ratio: The property tax system classifies property according to usage. Each class is assigned an assessment ratio. There are currently nine ratios, ranging from 1% to 25%.
Primary Net Assessed Value/\$100: Converts primary net assessed value to units of \$100. Property tax rates are calculated per \$100 of value.
Maximum Primary Property Tax Rate: Derived by dividing the maximum primary levy amount, without new growth, by the current tax year's primary net assessed value subject to taxation in the prior year divided by 100.
Primary Property Tax Bill: Derived by multiplying the primary net assessed value/\$100 by the maximum primary property tax rate.