

 JFK High School
  Ridgemont High School
  Find Your Old School Here
 





[News](#) | [Classifieds](#) | [Community](#) | [Directory](#) | [Marketplace](#) | [My Zwire!](#)

Home -> News -> Coolidge Examiner -> Coolidge News Thursday 16 June, 2005

NEWS SEARCH

[Advanced search](#)

- ▶ Casa Grande Dispatch
- ▶ Real Estate Buyers' Guide
- ▶ Tri-Valley Dispatch
- ▼ Coolidge Examiner
 - Coolidge News
 - School News
 - Coolidge Sports
 - Upcoming Events
 - Religion/Churches
- ▶ Florence Reminder
- ▶ Eloy Enterprise
- ▶ AZ City Ind/Ed
- ▶ Maricopa Monitor
- ▶ Pinal Ways Magazine
- ▶ TV Roundup
- ▶ Announcements
- ▶ Sports Wire
- ▶ Lifestyles
- ▶ Personal Finance
- ▶ Fun and Games
- ▶ Our Newspaper
- ▶ Newspaper Ads

- SECTION LINKS
- City of Coolidge
 - Coolidge Chamber of Commerce

Coolidge News

City Council considers raising construction tax

By PRESTON McCONKIE, Staff Writer June 15, 2005

Email to a friend Voice your opinion



Could result in an extra \$800,000 for fiscal year 2005-06

City Manager Bob Flatley is encouraging the Coolidge City Council to consider raising its construction tax levied on home sales from 3 percent to as much as 4 percent, and a number of council members are expressing interest in the idea.

During an office hours session preceding the regular June 13 city meeting, Flatley showed the council a news article from October announcing that the city of Queen Creek had doubled its tax on the construction material portion of housing sales from 2 percent to 4 percent, with most of the revenues slated for road repair and improvements.

Flatley told the council, "A lot of the so-called development cities are taking advantage of the development situation to raise funds through construction taxes. This is a real opportunity for them."

Advertisement

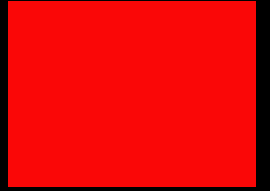
"What do the developers think of that?" Mayor Wilbur Wuertz asked Flatley, who responded that he had not sought or received any input from developers.

Lisa Pannella, city finance director, told the council that if it passed a tax increase at its next meeting on June 27, it could take effect 30 days later unless overturned by a referendum, and the city would actually begin receiving the taxes about 60 days after that once the state began collecting the money and passing it back to the city.

Economic Development Director Alton Bruce explained that the tax would be applied against the material cost of building a home, but not the entire purchase price. He said an increase to 4 percent for the new fiscal year, which begins in August, would raise the city's likely home sales revenue from about \$2 million to \$2.8 million.

Vice Mayor Gilbert Lopez pointed out that development fees levied on new homes, now climbing above \$4,700 per housing permit, don't go into the city's general budget.

"Impact fees can't be used to fix up the downtown, which is what a lot of our residents are wanting us to do," Lopez said. "But this could be used for that."



PURCELL
WESTERN STATES TIRE
24 Hour
Commercial Service
520-836-7459

Garrett GMC Motors
CLICK HERE
INTERNET
SPECIALS

520-421-2121
Century 21
DESERT CASA

click Now!
AL & RILEY'S
520-836-8450



SOMMERS JEWELERS
520-836-1847

SHELBY & ASSOCIATES

Now serving ALL
Pinal County
Residents.

See The Entire
Real Estate
Buyers' Guide
Click Here!



Pannella presented the council a list of cities that charged construction fees and said a number had increased their rates recently. She highlighted Maricopa and Goodyear with rates of 3.5 percent, Queen Creek and Carefree with 4 percent and Marana with 4.5 percent. In response to a question from council member Jon Thompson, she said both Casa Grande and Florence charge only their standard sales tax rate of 2 percent.

"Will that cause people to avoid Coolidge to buy houses?" Thompson asked.

Council member Bonnie Palmer said the rate increase would obviously be passed on to customers, but Council member Judy Lopez countered that prices had already risen without regard to construction expenses due to high demand.

©Casa Grande Valley Newspapers Inc. 2005

[✉ Email to a friend](#) [🗨 Voice your opinion](#) [↑ Top](#)

Send us your community news, events, letters to the editor and other suggestions. Now, you can submit birth, wedding and engagement announcements online too!



Copyright © 1995 - 2005 PowerOne Media, Inc. All Rights Reserved.

