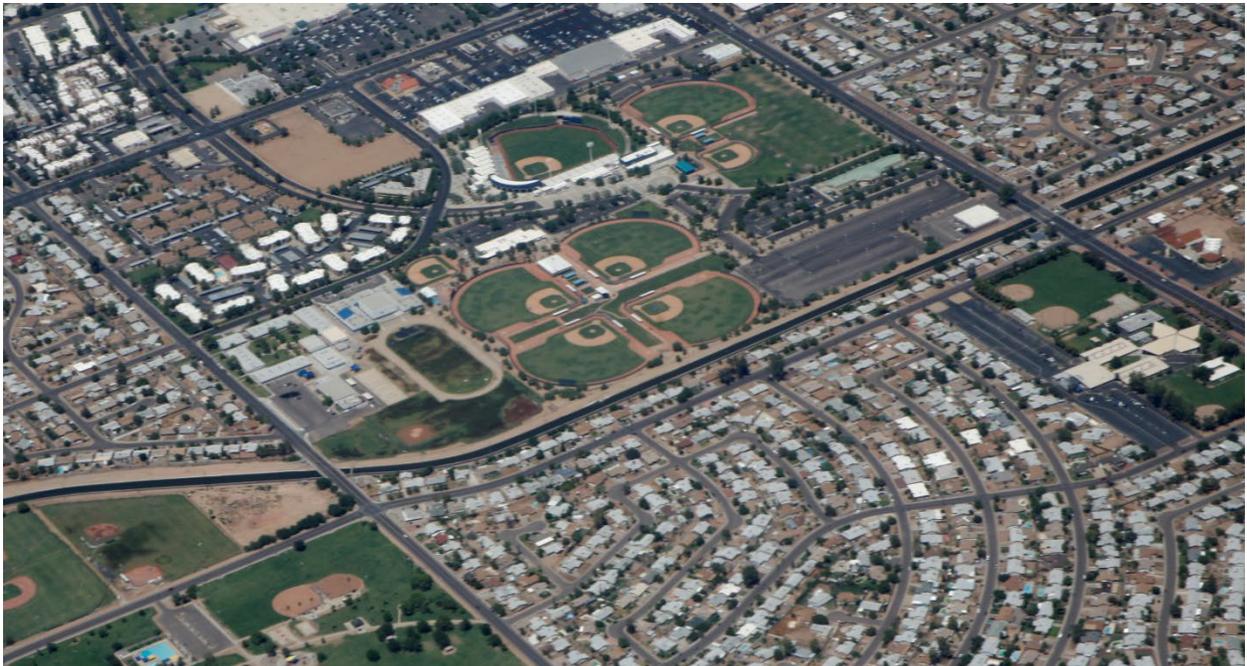




# Maricopa County Treasurer FY 2021 Annual Report





# Table of Contents

Introduction.....Page 1

Letter from the Treasurer.....Page 2

Administrative Services.....Page 3

Client Services.....Page 4

Financial Services.....Page 5

Information Services.....Page 8

Portfolio Management.....Page 12

Tax Services.....Page 16



# Introduction

## About the Maricopa County Treasurer's Office

The Maricopa County Treasurer's Office proudly serves the taxpayers of America's fourth largest and fastest growing county. The Treasurer's Office is responsible for the billing and collection of both real and personal property taxes levied by the county and various taxing entities. This includes receiving, processing, investing, and most importantly the safeguarding of public funds. Additionally, the Maricopa County Treasurer's Office has a fiduciary responsibility to serve as the bank for school districts and special taxing districts within Maricopa County.

## About this Document

The Maricopa County Treasurer's Annual Report is published in the fall. It provides information on the preceding fiscal year. Fiscal year 2021 began on July 1, 2020 and ended on June 30, 2021.

The annual report is intended to provide high-level information and data on the office's operations in a manner that is accessible to the general public. Each section in the annual report represents a core function of the office. This document was made possible by the hard work and dedication of the Maricopa County Treasurer's Office staff.





# Letter from the Treasurer

Dear Maricopa County Residents,

I want to start off by thanking you for electing me to be your Maricopa County Treasurer. After serving 12 years in the State Legislature, I am finding the opportunities and challenges of improving this office very exciting.

So, what does the Treasurer's Office do? Well, after the Assessor's Office sends us the value of your real property (land, house, commercial property, etc.) and personal property (mobile home, tools, and equipment over a certain value), and the Board of Supervisors sets the tax rate and levy, then the Treasurer's Office calculates your tax bill and sends it to you for payment.

When you pay, you send it to this office. We not only collect the taxes, but then we function as the County's bank. After all necessary expenses are paid, we invest the monies that are not needed immediately in a safe and responsible manner to achieve modest returns, as directed by law. Finally, we pursue those who do not pay their taxes. Annually, we collect about \$12 billion and invest about half of that. These property tax dollars are distributed to school districts (53%), county agencies (34%), a hospital district (10.5%), and all other special taxing districts (2.5%).

I ran for this office because I thought it could be managed better, and I believe I am doing that now. The employees have not lacked in willingness or effort to get the job done but, have not been given the tools or leadership to improve the customer experience here at the Treasurer's Office. We are reorganizing, streamlining, and consolidating throughout. We are moving away from paper files to electronic records. We are improving our website, call center, and research department. These changes and more will take time, but I and everyone in this office are committed to serving you better.

Thank you for paying your taxes and thank you for this job.

John M. Allen  
Treasurer





# Administrative Services

## Facilities

The Administrative Services unit of the Treasurer's Office has been working diligently to plan and coordinate the upcoming remodel of its office space. The office has been working with the Facilities Management department along with the project architects on space planning and design.

The Treasurer's Office will be moving cashing and customer service operations to a newly-constructed space in the County administration building lobby by the end of 2021, and will be moving all other office operations to a temporary space nearby while the old space is being renovated. The target remodel completion date is in the second quarter of 2022.

## Mailing Activities

Tax bills and information statements are mailed out in early September of each year. Tax information statements are mailed to property owners who pay their property taxes into an impound account, usually as part of their monthly mortgage payment. Tax bills are mailed to those property owners who pay individually and owe more than two dollars. Delinquent notices are mailed in June of each year.

### Number of Statements Mailed

Year Ending June 30	2016	2017	2018	2019	2020
<b>Current Year Mailings (sent in September)</b>					
Single Parcel Bills	812,674	769,705	765,032	775,334	697,631
Multiple Parcel Bills	24,876	28,833	16,103	23,858	22,555
Information Statements	703,708	N/A	N/A	755,120	777,416
<b>Total Current Year Mailings</b>	<b>1,541,258</b>	<b>798,588</b>	<b>781,137</b>	<b>1,554,312</b>	<b>1,497,602</b>
<b>Previous Year Delinquent Notices (sent in June)</b>	<b>103,282</b>	<b>120,312</b>	<b>98,680</b>	<b>113,921</b>	<b>125,715</b>
<b>Grand Total</b>	<b>1,644,540</b>	<b>918,900</b>	<b>879,817</b>	<b>1,668,233</b>	<b>1,623,317</b>

## Ballot Storage

Arizona Revised Statutes (A.R.S.) § 16-624 state that the County Treasurer must preserve election ballots in a secure facility. The retention period is two years for federal elections and six months for all other elections.

The Administrative Services unit oversees the implementation of security protocols for the ballot storage vault. Existing security was enhanced by adding cameras inside and outside the vault. Additionally, a new card reader and key access points were installed. These were significant improvements over the existing security measures. The vault can hold up to 3.5 million ballots, representing up to ten elections.



# Client Services

## Property Tax Collections

The Client Services unit of the Treasurer's Office is responsible for collecting property taxes. Property taxes can be paid in a number of ways.

Recent changes to our online payment system provide taxpayers the option to submit a credit card or eCheck payment for past due tax accounts and tax accounts with tax liens. Additionally, with the creation of our online shopping cart, taxpayers can pay multiple parcel accounts in one single transaction.

Client Services also continues to build upon its recent implementation of OnBase document imaging technology, incorporating additional documents leading to efficiencies between departments and removing the need to warehouse paperwork.

The table below shows the dollars collected and number of transactions associated with each method of tax payment for Fiscal Years 2020 and 2021.

### Property Tax Collections by Category

Category	Dollars Collected			Number Of Transactions		
	FY 2020	FY 2021	% Change	FY 2020	FY 2021	% Change
<b>Bulk</b>	2,436,508,514	2,485,420,635	2.01%	1,659,044	1,676,819	1.07%
<b>By Mail</b>	1,239,398,328	1,344,323,130	8.47%	508,532	550,033	8.16%
<b>In Office</b>	195,315,819	151,573,325	-22.40%	67,653	84,569	25.00%
<b>Bank Branch</b>	227,482,079	221,671,445	-2.55%	135,208	125,859	-6.91%
<b>Online eCheck</b>	621,028,074	808,979,758	30.26%	229,992	272,798	18.61%
<b>Online Card</b>	122,042,264	118,307,819	-3.06%	104,040	99,790	-4.08%
<b>Online Bank</b>	106,618,133	112,482,571	5.50%	79,697	80,342	0.81%
<b>Total **</b>	<b>4,948,393,211</b>	<b>5,242,758,683</b>	<b>5.95%</b>	<b>2,784,166</b>	<b>2,890,210</b>	<b>3.81%</b>

\*Payments made by financial institutions, tax servicing companies, mortgage companies, and multiple property owners.

\*\*Includes prior year tax payments, fees, and late payment interest.





# Financial Services

## Accomplishments

The Financial Services unit of the Treasurer's Office acts as the bank for school districts and various other governmental entities within Maricopa County. As such, we strive to ensure monies are posted expeditiously and accurately. Efficiency improvements this past year include the following:

1. Introduced a new interest accrual and earnings allocation process for the apportionment of interest earnings to pool participants:
  - a. Makes it easier for participants to view their average daily balances and interest earned and accrued monthly;
  - b. The amount of earnings posted as spendable cash to participants reflects the rate of return for the quarter;
  - c. Processing time for interest apportionments was reduced by approximately four hours, resulting in a positive impact on the month-end close process; and
  - d. The new process also has fewer errors due to less frequent data transfers.
2. Reduced processing times for check stop payments/reissues by introducing an electronic form that can be easily emailed to the entire accounting team:
  - a. Requestor receives email confirmation that the stop has been placed and the reissue is in progress; and
  - b. Avoids the "black hole" effect whereby the requestor does not know with certainty that their request was received or whether it is being processed.
3. Introduced electronic file saving and sharing related to daily work:
  - a. Files can be shared by multiple users upstream or downstream;
  - b. Files can be easily accessed for research purposes;
  - c. Reduces the physical space needed to house paper files;
  - d. Reduces the possibility of being unable to locate paper files; and
  - e. Currently in the process of coding files to meet statutorily required records, and retention policies.
4. Directly purchased shorter-term (<5years) school district bonds:
  - a. This saves the school districts' costs of issuance as fewer players are involved; and
  - b. The County Treasurer offers a lower interest rate compared to the open market.
5. Purchased school districts' registered warrants on an as-needed basis:
  - a. Prevents payee from experiencing any negative effects when warrants are returned unpaid; and
  - b. Allows the school district to continue with their normal course of operations.



## Line of Credit Usage

### Pass through Bank Line of Credit

Warrants are government checks and are paid by the Treasurer from available cash held for the entity upon which the warrant is drawn. When cash is not available, monies are borrowed from pre-approved credit line agreements in place during the fiscal year.

#### Credit Line Activity

Fiscal Year Ending June 30	2017	2018	2019	2020	2021
<b>Outstanding Beginning Balance</b>	119,677,000	118,842,000	119,684,000	72,695,000	42,167,000
Borrowings (draws)	408,360,000	300,416,000	402,230,000	280,019,000	155,318,000
Payments	409,195,000	2969,574,000	449,219,000	310,547,000	182,706,000
<b>Outstanding Ending Balance</b>	<b>118,842,000</b>	<b>119,684,000</b>	<b>72,695,000</b>	<b>42,167,000</b>	<b>14,779,000</b>
Interest Paid:	604,684	786,068	994,787	673,303	201,693
<b>Total Interest Paid on Credit Line Draws</b>	<b>604,684</b>	<b>706,068</b>	<b>994,787</b>	<b>673,303</b>	<b>201,693</b>

## School District Bonds

### Debt Service Payments

The Treasurer's Office is responsible for making all debt service payments on voter-approved bonds. The amounts presented below do not include bonds that were retired through a refunding process.

#### Debt Service Payments by Fiscal Year

Year Ending June 30	2019	2020	% change	2021	% change
<b>Payments:</b>					
Principal Payments	383,723,000	458,104,000	19.4	476,303,000	3.9
Tax Anticipation Notes	-	-	-	-	-
Interest Payments	159,095,274	201,468,150	26.6	207,146,925	2.8
Other Payments	5,200,189	5,729,152	10.2	5,246,571	(8.4)
<b>Total Debt Service Payments</b>	<b>548,018,463</b>	<b>665,301,302</b>	<b>21.4</b>	<b>688,696,496</b>	<b>3.5</b>



## Taxpayers' Information Fund

The Taxpayers' Information Fund was established by A.R.S. § 11-495, which states that, "The county treasurer shall administer the fund and spend monies in the fund only to defray the cost of converting or upgrading an automated public information system as follows:

1. Purchasing computer hardware and software;
2. Training employees to operate the system;
3. Maintaining the system, including purchasing equipment maintenance agreements; and
4. Updating the system hardware and software."

The Taxpayers' Information Fund primarily earns revenue from the tax lien sale and special assessments charged within community facilities districts. The fund balances, revenues, and disbursements by fiscal year can be seen below.

### Balance by Fiscal Year

Year Ending June 30	2017	2018	2019	2020	2021
<b>Taxpayers' Information Fund:</b>					
Beginning Balance:	389,711	292,545	290,066	384,489	68,162
Revenues	168,094	188,446	183,423	152,573	241,163
Disbursements	265,260	190,925	89,000	468,900	103,423
<b>Ending Balance</b>	<b>292,545</b>	<b>290,066</b>	<b>384,489</b>	<b>68,162</b>	<b>205,902</b>





# Information Services

## Fiscal Year 2021 Summary

In support of our Information Services mission and vision, priority and focus were given to four strategic projects and initiatives this past year. Significant progress was made on the multi-year ULTIS project, which replaces all of the Treasurer's Office legacy systems with systems developed in current technologies and have enhanced security capabilities. The active directory migration initiative aligns the Treasurer's Office with the County's technical roadmap and strategy. The server migration initiative supports the latest operating systems. Finally, the start of the Dynamics AX upgrade project will keep the accounting system refreshed and current from a technical and security perspective.

## Accomplishments

1. Information Services received 1,920 service request tickets during the year, completing 1,885 tickets, and leaving 35 service request tickets in progress at the end of FY21.
2. Provided our Treasurer's Office staff with the technical environment, equipment, and support for teleworking. This included the elimination of Ithaca receipt printers from the cashiering system, replaced legacy system hardcopy, printed reports with network-based publishing of reports. This enabled Treasurer staff to be more mobile and provided the option for more employees to work either in the office or remotely at home.
3. There were multiple system enhancements and environment upgrades completed during FY21. Some of the highlights include:
  - a. The upgrade of our service request software and ServicePro provided additional features and functionality to our office;
  - b. The delivery of the new Assignment Sale application, including a web-based form that improves functionality for buyers;
  - c. Migration from the online payment vendor, Official Payments, to the vendor widely used throughout Maricopa County Departments for online payments, FIS Global. The migration to FIS Global allowed our office to benefit from the additional services and features provided by FIS Global;
  - d. Our team developed and deployed a new accounting accrual and apportionment application for our Financial Services Division. This new application calculates the average daily balance for all the participating accounts to get accrual amounts for the creation of general ledger transactions for import into the Dynamics AX system. This new application provided improved performance, business functionality, and stronger controls to the overall process;
  - e. To improve efficiencies across Information Services and the Treasurer's Office business divisions, new capabilities were developed and rolled out to our business partners that provided them with the ability to add, update, or delete website alerts on our home page and our agency website without the need to involve Information Services resources;
  - f. Technical improvements were implemented for Parcel Inquiry and Parcel Search, utilizing the online payment functionality and new data warehouse technologies; and



- g. Optimized the tax roll certification and billing process, enabling all tax bill printing and mailing to be completed by mid-September.

## Strategic Projects

Our applications and development team increased the amount of time focused on strategic development versus production support by 7%, increasing the team effort spent on strategic projects from 58% to 65% of their time. An industry standard of 70% is considered exceptional, and we are getting close to that achievement. The four strategic projects and initiatives we are focused on are highlighted in the following section.

## Upgrades, Migration and Refresh Projects

### ULTIS Project

The Treasurer's system manages over \$12 billion annually and serves numerous stakeholders consisting of taxpayers, County departments, and non-County entities all of which have high service delivery expectations. Their expectations are governed by about 400 mandates in Arizona laws covering the Treasurer's responsibilities of tax administration, banking, investment management, and accounting. The technology in these service areas continues to change at a rapid pace, and the Treasurer's system must keep pace to assure sufficient capacity to sustain, evolve, and improve service delivery. More importantly, the technology must function according to the law and ensure reliability and security.

In June 2016, the Treasurer's Office officially launched the effort to replace the Legacy Treasurer's Information Systems and has been full steam ahead ever since. On February 28, 2018, an early go-live was achieved for ULTIS Phase I, the accounting and investment (Emphasys SymPro) systems. This first project phase was a result of the solid progress made on the project and the business value of utilizing functionality as soon as possible. This early go-live was accompanied by the production go-live of the Treasurer's new Agency Web application which works together with the Dynamics/SymPro system, and extends the functionality outward to the many external agencies that utilize these accounting services.

In June 2019, the Maricopa County Board of Supervisors approved a scope increase for ULTIS Phase II. The scope increase brought in additional functionality required to support the new property tax system. The approved scope increase consists of an electronic document management system (OnBase), a completely new website, business reporting, and a data warehouse that will support those interfaces, reports, and website. To accommodate the scope increase, the project timeline was extended and funded with Board of Supervisor approval. The ULTIS Phase II focus is to replace the Legacy Property Tax, Corporate Services, and Cashiering systems.

During fiscal year 2021, significant progress has been made within the Phase II workstreams (new website, eGov, data warehouse, OnBase, and Property Tax).

1. The accomplishments of the eGov workstream are the completion of user profile administration and maintenance functionality, user administration of messaging and calendar, FAQ administration, bulk data services, research requests, refund requests, form library, and the completion of corporate services development and initiation of corporate services user acceptance testing. Access and security activities continue around NSX Security planning and configuration.



2. As each document type is setup within the OnBase workstream, our business users can reference the electronic documents within their daily business operations. This phased approach allows our business partners to reap the benefits and efficiencies throughout the project rather than waiting for a final implementation. OnBase for the client services cashiering and tax services is in production and being used within their business operations.
3. The new data warehouse is the repository used by the new eGov website, interfaces, data sharing between systems, reporting, and analysis. A phased implementation within the data warehouse workstream is also occurring. During this fiscal year, several key production implementations occurred. These production implementations include data sharing with the Assessor's Office and School Superintendent. In addition, data transmission between the legacy property tax system and the new data warehouse is occurring. Having the legacy property tax data within the new data warehouse has allowed other production improvements to occur. The current production of the Treasurer's Office website property tax activity page and parcel inquiry page have been modified to obtain data from the new data warehouse, which has vastly improved performance.
4. The Board of Supervisors approved a change in direction regarding the property tax solution. Agreement and approval were received to purchase a copy of the Pinal County property tax system, with the plan of modifying the software and databases to meet the requirements of the Maricopa County Treasurer's Office. This approach brings a significant cost savings to Maricopa County. Property tax workstream activities kick off in July 2021.

### Dynamics AX Upgrade Project Initiation

The original Dynamics implementation was part of ULTIS Phase I, which went live in March 2018. The version of Dynamics installed is going into Microsoft's end of support, which requires the software and environment be upgraded. This follows the normal life cycle of software, requiring proactive updates and refreshes. The scope of the Dynamics upgrade project includes an evaluation of an alternative accounting software solution.

The Maricopa County Board of Supervisors approved \$4 million of funding for this initiative to kick off in FY22. The Dynamics upgrade project will be split into two phases. Phase I started in August 2021 and will complete within FY22 and will include business preparations, completion of the accounting solutions, and the completion of a request for proposal. Phase II is planned to begin in FY22 and will consist of the development and delivery of the upgraded accounting system and environment.

### Active Directory Migration Project

This County wide initiative upgrades and strengthens access and identity management. During FY21, we completed 90% of the updates and will complete the remaining 10% in FY22 as planned. This positions the Treasurer's Office to be in alignment with the County technical and security strategy.



## Server Migration Project

The purpose of this initiative is to ensure our servers remain current and the operating systems upgraded to the latest version. This year we completed the migration of 74 of the 81 servers and the remaining 7 are in progress. In addition, we completed the migration of virtual memory system (VMS) backups from the Office of Enterprise Technology's (OET) Commvault tape-based system to OET's new Commvault Azure cloud-based system, and migration of VMS data storage from an older storage system being retired by OET to a new one.





# Portfolio Management

## Investments

Statutes require that taxing jurisdictions, as applicable, deposit certain public monies with the County Treasurer. The Treasurer has a fiduciary responsibility to administer monies under his stewardship. The Treasurer invests, on a pool basis, all idle monies not specifically invested for a fund or program. In addition, the Treasurer invests monies for the Maricopa County Special Health Care District separately from pool participants in an individual investment account. *Effective July 1, 2021, the Maricopa County Special Health Care District began participating in the Treasurer's investment pool.*

Statutes authorize the County Treasurer to invest public monies in permitted investments. Investments are restricted to obligations issued or guaranteed by the federal government or any of the senior debt of its agencies, sponsored agencies, corporations, sponsored corporations, or instrumentalities; specified state and local government bonds, notes, and other evidences of indebtedness; interest-earning investments such as savings accounts, certificates of deposit, and repurchase agreements in eligible depositories; specified commercial paper issued by corporations organized and doing business in the United States; specified bonds, debentures, notes, and other evidences of indebtedness that are denominated in United States dollars; and certain open-end and closed-end mutual funds, including exchange traded funds. In addition, the County Treasurer may invest trust funds in certain fixed income securities of corporations doing business in the United States or District of Columbia.

The Treasurer's foremost investment objective is the preservation of principal. In addition, the portfolio is structured to maintain sufficient funds available to meet short-term financial obligations of pool participants (i.e., school districts, county agencies, and other special districts) and to invest idle monies in eligible investments to earn a market rate of investment income. Short-term financial obligations include warrants, which are physical checks with the characteristics described in A.R.S. § 11-645, and electronic funds transfers, which are payments made electronically.

Statutes limit purchased investments to maturities of five years or less, which helps reduce risks related to interest rates and credit defaults. Investments are held to maturity unless cash is required to cover short-term financial obligations of the pool's participants. Investments sold should result in an overall earnings net gain preserving safety of principal, if available.

## Investment Portfolio Distribution

In accordance with statutes, the County Treasurer's Office invests public monies in the following types of investments:

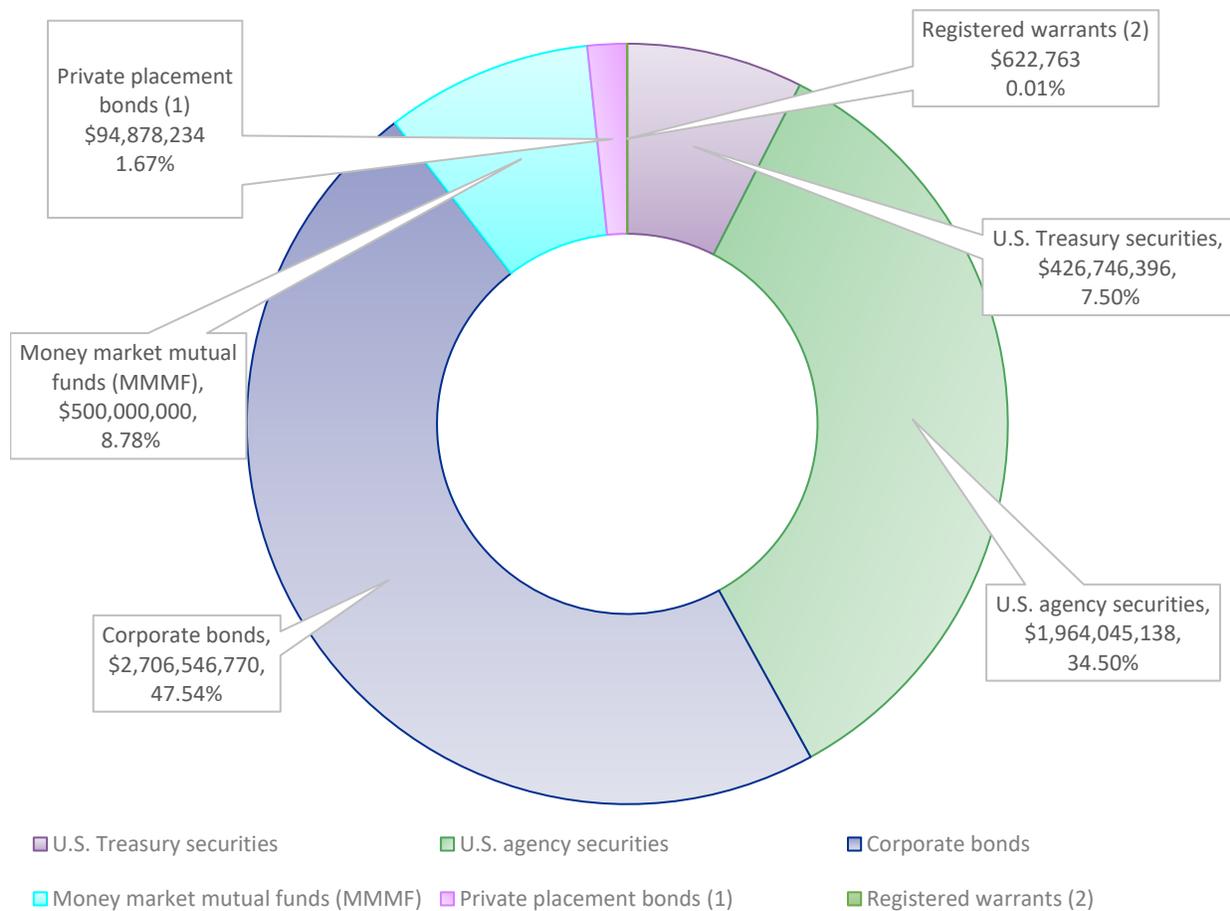
1. U.S. Treasury securities;
2. U.S. agency securities;
3. Corporate bonds;
4. Commercial paper;
5. Money market mutual funds; and
6. Other types of investments (e.g., tax anticipation notes, privately placed bonds, registered warrants, etc.).



All investments are reported at fair value, except for privately placed bonds that mature within 90 days that are reported at amortized cost (cost adjusted for amortizing premium/accreting discount on a straight-line basis) and registered warrants at cost. Privately placed bonds that mature beyond 90 days are valued using information from similar investments. All other bonds are priced using an evaluated bid based on observable market information or Bloomberg. All money market mutual funds are valued using a net asset value (NAV) of \$1.00 per share. The total investment portfolio in FY21 was \$5,692,839,301.

As of June 30, 2021, the County Treasurer's Office had the following investments:

## Investments by Type



- (1) The private placement bonds purchased by the County Treasurer were issued by various school districts and fire districts that deposit monies with the County Treasurer.
- (2) The warrants purchased by the County Treasurer were for school district warrants that exceeded their account balances, tax anticipation notes, and credit lines, as applicable.



## Investment Earnings & Distributions

The County Treasurer's investment pool consists of school districts, county agencies, and other special districts. The Treasurer allocates interest earnings monthly to each of the pool's participants. Cash distributions occur quarterly and reduce the interest receivable balances. Interest distributions help reduce future budget requirements when property tax rates are calculated.

For the year ended June 30, 2021, interest distributions, earnings, and other information were as follows:

	June 30, 2021
<b>Agency type:</b>	
School districts	37,802,442
County agencies	23,280,839
Special districts	2,216,385
<b>Total interest distributions</b>	<b>63,299,666</b>
Change in interest receivable balances	(8,278,890)
Interest earnings	55,020,776
Average book value of investments	5,169,478,934
<b>Annualized yield</b>	<b>1.06%</b>
Average days to maturity	842

\*During fiscal year 2021, \$15.8 million of adjustments were made for errors from the prior administration in previously distributed interest earnings that impacted fiscal years 2018 through 2021. The adjustment for fiscal year 2021 was corrected in the third quarter, reducing the third quarter distribution.

## Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation to the holder of the investment. Arizona Revised Statutes do not address ratings or credit quality for obligations issued by the U.S. government or its agencies. However, A.R.S. require that commercial paper must be of prime quality and be rated within the top two ratings by a nationally recognized rating agency. Corporate bonds, debentures, notes, and other evidence of indebtedness that are denominated in U.S. dollars must be rated "A" or better at the time of purchase by at least two nationally recognized rating agencies. On June 30, 2021, credit ratings for the County Treasurer's investments were as follows:



### Credit Ratings by Investment Type

Investment type:	Rating	Rating agency	Amount	% of total
U.S. Treasury securities (3)	Explicitly guaranteed	Not applicable	426,746,396	7.5%
U.S. agency securities (4)	Aaa	Moody's	679,843,866	11.9%
U.S. agency securities (4)	AA+	S&P	1,120,145,592	19.7%
U.S. agency securities (4)	P-1	Moody's	49,993,222	0.9%
U.S. agency securities (4)	Unrated	Not applicable	114,062,458	2.0%
Corporate bonds	Aaa	Moody's	26,437,989	0.5%
Corporate bonds	Aa1	Moody's	66,630,191	1.2%
Corporate bonds	Aa2	Moody's	29,456,812	0.5%
Corporate bonds	Aa3	Moody's	155,167,774	2.7%
Corporate bonds	AA-	S&P	107,132,372	1.9%
Corporate bonds	A1	Moody's	509,724,771	8.9%
Corporate bonds	A+	S&P	218,937,778	3.9%
Corporate bonds	A2	Moody's	254,856,667	4.5%
Corporate bonds	A	S&P	23,735,592	0.4%
Corporate bonds	A3	Moody's	91,029,735	1.6%
Corporate bonds	A-	S&P	686,655,597	12.1%
Corporate bonds (5)	BBB+	S&P	502,826,547	8.8%
Corporate bonds (5)	Baa2	Moody's	33,954,945	0.5%
Money market mutual funds (MMMF)	Aaa-mf	Moody's	500,000,000	8.8%
Private placement bonds	Unrated	Not applicable	94,878,234	1.6%
Registered warrants	Unrated	Not applicable	622,763	0.1%
<b>Total investments</b>			<b>5,692,839,301</b>	<b>100%</b>

- (3) No credit ratings were provided for the U.S. Treasury securities as they are explicitly guaranteed by the federal government.
- (4) Credit ratings were provided for the U.S. agency securities, if available. However, there is a widespread view that the federal government would prevent an agency or government-sponsored enterprise from defaulting on its debt obligations.
- (5) The corporate bonds rated 'BBB+' and 'Baa2' by S&P and Moody's, respectively, were rated 'A' or better at purchase date.





# Tax Services

## Accomplishments

The Tax Services unit in the Treasurer's Office performs a variety of functions. This includes research and resolutions for property tax inquiries, conducting tax lien sales, submitting tax abatement requests, and dealing with property tax litigation. Below are some of the Tax Services unit's accomplishments:

1. Modified the certificate of purchase (CP) redemption payment procedures to streamline approval and also convert to accepting online redemption payments;
2. Enhanced the process for purchasing State assignments, providing the list online for free, and semi-automating the purchase selection activity;
3. Modified the CP expiration policy to better align with statutory guidelines under A.R.S. § 42-18127;
4. Established a new [TreasTaxLienDeed@maricopa.gov](mailto:TreasTaxLienDeed@maricopa.gov) email address to facilitate improved communication between lienholders and the Treasurer's Office;
5. Synchronized resolution interest rates on the computer system as required by A.R.S. § 42-16214;
6. Increased the processing of approvals for clearing over \$905,000 in mobile home uncollectibles under A.R.S. § 42-19118;
7. Implemented new reporting requirement under Laws 2021, Chapter 113 to post all annual and monthly reports presented to the Board of Supervisors to the Treasurer's website; and
8. Remained open and available during the pandemic and implemented safety precautions to assist our walk-in-customers.

## Taxpayer Research Requests

While many research requests can be resolved by electronic confirmation, others are much more time consuming and require ordering records, interacting with external departments, and working directly with the taxpayer. The research requests are listed by tax year in the table below.

Taxpayer Research Request by Source

Source	2017	2018	2019	2020
Assessor	121	6	11	8
Fax	187	71	68	25
Mail	2,826	1,123	432	244
Others	587	620	2,340	1,026
Overnight	308	823	4	2
Personal E-mail	92	148	117	26
Phone	73	13	21	20
Walk-In	2,479	2,207	1,033	116
Web	3,034	2,174	2,833	1,122
<b>Total</b>	<b>9,707</b>	<b>7,185</b>	<b>6,859</b>	<b>2,589</b>
In Service	581	346	1,045	383
In Queue	697	213	215	170
Closed	8,429	6,626	5,599	2,036
<b>Total</b>	<b>9,707</b>	<b>7,185</b>	<b>6,859</b>	<b>2,589</b>



## Tax Lien & Deeds Accomplishments

### Tax Lien Sale History

Delinquent property taxes constitute a lien against the property. That lien must be offered for purchase at auction in February each year in accordance with statute. Liens not sold during the auction can be purchased from the County Treasurer.

Sale Year	2017	2018	2019	2020	2021
Tax Year	2015	2016	2017	2018	2019
<b>Parcels Advertised</b>	21,242	20,020	18,988	17,641	17,189
<b>Liens Sold</b>	12,180	12,145	11,705	11,189	9,713
<b>Not Auctioned*</b>	7,096	7,168	6,546	5,945	6,941
<b>Unsold Liens</b>	1,966	707	737	507	535
<b>Dollar Value</b>	20,449,727	18,335,753	18,266,885	18,614,866	15,424,855
<b>Average Interest Rate</b>	5.08%	4.20%	4.20%	5.33%	2.91%

\*Parcels may be advertised but not auctioned because of pending litigation.

### Investor Certificate of Purchase Foreclosures

In the 2020 calendar year, investor foreclosures increased 29% from 2019. Most of the current foreclosures are Class 2 properties (primarily agriculture/vacant).





## Call Center Volume

The STAR Call Center is a separate County department that fields phone calls and answers constituent questions on behalf of the Assessor's Office, Recorder's Office, and Treasurer's Office. In Fiscal Year 2021, the STAR Call Center handled 114,818 calls for the Treasurer's Office.

Treasurer's Office Fiscal Year 2021 Total Calls Offered

