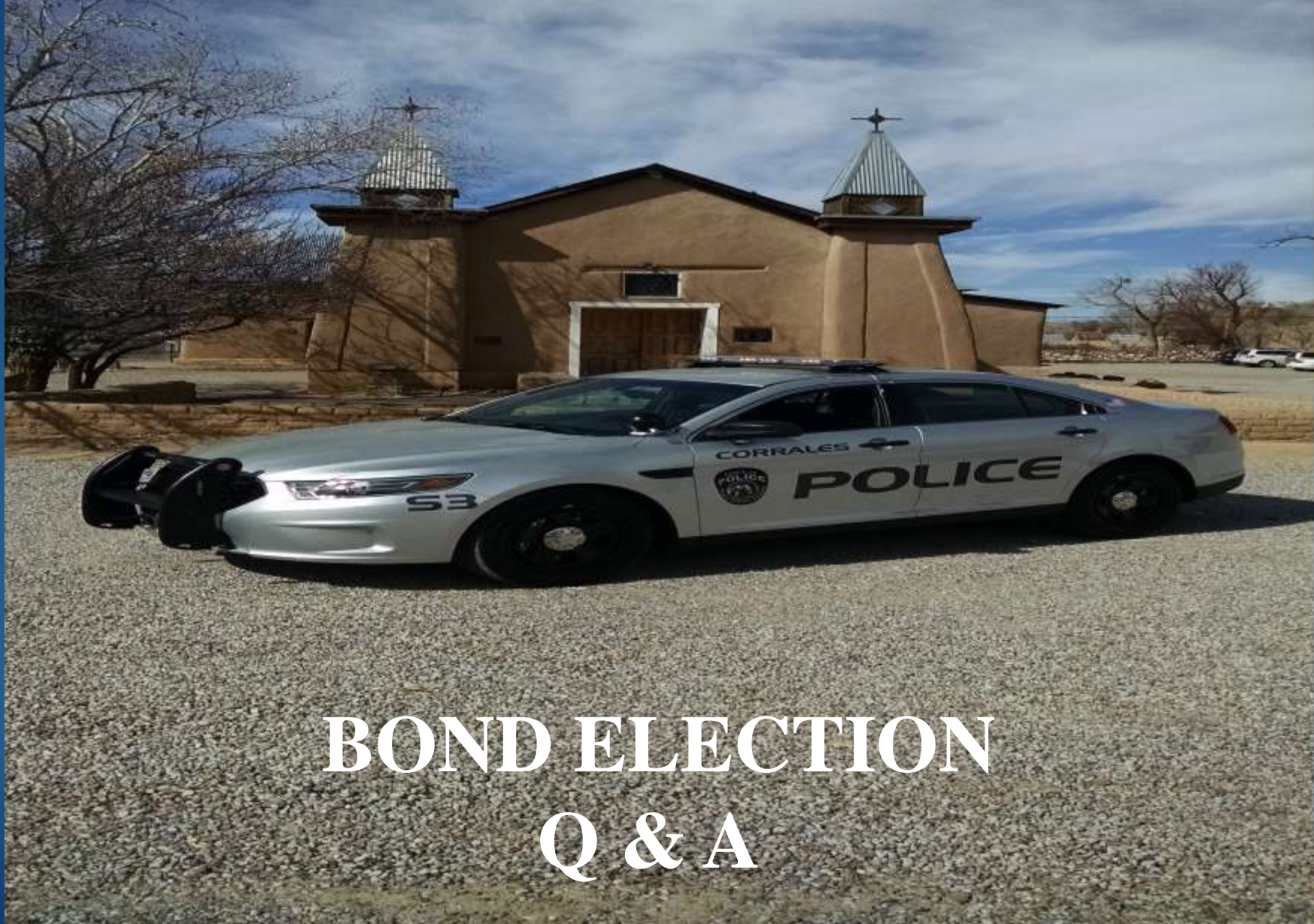


# VILLAGE OF CORRALES



**BOND ELECTION  
Q & A**

# GRT

## ELECTION BALLOT QUESTION

- ▶ Shall the Village of Corrales impose a one-eighth of one percent (0.125%) Municipal Infrastructure Gross Receipts Tax, with the proceeds to support the issuance of up to \$1,000,000 in revenue bonds to acquire, design, construct, reconstruct, rehabilitate and landscape municipal streets and roads, trails, bikeways, walkways, bridges and associated drainage structures throughout the Village?



# GO BOND

## ELECTION BALLOT QUESTIONS

- ▶ Shall the Village of Corrales issue \$2,500,000 of its general obligation bonds for the purpose of acquiring conservation easements or other rights or interests in land for the preservation of farmland, open space, wildlife habitat, and recreational opportunities?



# GO BOND

## ELECTION BALLOT QUESTIONS

- ▶ Shall the Village of Corrales issue \$500,000 of its general obligation bonds to acquire property, study, plan, design, develop, construct, reconstruct, renovate, rehabilitate, modernize, preserve, automate, upgrade, landscape and otherwise improve, and to acquire land, buildings, property, vehicles, apparatus, and equipment for, public buildings and facilities?



# GO BOND

## ELECTION BALLOT QUESTIONS

- ▶ Shall the Village of Corrales issue \$1,500,000 of its general obligation bonds to design, develop, study, construct, modernize, automate, renovate, rehabilitate, recondition, landscape, furnish, enhance and otherwise improve, and to acquire property, vehicles, apparatus and equipment for, police and fire department infrastructure and facilities?



# Q & A

► **Q: Aren't my taxes too high now?**

**A:** This is a subjective question that each person has to decide for themselves. We can tell you that Sandoval County taxes are average for New Mexico counties; and New Mexico has low property taxes compared to most other States. New Mexico has some of the lowest property taxes in the U.S., with an average effective rate of **0.70%**.

**The Village of Corrales has a Aa2 credit rating and has additional debt capacity of \$13,000,000.**

Over the past 18 months, we've worked with people in our Village to inform the decision making process that resulted in the upcoming bond election. They want to see it improve in ways that matter to the people who live here. We think the bond package resonates with many people for two key reasons: The process to get to this point has been incredibly inclusive and deliberative; and the projects included in the bond package are focused on infrastructure investment, offering either direct or indirect benefits to everyone in our community.

We've provided information about the proposed projects over the past few months and have heard a lot of feedback. The vast majority of this feedback has been extraordinarily positive, giving us hope that our community will vote yes and agree to invest in itself through the GO Bond, but we would like to address some of the concerns that have been raised.

Most people recognize that other local governments already provide these amenities to their citizens; and just as local governments provide libraries and parks, recreation facilities are perfectly appropriate and necessary ways for local government to improve quality of life.

# Key questions we're hearing:

▶ **Q:** What was our Bond mill rate for the November 2017 bill bills?

**A:** 2017 bond mill rate is \$.368.

▶ **Q:**What will it be for the November 2018 tax bills?

**A:** If the bonds are not approved, the bond mill rate will decrease to 0 with the debt payment in 2018 the Village will be making the final payment to bonds issued in 2005.

▶ **Q:** What is the financial impact for new bond?

**A:** The financial impact will depend on the amount approved by voters. The following is an estimated costs to property owners assuming all bonds are approved. The mill levy increase from \$0.368 to \$2.40 per \$1,000 of taxable property. Only 1/3<sup>rd</sup> of property market value is subject to tax.

**Ballot Question 2 - \$0.5  
Million  
Public Building**

IMPACT ON HOMEOWNERS			
TAX INCREASE OF:			\$ 0.23
Full Value	Net Taxable Value *	Increase Per Year	Increase Per Month
\$100,000	\$31,333	\$7.10	\$0.59
200,000	64,667	14.66	1.22
300,000	98,000	22.21	1.85
400,000	131,333	29.77	2.48
500,000	164,667	37.32	3.11
600,000	198,000	44.88	3.74
700,000	231,333	52.44	4.37
800,000	264,667	59.99	5.00
1,000,000	331,333	75.10	6.26

**Ballot Question 3 - \$1.5  
Million  
Public Safety**

IMPACT ON HOMEOWNERS			
TAX INCREASE OF:			\$ 0.68
Full Value	Net Taxable Value *	Increase Per Year	Increase Per Month
\$100,000	\$31,333	\$21.31	\$1.78
200,000	64,667	43.97	3.66
300,000	98,000	66.64	5.55
400,000	131,333	89.31	7.44
500,000	164,667	111.97	9.33
600,000	198,000	134.64	11.22
700,000	231,333	157.31	13.11
800,000	264,667	179.97	15.00
1,000,000	331,333	225.31	18.78

**Ballot Question 4 - \$2.5  
Million  
Farmland**

TAX INCREASE OF:				\$ 1.13
Full Value	Net Taxable Value *	Increase Per Year	Increase Per Month	
\$100,000	\$31,333	\$35.51	\$2.96	
200,000	64,667	73.29	6.11	
300,000	98,000	111.07	9.26	
400,000	131,333	148.84	12.40	
500,000	164,667	186.62	15.55	
600,000	198,000	224.40	18.70	
700,000	231,333	262.18	21.85	
800,000	264,667	299.96	25.00	
1,000,000	331,333	375.51	31.29	

**All Questions - \$4.5 Million**

IMPACT ON HOMEOWNERS			
TAX INCREASE OF:			\$ 2.04
Full Value	Net Taxable Value *	Increase Per Year	Increase Per Month
\$100,000	\$31,333	\$63.92	\$5.33
200,000	64,667	131.92	10.99
300,000	98,000	199.92	16.66
400,000	131,333	267.92	22.33
500,000	164,667	335.92	27.99
600,000	198,000	403.92	33.66
700,000	231,333	471.92	39.33
800,000	264,667	539.92	44.99
1,000,000	331,333	675.92	56.33

\*Net taxable value is computed as follows:

100% of market value of property divided by 3 less \$2,000 for head of household deduction.



# Q & A

▶ **Q:** What is a bond?

**A:** A bond is similar to a home mortgage. It is a contract to repay borrowed money with an interest rate over time.

Bonds are sold by a municipality to competing investors to raise funds to pay for the costs of construction, renovations and equipment.

▶ **Q:** What is a bond election?

**A:** Municipalities are required by State law to ask voters for permission to sell GO bonds to investors in order to raise the capital dollars required to build a new school or renovate existing buildings. Essentially, it's permission to take out a loan to build and renovate and pay that loan back over an extended period of time, much like a family takes out a mortgage loan for their home. A municipality calls a bond election so voters can decide whether or not they want to pay for proposed facility projects.

▶ **Q:** How can bond funds be used?

**A:** Bond funds can be used to pay for new buildings, additions and renovations to existing facilities, land acquisition, infrastructure and equipment for new or existing buildings and large-ticket items such as infrastructure.

Bonds cannot be used for salaries or operating costs such as utility bills, supplies, building maintenance, fuel and insurance.

# Q & A

► **Q:** What is the tax impact and cost of the bond program?

**A:** The property tax rate has two components: An operating tax rate for general purposes operational expenses of \$3.993 and a bond tax rate of \$.368 for the repayment of bonds. For the 2017, the Village's property tax rate per \$1,000 of assessed valuation is \$4.36. If all bonds are approved the Village's bond tax rate will be \$2.40 per \$1,000 of assessed valuation, making the 2019 Village's total tax rate approximately **\$6.393**.

► **Q:** What will be the interest rate on the bonds?

**A:** The Village will not know the actual interest rate to be paid on the bonds until the election is approved and the bonds are sold, but tax-exempt interest rates are currently below the historical 10-year average. At this time, the interest rate would be less than 3.00%. Bonds can be sold for an average 13 year final maturity. The Bonds are projected to be sold in two series in 2018 and 2020.

# Q & A

► **Q:** When would I see the increase in my taxes?

**A:** If voters approve the bond election, bonds are anticipated to be sold in mid 2018 and the tax rate increase would be seen on the November 2018 tax bills.

**HEAD OF FAMILY:** This is an exemption of \$2,000 which is subtracted from the taxable value of your home. If a property changes ownership after the 1st of the year, the exemption will be removed on Jan 1st of the following year and the new owner must apply by the last day of the 30-Day Protest Period to qualify for the new tax year.

► **Q:** Will property rates for those “age 65 or older” increase?

**A:** For seniors (age 65 or older) there is an \$8,000 deduction on retirement income if the household Adjusted Gross Income (AGI) is less than \$28,500 for single filers or \$51,000 for married filers. New Mexico has some of the lowest property taxes in the U.S., with an average effective rate of 0.70%.

A disabled veteran in New Mexico may receive a full property tax exemption on his/her primary residence if the veteran is 100 percent disabled as a result of wartime service. Any veteran may qualify for a \$4,000 reduction if the veteran served a minimum of 90 days consecutive active duty and was honorably discharged

# SENIOR AND DISABLED LOW INCOME FREEZE

► **Q:** What are the qualifications for the Value Freeze?

**A:** You must be 65 years or older OR Disabled (Proof of disability status is required) and you must make less than 32,000 Modified Gross Income (All Income) this income requirement can change annually.

**Agricultural and Grazing Classification: Special Use Properties:** In order to preserve the limited lands available in New Mexico for agricultural and purposes and grazing, the New Mexico Legislature has given special valuation status to agricultural land (7-36-20 NMSA 1978).

# VOTING

► **Q:**Where and when can I vote in this bond election?

**A:** Village of Corrales – 4324 Corrales Road - Administrative offices – February 14th, 2018 - Early & absentee voting begins -

Parks and Recreation Gym – 500 Jones Road- Municipal Election Day- March 6<sup>th</sup>, 2018 – 7:00am and 7:00pm

