



MEMORANDUM

Date: July 12, 2016

To: The Honorable Chair and Members
Pima County Board of Supervisors

From: C.H. Huckelberry
County Administrator

A handwritten signature in black ink, appearing to be "CHH", is written over the printed name "C.H. Huckelberry".

Re: **Final Judgment Pima County versus State of Arizona**

Please see the attached Final Order of Judgment that declares null and void the order of the Property Tax Oversight Commission requiring Pima County to transfer \$15,804,052.83 to school districts. Further, the defendants are enjoined from taking any other action to allocate funding responsibility in accordance with the budget law passed by the Arizona Legislature and incorporated in Section 15-972, Paragraph K, of the Arizona Revised Statutes.

The State now has 30 days to file a Notice of Appeal.

The County has also filed a request for award of \$165,000 in attorneys' fees. The Court will consider this request at a later date.

The County has been working with school districts and community college districts to form a coalition to block any attempt to revise or revisit transferring the property tax liability of the 1980 one-percent constitutional limitation for owner-occupied properties to the County or other taxing districts. We believe we will be successful in opposing any attempt to modify the unconstitutional legislation that transferred this tax liability to the County and other local taxing districts.

CHH/anc

Attachment:

c: Tom Weaver, Chief Civil Deputy County Attorney
Regina Nassen, Deputy County Attorney
Michael Racy, Racy Associates, Inc.
Joseph Kanefield, Attorney, Ballard Spahr LLP

7-8-16 3:39 pm
FILED
MICHAEL K. JEANES, Clerk
By H. Bell
H. Bell, Deputy

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12 IN THE SUPERIOR COURT OF THE STATE OF ARIZONA
13 IN AND FOR THE COUNTY OF MARICOPA

14 PIMA COUNTY, a body politic;
15 CLARENCE DOWNY KLINEFELTER,

NO. CV2015-009739

16 Plaintiffs,

JUDGMENT

17 vs.

(Assigned to the Honorable Christopher Whitten)

18
19 STATE OF ARIZONA; PROPERTY TAX
20 OVERSIGHT COMMISSION; DAVID
21 RABER, JIM BRODNAX, JEFF
22 LINDSEY, KEVIN MCCARTHY, and
23 FRED STILES, in their official capacities
as Members of the PROPERTY TAX
OVERSIGHT COMMISSION,

24 Defendants.

25
26 Pursuant to this Court's May 23, 2016 Minute Entry granting summary judgment to
27 Pima County and Clarence Downy Klinefelter ("Plaintiffs") and denying the Defendants'
28

1 cross-motion for summary judgment, final judgment is hereby entered pursuant to Rule
2 54(b), Ariz. R. Civ. P.

3 Entry of final judgment under Rule 54(b) on Plaintiffs' substantive claims is
4 appropriate because time is of the essence as Plaintiff Pima County is under an order to
5 transfer \$15,804,052.83 to seven school districts by June 30, 2016, as set forth in the
6 Property Tax Oversight Commission's ("PTOC") letter to Pima County dated March 24,
7 2016. Plaintiffs' claim for attorneys' fees is not as time sensitive and is subject to further
8 proceedings in this Court, at which time judgment will be entered on that remaining
9 claim.

10 **IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:**

11 1. For the reasons set forth in this Court's May 23, 2016 Minute Entry, A.R.S.
12 § 15-972(K) violates Article 3 and Article 9, § 1, of the Arizona Constitution by
13 impermissibly delegating the legislative power of taxation to PTOC.

14 2. PTOC's order dated March 24, 2016, which requires Pima County to
15 transfer to seven school districts \$15,804,052.83 no later than June 30, 2016, is null and
16 void.

17 3. Defendants are hereby enjoined from taking any further actions to allocate
18 funding responsibility under, or in any way implement or enforce, § 15-972(K).

19 4. This judgment is a final determination of the rights and liabilities of the
20 parties, except for Plaintiffs' claim for attorneys' fees and costs, which will be decided
21 by this Court at a later date. There is no just reason for delay, and therefore this
22 judgment is entered pursuant to Rule 54(b).

23
24 Dated: July 8, 2016


Honorable Christopher Whitten