MEMORANDUM

Date: August 5, 2016

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

From: C.H. Huckelberry
    County Administrator

Re: Pima County versus Arizona Property Tax Oversight Commission Regarding the One-
percent Constitutional Property Tax Limit for Homeowner Occupied Residential
Property

I previously transmitted to the Board of Supervisors the Minute Entry and Final Order and
Judgment of the Maricopa Superior Court, as well as a revised letter from the Property Tax
Oversight Commission regarding this matter. The State of Arizona had until August 8, 2016
to decide if they will appeal the ruling and judgment of the Maricopa Superior Court. On
August 4, 2016, we were informed the State will not appeal and has accepted our Offer of
Settlement.

In this settlement, the State will consent to awarding Pima County attorneys’ fees equal to
those we paid the State in our petition of the Arizona Supreme Court to hear this matter,
which amounts to $53,151. Based on this action, both parties will bear their own costs in
the litigation and ruling of the Maricopa Superior Court.

A Settlement Agreement is currently being prepared, and it must be approved by the parties
in the next few weeks, or sooner, if possible.

This is a positive step in reversing State cost transfers that have adversely impacted county
budgets in the State of Arizona. This action also blocks the attempt by the State to transfer
school funding obligations to counties, municipalities and other property taxing jurisdictions.

Based on the lack of appeal by the State, this litigation is now concluded.

CHH/anc

c: Thomas Weaver, Chief Civil Deputy County Attorney
   Regina Nassen, Deputy County Attorney
   Michael Racy, Racy Associates, Inc.
   Craig Sullivan, Executive Director, County Supervisors Association of Arizona