



COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER
130 W. CONGRESS, FLOOR 10, TUCSON, AZ 85701-1317
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C.H. HUCKELBERRY
County Administrator

June 30, 2015

Mr. Mark Tranchina
419 W. Dream Weaver Drive
Tucson, Arizona 85737

Re: Your June 24, 2015 Letter Regarding County Budget and Property Tax Increases

Dear Mr. Tranchina:

Thank you for providing me a copy of your letter to the Board of Supervisors regarding the County budget and property tax. I respectfully disagree with your conclusion, since the State is a real and significant component of our primary property tax.

Enclosed is a summary of the various State programs to which we are required to contribute County funds for State purposes. This is clearly a hidden tax transfer that this year amounts to over \$104 million, or approximately one-third of our primary property tax levy.

In your case, based on your primary property tax, an additional \$1,000 of your primary property tax is required to be sent to the State to satisfy their funding requirements of State programs. This year, total additional cost transfers to the State could be as much as \$21.5 million. That is an increase of 26 percent in one year – from \$82.8 million to \$104.3 million.

We believe a portion of this tax transfer is unconstitutional, that being State Aid to Education. The County has never had anything to do with providing funding for education; and this year, the Legislature developed a loophole for the State compliance with the 1980 Constitutional amendment that capped property tax at one percent of a residential property owner's value. We have petitioned the Supreme Court for relief. If the Court agrees this State law is unconstitutional, it will be invalidated; and the County's proposed property tax increase for this year will be eliminated.

Mr. Mark Tranchina

Re: **Your June 24, 2015 Letter Regarding County Budget and Property Tax Increases**

June 30, 2015

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The only reason I recommended, and the Board of Supervisors approved, a primary property tax increase was to fund this unlawful tax transfer from the State. We absorbed all other State cost shifts.

A review of your property tax records over the last four years indicates your County primary property tax has increased from \$3,277 in 2010 to \$3,419 in 2014. This is an increase of \$141, or a 4.3 percent increase over the four-year period.

The Board and I appreciate your input and concern; however, cost transfers from the State are real and significant.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/anc

Enclosures

c: The Honorable Chair and Members, Pima County Board of Supervisors

THE COUNTY LEVIES PROPERTY TAXES FOR THE STATE

STATE BUDGET IMPACTS ON COUNTY PROPERTY TAXES

The County's current primary property tax is \$4.2779 per \$100 of assessed value and supports all County operations, including \$1.1411 per \$100 of assessed value for State-mandated transfer payments to support State programs.

Total Present County Property Tax Support to the State

Table 1: Current and Continuing State-mandated Cost Transfers.

Description	Amount Required from Pima County	Portion of Pima County Primary Property Tax Rate
Arizona Health Care Cost Containment System	\$17,488,764	\$0.2409
Arizona Long-term Care System	39,730,100	0.5473
State Behavioral Health System	3,064,936	0.0422
Restoration to Competency	1,998,099	0.0275
Sexually Violent Persons	1,217,566	0.0168
Superior and Juvenile Court Salaries and Benefits*	19,336,822	0.2664
Totals	\$82,836,287	\$1.1411

*See Table 3 below for additional information.

Approved FY 2015/16 State Budget, New Cost Shifts

Table 2: FY 2015/16 Approved State Budget – New Cost Shifts.

Description	Amount Required from Pima County	Portion of Pima County Primary Property Tax Rate
State Juvenile Corrections	\$1,840,289	\$0.0251
Additional State Aid	17,363,520	0.2279
Restoration of ALTCS Dental	141,000	0.0019
AZDOR Operating Cost	1,039,000	0.0136
2016 Presidential Preference Election (Net)	1,100,000	0.0150
Totals	\$21,483,809	\$0.2835

With the approved new cost shifts shown in Table 2 above, approximately \$104.3 million – 31.2 percent of the County's total primary property tax levy – will go to State-mandated transfer payments to support State programs.

Table 3: County Costs for Superior and Juvenile Court Salaries and Benefits.

Description	FY 2014/15 General Fund Salaries & Benefits Costs
Superior Court Judges and Commissioners	\$ 6,495,647
Superior Court Probation and Surveillance Officers	4,553,493
Juvenile Court Probation and Surveillance Officers	6,262,610
Justices of the Peace (Net of Reimbursements)	1,178,463
Constables	846,609
Total General Fund Cost	\$19,336,822

Mark Tranchina
419 W. Dream Weaver Drive
Tucson, AZ 85737

June 24, 2015

Pima County Board of Supervisors
Members of the Board
130 Congress Street – 11th Floor
Tucson, AZ 85701

Dear Board Member,

Don't blame me! It's the State that made me do it! That's your most recent excuse for raising my property tax burden based on the recent article I read in today's Daily Star written by Supervisor Valadez.

Let me say, I am one of the "middle class" citizens you so often speak about and indicate wanting to "help". Frankly I do not need your help and I resent the fact that you and other politicians try to pit the middle class against those who may be more monetary fortunate than I. I hold no grudges against anyone who is a hard working citizen; so called lower class, middle class or upper class. It is the ones who expect a handout and have no desire or willingness to do anything to make themselves better that I have a problem with. (No, I'm not a republican; I've been a lifelong registered Democrat.)

With that said, I'm tired of hearing about your excuses for continually raising my property taxes. After last year's tax increase, Supervisor Bronson wrote a letter to the Daily Star trying to justify that increase to the fact that County employees hadn't received any pay increase for four years or so. Ms. Bronson, I haven't received any increase in my income since retiring in September 2000; 15 years ago. During that time, the County has raised my taxes numerous times and authorized millions if not billions in spending for unneeded land, which by the way, removes it from the tax roll. You have also authorized the hiring of several new positions as I noted in recent classifieds where the County is now soliciting for more than 20 new positions, in this one week alone!

Believe me; I understand how governmental agencies work as I spent 32 years of my working life working for and heading one up. I understand that there are difficult decisions to be made and that it is not always easy. But I am tired of the County placing blame on your shortcomings on everyone and everything but where it belongs, on each of you. You are responsible. Not the State or anyone else. During the 32 years I spent in the public sector the last 10 being responsible to a multimillion dollar budget, at no time did we advertise for new positions or make land purchases during difficult budget

times. That would have been irresponsible. One week the County is struggling for money, the next spending it on what I would classify as low priority items. As a tax payer, it is to the point not knowing what to believe from the Board of Supervisors; particularly regarding the budget. Please understand tax dollars, first of all, is not your money and second should not be spent on your wish lists at anytime, let alone during trying budget times.

You now have raised my property tax burden four consecutive years. In addition, you have elected to place on an upcoming ballot several bond measures that if passed will add another substantial property tax burden to one that is already inflated to the point I may no longer be able to continue to afford living in my home. You can elect to ignore that fact and most likely will. However, elected officials in California during the late 1970's ignored the same fact until such time as tax payers in that state revolted and overwhelming passed a proposition of their own. The result of which REQUIRED taxing agencies to make the necessary budget cuts by constitutionally mandating property tax reductions. I'm just saying more and more tax payers such as myself are getting fed up with ever increasing property taxes and frankly, are realistically to the point of being taxed out of our homes (With last year's tax increase, my tax burden is now in excess of \$12,000 a year). I am on a fixed income and have been since 2000. I cannot continue to afford these increases. Get it? Unlike you being in a position to increase taxes and fees, I cannot simply demand more money from Social Security and due to an untreatable illness, cannot go back to work at the age of 65 (nor should I need to!) Take note, keep increasing my property taxes and face the same fate local governments did in California. The State won't be the next scapegoat, the local tax payers can be when they too revolt and pass measures to reduce our property tax burden. You will then be forced to make the necessary budget reductions; maybe even having to sell off some of the lands you have spent my money on, in order to balance a budget that the tax payers mandate through a ballot measure. You can then place the blame on them (me). Fact is, you should have been making these adjustments/reductions all along in order to avoid getting in such a position.

Regards,



Mark Tranchina

Cc: C.H. Huckelberry