



COUNTY ADMINISTRATOR'S OFFICE

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C.H. HUCKELBERRY
County Administrator

June 23, 2015

The Honorable Mark Finchem
Representative, Legislative District 11
Arizona House of Representatives
1700 W. Washington, Suite H
Phoenix, Arizona 85007-2844

Re: Your June 22, 2015 Press Release

Dear Representative Finchem:

I appreciate you sending me a copy of your press release. It does require some clarification that I believe would be of assistance in understanding this complex issue.

First, the issue is not a threat. Pima County has filed a Petition for Special Action with the Arizona Supreme Court to invalidate that section of the budget law that requires the County to provide additional State Aid to Education; something we have never been required by the State to fund in the past. The voters, as you know, passed a series of Constitutional amendments patterned after Proposition 13 in California; one of the propositions placed a cap on primary property taxes paid by residential property owners. These amendments originated as legislative referrals and not as citizen's initiatives; in fact, they were placed on a special election ballot for the explicit purpose of preempting a citizen's initiative. These were complicated issues then and now. Even the Arizona Tax Research Association has stated in their newsletter that the one percent cap provision does not function appropriately and should not have been included, as written by the Legislature at that time, in the referred items.

Omitted in the press release is the fact that your predecessor colleagues passed legislation in 1981 implementing this Constitutional amendment. That implementation remained in place for 34 years and required the State to pay the excess property taxes to comply with this Constitutional amendment. Past Legislatures recognized they play the single greatest

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role in the operation of Arizona's school finance and property tax systems. Only this year did the State adopt a budget that included Senate Bill 1476, which requires the counties, for the first time since the Constitutional amendment 35 years ago, to make these payments on behalf of the State. Obviously, it increased your revenues to spend on your budget purposes, but it placed an unfair burden on Pima County taxpayers.

The budget law you passed in the last session essentially taxes businesses and residences in the school districts of Marana, Amphitheater, Flowing Wells and Redington – all in your legislative district – and requires the County to send those monies to, primarily, the Tucson Unified School District.

In the 13 original colonies, this was called "taxation without representation" and was one of the primary reasons for the American Revolution. Since none of the taxpayers paying this tax are able to vote for the governing body of the receiving district, the same unfair taxation occurs through adoption of the State budget.

With the latest transfer the Legislature enacted, total property taxes of County residents sent to the State for State programs and purposes now exceeds \$104 million annually, or one third of our primary property tax. We, like you, believe there should be openness and transparency over where hardworking taxpayer's money is being spent. We intend to inform Pima County taxpayers about how much of their County taxes are required by and sent to the State.

If you would like to discuss this issue, please feel free to contact me at 520.724.8751.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/mjk

Attachment – June 22, 2015 Press Release

c: The Honorable Chair and Members, Pima County Board of Supervisors
Michael Racy, Racy Associates, Inc.

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DISTRICT 11



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NATURAL RESOURCES

Arizona House of Representatives
Phoenix, Arizona 85007

PRESS RELEASE — FOR IMMEDIATE RELEASE

22JUNE2015

HON. MARK FINCHEM, REPRESENTATIVE LEGISLATIVE DISTRICT 11

SUBJECT: The threat by Pima County and Tucson Unified School District to sue the Arizona legislature over recognition of the 1% Property Tax Cap..

Discipline, restraint and responsibility are all traits of leadership. The Pima County Board of Supervisors and their employee County administrator Chuck Huckleberry seem to be lacking those qualities as evidenced by their recent decision to sue the State of Arizona for recognizing what the taxpayers demanded.

Just in case you didn't think the taxpayers at the time were serious consider this, on June 3, 1980 voters approved 10 constitutional changes: Prop. 100, 101, 102, & 103: that added and adjusted exemptions for widows, widowers, veterans, and persons with disabilities, Prop. 104: that adjusted the limit on bonded indebtedness for local jurisdictions, Prop. 105: which clarified provisions related to the state expenditure limit, Prop. 106: which placed a 1% cap on taxation of residential properties, Prop. 107: levy limits for local governments, and Prop. 108 & 109: which added expenditures limits for local governments and their taxation upon private property.

I emphasize, the taxpayers spoke loud and clear. This was not the State Legislature, it was the governed, the Taxpayers, who said that they wanted controls on out-of-control spending by government units that process the authority to tax private property.

Now, the Pima County Board of Supervisors and their top administrative employee have launched an all out effort to blame to Arizona legislature for their own poor decision-making. Pima County, the worst offender of failing to recognize the 1% property tax cap, the worst of all 15 counties in Arizona, has now decided to sue the legislature over doing exactly what the taxpayers so strongly demanded. The failure of Pima County leaders to exercise fiscal restraint, refusal to accept responsibility for poor decision-making and their refusal to recognize the will of the voters is reprehensible.

What Pima County leadership fails to recognize is the 1% Property Tax Cap isn't aimed at the State of Arizona, rather it is a lawful directive aimed at County government to get spending under control.

And now comes the lawsuit, where in reality Pima County is using taxpayer dollars to sue whom? The taxpayers. It's so easy to spend other peoples money when you refused to take responsibility for your actions.

When an addict is trapped in a cycle of addiction one highly effective treatment strategy is to remove the addict from the environment. The time has come to remove the spendaholocs from their environment. Stop enabling the spending addiction.

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