



## COUNTY ADMINISTRATOR'S OFFICE

PIMA COUNTY GOVERNMENTAL CENTER  
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C.H. HUCKELBERRY  
County Administrator

April 10, 2015

Craig Sullivan, Executive Director  
County Supervisors Association of Arizona  
1905 W. Washington, Suite 100  
Phoenix, Arizona 85009

**Re: Possible Litigation Regarding the State of Arizona's Budget**

Dear Mr. Sullivan:

The Pima County Board of Supervisors met in Executive Session on April 7, 2015 to discuss with our legal counsel options regarding the adopted State budget. This discussion focused particularly on the One-percent Homeowner Rebate Cap portion of the State budget; specifically Senate Bill 1476, new Paragraph K of ARS-15-972.

It is likely the Board will authorize litigation to be filed in the near term regarding this matter.

The purpose of this letter is to alert you and the other counties of this pending legal action. If you or any of the other County Attorneys within the State have any questions or would like more information regarding this matter, please contact Deputy County Attorney Regina Nassen at 520.740.5411 or [regina.nassen@pcao.pima.gov](mailto:regina.nassen@pcao.pima.gov).

Sincerely,



C.H. Huckelberry  
County Administrator

CHH/mjk  
Attachment

c: The Honorable Chair and Members, Pima County Board of Supervisors  
Thomas Weaver, Chief Civil Deputy County Attorney  
Regina Nassen, Deputy County Attorney  
Michael Racy, Racy Associates, Inc.

1 shall not be construed to impose a duty on an officer, agent or employee of  
2 this state to discharge a responsibility or to create any right in a person  
3 or group if the discharge or right would require an expenditure of state  
4 monies in excess of the expenditure authorized by legislative appropriation  
5 for that specific purpose.

6 K. NOTWITHSTANDING SUBSECTION E OF THIS SECTION, BEGINNING IN FISCAL  
7 YEAR 2015-2016, THE MAXIMUM AMOUNT OF ADDITIONAL STATE AID FOR EDUCATION THAT  
8 WILL BE FUNDED BY THIS STATE PURSUANT TO SUBSECTION E OF THIS SECTION SHALL  
9 BE ONE MILLION DOLLARS PER COUNTY. FOR ANY COUNTY WITH A SCHOOL DISTRICT OR  
10 DISTRICTS THAT COLLECTIVELY WOULD OTHERWISE RECEIVE MORE THAN ONE MILLION IN  
11 ADDITIONAL STATE AID FOR EDUCATION PURSUANT TO SUBSECTION E OF THIS SECTION,  
12 THE PROPERTY TAX OVERSIGHT COMMISSION ESTABLISHED BY SECTION 42-17002 SHALL  
13 DETERMINE THE PROPORTION OF THE VIOLATION OF ARTICLE IX, SECTION 18,  
14 CONSTITUTION OF ARIZONA, THAT IS ATTRIBUTABLE TO EACH TAXING JURISDICTION  
15 WITHIN THE AFFECTED SCHOOL DISTRICT OR DISTRICTS. BASED ON THOSE  
16 PROPORTIONS, THE PROPERTY TAX OVERSIGHT COMMISSION SHALL DETERMINE AN AMOUNT  
17 THAT EACH TAXING JURISDICTION WITHIN THE AFFECTED SCHOOL DISTRICT OR  
18 DISTRICTS SHALL TRANSFER TO THE AFFECTED SCHOOL DISTRICT OR DISTRICTS DURING  
19 THE FISCAL YEAR IN ORDER TO COMPENSATE THE AFFECTED SCHOOL DISTRICT OR  
20 DISTRICTS FOR ITS PRO RATA SHARE OF THE REDUCTION IN ADDITIONAL STATE AID FOR  
21 EDUCATION FUNDING REQUIRED BY THIS SUBSECTION. IN DETERMINING THE PROPORTION  
22 OF THE VIOLATION OF ARTICLE IX, SECTION 18, CONSTITUTION OF ARIZONA, THAT IS  
23 ATTRIBUTABLE TO EACH TAXING JURISDICTION WITHIN THE AFFECTED SCHOOL DISTRICT  
24 OR DISTRICTS, THE PROPERTY TAX OVERSIGHT COMMISSION SHALL ASSUME A PROPORTION  
25 OF ZERO FOR ANY TAXING JURISDICTION THAT HAS A TAX RATE FOR THE FISCAL YEAR  
26 THAT IS EQUAL TO OR LESS THAN THE TAX RATE OF PEER JURISDICTIONS, AS  
27 DETERMINED BY THE PROPERTY TAX OVERSIGHT COMMISSION.

28 ~~K.~~ L. For the purposes of this section:

29 1. "Owner" includes any purchaser under a contract of sale or under a  
30 deed of trust.

31 2. "Residential property" includes owner-occupied real property and  
32 improvements to the property and owner-occupied mobile homes that are used as  
33 the owner's primary residence and classified as class three property pursuant  
34 to section 42-12003.

35 Sec. 8. Section 15-2002, Arizona Revised Statutes, is amended to read:

36 15-2002. Powers and duties; executive director; staffing;  
37 report

38 A. The school facilities board shall:

39 1. Make assessments of school facilities and equipment deficiencies  
40 and approve the distribution of grants as appropriate.

41 2. Maintain a database of school facilities to administer the building  
42 renewal grant fund and new school facilities formula. The facilities listed  
43 in the database must include all buildings that are owned by school  
44 districts. The school facilities board shall ensure that the database is  
45 updated on at least an annual basis. Each school district shall report to  
46 the school facilities board no later than September 1 of each year