SALES TAX ADVISORY COMMITTEE PRESENTATION
JANUARY 9, 2018

Hon. Ramón Valadez
Pima County Supervisor
District Two
WHAT WE KNOW

- The regional problem requires $800 million - $1 billion to solve
- 25 cent Property tax generates approximately $19.6 million

(Roughly 2% of what is necessary)
FY 2017-18 Adopted Budgets

Source: General Fund Property Tax as reported by ATRA & Maricopa.Gov archive

General Fund Property Tax

- Coconino, $31,170,000
- Maricopa, $189,389,985
- Pima, $0
- Pinal, $18,099,839
- Yuma, $28,030,224

General Fund Excise Tax

Source: General Fund Property Tax as reported by ATRA & Maricopa.Gov archive
FOR RELIABILITY AND STABILITY: ONE WHEEL OR TWO?

Reliance on Property Tax Only

Reliance on Sales & Property Tax
WHAT WE CAN’T DO

The Board of Supervisors lacks the authority to refer such a matter to the voters (ARS 42-6107)

WHAT WE CAN DO

The board has the authority to assess a $\frac{1}{2}$ cent sales tax which will generate approximately $80$ million by a **UNANIMOUS VOTE** (ARS 42-6103)
THE PROPOSAL

• Unincorporated Roads in Pima County will be completed in 10 years

• Reduce Property Tax Burden for Residential and Commercial owners

• Maintenance of effort for low-income programs

• Ordinance spelling out how, when and where money will be spent

• If this or a future board attempts to use funds for other than roads or property tax relief, it **GOES AWAY!**
I directed staff to draft a plan that deals with the 2 components we can’t delegate. My intent is to place that plan on the agenda by way of an ordinance that will only require 3 votes.

Cannot Be Delegated:

- Creation and Collection of Revenues
- Appropriation and Allocation of Revenues
Ordinance spelling out expenditures will have already been adopted

THE BOS VOTE

Will be up or down ONLY on levying a $\frac{1}{2}$ cent sales tax.
For Your Consideration:

• Non-Resident/Visitor Contribution (=>17%)

• Low Income Mitigation

• Arizona Income Tax Credit for Increased Excise (Sales) Taxes

• Program Management
Thank You for Your Service and Your Time