Draft Sales Tax Implementation Plan Ordinance and Road Repair Plan (Supervisor Valadez Plan)

Full document posted at [www.pima.gov/salestax](http://www.pima.gov/salestax) under “Resources” tab.

**Funding for road repair for 10 years**
- The all sales tax revenues to road repairs in Year 1.
- Year 2-10, sales tax revenues for road repair decrease by 2.5% a year.
- Year 11 no sales tax funding for road repair, all to property tax reduction.
- Road repair sales tax revenues to be distributed to cities and towns an unincorporated Pima County by population.
- Road repair sales tax revenues, plus additional HURF revenues and Transportation Department savings, would generate enough to fix and maintain all unincorporated Pima County paved roads in 10 years. A schedule of road treatments for all paved roads in unincorporated Pima County over 10 years is included and is searchable by road name.

**Increasing property tax reduction**
- Eliminates the new 25-cent primary property tax for road repair in Year 1
- Year 2-10, sales tax revenues for property tax relief increases by 2.5 percent a year.
- Year 11 and onward, allocates all sales tax revenue to property tax reduction.
- By year 11, Pima County primary property tax rate would be reduced by 31 percent.

**Sales Tax Implementation Plan Ordinance**
An ordinance could be adopted by the Board prior to the Board voting on the sales tax so that the public would know precisely how the funding would be used. The draft ordinance includes:

- The percent of the sales tax revenues that would be allocated to road repair versus property tax reduction each year.
- How the road repair allocation would be distributed to cities and towns, and unincorporated Pima County based on population, and via IGAs
- Includes 10 year plan for repairing and maintaining all paved roads in unincorporated Pima County.
- Ordinance could be approved by a majority of the Board.

**Sales Tax Adoption Resolution**
- Revenues to be deposited into segregated funds for clear line of sight accounting and auditing
- RTA to oversee county and municipalities road repair programs, including annual audits, establishment of performance standards and best practices for road repair, and evaluation of the road repair programs based on these standards and practices.
- Additional annual audit by Arizona Auditor General’s office.
- If either audit finds funds misspent, county has opportunity to reimburse the road fund, and if that does not occur, sales tax is terminated.
- Resolution can only be approved by a unanimous vote of the Board.

**Term of the sales tax: Permanent or 15 years?**
Supervisor Valadez asked for other Supervisors to provide input on whether the sales tax should be permanent or temporary.

**Mitigating the impact to low-income households**
- Board did not discuss
- Staff proposed expanding the Voluntary Income Tax Preparation program, and
- Allocating 1% of the sales tax revenues to programs and services that increase financial stability of low income households via existing Outside Agency Program and/or existing Addressing Poverty Now working group.