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ARIZONA TAX RESEARCH ASSOCIATION

ARGUMENT FOR PROPOSITION 101

Arizona's state budget problems have been well documented in recent years. For four consecutive years the Legislature has struggled with significant budget deficits. The reasons for those budget deficits are many, including the impact that voter initiatives have had on the demand for limited resources.

Put simply, voter approved initiatives have done considerable damage to the Legislature's ability to do comprehensive budgeting. Too often, voters have passed initiatives creating new programs that place demands on the state general fund far exceeding what was sold to the voters on election day. Even when new funding was identified for a program, the costs have often outpaced the revenue, forcing the Legislature to cut funding for other programs like education, health care, and public safety.

To complicate Arizona's state budgeting challenges, Proposition 105, passed in 1998, strictly limits the power of the Legislature to make changes to initiatives, even to fix unintended consequences.

Make no mistake; the initiative process can be an excellent tool to facilitate a vigorous public debate about spending for new government programs. However, that debate should not be carried out in isolation of the revenues necessary to support that increased spending. Certainly, a more accurate reflection of the public's desire for higher government spending is when they are willing to pay for it.

In addition to promoting sound fiscal policy, Proposition 101 will help protect the programs that currently receive state funding. Funding for education, health care, and public safety should not be turned into lesser priorities through the initiative process.

The Arizona Tax Research Association encourages you to **Vote Yes** on Proposition 101.

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