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ARIZONA TAX RESEARCH ASSOCIATION

Argument against Proposition 106

The Arizona Tax Research Association (ATRA) opposes Proposition 106. In an effort to set aside certain lands in the state land trust, as well as dramatically change the current management of our state land trust, this initiative implements two policies which ATRA opposes.

Transfer of major public policy power to an appointed board

In an effort to dramatically change the current management structure of the state land trust Proposition 106 creates a seven member Board of Trustees. These individuals, who would be appointed by the Governor, would be given sweeping authority over the 9.3 million acres state land trust as well as the distribution of lands in the Conservation Reserve. In addition, this appointed Board would have the authority to transfer state land trust monies primarily used for the benefit of public schools to a new Trust Land Management Fund.

Earmarking revenue outside the budgeting process

For decades, ATRA has expressed concerns about earmarking revenues outside the appropriations process through what is commonly referred to as “ballot-box budgeting.”

Proposition 106 is another in a long line of initiatives that have been placed before Arizona voters in an attempt to guarantee funding for a program, agency, or special interest group. Clearly, every group that receives annual State General Fund appropriations would opt to receive guaranteed funding from sources other than the state general fund. However, earmarking revenue and creating dedicated funding mechanisms does significant damage to the state’s ability to do comprehensive budgeting and handcuffs state policymakers ability to readjust budget priorities over time.

ATRA encourages Arizona voters to reject a proposal that would give an appointed board sweeping powers over the state land trust as well as the authority to transfer monies from the permanent fund.