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# ARIZONA TAX RESEARCH ASSOCIATION

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## **On Prop. 200, resist ballot-box budgeting**

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Taxpayers in Tucson, courtesy of Proposition 200, are being asked to amend the city Charter to strip the current and future City Councils of their authority to establish budgets for the police and fire departments. The Arizona Tax Research Association strongly urges Tucson taxpayers to reject this effort at ballot-box budgeting.

From local school districts to the state of Arizona, clearly the most important duty of our elected representatives is to establish an annual budget. Once adopted, those budgets reflect months of planning in which elected officials are challenged with managing changing spending priorities against the budget decisions of previous elected officials.

Arizona has become the poster child for the negative policy implications of ballot-box budgeting. For the last two decades, a steady stream of special-interest groups used the initiative process to either permanently earmark funds to their causes or establish guaranteed funding levels outside of legislative oversight and control.

Collectively these initiatives have undermined the state's budgeting process by handcuffing state lawmakers' ability to react to changes in the economy or spending priorities.

Today, Arizona faces a \$3 billion budget deficit. It would be an understatement to say that the challenge of closing the deficit is complicated by the fact that some major budget units are "voter protected" and cannot be reduced.

The inherent flaw with ballot-box budgeting is that citizens vote to mandate a spending obligation without understanding the long-term budget impacts of the proposals. Clearly the proponents prefer it that way.

Sidestepping the city's budgeting process allows the proponents of Proposition 200 to have an isolated budget debate regarding police and fire protection without the unpleasantness of a tax increase to fund it.

Make no mistake; in the end, this process always poorly serves taxpayers who are left questioning why citizens were not properly informed that these services are not free.

In fact, in order to force a more informed debate regarding the true costs of mandated spending initiatives, Arizona voters amended the state's Constitution in 2004 to require that such initiatives "also provide for an increased source of revenues sufficient to cover the entire immediate and future costs of the proposal."

By any measure, Proposition 200 will force increased spending that will either drive future tax increases or impact other city services. With the economic crisis facing Arizona serving as a painful reminder, Tucson taxpayers can be assured that, if approved, Proposition 200 will certainly force a tax increase at some future date.