



The taxpayer's watchdog for over 75 years

ARIZONA TAX RESEARCH ASSOCIATION

NEWSLETTER VOLUME 75 NUMBER 7 SEPTEMBER 2015

Prop 117 Perfectly Timed *Levy Growth Half of FY 15*

The Arizona Tax Research Association strongly advocated for the passage of Prop 117 in 2012 in an effort to simplify and stabilize Arizona's overly-complicated property tax system. The two major provisions under Prop 117 was first to eliminate Arizona's dual valuation tax structure to one taxable value, which would be the limited property value (LPV), and second, to limit the annual increase to 5%. Prop 117 not only simplified the system, it limited the dramatic growth in taxes that often occur simply as a result of taxing jurisdictions keeping their rates the same despite growth in values. In tax year 2015, the first year Prop 117 took effect, taxes statewide grew by just 2.1% compared to last year's growth of 4.6%.

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ATRA FALL EVENTS CALENDAR

ATRA Golf Tournament: Nov 6 McCormick Ranch, 12:00pm
ATRA Outlook Conference: Nov 20 Scottsdale Hilton, 8:00am

Contact ATRA at (602) 253-9121 to sign up or for sponsorship info

Better Watch Your Ballot! *Elections Have Property Tax Impacts*

The end of summer in Arizona brings the monsoon season and with it the property tax bills from the County Treasurer. Cue the gnashing of teeth. The explanation for why one's property tax bill rose can be complicated but the simplest answer can often be found in the election results from the previous November.

Voter approved bonds and overrides from school, municipal and other districts often drive the most dramatic changes from one year to the next. For example, all Maricopa County taxpayers saw a sizable tax increase this year from the Special Health Care District (MIHS, the county hospital) following the approval of their \$935 million bond in Prop 480.

This November, Arizona voters will collectively vote on over \$1 billion in school district bonds statewide; \$804 million of which is in Maricopa County. If approved, the bonds will cost approximately \$1.5 billion with interest

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Arizona's dual valuation tax structure, which had been in place since 1980, taxed property on both its full cash value (FCV) and the LPV. Since the FCV tracked market value, its annual growth in value was unlimited. The LPV on the other hand, was limited in annual growth by the greater of either 10% over the previous year or 25% of the difference between the current year's FCV and the previous year's LPV. When market values spiked, the limited nature of the LPV proved not to be very limiting at all. The dramatic tax increases that occurred prior to Prop 117 were directly linked to surges in the real estate market and ultimately persuaded lawmakers to seek meaningful reforms in order to prevent future abuse to taxpayers.

Between tax year 2004 and 2009, FCVs had climbed an astounding 95% and taxpayers saw major increases in their tax bills. During that time, tax increases were on auto pilot as many taxing jurisdictions increased taxes simply by keeping tax rates steady while ignoring the growth in values. As a result, state lawmakers took the

Jurisdiction	TY 2014			TY 2015			\$ Change	% Change
	Primary	Secondary	TOTAL	Primary	Secondary	TOTAL		
State & County								
State Eq Rate	\$0.5089	-	\$0.5089	\$0.5089	-	\$0.5089	\$0.0000	0.0%
Maricopa Comm College County	\$1.2824	\$0.2363	\$1.5187	\$1.2628	\$0.2312	\$1.4940	-\$0.0247	-1.6%
Flood Control	\$1.3209	-	\$1.3209	\$1.3609	-	\$1.3609	\$0.0400	3.0%
Library	-	\$0.1392	\$0.1392	-	\$0.1592	\$0.1592	\$0.0200	14.4%
Central AZ Project	-	\$0.0556	\$0.0556	-	\$0.0556	\$0.0556	\$0.0000	0.0%
County Hospital	-	\$0.1400	\$0.1400	-	\$0.1400	\$0.1400	\$0.0000	0.0%
	-	\$0.1856	\$0.1856	-	\$0.3021	\$0.3021	\$0.1165	62.8%
Cities & Towns								
Avondale	\$0.7766	\$0.9734	\$1.7500	\$0.7756	\$0.9744	\$1.7500	\$0.0000	0.0%
Buckeye	\$1.8011	-	\$1.8011	\$1.8000	-	\$1.8000	-\$0.0011	-0.1%
Chandler	\$0.2992	\$0.8800	\$1.1792	\$0.2992	\$0.8800	\$1.1792	\$0.0000	0.0%
El Mirage	\$1.7426	\$1.7980	\$3.5406	\$1.7264	\$2.1176	\$3.8440	\$0.3034	8.6%
Fountain Hills	-	\$0.1151	\$0.1151	-	\$0.5246	\$0.5246	\$0.4095	355.8%
Gila Bend	\$0.2931	-	\$0.2931	\$0.3382	-	\$0.3382	\$0.0451	15.4%
Gilbert	-	\$1.0659	\$1.0659	-	\$1.0567	\$1.0567	-\$0.0092	-0.9%
Glendale	\$0.4896	\$1.6605	\$2.1501	\$0.4898	\$1.7067	\$2.1965	\$0.0464	2.2%
Goodyear	\$1.1836	\$0.6864	\$1.8700	\$1.1637	\$0.7063	\$1.8700	\$0.0000	0.0%
Mesa	-	\$1.1853	\$1.1853	-	\$1.2125	\$1.2125	\$0.0272	2.3%
Peoria	\$0.1900	\$1.2500	\$1.4400	\$0.1900	\$1.2500	\$1.4400	\$0.0000	0.0%
Phoenix	\$1.3541	\$0.4659	\$1.8200	\$1.3414	\$0.4786	\$1.8200	\$0.0000	0.0%
Queen Creek	\$1.9500	-	\$1.9500	\$1.9500	-	\$1.9500	\$0.0000	0.0%
Scottsdale	\$0.5580	\$0.6869	\$1.2449	\$0.5293	\$0.6244	\$1.1537	-\$0.0912	-7.3%
Surprise	\$0.7591	-	\$0.7591	\$0.7591	-	\$0.7591	\$0.0000	0.0%
Tempe	\$0.9231	\$1.5119	\$2.4350	\$0.9334	\$1.5861	\$2.5195	\$0.0845	3.5%
Tolleson	\$1.8309	\$1.9148	\$3.7457	\$1.8344	\$2.1371	\$3.9715	\$0.2258	6.0%
Wickenburg	\$0.5270	-	\$0.5270	\$0.5270	-	\$0.5270	\$0.0000	0.0%

Jurisdiction	TY 2014			TY 2015			\$ Change	% Change
	Primary	Secondary	TOTAL	Primary	Secondary	TOTAL		
School Districts								
Agua Fria Union	\$2.9900	\$1.2105	\$4.2005	\$2.0732	\$1.1935	\$3.2667	-\$0.9338	-22.2%
Agula El	\$4.5575	-	\$4.5575	\$5.0457	-	\$5.0457	\$0.4882	10.7%
Alhambra El	\$1.9572	\$5.0448	\$7.0020	\$2.2642	\$5.2643	\$7.5285	\$0.5265	7.5%
Arlington El	\$1.1126	\$0.1794	\$1.2920	\$1.1420	\$0.1883	\$1.3303	\$0.0383	3.0%
Avondale El	\$2.7442	\$3.0575	\$5.8017	\$3.1076	\$3.1217	\$6.2293	\$0.4276	7.4%
Balsz El	\$2.1016	\$1.6377	\$3.7393	\$2.2828	\$2.2977	\$4.5805	\$0.8412	22.5%
Buckeye El	\$3.7761	\$2.1411	\$5.9172	\$3.2117	\$2.3722	\$5.5839	-\$0.3333	-5.6%
Buckeye Union	\$2.3817	\$1.1274	\$3.5091	\$2.2096	\$1.1277	\$3.3373	-\$0.1718	-4.9%
Cartwright El	\$4.3281	\$6.3080	\$10.6361	\$4.3281	\$6.8168	\$11.1449	\$0.5088	4.8%
Cave Creek Unified	\$2.2403	\$0.1099	\$2.3502	\$2.1752	\$0.1829	\$2.3581	\$0.0079	0.3%
Chandler Unified	\$4.8944	\$2.3919	\$7.2863	\$4.1598	\$2.4515	\$6.6113	-\$0.6750	-9.3%
Creighton El	\$2.1031	\$1.8850	\$3.9881	\$2.3847	\$3.6149	\$5.9996	\$2.0115	50.4%
D.V. Unified	\$4.4104	\$2.0685	\$6.4789	\$4.3630	\$1.9610	\$6.3240	-\$0.1549	-2.4%
Dysart Unified	\$4.3489	\$2.7750	\$7.1239	\$4.2672	\$2.4096	\$6.6768	-\$0.4471	-6.3%
Fowler El	\$2.0419	\$1.8548	\$3.8967	\$2.0408	\$2.0089	\$4.0497	\$0.1530	3.9%
Ftn. Hills Unified	\$2.2763	\$0.8269	\$3.1032	\$2.1009	\$0.8246	\$2.9255	-\$0.1777	-5.7%
Gila Bend Unified	\$2.2667	\$0.4887	\$2.7554	\$2.3022	\$0.5018	\$2.8040	\$0.0486	1.8%
Gilbert Unified	\$5.2090	\$2.0194	\$7.2284	\$5.2599	\$1.1968	\$6.4567	-\$0.7717	-10.7%
Glendale El	\$2.2343	\$4.2328	\$6.4671	\$1.3400	\$4.5021	\$5.8421	-\$0.6250	-9.7%
Glendale Union	\$2.5904	\$1.8285	\$4.4189	\$2.4743	\$1.9818	\$4.4561	\$0.0372	0.8%
Higley Unified	\$5.1617	\$2.1058	\$7.2675	\$5.1709	\$1.7805	\$6.9514	-\$0.3161	-4.3%
Isaac El	\$2.6025	\$3.7535	\$6.3560	\$6.4029	\$4.0818	\$10.4847	\$4.1287	65.0%
Kyrene El	\$2.2522	\$1.7840	\$4.0362	\$2.1409	\$1.8654	\$4.0063	-\$0.0299	-0.7%
Laveen El	\$2.5143	\$4.4918	\$7.0061	\$2.4591	\$4.9233	\$7.3824	\$0.3763	5.4%
Liberty El	\$2.8010	\$1.7001	\$4.5011	\$2.5534	\$1.7242	\$4.2776	-\$0.2235	-5.0%
Litchfield El	\$2.3282	\$1.4498	\$3.7780	\$2.2606	\$1.5746	\$3.8352	\$0.0572	1.5%
Littleton El	\$2.5899	\$3.3086	\$5.8985	\$2.4797	\$3.4455	\$5.9252	\$0.0267	0.5%
Madison El	\$2.3677	\$2.2349	\$4.6026	\$2.4048	\$2.2514	\$4.6562	\$0.0536	1.2%
Mesa Unified	\$4.9302	\$2.5681	\$7.4983	\$4.6211	\$2.7435	\$7.3646	-\$0.1337	-1.8%
Mobile El	\$8.1774	-	\$8.1774	\$8.5433	-	\$8.5433	\$0.3659	4.5%
Morrison El	\$4.3742	\$0.6038	\$4.9780	\$7.3555	\$0.5842	\$7.9397	\$2.9617	59.5%
Murphy El	\$1.4280	\$3.0506	\$4.4786	\$3.1207	\$2.9681	\$6.0888	\$1.6102	36.0%
Nadaburg Unified	\$4.4482	\$0.3654	\$4.8136	\$4.3735	\$0.3675	\$4.7410	-\$0.0726	-1.5%
Osborn El	\$2.1494	\$1.6485	\$3.7979	\$2.2370	\$1.7802	\$4.0172	\$0.2193	5.8%
P.V. Unified	\$4.1128	\$2.6670	\$6.7798	\$4.3431	\$2.6499	\$6.9930	\$0.2132	3.1%
Palo Verde El	\$2.1696	\$1.8555	\$4.0251	\$2.6716	\$1.8079	\$4.4795	\$0.4544	11.3%
Paloma El	\$6.2528	-	\$6.2528	\$5.9804	-	\$5.9804	-\$0.2724	-4.4%
Pendergast El	\$2.6783	\$4.5117	\$7.1900	\$2.5302	\$4.3506	\$6.8808	-\$0.3092	-4.3%
Peoria Unified	\$4.4291	\$2.8417	\$7.2708	\$4.9320	\$2.8437	\$7.7757	\$0.5049	6.9%
Phoenix El	\$3.9479	\$2.7682	\$6.7161	\$4.2675	\$2.9206	\$7.1881	\$0.4720	7.0%
Phoenix Union	\$3.4171	\$1.2025	\$4.6196	\$3.5951	\$1.3620	\$4.9571	\$0.3375	7.3%
Queen Creek Unified	\$4.3042	\$2.2433	\$6.5475	\$4.2808	\$1.8941	\$6.1749	-\$0.3726	-5.7%
Riverside El	\$1.3757	\$1.9465	\$3.3222	\$1.6208	\$1.9918	\$3.6126	\$0.2904	8.7%
Roosevelt El	\$4.3869	\$3.1912	\$7.5781	\$4.3869	\$3.2527	\$7.6396	\$0.0615	0.8%
Saddle Mtn. Unified	\$2.1855	\$0.4309	\$2.6164	\$2.1863	\$0.4150	\$2.6013	-\$0.0151	-0.6%
Scottsdale Unified	\$3.1091	\$1.0045	\$4.1136	\$2.8332	\$1.0263	\$3.8595	-\$0.2541	-6.2%
Sentinel El	\$10.0411	-	\$10.0411	\$10.0411	-	\$10.0411	\$0.0000	0.0%
Tempe El	\$3.3038	\$2.4510	\$5.7548	\$3.2204	\$2.2514	\$5.4718	-\$0.2830	-4.9%
Tempe Union	\$2.4348	\$0.6268	\$3.0616	\$2.2188	\$0.6559	\$2.8747	-\$0.1869	-6.1%
Tolleson El	\$1.9787	\$2.5933	\$4.5720	\$2.0699	\$2.7101	\$4.7800	\$0.2080	4.5%
Tolleson Union	\$2.8582	\$1.6766	\$4.5348	\$2.4000	\$1.6051	\$4.0051	-\$0.5297	-11.7%
Union El	\$1.8486	\$2.3384	\$4.1870	\$2.5673	\$2.2789	\$4.8462	\$0.6592	15.7%
Washington El	\$2.9215	\$2.7800	\$5.7015	\$2.8248	\$2.9628	\$5.7876	\$0.0861	1.5%
Wickenburg Unified	\$3.9198	\$1.6306	\$5.5504	\$3.6581	\$1.4229	\$5.0810	-\$0.4694	-8.5%
Wilson El	\$4.4554	\$2.2918	\$6.7472	\$4.4554	\$2.4098	\$6.8652	\$0.1180	1.7%

initiative in 2012 to simplify the system and to place reasonable limits on valuation growth. Since the crash in the real estate market eliminated any significant gap between the statewide FCV and LPV, the transition from a dual-valuation system to one taxable value would be nearly seamless. The assessor would still be required to establish the FCV although it will no longer be taxable. Had Prop 117 been in place over the last decade, it would have prevented the temporary taxation of \$33 billion in value that was ultimately eliminated following the crash in the real estate market.

Tax year 2015 is the first year that Prop 117 took effect and the results are positive. Although statewide market values grew 13%, taxes increased only 2.1%. In comparison, the year prior to Prop 117, market values grew just 5% yet total taxes increased 4.6%. Despite this favorable outcome, there have been some recent media reports that the reforms implemented by Prop 117 were not beneficial to homeowners. Since taxable values were limited this year, the primary explanation for tax bill increases has to do with increases in tax rates. An ATRA analysis found that many jurisdictions in Maricopa County increased their tax rates this year, but those tax rate increases were associated mainly with voter approved bonds and school overrides. In fact in 2014, voters in Maricopa County gave approval to increase their property taxes in support of the \$935 million bond package for the county hospital district, \$369 million in G.O. bonds and \$89 million in overrides for school districts.

Fire Districts	TY 2014	TY 2015	\$ Change	% Change
	Secondary	Secondary		
Aguila	\$2.5173	\$2.4047	-\$0.1126	-4.5%
Buckeye Valley	\$3.2500	\$3.2500	\$0.0000	0.0%
Chandler CIFD	\$1.6465	\$1.6317	-\$0.0148	-0.9%
Circle City/Morr.	\$3.2500	\$3.2500	\$0.0000	0.0%
Clearwater Hills	\$1.1861	\$1.1911	\$0.0050	0.4%
Daisy Mtn.	\$3.2500	\$3.2500	\$0.0000	0.0%
Gilbert CIFD	\$1.5129	\$1.7032	\$0.1903	12.6%
Goldfield Ranch	\$0.6378	\$0.6537	\$0.0159	2.5%
Harquahala Valley	\$2.1340	\$2.2874	\$0.1534	7.2%
Laveen	\$2.8203	\$2.9647	\$0.1444	5.1%
Queen Creek CIFD	\$1.9840	\$2.5584	\$0.5744	29.0%
North County*	\$2.9177	\$2.8577	-\$0.0600	-2.1%
Rio Verde	\$3.2500	\$3.2500	\$0.0000	0.0%
Scottsdale CIFD	\$0.6754	\$0.6882	\$0.0128	1.9%
Sun City	\$3.2500	\$3.2500	\$0.0000	0.0%
Sun Lakes	\$3.2500	\$3.2500	\$0.0000	0.0%
Superstition	\$3.1900	\$3.1900	\$0.0000	0.0%
Tempe CIFD	\$1.5855	\$1.2060	-\$0.3795	-23.9%
Tonopah	\$3.2500	\$3.2500	\$0.0000	0.0%
Wickenburg	\$1.3954	\$1.3340	-\$0.0614	-4.4%
Wittmann	\$3.2500	\$3.2500	\$0.0000	0.0%

* Sun City West F.D. was renamed North County FMD.

-Jennifer Stielow

ELECTIONS, *Continued from Page 1*

over the life of the loans. Pima County government, which already leads all counties in per-capita debt, is asking its voters to approve \$815 million in bonds for a variety of programs.

In many cases, school districts are asking for a bond amount which keeps their secondary property tax rate for debt service on existing bonds even to what district taxpayers are currently paying. Translation: the bond isn't

School District	Override Type	% of RCL request	Estimated Tax Rate	Estimated Override Levy	Current Override Levy	Current Override Rate
Apache Junction	M&O	15%	0.9553	\$3,566,069	\$0	0.0000
Catalina Foothills	DAA	10%	0.3492	\$2,000,000	\$2,000,284	0.3492
Cave Creek	M&O	15%	0.2530	\$4,317,656	\$0	0.0000
Continental	M&O	15%	0.1648	\$515,000	\$470,538	0.1506
Deer Valley	M&O	15%	1.1217	\$24,750,000	\$16,197,017	0.7341
Dysart	M&O	15%	1.7000	\$18,846,178	\$12,561,692	1.1366
Flowing Wells	M&O	10%	1.3698	\$2,519,219	\$2,519,172	1.3698
Fowler	M&O	15%	1.2581	\$3,254,152	\$3,146,580	1.2165
Gilbert	M&O	10%	1.0965	\$18,600,000	\$0	0.0000
Higley	M&O	15%	1.5272	\$8,121,679	\$1,764,041	0.3390
Liberty	M&O	15%	1.2863	\$2,559,323	\$1,550,379	0.7861
Littleton	M&O	15%	1.6955	\$3,800,000	\$3,556,486	1.6723
Madison	M&O	15%	0.4811	\$4,081,324	\$4,004,587	0.4720
Nadaburg	DAA	7%	0.9725	\$525,000	\$0	0.0000
Palo Verde	M&O	14%	1.6134	\$356,600	\$226,634	1.0715
Pendergast	M&O	15%	2.5149	\$6,730,001	\$6,417,721	2.3982
Peoria	M&O	13%	1.5373	\$23,150,000	\$17,078,442	1.1573
Phoenix Union	DAA	10%	0.3589	\$15,300,600	\$0	0.0000
Prescott	M&O	5%	0.1314	\$1,000,000	\$0	0.0000
Queen Creek	M&O	15%	1.3572	\$4,265,000	\$0	0.0000
Riverside	M&O	15%	0.1953	\$664,213	\$632,811	0.1883
Santa Cruz Valley Uni	M&O	7%	0.8480	\$1,179,744	\$826,132	0.5938
Saddle Mountain	M&O	10%	0.1087	\$981,595	\$519,783	0.0665
Sunnyside	M&O	15%	2.9302	\$11,880,380	\$0	0.0000
Tempe Union	DAA	10%	0.2000	\$6,500,000	\$5,712,176	0.1883
Wilson	M&O	15%	1.0885	\$907,060	\$836,035	1.0356

**some rural counties have not yet reported

based on a precise need but what the district can argue will not “raise taxes” because the rate should remain even, though it often increases over the life of the bond. It's called “managing the tax rate” and the effect is taxpayers never get a reprieve from paying off debt. District leaders also routinely toggle down the primary rate in election years for political reasons or to mask an increased bond repayment. The primary rate supports the General Fund and should be formulaically driven. When this “toggling” happens, it leaves districts with a revenue deficit in the General Fund and the rate must correct and be higher than the formula in the following years to cover the deficit. There is no free lunch for taxpayers.

Significant access to local property tax wealth via bonding is the hallmark of a system which lacks equity: districts in high property wealth areas have significantly higher debt ceilings and benefit from lower tax rates to pay for

bonds. That inequity is the primary reason the State of Arizona spent years in litigation and created a state based capital program through Students First and the School Facilities Board. Unfortunately, access to bonds was doubled by the Legislature during the recession as a concession to districts when depleted state coffers impacted capital funding. The inequity which fueled lawsuits is now metastasizing. The state is right back to where it was before *Roosevelt v. Bishop*.

Paradise Valley Unified for example, effectively has no debt ceiling because of the high property wealth in its district. They currently have \$287 million in outstanding debt and will ask their voters to approve another \$228 million in additional debt. This year alone PV taxpayers will make over \$50 million in debt service payments for bonds- more than most districts could afford to ask for in an entire bond package.

Dysart Unified, which has nearly the same amount of pupils as Paradise Valley, has a debt ceiling 265% lower and could hardly afford to ask its voters to approve \$228 million in bonds and the high rates they would incur.

The other voter approved, local property tax measure creating haves and have nots is budget overrides. Taxpayers in Creighton Elementary can duly explain what happens when they are approved. Last November Creighton successfully increased their Maintenance and Operations (M&O) budget override from 10% to 15% and further added a District Additional Assistance (DAA, or capital) override. The total tax rate in Creighton leaped \$2.50 per \$100 of assessed value; a 17% increase.

School District	Bond Request	Est Avg Tax Rate	Total Bond Cost (P&I)	Current Bond Levy	Current Bond Tax Rate	Current Debt Limit	Outstanding Debt
Agua Fria Union	\$70,000,000	0.5800	\$109,799,000	\$7,840,474	0.8031	\$173,575,853	\$51,855,000
Buckeye Elem	\$27,000,000	0.5019	\$43,535,073	\$1,726,319	1.0308	\$32,960,049	\$16,710,000
Chandler Uni	\$196,000,000	0.4967	\$306,889,542	\$25,561,186	1.1303	\$678,445,955	\$176,680,000
Gilbert Uni	\$98,000,000	0.4900	\$140,335,000	\$18,947,407	1.1968	\$577,832,404	\$101,545,000
Glendale Union	\$70,000,000	0.2913	\$98,137,567	\$18,987,883	1.4060	\$260,055,731	\$102,665,000
Laveen Elem	\$42,000,000	1.0900	\$58,437,150	\$1,940,447	1.0743	\$36,478,967	\$16,875,000
Paradise Valley	\$228,000,000	0.4400	\$319,934,000	\$50,383,510	1.7099	\$1,031,117,115	\$287,960,000
Phoenix Elem	\$59,500,000	0.6600	\$83,058,650	\$9,597,049	1.6079	\$104,061,616	\$41,165,000
Union Elem	\$13,640,000	0.9317	\$18,414,463	\$278,852	0.5304	\$10,180,353	\$1,825,000
Catalina Foothills	\$22,000,000	0.2800	\$33,965,293	\$3,754,253	0.6554	\$177,745,126	\$31,925,000
Sahuarita	\$40,000,000	0.4771	\$60,215,442	\$4,170,827	1.3948	\$91,601,798	\$38,215,000
JO Combs	\$40,000,000	0.8844	\$66,742,421	\$1,479,696	1.0874	\$54,216,244	\$16,025,000
Gadsden Elem	\$10,435,000	1.0500	\$14,739,094	\$0	0.0000	\$9,538,857	\$0
Yuma Union	\$79,500,000	0.5484	\$129,867,500	\$6,218,216	0.6184	\$157,738,630	\$10,665,000
Prescott	\$15,000,000	0.1742	\$21,279,525	\$2,035,727	0.2675	\$259,932,642	\$2,035,727

**some rural counties have not yet reported

Many Arizona voters will consider school district overrides this year, which if approved will cost property taxpayers \$150 million in their first year. Budget overrides last seven years including a final two year phase out unless reapproved by voters. Lawmakers also increased access to budget overrides during the recession by 50% and subsequently many districts are asking voters to increase an existing override amount this November.

Some districts never seem to give consideration to their property taxpayers. Phoenix Union asked its voters to increase their M&O override amount to 15% despite already taking a non-voter approved 40% override in the

form of \$56 million for desegregation each year. Voters complied. In addition to increasing the debt service for existing capital bonds to \$36 million this year, they are going back to the well. On November's ballot they will ask voters to approve a rarely used DAA budget override which will cost \$15 million annually, adding another \$0.36 to an already high tax rate. The combined school tax rates for taxpayers in Phoenix Union/Phoenix Elementary are some of the highest in the state at \$12.15 per \$100 of assessed value, a major cause for concern for development in downtown Phoenix. Their tax rates are roughly 80% to 100% higher than most other areas in metro Phoenix.

Voters will weigh in on school bond and budget override elections at the same time the Governor's K-12 education finance task force, the Classrooms First Initiative Council, debates their merits. The prevailing theme during the meetings has been to create equity between all public schools, district and charter alike. Few solutions have been reached but the group has identified bonds and overrides as one of the largest sources of inequity and has discussed ways to lessen their impact. Failure to do so will certainly land Arizona back in the courtroom to relive the lawsuits of the 1990s, where blunt objects will undoubtedly be hurled from the bench in the direction of taxpayers.

-Sean McCarthy