

ATRA OPPOSES HB 2378

Establishing a Parks and Recreation Special District

Background

HB 2378 provides the authority for the creation, upon voter approval, of a new special taxing district for the construction and maintenance of parks and recreational facilities on a county or multi-county basis. Cities and towns would also be provided the opportunity to opt into the district.

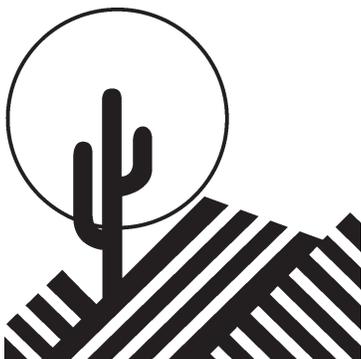
Basis for ATRA's Opposition

Spending and property taxation for county government is limited by the Arizona Constitution. As a result, the counties have made many efforts to side step the constitutional limits by carving up county government into special taxing districts. The counties now have special districts for jails, flood control, libraries, and health care. There are also special secondary levies for fire district assistance and community college tuition, costs once funded out of the general fund.

It is important to note that the creation of special districts is not the only means for the counties to secure added revenue for particular needs. Counties are allowed overrides to their property tax limits as well as overrides to their expenditure limits. These overrides have been used sparingly as counties accomplished the same objective through the use of special districts.

ATRA believes that the current finance structure for county government provides ample resources for funding parks and recreation services. The counties have the flexibility to finance the construction of parks and recreational facilities through either the property tax or the sales tax.

Lastly, the Legislature should be extremely cautious about allowing greater access to the sales tax for any purpose. Arizona sales tax rates have climbed dramatically over the last decade and many rates now approach the 10% level. Arizona's high sales tax rates already encourage consumers to avoid the tax by making purchases via the Internet. HB 2378 would exacerbate that problem and should be opposed.



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