

# ATRA OPPOSES HB2697

## school districts; overrides; retroactive applicability

This special legislation would retroactively eliminate the two-year statutory phase down period for one school district (Window Rock Unified) that neglected to fulfill its legal obligation to obtain voter approval to renew its M&O override.

Because the Arizona Constitution requires that the state operate a “general and uniform” public school system, school district budget limits are a critically important feature of that system. State law allows districts to “override” those limits, but those overrides are also limited (10% for M&O overrides) and subject to voter approval.

In most instances, school districts that have illegally exceeded their budget limits have been required to pay back the over-expenditures. However, an emerging pattern of precedence, most recently evidenced by this bill, demonstrates a troubling willingness on the part of the Legislature to undermine local government spending limits.

It seems that laws limiting government spending are relevant right up to the point where the limit is illegally exceeded. At that point, special legislation is drafted to make the violation of state law go away, retroactively, and allow the entity to keep the unauthorized excess money.

The argument has been made that since Window Rock Unified does not levy a property tax, Arizona’s taxpayers should not be concerned about HB2697. This argument simply misses the point. This district, like numerous others, receives significant amounts of revenue from Arizona’s taxpayers through the state general fund and through federal appropriations in lieu of property taxes. Furthermore, property tax rates to pay for overrides can vary enormously from district to district. Would the Legislature forgive a district with a small override tax rate while making a district with a larger rate adhere to the law?

The point is that school district and other governmental entities pay attention to what the Legislature does. If the Legislature votes to approve this bill, you are sending a very clear message that spending limits do not matter.



*Please vote NO on HB2697*

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