

ATRA SUPPORTS SB 1217

Public Health Services Districts

Background

During the 2000 regular session, legislation was passed that allowed for the creation of a Public Health Services District (PHSD), which allowed a County Board of Supervisors to sidestep the voters and create the district upon a unanimous vote of the board. Currently, county boards use their general fund revenues, which mainly consist of primary property tax levies and sales tax revenues, to provide services to taxpayers, including the funding of public health services.

Upon the creation of this special taxing district, the county would have the option to levy either a 0.112% transaction privilege tax (TPT) or a property tax rate not to exceed 25 cents per \$100 of assessed value to fund the new district.

Purpose for ATRA's Support

ATRA believes that it's bad public policy to increase the taxes of unknowing taxpayers through the creation of a special taxing district by a County Board of Supervisors. Similar special taxing districts, such as the Special Health Care District, Hospital District, and Health Service District, all require voter approval prior to creating the district or implementation of a new tax. The PHSD is the only special district of its kind that makes it possible for government to bypass the voters prior to implementing a new tax. Two counties to date, Navajo and Yuma, have established a PHSD by a unanimous vote of the board.

If passed, SB 1217 would rectify the PHSD law by requiring a county board of supervisors to seek voter approval prior to levying a new tax just like most other special taxing districts.

Requiring a public vote prior to creating a PHSD would insure some accountability over the growth in secondary property taxes. Controlling the growth in secondary property taxes is especially important now that taxpayer's are seeing record high increases in their property values, which are *not* subject to levy limits.

ATRA urges you to vote YES to SB 1217, requiring counties to seek voter approval prior to establishing a Public Health Services District



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