

ATRA SUPPORTS HB2273

Voter Approval for Public Health Services Districts

Background

During the 2000 regular session, legislation was passed that gave a County Board of Supervisors the authority to create of a Public Health Services District (PHSD). A PHSD is a secondary special taxing district that is established to fund health services such as animal control, disease control, and restaurant inspections, just to name a few examples. Unlike most other special taxing districts that require voter approval or at the very least, a petition signed by the taxpayers affected by the district, any county can sidestep the voters and create a PHSD with just a unanimous vote of the Board.

Currently, county boards use 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. The primary property tax is limited by a constitutional levy limitation. Voter approval is required to override the limit.

Upon the creation of this special taxing district, the county has the option to levy either a 0.10 % 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 the creation of a new taxing district is a major taxation decision that warrants the approval of taxpayers. Most 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 allows government to bypass the voters prior to creating a new jurisdiction that will levy a new tax. Five counties to date, Navajo, Yuma, Apache, Greenlee, and Pinal have all established a PHSD by a unanimous vote of the board.

HB2273 would require future PHSD's to be voter approved. Counties shouldn't be allowed to circumvent the constitutional levy limits through the creation of special taxing districts that are not voter approved.

ATRA urges lawmakers to vote YES on HB2273, requiring counties to seek voter approval prior to establishing a Public Health Services District



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