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ARIZONA TAX RESEARCH ASSOCIATION

ATRA OPPOSES HB4130

Unnecessary & Undermines the Budget Process

Background

Arizona's counties, cities and towns are required to adopt an annual budget by the first Monday in August. This annual exercise requires local governments to hold public hearings and to publish detailed estimates of the revenues and expenditures necessary for the upcoming fiscal year. These budgets account for all expected revenues, including beginning cash balances, state-shared and local taxes, bond proceeds, and anticipated state and federal grants. Just as importantly, the budget process provides taxpayers the opportunity to review and comment on spending plans before they are finalized.

ATRA's Opposition

The strike-everything amendment to HB4130 would allow cities and towns, at any point during the fiscal year, to increase their final adopted budgets. Local governments already have the flexibility to include all anticipated revenues in their adopted budgets, ensuring they can plan and spend appropriately throughout the fiscal year. Allowing cities and towns to increase their budgets after adoption would erode the transparency and public accountability that the current process provides. It further diminishes taxpayers' ability to meaningfully engage in these local spending decisions.

ATRA Asks Lawmakers to Vote NO on HB4130!