

# Arizona Budget and Tax Policy: How It Affects You, And What You Can Do About It!

Arizona Library Association  
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## Children's Action Alliance

A non-profit, non-partisan organization dedicated to promoting the well-being of all of Arizona's children and their families through research, policy development, media campaigns and advocacy.



We are supported through foundation grants and individual and corporate donations.

## The State of Arizona's Children & Families

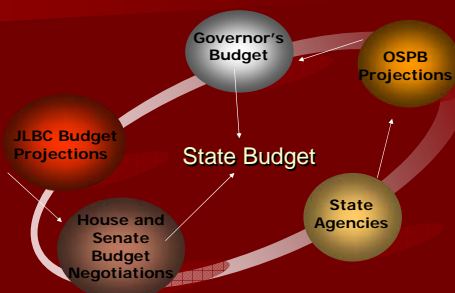
### Issues:

- Budget Issues
- Budget and legislative process
- How you can have an effect!
- Children's issues confronting Arizona

## Fiscal Advocacy

**You + Budget Knowledge + Action**  
=  
**Fiscal Advocacy**

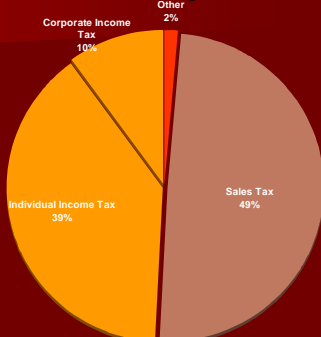
## Budget Cycle



## What is the Budget Process?

- Instructions sent out to state agencies on June 1<sup>st</sup>.
- Agency budgets due to Governor's office by September 1<sup>st</sup>.
- Forecast revenue projections by JLBC, University of Arizona, and the Financial Advisory Committee (FAC) are completed in September.

## What Makes Up the State's Pot of Money ?



Source: Arizona JIBC Appropriations Report HIGHLIGHTS OF THE FY 2008 BUDGET <http://www.azleg.gov/jibc/08app/hb2.pdf> page B46

## Where Do Our Tax Dollars Go?

### FY 2008 Total Spending – General Fund

Education (K-12)	\$4,363,500,000
Public Healthcare	1,269,100,000
Universities	910,300,000
Prisons	817,200,000
Economic Security	794,300,000
Health Services	583,400,000
School Facilities	532,700,000
Other Agencies	1,045,100,000
<b>TOTAL OPERATING BUDGET</b>	<b>\$ 10,619,500,000</b>

Source: Arizona JIBC Appropriations Report HIGHLIGHTS OF THE FY 2008 BUDGET <http://www.azleg.gov/jibc/08app/hb2.pdf> page B46

## Why State and Local Budgets/Taxes Are Important?

Because Properly Funded Public Services:

- Give us a better quality of life: parks schools, libraries
- Work with citizens and business to create economic opportunity: i.e. transportation, schools

## Why State and Local Budgets/Taxes Are Important?

Because Properly Funded Public Services and Governance:

- Provide protection and empowerment: Police, fire, flood control and your right to vote
- Are a tool for reaching solutions private markets cannot such as cleaning of toxic land sites (i.e. brownfields)
- Are threatened by tax and expenditure limits (TELS)

## Local Tax Issues in 2007-08

- School overrides fail in many districts, reflecting fear over rising property taxes
- Mesa may have to finally enact property tax?
- Efforts to put property tax limitations on the ballot.
  - One would reset housing valuations to 2003 levels.
  - One caps property taxes at 0.5% of home value (current cap is 1%).
  - Limit annual growth in property taxes to 2%.

## Local Tax Issues in 2007-08

Problems with property tax limits:

- Proposition 13 in California – same homes have different property taxes, depending on when you bought.
- Cost of services (libraries, schools, roads) do not go up at same rate as property values/taxes. Need exists whether or not revenue is there.
- Had these limits been in place for past 5 years, many librarians would not currently have jobs!
- One property tax limit proposal defeated in legislature in 2007 – homebuilders don't like tax, but wanted adequate flood protection.

## Arizona's Property Taxes

- No state property tax on homeowners!
- State pays portion of local school taxes
- Limit of 1% of home's value
- Truth in taxation: 50% rise in property values DOES NOT equal 50% rise in property taxes. Local districts (schools, library, flood & fire districts) must have public vote to raise spending over certain percent.
- Property tax assessments lag behind market value of your home.

## Arizona's Property Taxes

- Example:  
\$250,000 home, maximum property tax = \$2,500  
Usually much less



## Arizona's Property Taxes

- Businesses taxed at more than twice the rate of homeowners.
- 2005: state reduced assessment on businesses, compensated homeowners by paying bigger portion of their school taxes.
- 2006: temporary elimination of county equalization (education) tax; state reimburses schools.
- Arizona middle of the pack on property taxes (21<sup>st</sup> lowest in U.S.), but much of burden falls on businesses (utilities, ATRA)

## Legislative Process

- Policies/Legislation – Changes enacted and proposed to state laws
- Money/Budget – Resources needed to protect children and families
- Politics – Legislature, Governor, other elected officials and the public

## 3 Branches of State Government

- **Executive** – Governor and State Agencies
- **Legislative**
  - Senate
  - House of Representatives
- **Judicial** – Supreme Court

## State Legislature

- 30 Districts statewide
- Each District has -
  - 2 Representatives
  - 1 Senator
- Redistricting Commission – 2002; law suit; forced change for 2004; Court and U.S. Department of Justice
- Find your current legislators  
[www.azredistricting.org](http://www.azredistricting.org)

## House and Senate Leadership

- Senate – 30 members
  - 17 rep - 13 dem
  - President of the Senate
  - Majority Leader
  - Majority Whip
  - Minority Leader
  - Asst Minority Leader
  - Minority Whip
  - 13 committees +/-
  - Membership and Chairs appointed by President
- House – 60 members
  - 33 rep - 27 dem
  - Speaker of the House
  - Majority Leader
  - Majority Whip
  - Minority Leader
  - Asst Minority Leader
  - Minority Whip
  - 18 committees +/-
  - Membership and Chairs appointed by Speaker



## How A Bill Becomes A Law

- Legislator opens bill folder
- Bill officially drafted by Legislative Council
- Supportive legislator signatures
- Bill is “dropped” - number assigned
- Leadership assigns to committees
- Committee Chairs decide if and when to hear a bill
- Calendar for action in each chamber

## How A Bill Becomes A Law

- IF committee hearings scheduled
  - Public testimony
  - Amendments prepared ahead
  - Vote to pass or fail
  - If passed, goes to the next step
- Caucus discussion
- Committee of the Whole (COW) debate
- Vote - Third Read



## How A Bill Becomes A Law

- Same process in next chamber
- If passed, back to chamber of origin
- If amended, concur or refuse (conference committee)
- Final vote (s) after amendments
- Transmit to Governor - sign, veto, or becomes law without signature
- Secretary of State - chapter number



## Why Should I Get Involved?

- Your voice makes a difference, no matter how big or small
- Legislators/public do not have expertise you do about libraries. They need to hear from you about their importance or they will not be funded!
- ATRA fighting against funding libraries, other groups fighting for their interests: AEA, Arizona Rock Products Association, restaurant owners. People get involved in process when their job depends on it!

## Coming To The Table

- Current state decisions are being made without input from everyday citizens.
- State budget decision are being influenced by lobbyists.
- It is difficult to know everything going on, so tap in to others' knowledge. Strength in numbers!
- Children's Action Alliance, other organizations can help you have a voice.



## Children's Action Alliance Can Help You...

Stay informed and involved from your computer or home:

- Submit letters to the editor
- Sign up to testify to the legislature by computer
- Email your representative/ legislator

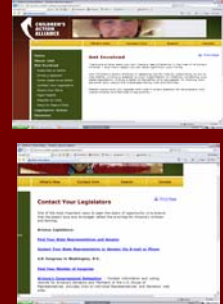
[www.azchildren.org](http://www.azchildren.org)



## Children's Action Alliance Can Help You...

- Receive up to date information on the state budget, legislators in your district, and current issues affecting your community.
- Your voice can make a difference!

[www.azchildren.org](http://www.azchildren.org)



## Being a Voice for Children and Families

What We've Done Together:

- Reduced rate of children without health insurance through KidsCare creation, campaigns to enroll children
- Provided access to quality child care for thousands more Arizona children
- Established Family Literacy and Healthy Families prevention program through Success by Six
- Contributed to family economic success by increasing unemployment insurance compensation

Questions?



Thank you!