

ARIZONA FEDERATION OF TAXPAYERS

Expanding economic growth and prosperity for all Arizonans

TAXPAYER ALERT

October 17, 2006

Analysis of 2006 Ballot Propositions--With Links for Taxpayer Activists

Part I--The following measures are likely to **LOWER** the cost of tax, spending and regulatory burdens imposed on Arizonans by state and local government:

Proposition 207

Private Property Rights Protection Act

According to the summary of Prop 207 on the Arizona HOPE (HomeOwners Protection Effort) website, www.hopeforarizona.com, "Arizona HOPE will stop local governments from using eminent domain to take private property for private development in order to generate more tax revenue. The proposed initiative will define 'public use' in all eminent domain cases," ensuring that eminent domain is only used for things like roads, utilities and schools. "The initiative recognizes that many times so-called 'just' compensation is not truly just, and seeks to ensure that individuals displaced from their homes are relocated to an equivalent home in a decent and safe neighborhood."

Prop 207 will also make local governments provide just compensation to property owners for regulatory takings—situations in which government regulates land so heavily that the owner still holds title to the land, but the land may have lost most of its value. As Arizona HOPE explains, "The initiative will give property owners an opportunity to seek compensation when government changes the rules of the game, decreasing their property's fair market value."

At the same time, "The initiative does not require governments to compensate property owners 'for every zoning or land use decision they make.'" The proposed referendum does not apply to land use laws for the protection of public health and safety, and it applies only to the property directly affected by a land use regulation, and not to neighboring properties.

According to the Joint Legislative Budget Committee (JLBC), "Proposition 207 may increase the cost to state and local government to acquire private property for public use in some circumstances." However, JLBC notes that, "The proposition also prohibits the use of eminent domain for economic development. If state and local governments reduce their use of eminent domain as a result, their compensation costs may decline."

Arizona HOPE is looking for volunteers to help pass Prop 207, and wants to hear from Arizona home and business owners who have suffered from eminent domain abuse. To get involved, contact **Nathan Nascimento** at Arizona HOPE (HomeOwners Protection Effort), info@hopeforarizona.com. Or visit the website: www.hopeforarizona.com.

Proposition 101 Taxpayer Protection Act of 2006

The Arizona Legislature took two important measures this year to provide property tax relief to Arizona home and business owners. The first was the Omnibus Tax Relief bill, which included the temporary suspension (until 2008) of the \$200m county education equalization tax and a mandate that secondary taxes—future bonds, overrides, and other special district taxes—be placed on the ballot in November, instead of at low-turnout elections at other times of the year. The second measure was to place Prop 101 on the ballot.

Prop 101 will eliminate more than \$173m of excess taxing capacity by basing new constitutional property tax limits on actual tax collections in 2005. Contrary to the propaganda of local government lobbyists, Prop 101 will not result in budget cuts for counties, cities, or community colleges. Instead, Prop 101 will merely slow the rate of growth of spending for some jurisdictions. As the JLBC explains, Prop 101 will have the effect of “limiting the tax year 2006 maximum allowable levy growth to 8.3% compared to 21.6% under [current] law.” JLBC also notes that overall levy growth will be higher than 8.3 percent once new construction is included.

For comparison, note that 8.3 percent is much higher than the conservative standard for government growth--population plus inflation—which is growing at roughly five percent annually for the state as a whole. And 8.3 percent is significantly higher than the average annual growth in Arizona’s personal income over the past decade—7.1 percent. Even political “moderates” should be able to agree that government should not be allowed to grow more quickly than the income of the private economy.

To get involved, contact **Jay Kaprosy** at Yes on Proposition 101, yesonprop101@yahoo.com. Or visit the website: www.taxlimits101.com.

Proposition 300 Public Programs; Citizens

Proposition 300 will allow only citizens, legal residents, or other persons lawfully present in the United States to participate in the state’s Adult Education and Child Care programs. Proposition 300 will also allow only citizens, legal residents, or other persons lawfully present in the United States to be classified as in-state residents for university or community college tuition, or to receive state-funded financial assistance.

As Sen. Dean Martin explained in a recent letter, “Arizona is currently giving away millions of tax dollars as subsidies to illegal immigrants... U.S. citizens from other states attending Arizona schools have to pay the full cost of out-of-state tuition. However, citizens of foreign countries, who break the law to enter Arizona illegally, are given in-state tuition, subsidized 50 percent or more by Arizona taxpayers.”

To get involved, contact Rep. **Russell Pearce**, russellpearce@cableaz.com, or Sen. **Dean Martin**, Dean@VoteDeanMartin.com.

Proposition 103 **English as Official Language**

Proposition 103 will require that all official actions be conducted in English, with some exemptions, including actions related to the teaching of foreign languages, to federal requirements, and to law enforcement and emergency services. Parties injured by violations of Prop 103 will be able to file civil actions against governmental bodies that violate the law. Arizona’s state and local governments should save significant costs related to translation and to other official actions. Those cost savings may be offset somewhat by the costs of providing relief to injured parties who file civil actions.

To get involved, contact Rep. **Russell Pearce**, russellpearce@cableaz.com.