

ATRA OPPOSES HB2676

University Athletic Facilities Districts

- **TAX INCREMENT FINANCING LEADS TO HIGHER PROPERTY TAXES**
- **THIS NEW DISTRICT SETS A DANGEROUS PRECEDENT**

Higher Property Taxes

HB2676 allows for the creation of a University Athletic Facilities District for the purpose of constructing, financing, and improving existing intercollegiate athletic facilities located on property owned by the Arizona Board of Regents (ABOR). The District Board is required to value all ABOR property within the district boundaries and levy a property tax rate on the property not to exceed the composite tax rates of all taxing jurisdictions in which the property is located.

Allowing ABOR to levy a property tax rate that equals the total tax rate levied by all jurisdictions but not share that revenue with the other jurisdictions (i.e. counties, cities, and school districts) will result in increased property taxes on other properties in those jurisdictions. The practice of allowing governmental entities to use their tax exempt status to deny equal access to the property tax base is bad public policy. In particular, the cities use of this practice has caused taxes to increase on both homeowners and businesses. This is a bad idea that shouldn't be expanded to universities.

Major Precedent Established

The suggestion has been made that HB2676 simply creates yet another in the long line of special districts that have been created over the years. Nothing could be further from the truth. This new district will be the first that allows a special district to deny equal access to the property tax base. The bill sets a significant precedent by allowing this new taxing entity to not only institute a property tax, but more importantly, deny all the other local governments from taxing that property.

Over the last thirty years, some of the worst precedents have been established without a full appreciation of their significance. HB2676 clearly falls into that category.

ATRA ASKS LAWMAKERS TO VOTE NO ON RAISING PROPERTY TAXES!!!



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