

ATRA OPPOSES SB1278

Extending the Sunset Date of the Assessor's Storage Fund

Background

In 2001, the Assessor's Property Information Storage & Retrieval Conversion and Maintenance Fund (Assessor's Fund) was established authorizing counties with a population of 500,000 or less to assess up to a \$4 surcharge on recorded documents. The revenues generated from the surcharge are deposited in the Assessor's Fund to be used to defray the cost of automating the assessor's computer system.

ATRA and the Arizona Association of Realtors worked in good faith with the assessor's as the bill was moving through the process. At that time, the assessors claimed that they needed the additional revenue, on a temporary basis only, in order to fund the start-up costs associated with updating their computer systems, and in some cases, developing their own geographical information systems (GIS). As a result, ATRA and the assessors came to an agreement that the fund be implemented on a temporary basis through December 31, 2006.

In 2006, the assessors returned to the Legislature requesting that the previously agreed upon sunset date of December 31, 2006 needed to be extended to provide additional funding to fully implement their systems. At that time, ATRA was provided a five-year plan from each assessor showing how much more revenue was needed in order to complete their projects. **The assessors assured lawmakers and ATRA at the time that they would not return to the Legislature to request another extension to the fund if the fund were extended through 2011 and that the assessors would seek appropriation through their respective county boards for any additional revenue beyond the sunset date.** As a result, legislation was passed once again to extend the sunset date, this time through December 31, 2011, which also included a legislative intent clause that documented the agreement between the assessors and ATRA.

As introduced, SB1278 would have made the assessor's storage fund permanent; however, the bill was amended in Senate Finance to extend the sunset date through 2014.

Basis for ATRA's Opposition

One of the most important functions of the county boards of supervisors is to adopt an annual budget which appropriates taxpayer dollars, hopefully in the most efficient manner as possible. One way to attain such efficiency is to require county departments to compete for their funding based on their needs and to appropriate revenues where it is most needed. Allowing a county department to have its own fee authority outside of the normal county appropriations process without any regard for the needs of other departments is bad policy. Just as state agencies must compete for taxpayer dollars through the appropriations process at the Legislature, county departments should be required to do the same through the county boards of supervisors.

SB1278 Initially Failed in the Senate 11-18, but passed on reconsideration 21-9

***ATRA is Opposed to extending the Sunset Date of the Assessor's Storage Fund
Beyond the Agreement***



ARIZONA TAX RESEARCH ASSOCIATION

1814 West Washington Street, Phoenix, Arizona 85007

(602) 253-9121

www.arizonatax.org

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