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ARIZONA TAX RESEARCH ASSOCIATION

ATRA SUPPORTS HB2109 ***Bond ballot language clarification***

Background:

Title 35-454 Section C. directs that for General Obligation (G.O.) bond elections: “where the principal and interest will be paid by a levy of property taxes, the *ballot* shall contain the phrase ‘the issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on these bonds.’” Section 15-491 directs the ballot in the same manner for school districts: “The ballot shall also contain the phrase ‘the issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt on the bonds.’”

As clear as this might appear, G.O. bond election authors have interpreted this law to be met by including this phrase in the “full text insert”, which accompanies the ballot in a separate, small booklet. This is because Title 16 gives the county elections officer the authority to write the question for the “official ballot.” What a voter sees when they are voting is a question that simply asks if the voter will authorize a jurisdiction to sell a certain amount of bonds without any mention of the payment mechanism.

Basis for ATRA’s Support:

ATRA believes the current interpretation of state law by the “official ballot” authors ignores the legislative intent of Title 35 and Title 15. As it stands, legislators need to address the discrepancy between state law and the language as it appears on the ballot. If an entity were to bring a lawsuit against the jurisdiction attempting to sell bonds approved at an election, the courts could tie up the sale of the bonds or render the election illegal.

The legislative intent is to make transparent to voters that a G.O. bond affects property taxes. This is an important distinction as there are other types of bonds which are not paid via secondary property taxes and the voters deserve to have that information made plainly clear.

HB2109 simply adds seven words to the end of these types of bond ballots: “...*to be repaid with secondary property taxes.*” This meets the intent of state law, gives clarity to elections officers, creates transparency for voters, and avoids the potential of a future lawsuit against a bond election.

ATRA ASKS FOR LAWMAKERS TO VOTE YES ON HB2109!