ATRA Opposes Ed Committee Amendment to HCR 2002

Giving the community colleges exclusions from their constitutional expenditure limits by simple legislative majorities is bad policy.

When Proposition 301 went to the voters in November of 2000 it included a provision that attempted to exclude the new sales tax revenue from the constitutional expenditure limits. That provision amended A.R.S. §42-5010 as follows:

THE RATES IMPOSED PURSUANT TO THIS SUBSECTION SHALL NOT BE CONSIDERED LOCAL REVENUE FOR THE PURPOSES OF ARTICLE IX, SECTION 21, CONSTITUTION OF ARIZONA.

It was soon determined that this provision was not constitutional. It is not appropriate to exclude a constitutionally defined local revenue from the expenditure limits by a simple statutory reference to the Arizona Constitution.

HCR 2002 rectifies this matter by properly amending the constitution to exclude these sales tax revenues from the expenditure limits for both the K-12 schools and the community colleges.

Lobbyists for the community colleges, however, got an amendment through the Education Committee that removes them from the resolution. They argue that a phrase in the constitution allows them to circumvent the process other governmental entities, such as K-12 schools, must endure. They point to the following provision in Article IX, section 21, Constitution of Arizona:

THE GOVERNING BOARD OF ANY COMMUNITY COLLEGE DISTRICT SHALL NOT AUTHORIZE EXPENDITURES OF LOCAL REVENUES IN EXCESS OF THE LIMITATION PRESCRIBED IN THIS SECTION, EXCEPT IN THE MANNER PROVIDED BY LAW.

Prior to Prop. 301, this constitutional provision was used to allow statutory authorization for college districts to hold district-wide elections to exceed their spending limits. Similar provisions in statute authorize levy limit overrides. It has not been used to create a list of excludable items for the limits.

Exclusions are enumerated IN THE CONSTITUTION. Items such as proceeds from bonds, federal grants, capital spending, tuition and fees, property tax revenue from voter-approved overrides — all are identified in the constitution.

Adopting the Education Committee amendment takes a step toward a bad precedent. The colleges have made no secret of their intent to pursue further changes to their expenditure limits. On the other hand, HCR 2002, without the amendment, would help to move this issue back to an equitable treatment of K-12 schools and community colleges.

Please vote NO on the Education Committee amendment to HCR 2002. ARIZONA TAX RESEARCH ASSOCIATION 1814 West Washington Street, Phoenix, Arizona 85007 (602) 253-9121 WWW.arizonatax.org Serving Arizona's Taxpayers Since 1940