

# Proposition 448 - Home Rule Option

## What is an expenditure limitation?

In 1980, the Arizona voters established a constitutional expenditure limitation for cities and towns. The State-imposed limitation is calculated from a formula using expenditures of local revenues from Fiscal Year 1979-80 as a baseline.

Even though the State's formula is adjusted annually for inflation and population growth, it does not include any adjustments for increases in the types of services or the levels of services provided. The alternative expenditure limitation (Home Rule) allows the Town Council to adopt a budget annually in the amount the Town requires to provide the full range of its existing services to residents.

## Will this increase my taxes?

**NO.** Proposition 448 has **no** impact on taxes.

This is purely a budgetary measure that will allow the Town Council to set the annual budget instead of using the State formula.



## Why does this matter?

If the Home Rule option does not pass, the Town's annual budget will be limited by the State's formula for the next two fiscal years. This would result in a budget shortfall for Fiscal Year 2021-22 of approximately \$38,000,000, or 43%. A decrease of this magnitude would significantly impact both the type and level of the services provided by the Town.



## When and where can I vote?



The Primary Election is on Tuesday, **August 4, 2020.**

Registered voters on the Permanent Early Voting List will be mailed their ballot in July.

For all other registered voters, physical Vote Center Locations will be placed throughout Yavapai County. Prescott Valley locations include:

- ⇒ Humboldt USD—6411 N. Robert Rd.
- ⇒ Prescott Elks Lodge #330—6245 E. 2nd St.

## How has the Town changed since 1979?

	<u>1979-80</u>	<u>2018-19</u>
<b>Population</b>	1,520	45,751
<b>Revenues*</b>	\$422,250	\$74,631,008
<b>Expenditures*</b>	\$429,949	\$65,976,449
<b>Capital Assets*</b>	\$173,666	\$274,074,472

\*Based on 1979-80 and 2018-19 audited financial reports.

Compared to today, in 1979 the Town had:

- ⇒ Very few paved roads
- ⇒ Minimal road maintenance
- ⇒ No municipal water service
- ⇒ No municipal sewer service
- ⇒ No library
- ⇒ No public safety personnel
- ⇒ No swimming pool
- ⇒ No other recreational activities



## What is the monetary difference between the State-Imposed Limitation and Home Rule?



<u>Fiscal Year</u>	<u>Projected Expenditure— State-Imposed</u>	<u>Projected Expenditure— Home Rule</u>	<u>Difference</u>
2021-22	\$50,333,297	\$88,169,629	\$(37,836,332)
2022-23	\$52,009,885	\$83,061,880	\$(31,051,995)
2023-24	\$51,251,392	\$76,921,630	\$(25,670,238)
2024-25	\$53,081,896	\$79,144,277	\$(26,062,381)

## Where can I learn more about this?

The Town's website has the detailed and summary information available at <https://www.pvaz.net/967/Home-Rule-Information>.

In July, registered voters will receive the publicity pamphlet that includes information regarding proposition 448 and other ballot measures.