

BALLOT PROPOSITION #100
Municipal Debt Limits

Fiscal Impact Summary

Proposition 100 is estimated to have no impact on state revenues or expenditures. The Proposition would allow cities and towns to spend more of their existing debt capacity for street maintenance and construction, if approved by the voters.

| | FISCAL YEAR | | |
|------------------------------------|--------------------|-------------|-------------|
| | 2003 | 2004 | 2005 |
| STATE REVENUES/EXPENDITURES | | | |
| State General Fund | \$-0- | \$-0- | \$-0- |

FISCAL ANALYSIS

Description

The Arizona Constitution currently permits cities and towns to incur debt up to 6% of their taxable property value for general purposes and up to 20% for a specified list of purposes. HCR 2010 amends the Arizona Constitution to allow cities and towns to spend their 20 % debt limit for the construction and maintenance of roads and bridges, and the acquisition of right-of-way for the construction of roads and bridges.

Estimated Impact

There is no anticipated fiscal impact to the state General Fund associated with this proposition.

Analysis

The Arizona Constitution currently limits the amount of indebtedness of cities and towns to 6% of the value of taxable property within the jurisdiction, without voter approval.

With voter approval, incorporated cities and towns can currently incur indebtedness up to 20% of the taxable property value for supplying the jurisdiction with water, street lighting, or sewers, and for the acquisition of land for open space preserves, parks, playgrounds, and recreational facilities.

Proposition 100 adds the construction, repair, improvement and acquisition of streets and bridges, and the acquisition of land for streets and bridges, to the 20% cities and towns limit.

Proposition 100 also amends the language of the Arizona Constitution by providing that voter approval is to be by the qualified electors in the jurisdiction without regard to property ownership.

Local Government Impact

Proposition 100 has no direct impact on local jurisdictions since indebtedness is limited by current voter approved bond authorizations. However, this proposition adds street construction and land acquisition to their 20% debt limit.

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This estimate was prepared by Tim Everill (602-542-5491).