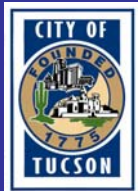


Proposed Alternative Expenditure Limitation

The “Home Rule” Option



State law limits expenditures by local governments

Home Rule

Expenditures = Services



The State expenditure limit was approved by the voters in 1980

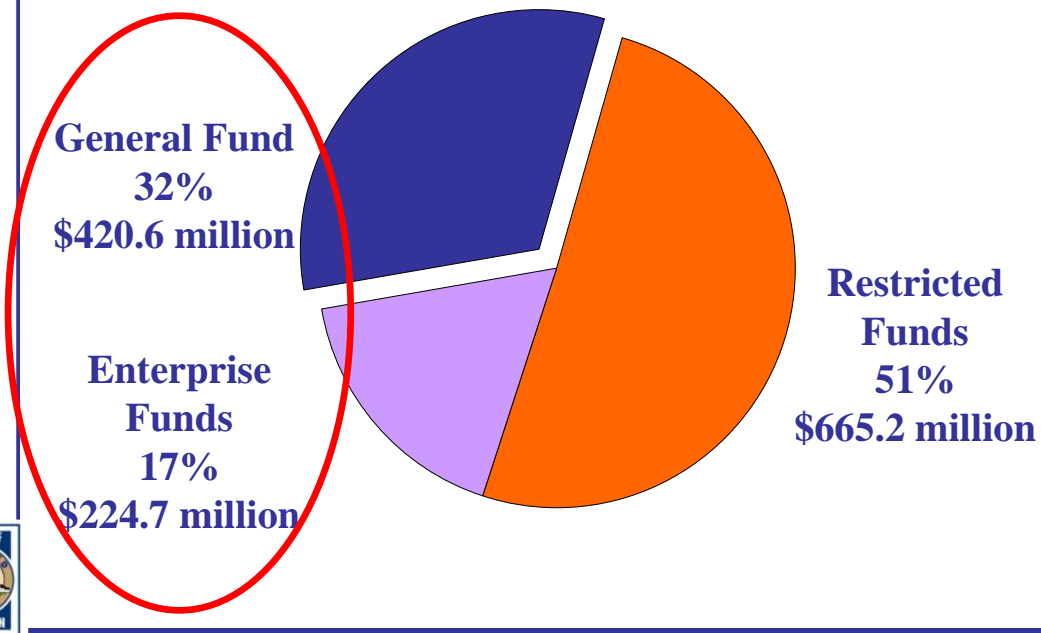
Home Rule

- The limit increases based on inflation and population growth.
- The legislature recognized that the State's limit might not meet local needs for services and provided choices for alternative limits.
- **85% of AZ cities and towns have referred an alternative expenditure measure to the voters.**



FY 2010 Budget

Home Rule



Basic services take a significant part of the City's local revenues

Home Rule

For example:

Public Safety
\$244.1 million

Is more than

City Sales and Primary
Property taxes
\$171.7 million



Without the continuation of Home Rule, there is the possibility of exceeding the State spending limit

Home Rule

Example
FY 2010
(\$ millions)

Expenditures subject to limitation	\$666.5
State expenditures limitation	\$645.3
Amount exceeding limitation	\$ 21.2



Home Rule has enabled the City to:

Home Rule

- Hire police officers and support staff
- Hire firefighters and paramedics
- Repair and repave residential streets
- Expand Park's youth and senior programming
- Fund human capital increases



The Mayor and Council referred the Home Rule option to the City's voters in 2005

- Allows Tucson to define its spending limit as the balanced budget adopted by Mayor and Council
- Allows the City to spend the revenues it collects
- Option chosen by 57 Arizona cities & towns
- Home rule sunsets after 4 years



Approving Home Rule . . .

**DOES NOT
increase existing taxes.**



Continuing Home Rule will allow the City to spend revenues to:

- Maintain improvements to:
 - Police and Fire protection
 - Parks and Recreation facilities
 - Streets
- Utilize fee increases that:
 - Expand Mass Transit system
 - Support Water Utility finance policies
 - Meet Environmental service demands



In summary, Home Rule . . .

- Allows the use of existing and increases to revenues for City services
- Allows for local control of spending, rather than limiting the City to the state's limit
- Does not increase taxes
- Is good for only 4 years; requires voters to authorize

