



Children's Action Alliance

A Voice for Arizona's Children since 1988

SB1104 – TABOR IS STILL A BAD IDEA FOR ARIZONA: MAKES TODAY'S CRISIS BUDGET CUTS PERMANENT

"There is a hole in the bottom of the boat – that is the TABOR spending limit. It works for a little while, but you go out into the future and you sink the boat."

- Colorado State Representative Brad Young (Republican), Chair of the Joint Budget Committee.

SB 1104 would restrict Arizona's budget appropriations to the previous year's appropriation, adjusted only for state population plus inflation. SB 1104 is a bad idea for Arizona because the bill:

- Makes it impossible to restore state spending after revenues have fallen due to an economic recession. During economic downturns – like today – appropriations are reduced to the level of available revenues. SB1104 would not allow the state to recover – even when revenues increase.
- Imitates a failed experiment –TABOR failed miserably in Colorado – the only state to live with it. In November 2005, Colorado business leaders and voters said enough was enough and voted to suspend TABOR.
- Threatens damage to Arizona's economy -- In 2003, the American Society of Civil Engineers gave Colorado a D+ for its road and highway conditions. Under TABOR, Colorado's economy and job growth lagged behind other western states.
- Prevents Arizona from responding to new challenges or opportunities, whether it is attracting economic development, such as the Translational Genomics Research Institute, responding to public health threats like Swine Flu or West Nile virus, or protecting Arizonans from natural disasters like summer wild fires.
- Ignores the real cost of state services. Statewide population growth and overall inflation do not match the cost of state services. From 2000 through 2008, for example, the state prison population grew by 46% while overall state population grew by 29%. TABOR would force prisons to take a larger and larger share of the budget – at the expense of other assets.

ARIZONA ALREADY HAS CONSTITUTIONAL LIMITS ON TAXES AND SPENDING

1. A constitutional limit on appropriations based on percent of personal income.
2. A constitutional supermajority requirement to pass tax increases.
3. Constitutional restrictions on local property tax collections for school districts, cities and counties.

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