

APPLICATION FOR INITIATIVE OR REFERENDUM PETITION SERIAL NUMBER

Secretary of State
1700 W. Washington Street, 7th Floor
Phoenix, AZ 85007

The undersigned intends to circulate and file an INITIATIVE or a REFERENDUM (circle the appropriate word) petition and hereby makes application for the issuance of an official serial number to be printed in the lower right-hand corner of each side of each signature sheet of such petition. Pursuant to Arizona Revised Statutes § 19-111, attached hereto is the full text, in no less than eight point type, of the MEASURE or CONSTITUTIONAL AMENDMENT (circle appropriate word) intended to be INITIATED or REFERRED (circle appropriate word) at the next general election.

SUMMARY: A description of no more than one hundred words of the principal provisions of the proposed law, constitutional amendment or measure that will appear in no less than eight point type on the face of each petition signature sheet to be circulated.

Government as envisioned by the founding fathers derived its just powers from the consent of the governed. The Arizona Constitution currently assures government's ability to tax our property in many cases without limit. With your support we will restore what we believe the founding fathers intended, a system of property taxation with sensible limits that allow the voters both the last word on tax increases that would exceed a levy limit and a means to reduce taxes and keep government spending in check. California's landmark property tax reform measure known as Proposition 13 was the inspiration for this amendment.


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Telephone Number

Arizona Tax Revolt
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Date of Application	August 8, 2007
Signatures Required	230,047
Deadline for Filing	July 3, 2008
Serial Number Issued	C-13-2008
FOR OFFICE USE ONLY	

Revised 11/92

CF # 2006 02757

2008 JUN 10 10:13 AM
AZ SECRETARY OF STATE

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Name of Organization (if any)

Arizona Tax Revolt

OFFICIAL TITLE
AN INITIATIVE MEASURE

PROPOSING AMENDMENTS TO ARTICLE IX, SECTION 19 OF THE ARIZONA CONSTITUTION, RELATING
TO THE ARIZONA TAX REVOLT - PROPERTY TAX LEVY ROLLBACK, LEVY LIMITATIONS AND LEVY
LIMITATION PROTECTIONS.

TEXT OF PROPOSED AMENDMENT

Be it enacted by the People of the State of Arizona:

Sec. 1. **Short title.**

This measure shall be known as the Arizona Tax Revolt - Property Tax Levy Rollback.

Sec. 2. **Purpose.**

The Arizona Tax Revolt - Property Tax Levy Rollback constitutional amendment will reduce, limit and control the property tax burden on Arizona taxpayers. Among other things, this constitutional amendment rolls back property tax levies, and it protects taxpayers from future property tax increases caused by levy increases which, without voter approval, cannot exceed two percent plus the tax attributable to and paid for by new growth.

Sec. 3. **Article IX, Section 19, Arizona Constitution, is amended as follows.**

19. ~~LEVY ROLLBACK: limitation on CHANGES annual increases in PROPERTY local ad valorem tax levies; exceptions; VOTER APPROVAL; PRIVATE RIGHT OF ACTION; DEFINITIONS~~

Section 19. (1) The maximum amount of ad valorem taxes levied by any TAXING ENTITY ~~county, city, town or community college district~~ shall not exceed an amount two per cent greater than the amount levied in the preceding year. THIS LEVY LIMITATION SHALL BE INCREASED EACH YEAR TO THE MAXIMUM PERMISSIBLE LIMIT, WHETHER OR NOT THE TAXING ENTITY ACTUALLY LEVIES AD VALOREM TAXES TO SUCH AMOUNTS, EXCEPT THAT THE TAXING ENTITY'S LEVY IN THE YEAR 2009 SHALL BE LIMITED PURSUANT TO EITHER PARAGRAPH (a) OR (b) OF THIS SUBSECTION, IF APPLICABLE. IF NEITHER PARAGRAPH (a) NOR (b) OF THIS SUBSECTION APPLY, THE TAXING ENTITY'S LEVY IN THE YEAR 2009 SHALL NOT EXCEED THE ACTUAL TAX LEVY OF THE TAXING ENTITY IN 2005 OR THE TAXING ENTITY'S FIRST LEVY IF SUCH OCCURRED AFTER 2005. THE 2009 LEVY LIMITATION PRESCRIBED BY THIS SUBSECTION SHALL BE FURTHER ADJUSTED, UNLESS ALREADY INCLUDED IN SUCH AMOUNT, PURSUANT TO SUBSECTION (5), AND BY THE AMOUNT PRESCRIBED BY SUBSECTION (4), AS APPLICABLE.

(a) THE TAXING ENTITY'S 2009 LEVY SHALL NOT EXCEED THE AVERAGE OF THE ACTUAL TAX LEVIES OF THE TAXING ENTITY IN 2005, 2006, 2007 AND 2008, EXCLUDING ANY YEAR OR YEARS IN WHICH THERE WAS NO LEVY. THIS PARAGRAPH SHALL NOT APPLY IF PARAGRAPH (b) OF THIS SUBSECTION APPLIES, OR IF THE TAXING ENTITY WITHOUT THE APPROVAL OF AT LEAST A TWO-THIRDS VOTE OF THE TAXING ENTITY'S QUALIFIED ELECTORS VOTING ON THE ISSUE IN A NOVEMBER ELECTION IN THE MANNER PRESCRIBED BY LAW, ENGAGED IN EITHER ITEM (i) OF THIS PARAGRAPH IN 2008 OR BEGINNING ON AUGUST 15, 2007, EITHER ITEMS (ii) OR (iii), OF THIS PARAGRAPH.

(i) LEVIED AD VALOREM TAXES THAT INCREASED BY MORE THAN TWO PER CENT, PLUS ANY LEVY ADJUSTMENT COMPUTED IN 2008 PURSUANT TO THE PROVISIONS OF SUBSECTION (5).

(ii) LEVIED, OR ENACTED A NON-AD VALOREM TAX OR ASSESSMENT ON REAL PROPERTY GREATER THAN SUCH AMOUNT WHICH MAY HAVE BEEN LEVIED, OR ENACTED IN THE PRIOR YEAR.

(iii) RECEIVED APPROVAL OF ANY NEW INDEBTEDNESS THAT IS OR WILL BE SECURED BY REAL PROPERTY TAXES.

(b) IF, BEGINNING ON AUGUST 15, 2007:

(i) TWO OR MORE TAXING ENTITIES MERGE OR OTHERWISE COMBINE INTO A SINGLE TAXING ENTITY, THE LEVY OF THE SUCCESSOR TAXING ENTITY IN 2009 SHALL NOT EXCEED AN AMOUNT EQUAL TO THE SUM OF THE LEVIES OF THE PREDECESSOR TAXING ENTITIES IN 2005, OR THE PREDECESSOR TAXING ENTITY'S FIRST LEVY IF LEVIED SUBSEQUENT TO 2005.

(ii) A TAXING ENTITY DIVIDES, SPLITS OR OTHERWISE CEDES ITS TAXING AUTHORITY TO ONE OR MORE TAXING ENTITIES, THE SUM OF THE 2009 LEVIES OF EACH SUCCESSOR TAXING ENTITY SHALL NOT EXCEED THE AMOUNT OF THE PREDECESSOR TAXING ENTITY'S LEVY IN 2005 OR ITS FIRST LEVY IF LEVIED SUBSEQUENT TO 2005, AND SUCH AMOUNT SHALL BE APPORTIONED BETWEEN THE SUCCESSOR TAXING ENTITIES IN THE MANNER PRESCRIBED BY LAW.

IF BOTH ITEMS (i) AND (ii) APPLY, THE SUM OF THE 2009 LEVY OF EACH SUCCESSOR TAXING ENTITY SHALL NOT EXCEED THE SUM OF EACH ORIGINAL PREDECESSOR TAXING ENTITY'S 2005 LEVY OR, AS APPLICABLE, A PREDECESSOR TAXING ENTITIES FIRST LEVY IF LEVIED SUBSEQUENT TO 2005, AND THE 2009 LEVY OF EACH SUCCESSOR TAXING ENTITY SHALL BE COMPUTED IN THE MANNER PRESCRIBED BY LAW NOTWITHSTANDING THE 2009 LEVY LIMITATION PRESCRIBED BY THE PROVISIONS OF ITEMS (i) AND (ii) OF THIS PARAGRAPH.

(2) SUBJECT TO THE PROVISIONS OF SUBSECTION (4), THE FOLLOWING ARE THE ONLY ITEMS THAT the limitation prescribed by subsection (1) does not apply to:

(a) Ad valorem taxes or special assessments levied to pay the principal of and the interest and redemption charges on bonded indebtedness or other lawful long-term obligations issued or incurred for a specific purpose.

(b) Ad valorem taxes or assessments levied by or for property improvement assessment districts, improvement districts and other special purpose districts other than counties, cities, towns and community college districts.

(c) Ad valorem taxes levied by counties for support of school districts.

(3) This section applies to all tax years beginning after December 31, 1981 2008, EXCEPT AS OTHERWISE PROVIDED IN THIS SECTION.

~~(4) The limitation prescribed by subsection (1) shall be increased each year to the maximum permissible limit, whether or not the political subdivision actually levies ad valorem taxes to such amounts, except that beginning in 2007 the limitation prescribed by subsection (1) shall be computed from the actual tax levy of the county, city, town or community college district in 2005.~~

~~(45) BEGINNING ON AND SUBSEQUENT TO NOVEMBER 5, 2008, THE FOLLOWING VOTER APPROVAL REQUIREMENTS SHALL APPLY. The voters, in the manner prescribed by law, may elect to allow ad valorem taxation in excess of the limitation prescribed by this section:~~

(a) A TWO-THIRDS VOTE OF THE QUALIFIED ELECTORS OF A TAXING ENTITY VOTING ON THE ISSUE IN A NOVEMBER ELECTION, IN THE MANNER PRESCRIBED BY LAW, IS REQUIRED TO APPROVE;

(i) ANY TAX LEVIED OR ENACTED BASED ON REAL PROPERTY IN ADDITION TO OR IN EXCESS OF ANY SUCH AMOUNT IN THE PRIOR YEAR, EXCEPT FOR ANY AMOUNT AUTHORIZED BY THE PROVISIONS OF SUBSECTIONS (1), (5) AND (6).

(ii) THE REAL PROPERTY TAX LEVY OF ANY TAXING ENTITY THAT DID NOT ACTUALLY LEVY SUCH A TAX IN THE PRECEDING YEAR.

(iii) EACH ITEM SET FORTH IN SUBSECTION (2), UNLESS ANY SUCH ITEM WAS APPROVED PRIOR TO THE EFFECTIVE DATE OF THIS SUBSECTION. ONCE APPROVED THE LEVYING OF SUCH AMOUNTS DO NOT REQUIRE SUBSEQUENT VOTER APPROVAL.

(b) TEN PER CENT OF THE QUALIFIED ELECTORS OF A TAXING ENTITY, IN A MANNER PRESCRIBED BY LAW, MAY PETITION THE GOVERNING BODY OF THE TAXING ENTITY TO REDUCE THE TAXING ENTITY'S LEVY LIMITATION BY A SPECIFIED AMOUNT NOT TO EXCEED TWENTY PER CENT OF ITS PREVIOUS LEVY. THE PETITIONERS SHALL HAVE AT LEAST EIGHTEEN MONTHS BUT NOT MORE THAN TWENTY-FOUR MONTHS TO COLLECT AND FILE THE PETITION SIGNATURES. IF, WITHIN TWO MONTHS AFTER SUBMITTING THE REQUIRED NUMBER OF PETITION SIGNATURES, THE GOVERNING BODY FAILS TO REDUCE THE LEVY LIMITATION BY THE PETITIONED AMOUNT, THE GOVERNING BODY SHALL CAUSE THE

PETITION TO BE SUBMITTED TO THE VOTERS AT THE NEXT NOVEMBER ELECTION OCCURRING AT LEAST FOUR MONTHS AFTER THE PETITION SIGNATURES WERE SUBMITTED. THE TAXING ENTITY'S LEVY LIMITATION SHALL BE REDUCED BY THE AMOUNT SPECIFIED IN THE PETITION UPON THE AFFIRMATIVE VOTE OF A MAJORITY OF VOTERS VOTING ON THE ISSUE IN THE MANNER PRESCRIBED BY THIS SUBSECTION. ANY REDUCTION IN THE TAXING ENTITY'S LEVY LIMITATION PURSUANT TO THIS SECTION SHALL:

- (i) NOT EXCEED TWENTY PER CENT PER YEAR WHEN TWO OR MORE SUCH PETITIONS ARE APPROVED BY THE VOTERS IN A SINGLE YEAR.
- (ii) BE APPLIED TO THE TAXING ENTITY'S LEVY FOR THE YEAR FOLLOWING THE YEAR IN WHICH THE REDUCTION WAS APPROVED.

(c) ELECTIONS HELD PURSUANT TO THIS SECTION SHALL BE ADMINISTERED BY THE COUNTY IN WHICH THE GEOGRAPHIC AREA OF THE TAXING ENTITY IS LOCATED AND SHALL BE HELD AT A NOVEMBER ELECTION. IF THE TAXING ENTITY'S GEOGRAPHIC AREA IS LOCATED WITHIN TWO OR MORE COUNTIES, ELECTIONS SHALL BE ADMINISTERED SEPARATELY IN EACH COUNTY ON THE SAME DATE AND:

- (i) A LEVY DECREASE SHALL BE APPROVED BY A MAJORITY VOTE OF THE QUALIFIED ELECTORS OF THE TAXING ENTITY VOTING ON THE ISSUE.
- (ii) A LEVY INCREASE SHALL BE APPROVED BY A TWO-THIRDS VOTE OF THE QUALIFIED ELECTORS OF THE TAXING ENTITY VOTING ON THE ISSUE, PROVIDED THAT THE QUALIFIED ELECTORS OF EACH OF THE COUNTIES COMPRISING THE TAXING ENTITY SEPARATELY APPROVE OF THE INCREASE, EACH BY A TWO-THIRDS VOTE.

(d) ALL COSTS OF ELECTIONS HELD PURSUANT TO THIS SECTION SHALL BE CHARGED AGAINST THE FUNDS OF THE TAXING ENTITY, EXCEPT THAT THE COSTS OF AN ELECTION FOR A TAXING ENTITY'S INITIAL LEVY SHALL BE CHARGED AGAINST THE FUNDS OF THE RESPECTIVE COUNTY OR COUNTIES ADMINISTERING EACH SEPARATE ELECTION IN WHICH THE TAXING ENTITY IS GEOGRAPHICALLY LOCATED. THE COSTS OF THE ELECTION SHALL BE CHARGED AGAINST THE STATE IF THE TAXING ENTITY IS THE STATE OR THE TAXING ENTITY'S GEOGRAPHIC AREA ENCOMPASSES THE ENTIRE STATE.

(e) IF THERE ARE NO QUALIFIED ELECTORS RESIDING WITHIN THE GEOGRAPHIC BOUNDARY OF A TAXING ENTITY, THE WRITTEN CONSENT OF THE FIRST PERSON OR ENTITY LISTED ON THE TITLE, OR OTHER ENTITY OR AUTHORIZED AGENT REPRESENTING ALL OWNERS OF A GIVEN PARCEL, SUCH THAT THE OWNERS OF AT LEAST TWO-THIRDS OF THE TAXING ENTITY'S GEOGRAPHIC AREA ARE IN FAVOR OF APPROVAL IN LIEU OF AN ELECTION PURSUANT TO PARAGRAPH (a) OF THIS SUBSECTION.

(56) The limitation prescribed by subsection (1) ~~of this section~~ shall be increased by the amount of ad valorem taxes levied against property not subject to taxation in the prior year and shall be decreased by the amount of ad valorem taxes levied against property subject to taxation in the prior year and not subject to taxation in the current year. Such amounts of ad valorem taxes shall be computed using the rate applied to property not subject to this subsection.

(6) BEGINNING IN 2010, THE LEVY LIMITATION PRESCRIBED BY SUBSECTION (1):

- (a) AS ADJUSTED BY THE PROVISIONS OF SUBSECTIONS (4), (5) AND (8), IF APPLICABLE, AND USED IN COMPUTING SUBSEQUENT LEVIES, MAY BE DECREASED WITHOUT LIMIT BY A MAJORITY VOTE OF THE MEMBERSHIP OF THE TAXING ENTITY'S GOVERNING BODY.

(b) SHALL BE ADJUSTED ANNUALLY BY A PERCENTAGE EQUAL IN BOTH SIGN AND MAGNITUDE TO ANY CHANGE IN THE PHOENIX-MESA CONSUMER PRICE INDEX (CPI-U) COMPUTED ON ALL ITEMS AS PUBLISHED BY THE UNITED STATES DEPARTMENT OF LABOR, BUREAU OF LABOR STATISTICS, OR ITS SUCCESSOR AGENCY, WHICH MOST ACCURATELY REFLECTS INFLATION AND DEFLATION IN THE PHOENIX AREA COMPUTED AS THE MOST RECENT ANNUAL PERCENTAGE CHANGE USING EITHER THE ANNUAL TO ANNUAL OR FIRST HALF TO FIRST HALF DATA, EXCEPT THAT ANY SUCH INCREASE SHALL NOT EXCEED THE TWO PER CENT LIMITATION PRESCRIBED BY SUBSECTION (1). IF SUCH AN INDEX IS NO LONGER AVAILABLE, THE LEGISLATURE SHALL SELECT A SIMILAR INDEX APPLICABLE TO ARIZONA.

(7) The legislature shall provide by law for the implementation of this section IN A TIMELY MANNER.

(8) PUNITIVE MEASURES FOR NONCOMPLIANCE: CIVIL ACTION.

- (a) ANY TAXING ENTITY THAT FAILS TO COMPLY WITH THE PROVISIONS OF THIS SECTION SHALL:

(i) AT THE PARCEL OWNER'S OPTION AND IN THE MANNER PROVIDED FOR BY LAW, REFUND OR CREDIT THE OVERPAYMENT TO THE PARCEL OWNER, AT SIXTEEN PER CENT SIMPLE INTEREST FROM THE DATE IN EACH YEAR THAT THE FIRST INSTALLMENT IN ERROR WAS DUE.

(ii) HAVE OR CAUSE THE LEVY LIMITATION PRESCRIBED BY THIS SECTION REDUCED TO THE MAXIMUM PERMISSIBLE AMOUNT.

(b) ANY PERSON SHALL HAVE STANDING TO BRING AN ACTION IN THE SUPERIOR COURT TO ENFORCE THE PROVISIONS OF THIS SECTION. THE COURT MAY AWARD COSTS AND REASONABLE ATTORNEYS' FEES TO A PREVAILING PLAINTIFF. AT THE OPTION OF THE PLAINTIFF, THE ACTION MAY BE BROUGHT IN THE SUPERIOR COURT OF THE COUNTY THAT GEOGRAPHICALLY CONTAINS ANY PART OF THE CHALLENGED TAXING ENTITY OR IN THE SUPERIOR COURT OF MARICOPA COUNTY.

(9) DEFINITIONS. FOR PURPOSES OF THIS SECTION:

(a) "NOVEMBER ELECTION" MEANS AN ELECTION HELD ON THE FIRST TUESDAY AFTER THE FIRST MONDAY IN NOVEMBER.

(b) "ORIGINAL PREDECESSOR TAXING ENTITY" MEANS A TAXING ENTITY THAT EXISTED AS OF AUGUST 15, 2007, OR WAS INITIALLY FORMED THEREAFTER AND NOT THE RESULT OF A CHANGE OF STATUS AS DEFINED BY SUBSECTION (1)(b)(i) OR (1)(b)(ii).

(c) "TAXING ENTITY" MEANS THE STATE OR ANY POLITICAL SUBDIVISION OF THE STATE, INCLUDING WITHOUT LIMITATION ANY GOVERNMENTAL BODY OR ENTITY AUTHORIZED TO LEVY A TAX, ASSESSMENT, OR SPECIAL ASSESSMENT, ON REAL PROPERTY.

(10) THE PROVISIONS OF THIS SECTION SHALL BE LIBERALLY CONSTRUED AND SHALL APPLY NOTWITHSTANDING ARTICLE IX SECTIONS 8 AND 23 OF THIS CONSTITUTION.

Sec. 4. **Severability.**

If any provision of this amendment or its application to any person or circumstance is held invalid, the invalidity shall not affect other provisions or applications of the amendment that can be given effect without the invalid provision or application, and to this end the provisions of this amendment are severable.

Sec. 5. **Legislative Authority.**

Subject to the provisions of this amendment if adopted, the Legislature or any other taxing entity so empowered may enact any measure designed to further the purpose of this amendment.

Sec. 6. **Submission to Voters.**

The Secretary of State shall submit this proposition to the voters at the next general election as provided by Article XXI of the Arizona Constitution.

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