

Alternative Expenditure Limitation, or “Home Rule” Option

WHAT IS HOME RULE?

The State of Arizona Constitution imposes a formula-based budget spending limit on Arizona cities and towns, including the Town of Star Valley. The formula-based spending limit does not take into consideration the services and programs provided to citizens by each city or town such as public safety, water, and roadway infrastructure.

As an alternative to this formula-based limit the State Constitution allows voters of a municipality to approve a local Alternative Expenditure Limitation, otherwise known as the “Home Rule” Option. The Local Alternative Expenditure Limitation or “Home Rule” Option allows a city or town to adopt its own budget limits locally – based on local needs, service levels and available resources.

WHY IS IT ON THE PRIMARY ELECTION BALLOT?

The Town of Star Valley voters have approved the Home Rule Option every four years since 2008. To continue the Home Rule Option, it must be passed by voters every four years. It was last passed in 2014.

HAVE OTHER CITIES AND TOWNS AUTHORIZED HOME RULE?

YES - Home Rule and permanent adjustments have been voted on and approved in many other Arizona cities and towns.

DOES APPROVAL OF HOME RULE GIVE THE TOWN AUTHORITY TO IMPOSE NEW TAXES?

NO - Home Rule does not empower the Town Council to create new and additional taxes nor does it enable the Town to spend beyond the revenue it currently receives. The Town is mandated by state law to operate with a balanced budget. Approval to continue Home Rule allows the Town to spend the revenues it collects, as approved in the annual budget.

WHAT HAPPENS IF HOME RULE IS NOT CONTINUED?

If Home Rule is not approved, the Town of Star Valley will operate under the state-imposed formula limit, resulting in reduction in Town services, beginning in fiscal year 2019/2020. Budgeted expenditures would be limited to no more than \$2,538,666.00, which would translate into a severe reduction in Town services, which include public safety, water utility services, streets and roads maintenance, parks maintenance, and community services.

IF HOME RULE IS CONTINUED, WHAT WILL IT MEAN FOR THE TOWN AND ITS RESIDENTS?

The continuation of Home Rule enables the Town residents and the Mayor and Council to decide the level of service best for Star Valley. It allows the Town to expend the revenues it receives to provide services to residents, and to continue to set its own budget spending limits locally through the annual budget process. The local expenditure estimate for the fiscal year beginning July 1, 2019 is \$6,788,151.00.