



## **Facts on Home Rule**

**In the August 2022 election, you will have the opportunity to vote on the City's Home Rule Option (Alternative Expenditure Limitation).**

### **What is the History and Background of this Issue?**

In 1980, Arizona voters approved a tax reform package, which included a state-imposed limitation on what cities and towns could spend. The State-Imposed Expenditure Limitation (SIEL) is based on a formula, adjusted for population and inflation each year. The legislation also allowed the City's voters to approve an exception to the SIEL, which is Alternative Expenditure Limitation. As an alternative to the SIEL the City voters may elect to make annual budget decisions for their city "at home" or as an "alternative" to using the SIEL. This is the Home Rule option.

### **Will This Issue Affect Taxes?**

No. Whether this issue passes or fails, it will not have a direct effect on taxes increasing or decreasing.

### **What Happens if the Ballot Issue Passes?**

The City Council will continue to set the budget locally, as it has for the last 26 years, taking into account all the financial resources available and addressing community priorities.

### **What Happens If the Ballot Issue Fails?**

The City would operate under the SIEL which will set the annual budget limit. While the SIEL controls the amount of funds to be spent, it does not limit the amount of revenue received – which may result in the City's inability to expend funds despite sufficient revenue to support a higher level of operations. Based on Fiscal Year 2022 estimates, the City would reduce its estimated annual budget by \$33 million or 53%, regardless of the amount of revenue collected that year.

### **Where can I learn more?**

We will hold two community meetings at City Hall on June 1 and June 22 from 4 to 6 pm to answer any additional questions. The meetings will be live streamed at [www.sedonaaz.gov/councillive](http://www.sedonaaz.gov/councillive). Visit [www.sedonaaz.gov/homerule](http://www.sedonaaz.gov/homerule) for more info.

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**YES is a Vote to Continue Home Rule**

**NO is Vote for a State-Imposed Expenditure Limit**

**REMEMBER:** You can vote by mail or in person on August 2, 2022, from 6 a.m. to 7 p.m. at your precinct polling place or vote center. Please check with your County to confirm the location of your precinct polling place or the nearest vote center. If you have any questions, contact the City Clerk's office at 282-3113 or check the City's website at [www.SedonaAZ.gov/homerule](http://www.SedonaAZ.gov/homerule).

This information is being disseminated to educate voters on the issue of the alternative expenditure limitation. Voters are urged to study the issue carefully and to arrive at their own conclusion concerning how they should cast their vote. Further information can be obtained from the State of Arizona Office of the Auditor General website at: [www.azauditor.gov](http://www.azauditor.gov).