

December 31, 2007

**Specific Recipient has been edited (Very Important for all AZ Property Tax Payers)**

Over the past few years, rising home values have led to substantial increases in Residential property taxes. Most residential communities saw property tax increases in the 30 to 60% percent range. As property values increased, local governments reaped huge windfalls of tax revenue. The notion that people should pay more in taxes just because the value of their homes increases is irrational. Nevertheless, what goes up must come down, right?

In other words, now that home values are dropping, property taxes should decrease. Well, not so fast.

At the local level, there has been relatively little effort to curb skyrocketing property taxes. Local elected officials couldn't find the self-restraint to turn away new tax dollars pouring into their coffers simply because home values were increasing. But at the state level, lawmakers did take action to curb high property taxes.

In 2006, the Arizona legislature passed a statewide property tax cut, which reduced property taxes by about \$220 million a year, or about \$125 for the average home owner. At the time, it was the only action providing any kind of relief to escalating property taxes. But there was a catch to this tax cut: it wasn't permanent.

The state property tax cut of 2006 was good only for three years. That means that, in 2009, the tax is scheduled to come back, thereby enacting the largest tax increase in Arizona history. Of course, there is a simple fix to this looming tax hike if lawmakers act now. When the legislature convenes in January, lawmakers could take a stand for taxpayers and make this temporary tax cut permanent. Simple enough? Not really.

In Arizona, nothing's easy. While you might think that keeping taxes low would be a priority, some lawmakers see the automatic tax increase as an easy way to raise taxes without having to actually take a vote to do so. Because the tax increase occurs automatically in 2009, it would be the first major tax hike to occur at the legislature since 1992, when Arizona voters required that all legislative tax increases be passed with no less than a two-thirds supermajority vote.

Since this property tax comes back automatically, the two-thirds supermajority requirement is irrelevant. Sneaky, huh?

The good news for us is that there are a handful of committed lawmakers who will push for a vote to make the state property tax cut permanent. These lawmakers want to make the passage of this bill their first order of business in January. We need to support their efforts.

Remember, this is an attempt to prevent a huge property tax hike at a time when property values are declining.

We need to act now before a backroom deal similar to last year is agreed-upon. In that case, legislative leaders and the governor agreed to a huge spending plan without continuing to enact pro-growth tax reforms. Sure, government received a huge windfall, but at the expense of sound tax policy and economic growth. We can't afford to let this happen again. Now, more than ever, we need to ensure that this looming property tax hike doesn't occur.

The Arizona Free Enterprise Club is committed to stopping this tax hike. We'll use our resources to lobby and support this tax cut. But we need your help, too. Your elected officials need to hear from you. Tell them to make the state property tax cut permanent. And tell them to make it the first order of business in January. You can find your lawmakers' contact information at [www.azleg.gov](http://www.azleg.gov). Act now, the legislative session begins January 14.

Thank you.

Sincerely,

Steve Voeller – President - Arizona Free Enterprise Club

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**A vote for Ron is a vote for lower taxes made possible with a correctly functioning "User-Friendly" assessment system.**

**PLEASE - Forward this E-Mail to every Pinal County Taxpayer in your address book.**

*"We must no longer allow our future  
to be held hostage by our past."*

Thank You;

Ron Reinagel for Assessor - [CLICK HERE FOR WEBSITE](#)

**Larkin's Law & Larkin Must Go!  
Elect Ron "Low-Tax" Reinagel  
Pinal County Assessor in 2008**