



# PROPOSITION 416 PERMANENT BASE ADJUSTMENT SEVEN FACTS



## 1 NOT A TAX INCREASE

There will be a 0% increase in taxes and fees by approving the Permanent Base Adjustment.



## 2 CANNOT SPEND MORE \$\$\$ THAN COLLECTED

Proposition 416 will NOT permit the City of Kingman to spend more than it collects in revenues.

## 3 LOCAL CONTROL

The Permanent Base Adjustment provides local control to meet local needs, instead of having to use the state-imposed calculation based upon the 1980 budget.



## 4 SERVICES FOR A GROWING COMMUNITY

Without an increase to the state spending limit, the City of Kingman will eventually be unable to spend some of the revenues it collects on services such as public safety, streets, parks and recreation, economic development and tourism, water, wastewater, solid waste and the airport.

## 5 POTENTIAL LOSS OF SERVICES

Without a Permanent Base Adjustment or Home Rule alternative, the state spending limit would force the city to cut about half of its budget - \$51 million.



## 6 HISTORY

In 1980, Arizona voters approved an initiative that limited cities' and towns' spending. The limit is based on a city's budget and services as of 1980.\* It does not take into consideration any new services provided since 1980 or services provided to citizens outside a city's boundary. The state recognized this and approved of two spending limit alternatives that could be taken to a city's voters: Permanent Base Adjustment AND Home Rule.

## 7 WHAT IS THE DIFFERENCE?

Home Rule allows cities to exclude certain expenses from the state's spending limit (such as water and wastewater). Permanent Base Adjustment instead allows cities to adjust the 1980 budget number used in the state-imposed calculation.



\*The 1980 base is adjusted by inflation and a city's estimated population each year.