Alternative Expenditure Limitation Adjustment

February 12, 2026

Arizona Expenditure Limitation Law

What: Constitutional Amendment Approved by Arizona Voters in 1980

Purpose: To Control Expenditures of Local Revenues and Limit Future Spending to Inflation, Population Changes, and Voter Approved Adjustments

Not Considered in Determining the Limit:

- Revenues or reserves
- New and expanded public services
- Seasonal population changes

Expenditure Limitation Law

Exclusions:

- Debt Service, Capital Leases, and Grants
- “Excess” HURF revenues
- Investment income

Who: Economic Estimates Commission (EEC) determines Limitation Annually

- 1979-80 Base Year

Permanent Base Adjustment

Arizona Constitution
Article IX, Section 20, Subsection 6

- A city or town may adjust the base expenditure limit by the affirmative vote of two-thirds of the Council and approved by a majority of the voters
- The adjustment is effective at the beginning of the fiscal year immediately following the approval
- One-time election that permanently increases limit
- Adjustments are expressed in 1979-80 dollars
- Vote must be held at a regular primary or general election

History
Permanent Base Adjustment Elections

	2000	2006	2016
Increase (1979-80 dollars)	$2,850,000 120.8%	$1,431,543 26.8%	$3,540,285 53.2%
Increase Equivalent Dollars	$7,955,000	$4,900,300	$14,000,000
Stated Purpose	Sewer system and street improvements including landscaping, recreation paths, medians, landscaping, and traffic calming	Fire Service, improved street maintenance, improved maintenance of public properties, and in-house plan review	Police, fire, wastewater, alarm services, convention and visitor promotions, buried power lines
Election Date	General (Special) November	General May	General November
Election Result	Turnout = 86% Yes = 80%	Turnout = 38% Yes = 76%	Turnout = 84% Yes = 65%

Resolution 2026-01

- With voter approval, in 2027-28 the Town's expenditure limitation will increase by $20,000,000 from $48,281,082 to $68,281,082.
- The additional expenditure authority will be used for local budgetary purposes including public safety and street improvements.
- Does not impose any new or additional taxes

RESOLUTION NUMBER 2026-01

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA, PROPOSING A PERMANENT ADJUSTMENT TO THE 1979-1980 BASE EXPENDITURE LIMIT OF THE TOWN OF PARADISE VALLEY TO BE SUBMITTED TO THE VOTERS OF THE TOWN OF PARADISE VALLEY AT THE PRIMARY ELECTION ON JULY 21, 2026.

WHEREAS, Article IX, Section 20(6) of the Arizona Constitution permits the Mayor and Town Council (the "Town Council") of the Town of Paradise Valley (the "Town"), by an affirmative vote of two-thirds of the Town Council, to submit to the voters a proposal to permanently adjust the Town's state-imposed 1979-1980 base expenditure limit (a "Permanent Base Adjustment"); and

WHEREAS, a Permanent Base Adjustment may be referred to the voters of the Town at a regularly scheduled general election or at a nonpartisan election held for the nomination or election of the members of the Town Council; and

WHEREAS, the Town Council has determined that a Permanent Base Adjustment does not impose any new or additional taxes; and

WHEREAS, the Town Council has determined it is in the best interests of the Town to adjust its base expenditure limit and to submit the question to the voters for approval.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Paradise Valley, Arizona, as follows:

Section 1. The recitals above are hereby incorporated as if fully set forth herein.

Section 2. A Permanent Base Adjustment shall be submitted to the qualified voters of the Town at the July 21, 2026, primary election, as follows:

SHALL THE EXPENDITURE BASE OF THE TOWN OF PARADISE VALLEY BE PERMANENTLY ADJUSTED BY $4,219,372?

Capital Projects Accumulation Fund

Arizona Constitution

Article IX, Section 20, Subsection 3(d)(vii)

The Town may exclude revenues accumulated to pay for certain capital projects. Voters must approve both the projects and the accumulation of revenue.

History	
1993 CPAF Election	Amount / Purpose
Approved by 68% Expired in 2004	$35 Million for flood control, utility undergrounding, roads & sewer service

Resolution 2026-02

- With voter approval, any revenue accumulated for capital projects and land expenditures, including streets, sewer systems, and all other capital improvements shall be excluded from the Town's state-mandated expenditure limit.

- Does not impose any new or additional taxes

RESOLUTION NUMBER 2026-02

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF PARADISE VALLEY, ARIZONA, PROPOSING A CAPITAL PROJECTS ACCUMULATION FUND EXEMPTION TO THE EXPENDITURE LIMITATION PRESCRIBED BY ARTICLE IX, SECTION 20, OF THE CONSTITUTION OF ARIZONA BE SUBMITTED TO THE VOTERS OF THE TOWN OF TOWN OF PARADISE VALLEY AT THE PRIMARY ELECTION ON JULY 21, 2026.

WHEREAS, Article IX, Section 20(3)(d)(viii) of the Arizona Constitution permits an exemption from the State-mandated expenditure limit for "[a]ny amounts or property accumulated for the purpose of purchasing land, building or improvements or constructing buildings or improvements" (this exemption is referred to as a "Capital Projects Accumulation Fund"), if such exemption has been approved by the voters; and

WHEREAS, the Mayor and Town Council (the "Town Council") of the Town of Paradise Valley (the "Town") have determined it is in the best interests of the Town to accumulate revenues over time to pay for capital improvements; and

WHEREAS, the Town Council has determined that a Capital Projects Accumulation Fund does not impose any new or additional taxes; and

WHEREAS, the Town Council has determined it is in the best interests of the Town to submit the question to the voters to request approval of a Capital Projects Accumulation Fund.

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the Town of Paradise Valley, Arizona, as follows:

Section 1. The recitals above are hereby incorporated as if fully set forth herein.

Section 2. A Capital Projects Accumulation Fund shall be submitted to the qualified voters of the Town at the July 21, 2026, primary election, as follows:

SHALL THE TOWN BE ALLOWED TO EXCLUDE CAPITAL PROJECTS AND LAND EXPENDITURES, INCLUDING STREETS, SEWER SYSTEMS, WATER SYSTEMS, AND ALL OTHER CAPITAL IMPROVEMENTS FROM ITS STATE-MANDATED EXPENDITURE LIMIT?

Questions?