AGENDA MATERIAL
DATE 2/9/26 ITEM NO. RA 5

Pima County General Obligation Bonds 101

What are general obligation bonds?
General obligation bonds are a common form of financing used by cities, towns, counties, school districts and other local governments and taxing districts. These governments or districts sell bonds to investors and use the revenue to fund capital improvement projects. General obligation bonds are attractive to investors because the interest earned is typically tax exempt. Voter approval is required before Arizona counties can sell general obligation bonds. ARS 35-451 thru ARS 35-462.

What types of projects does Pima County typically fund with general obligation bonds?
General obligation bonds are typically used to fund capital improvements including land acquisition, design and construction. Pima County has used GO bonds to fund the following project types: Parks and recreational facilities, community centers, libraries, public health clinics, court facilities, sheriff substations, flood control improvements, affordable housing, neighborhood reinvestment projects, land conservation, general county facility improvements and more. Projects are typically programmed to be delivered over several years.

Where are these projects typically located?
Across unincorporated Pima County, inside cities and towns, and on tribal lands.

How is general obligation bond debt repaid?
General obligation bonds are paid back with secondary property taxes. The secondary property tax is levied on all taxable property within the County, including property within cities and towns. Arizona counties cannot sell general obligation bonds and levy a secondary property tax without regional voter approval. With voter approval, counties can incur general obligation debt up to 15% of the net assessed property value of the county. For Pima County, 15% of net assessed value in FY25 is approximately $1.9 billion.

What actions are required of the Board of Supervisors?
Calling a bond election requires the majority of the Board to approve a resolution to call the election, including one or more bond propositions (questions) to be placed on the ballot. From a feasibility standpoint, the Board must call the election at least 120 days before election day (July), which is limited in State statute to November elections. Ideally, planning for a bond election would begin a year prior to calling the bond election. County code, explained below, also requires the Board adopt a detailed bond implementation plan by ordinance prior to early voting.

Note that registered voters (15% or more) can also petition the Board to call a bond election – and in that case the Board is required to call the election.

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How can the public be assured that they are getting what they voted for?
Accountability and transparency are extremely important. As part of any Bond effort, Pima County code (known as the Truth in Bonding Code) requires that a Bond Advisory Committee of 25 members representing each of the incorporated cities and towns, the two tribes, the Pima County Board of Supervisors, and the County Administrator be appointed. The Committee is responsible for making recommendations about the amount of bond funding and projects to be included in bond implementation plans for future bond elections. The Committee is also responsible for overseeing implementation of voter approved bond programs. The Committee meets at a minimum twice a year to review and approve status reports on the bond programs and consider any substantial changes. Any substantial changes to project scopes, benefits, costs or timing must be approved by this committee at a public meeting and by the Pima County Board of Supervisors after a public hearing that is noticed in the newspaper. Pima County's bond programs received high marks from an audit conducted by the Arizona Auditor General's office.
https://codelibrary.amlegal.com/codes/pimacounty/latest/pimacounty_az/0-0-0-633#JD_Chapter3.06

How to learn more?
www.bonds.pima.gov