



PIMA COUNTY
FINANCE & RISK MANAGEMENT

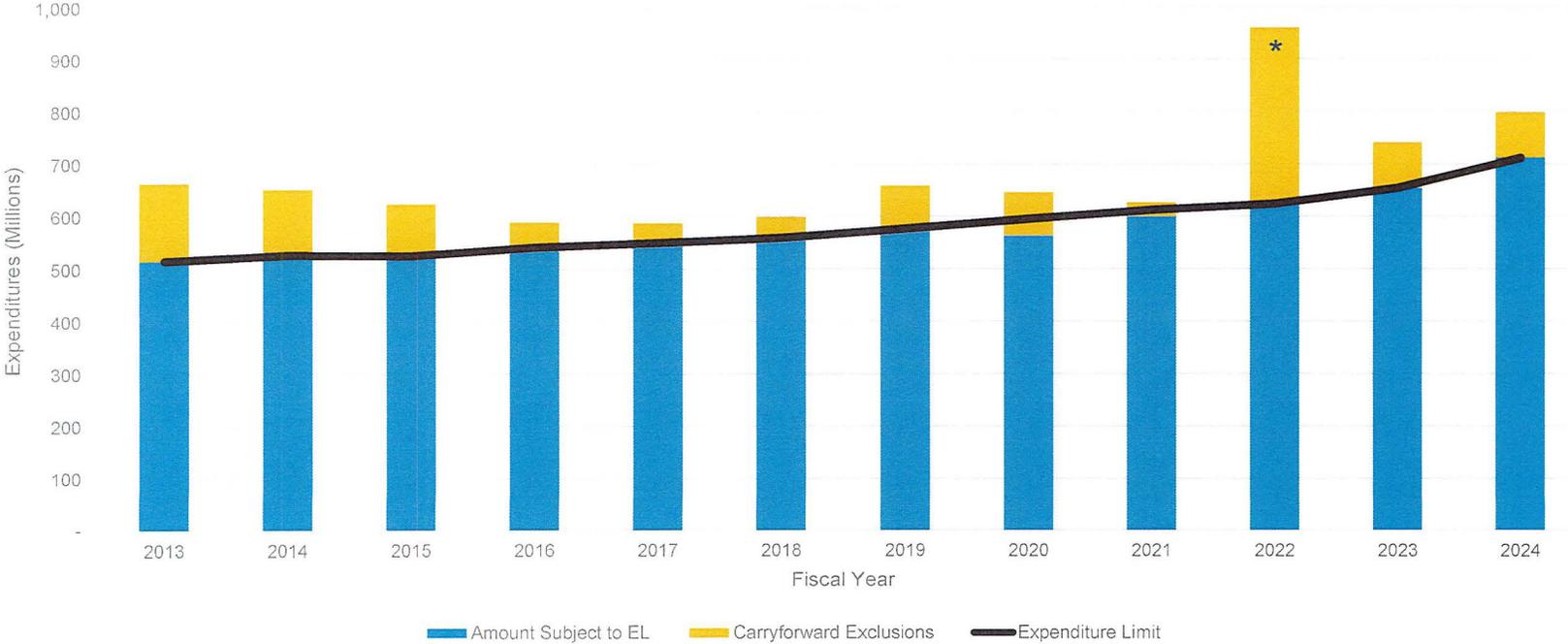
Expenditure Limit Base Level Increase

February 9, 2026

Expenditure Limit Overview

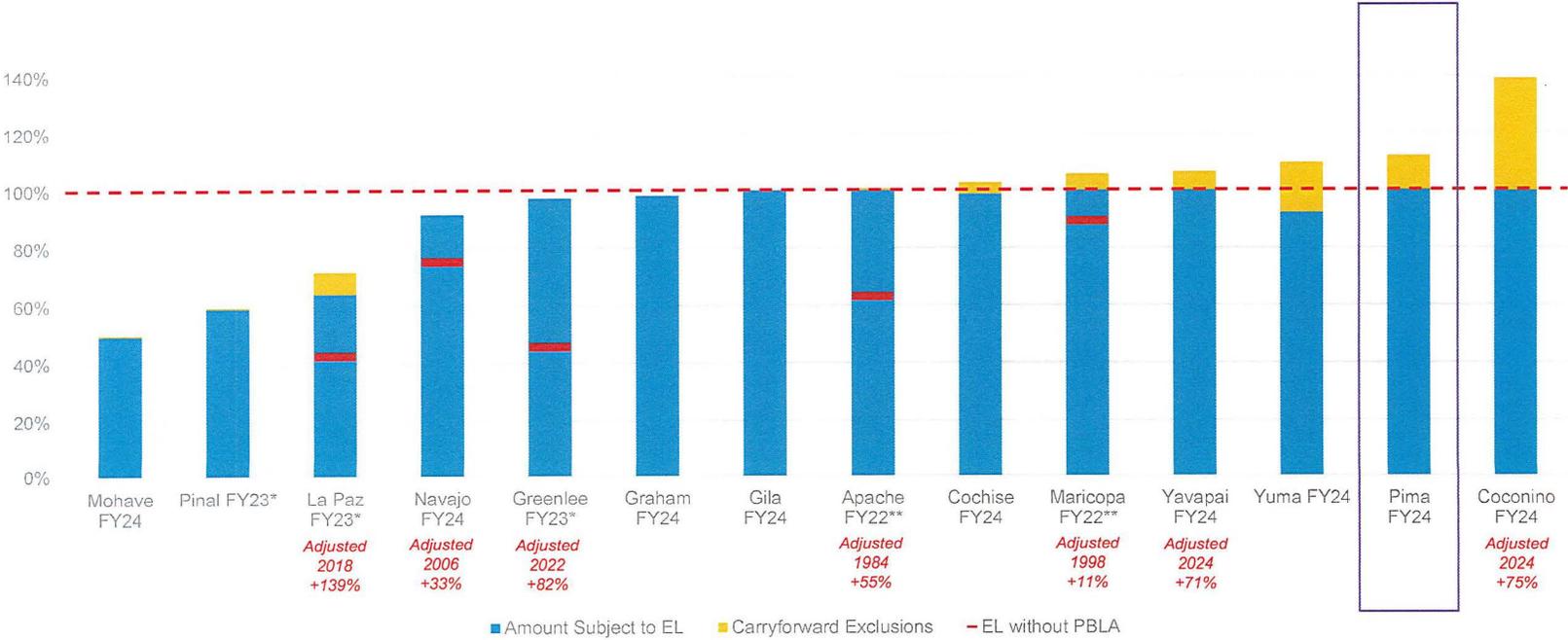
- State Constitutional amendment passed by voters in 1980 to limit growth of local government.
 - Accompanied by levy limit amendment
 - Affects all counties, community college district, cities, and towns
 - Limits growth of expenditures
- Expenditure Limit does not set a jurisdiction's taxing authority.
(does not raise property or sales tax)
- Calculated as follows:
EL = 1980 base limit x population growth x inflation
FY26 EL = \$93,755,872 x 2.1637 x 3.7566 = \$762,073,160

Pima County Expenditure Limit Utilization



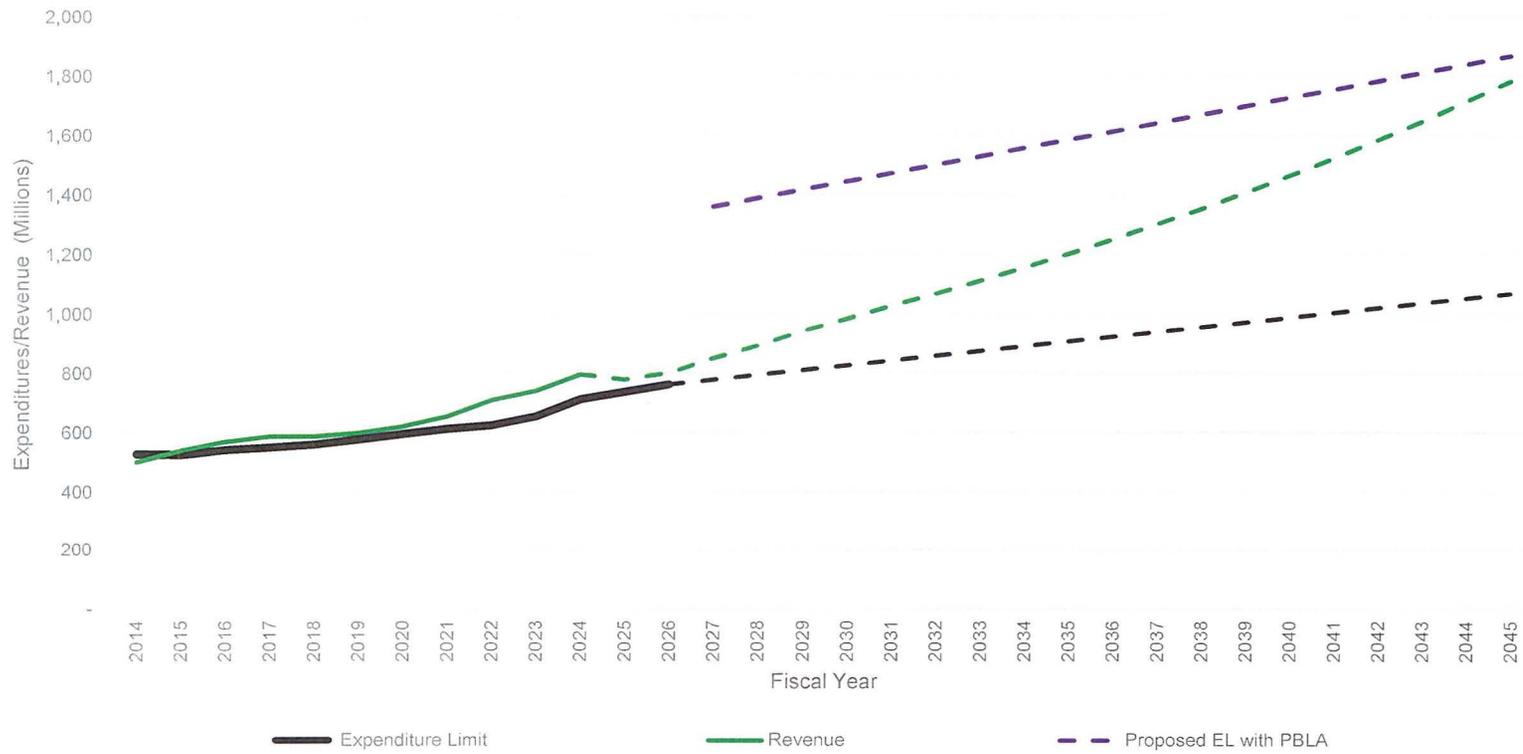
* The large increase in FY22 carryforward exclusions resulted from \$266M in pension obligation proceeds received in FY21 but not expended until FY22 due to budget authority constraints.

How does Pima Compare to Other Counties?



What Does the Future Look Like?

Pima County Expenditure Limit



Implications of Exceeding Expenditure Limit

- If a County exceeds their expenditure limit, the County is required to reduce its **levy** limit in the following fiscal year by the amount exceeded.
 - For FY23 (TY22), EL was \$654M and subject expenditures were \$741M
 - County used \$87M in carryforward exclusions to meet EL; otherwise, County would have had to subtract that amount from the levy limit for TY24.
 - For FY25 (TY24), levy limit of \$531M would have been reduced to \$444M
 - Actual levy for TY24 was \$461M, County would have had a \$17M shortfall.

Pima County Options

Single Year Override

- Must be for a specified amount and purpose
- Override is only effective for specified fiscal year

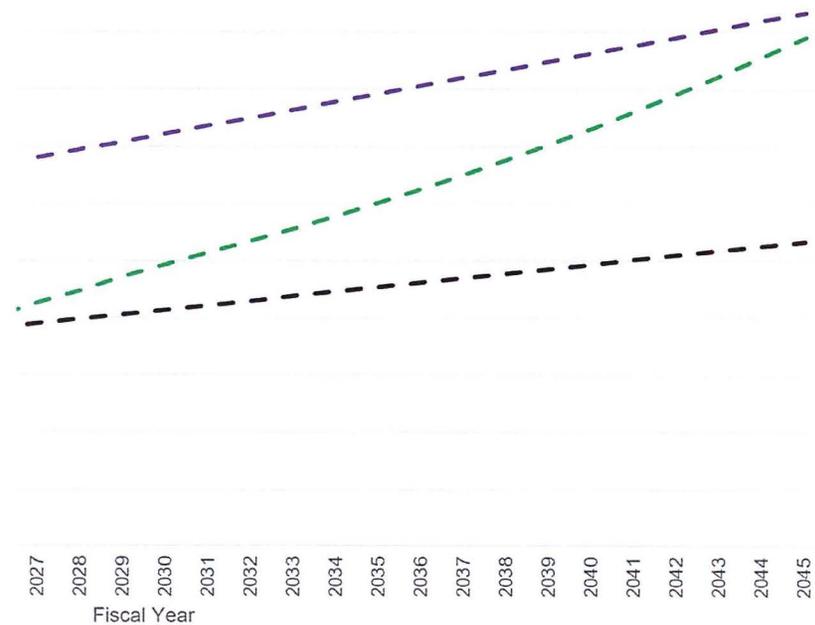
Permanent Base Limit Adjustment

- Permanently raises expenditure limit
- No statutory limit on amount of adjustment
- Approval does not raise taxes or grant Board of Supervisors additional authority to levy taxes
- (Maricopa, Coconino, Yavapai, Navajo, Greenlee, and LaPaz counties; along with Tucson, Marana, and Oro Valley have done a PBLA)

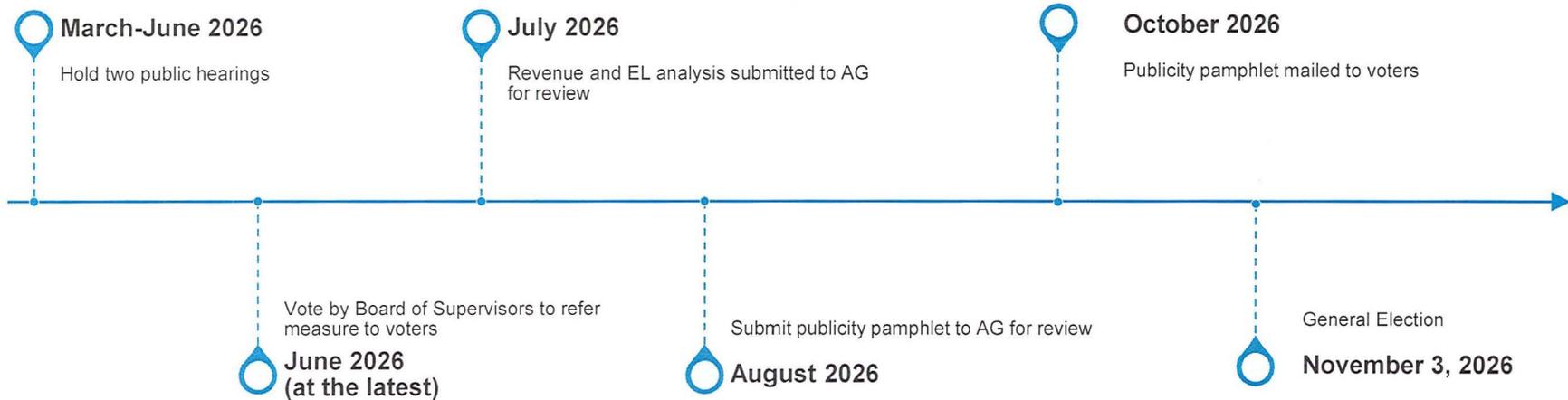
Either option requires voter approval

Permanent Base Limit Adjustment

- County can request from voters any dollar limit increase to the base limit
- A \$10M base limit increase would increase the expenditure limit by ~\$80M or 11%
- A \$70M base limit increase would increase the expenditure limit ~ \$590M for FY 2028 or 75% increase over 1980 base limit



What are the Steps?



Notes:

Requirements of ARS 41-563.01 to .03

- Public hearings require notice in paper of record
- Vote to refer must occur immediately following 2nd hearing and pass with 2/3 majority
- Analysis and publicity pamphlet is reviewed by Auditor General's Office

Questions



PIMA COUNTY

Board of Supervisors

Jennifer Allen, *Chair*, District 3
Dr. Matt Heinz, *Vice Chair*, District 2
Rex Scott, District 1
Steve Christy, District 4
Andrés Cano, District 5

Pima County Administrator

Jan Leshar

Deputy County Administrators

Carmine DeBonis, Jr.
Steve Holmes