



PIMA COUNTY  
FINANCE & RISK MANAGEMENT

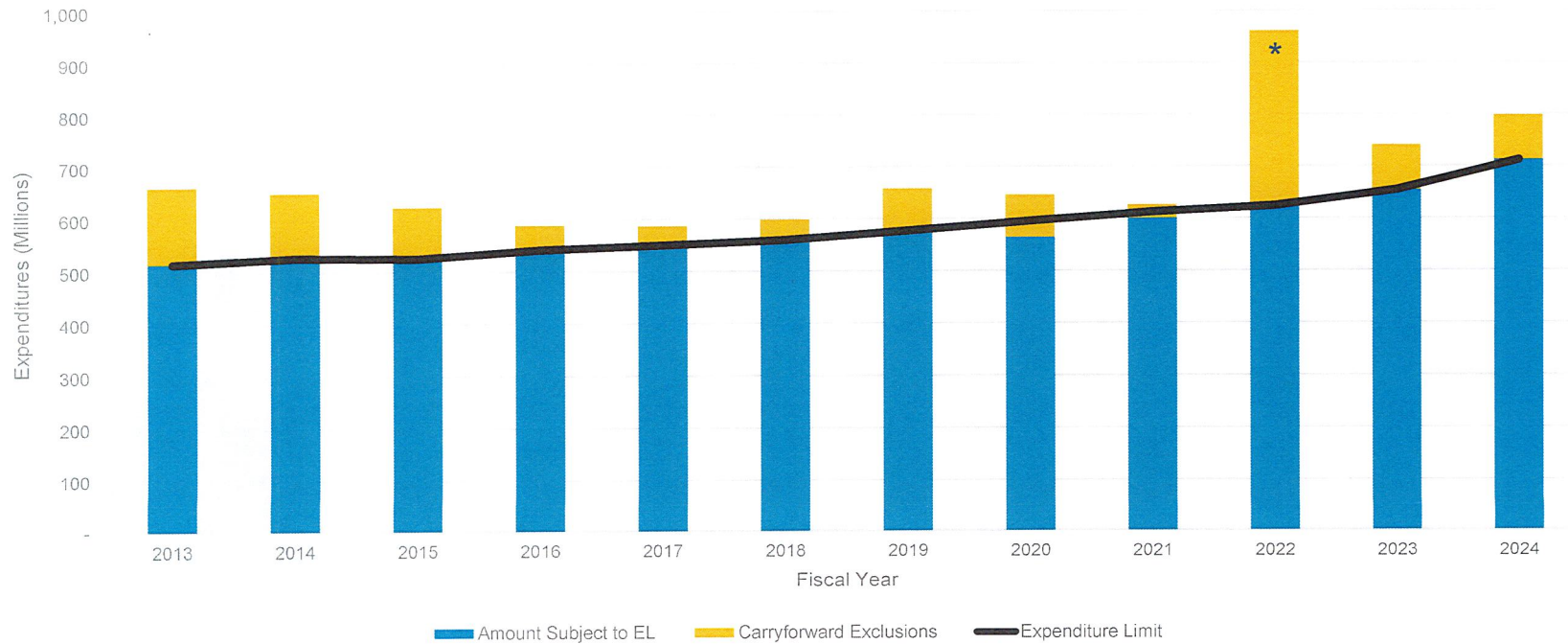
# Expenditure Limit Overview

April 21, 2026

# Expenditure Limit Overview

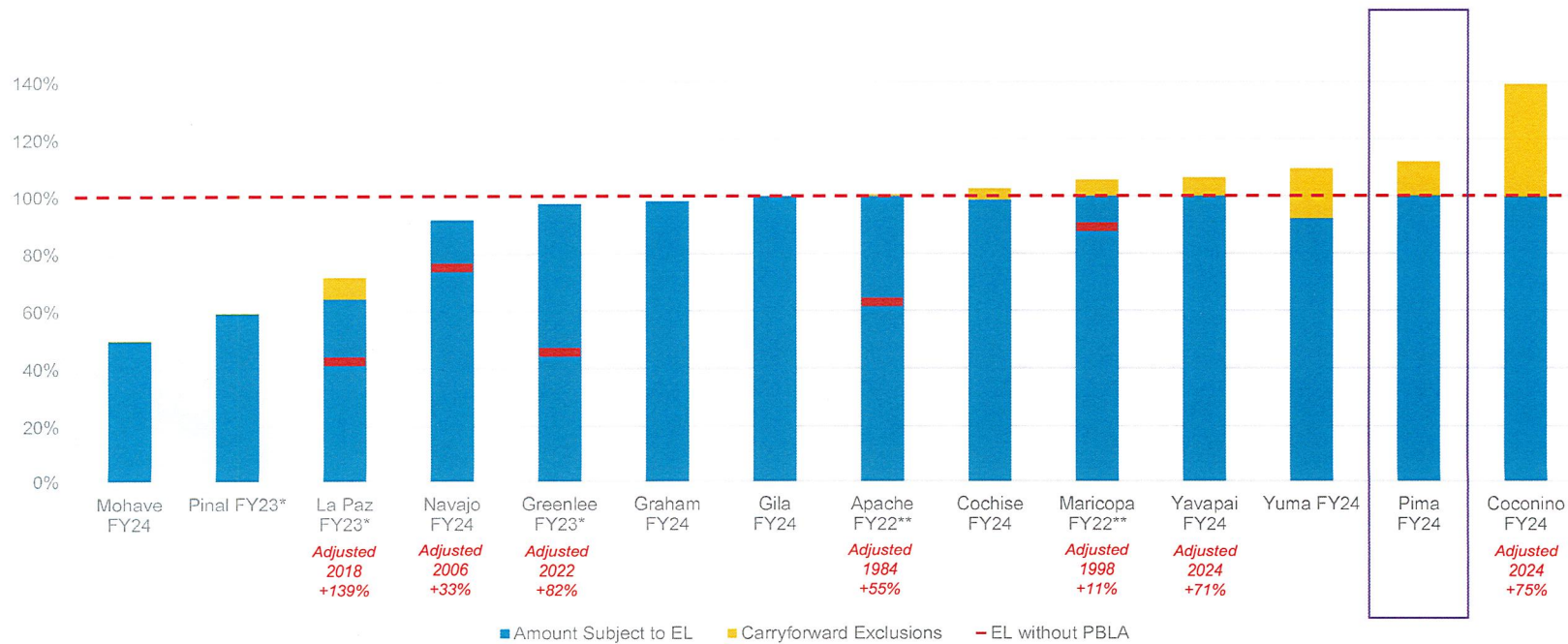
- State Constitutional amendment passed by voters in 1980 to limit growth of local government.
  - Accompanied by levy limit amendment
  - Affects all counties, community college district, cities, and towns
  - Limits growth of expenditures
- Expenditure Limit does not set a jurisdiction's taxing authority.  
**(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



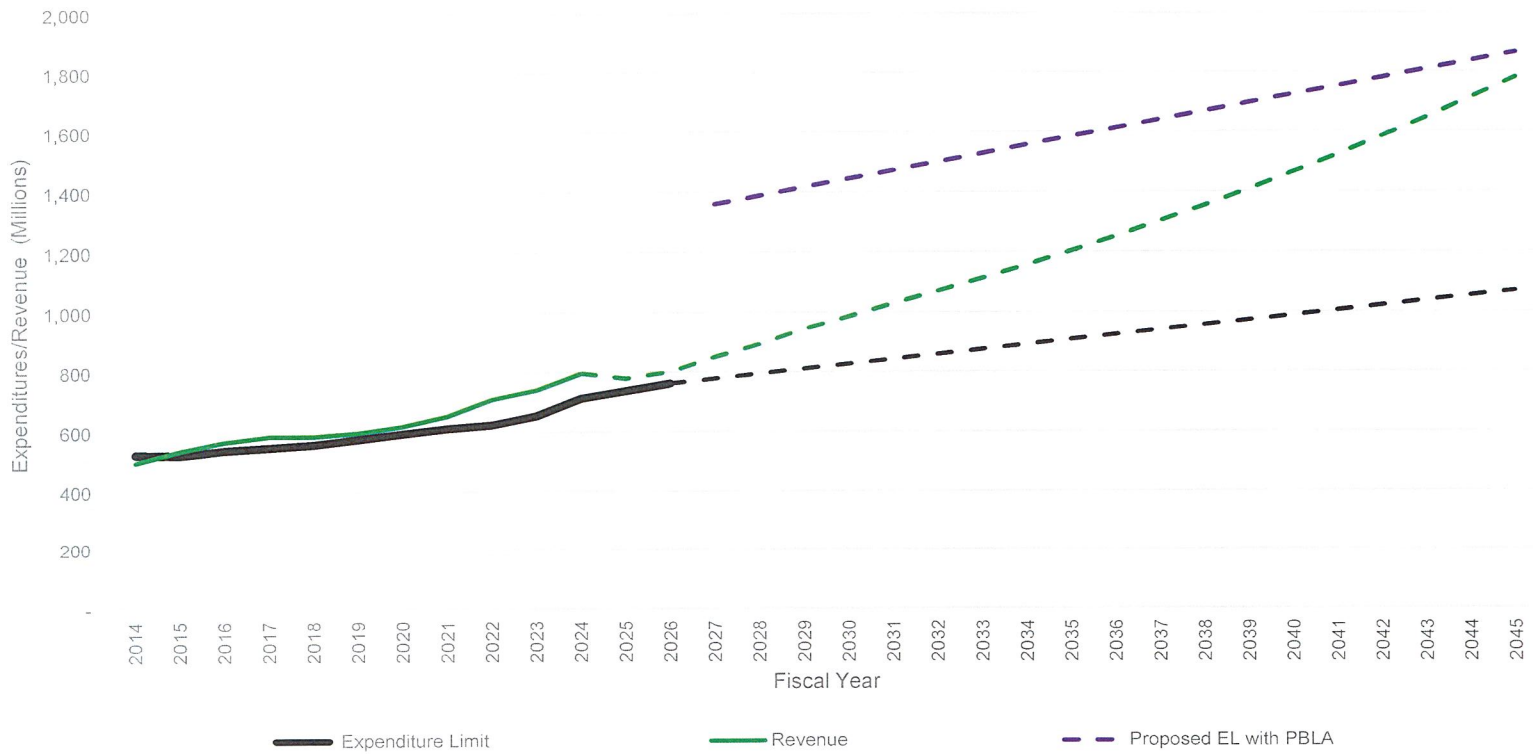
\* The large increase in FY22 carryforward exclusions resulted from \$266M in pension obligation proceeds received in FY21 but not expended until FY22 due to budget authority constraints.

# 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

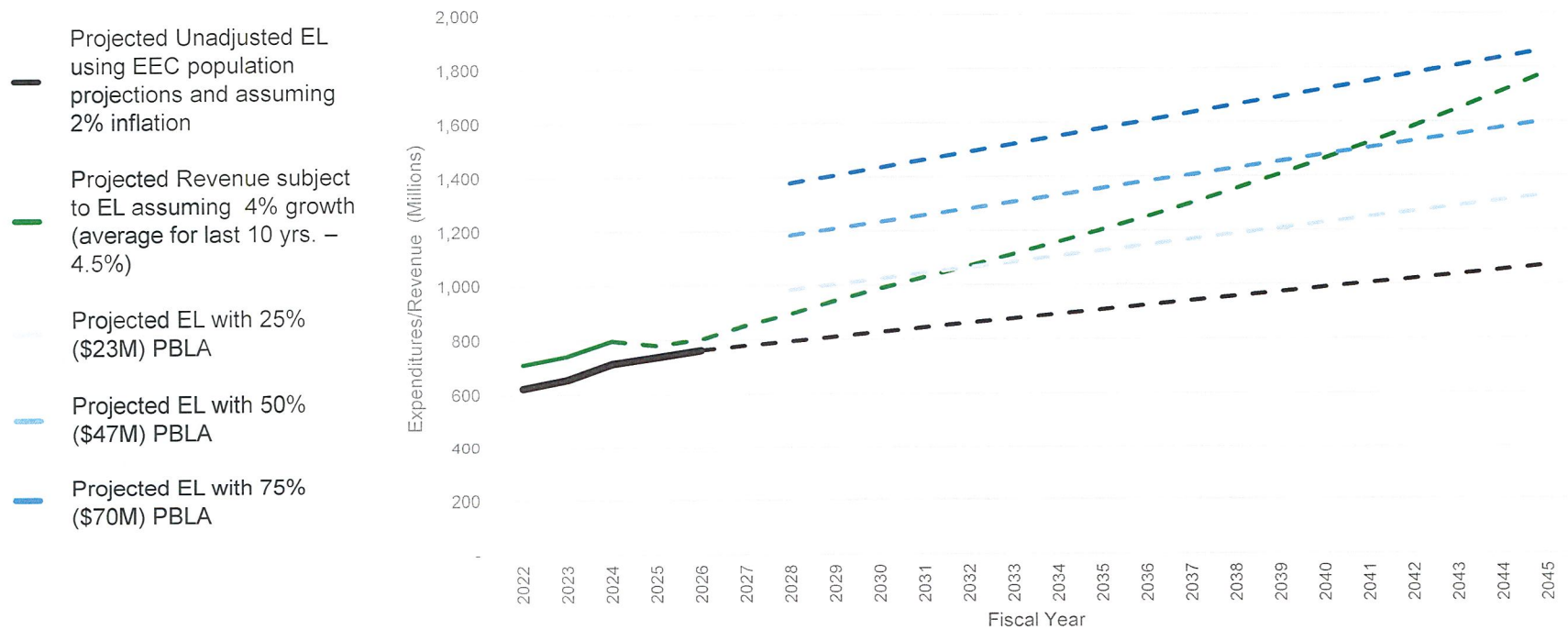
## Permanent Base Limit Adjustment

- 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**

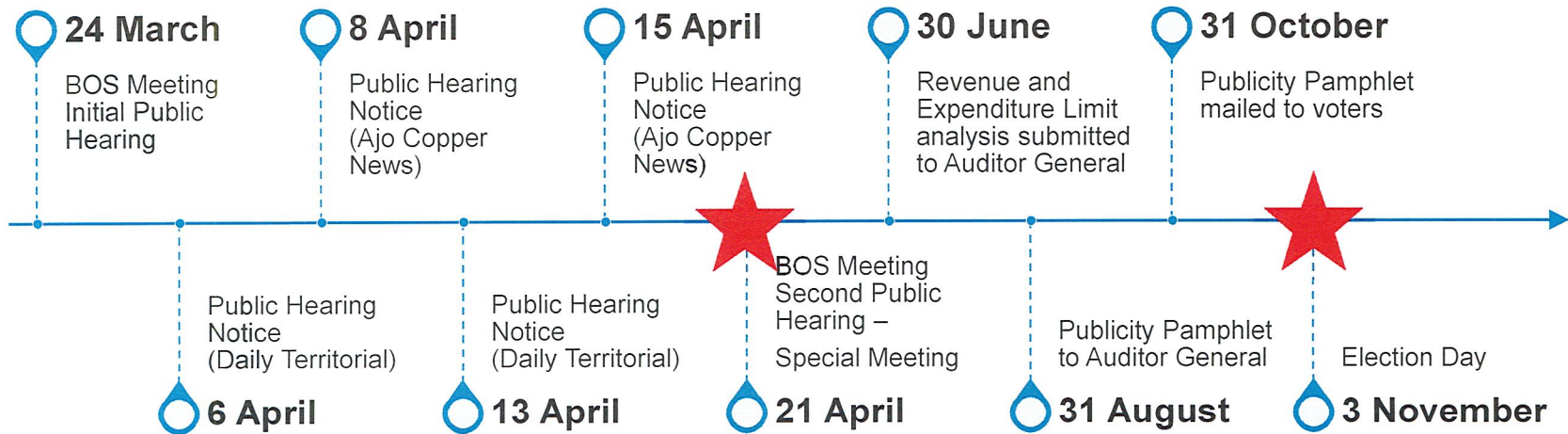
# Permanent Base Limit Adjustment

Pima County Expenditure Limit



# Proposed PBLA Timeline

## Key Dates



### Notes:

#### Requirements of ARS 41-563.01 to .03

- Public hearings require notice in paper of record
- Vote to refer must occur immediately following 2<sup>nd</sup> 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 Leshner

### **Deputy County Administrators**

Carmine DeBonis, Jr.  
Steve Holmes  
Chad Kasmar