

**Royce T. Flora**  
Treasurer



**Russell K. Pearce**  
Chief Deputy Treasurer

## **Maricopa County**

**Treasurer's Office**  
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Dear Honorable Legislators;

I recognize what a tough job it can be to enact good laws while protecting citizens' liberties and God-given rights recognized by and enshrined in our inspired U.S. Constitution. Government restraint is the formula for keeping our freedoms. Thank God we don't get all the government we pay for.

Despite the many members of the legislature who have worked with us on some very important issues, for which we are deeply grateful, I cannot express enough the disappointment I have in the last few sessions of the legislature's failure to keep some promises and protect low income seniors recognized in the Arizona Constitution as a carved out class.

Apparently there was enough time to vote on a state drink (lemonade), but not enough time to fix the Elderly Assistance Program, the border crisis, illegal employment practices, illegal sanctuary cities, or protecting parents' right to choose what is best for their children's education, etc.

This year 15,000 low income seniors in Maricopa County will see their primary property tax double as the direct result of ATRA's opposition and the legislature's failure to keep their promise to the low income seniors which are carved out in the Arizona Constitution and fix the Elderly Assistance Program. However, a special group not recognized in the Constitution, the well healed who live in Historic Districts who receive the benefit of being moved from Class 3 to Class 6 property tax. But not the vulnerable seniors that are carved out in the Constitution.

Many low income seniors live on the edge; veterans, vulnerable seniors who count the program designed by the legislature giving them assistance to stay in their homes. In many cases they have paid taxes all of their lives and as the taxes have soared and their limited fixed incomes have not, they now cannot afford the increases. The program funding was ended with the promise of fixing it in a different, more practical way.

Treasurer Flora has championed this issue to protect property rights, home ownership and protecting for seniors on fixed incomes from spiral growth in taxes. For the last three years Treasurer Flora has worked with the legislature to protect and preserve this program, but the legislature has failed to act.

This is the result of government throwing low income seniors out of their homes because they cannot afford to pay government for the privilege of living in their home. This is a direct attack on private property rights and home ownership as government demands its ransom in order to stay in their home in which they have paid for and lived in for many, many years in most cases.

I believe it is immoral for a citizen of the United States to be made homeless because they did not pay government the ransom payment on their personal residence.

First and foremost government 101: The County Board of Supervisors is responsible for the budget and IS NOT responsible for nor has the authority to set policy for the County Treasurer's Office or any other Constitutional elected office. Policy for elected offices is set by ARS (via the legislature). The Counties, including the Treasurer's Office, are subordinate to the state of Arizona. The Treasurer is NOT subordinate to the County Board of Supervisors. The Maricopa County Treasurer is the Constitutionally-elected office responsible for collecting taxes and servicing the 1700-plus jurisdictions for the County and the State of Arizona. Treasurer Flora recognizes his Constitutional role and the subordinate relationship to the state legislature. (We work with the BOS, we do not work for them.)

On this issue, our Office was told by several legislators that House Chief of Staff Michael Hunter at the last minute interfered with our legislative issues preventing two issues from being included in the budget as BRBS. Our Office was told Mr. Hunter said the County Board of Supervisors opposed our issues. Treasurer Flora and I met with BOS Chairman Bill Gates and former Chairman Chuceri who made it clear the BOS did not interfere and were not in opposition to our being self-funded or the NSF issue. In fact supported the idea.

As a result, during this last session (2019), the legislature did not act on the ability to Self-Fund the Maricopa County Treasurer's Office out of investment earnings. These investment earnings are the direct result of the Treasurer's due diligence on behalf of the over 1700 taxing jurisdictions he serves, including doing all the work

of handling \$12 billion dollars and the portfolio of \$6 billion that annually comes through this Office. Since taking office in 2017, Treasurer Flora has overseen the increase in the earnings of that portfolio by over 600% as a result of his dedicated effort and investment strategies. The Treasurer's Office provides services to all of those 1700 jurisdictions, including Maricopa County (BOS).

All, It is very appropriate to have the Treasurer's Office funded out of those earnings. This is the same philosophy used by the legislature to self-fund the State Treasurer. The Maricopa County approach is easier and the appropriate way by taking the money from the top of the investment earnings. It's not a complicated formula. At the same time the jurisdictions the Treasurer serves are still going to receive a windfall as a result of this Treasurer. These earnings are not taxpayer dollars and therefore it is a win, win for everyone, including Maricopa County and our schools. This would remove the Treasurer's Office from Maricopa County's General Fund, but still leave the budgeting authority with the Board of Supervisors, but freeing up revenue for other critical issues for the County.

In addition to the huge increase in investment earnings that benefits the schools and the other taxing jurisdictions, Treasurer Flora has created several programs to help the school districts save millions of dollars. For example, the TANS program where the Treasurer buys their debt at a much lower rate than the banks charge, thus saving them millions of dollars in interest, origination fees, etc. This policy is recognized by NACO as a model program.

Maricopa County Treasurer Royce Flora is doing everything in his power to save and protect taxpayers' money and to keep homeowners in their homes. We only hope to work with the legislature and the governor to accomplish these goals.

Please don't hesitate to contact me if you have any questions.

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