

# **Bond Case Briefs**

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## **BALLOT INITIATIVE - ARIZONA**

### **Molera v. Hobbs**

**Supreme Court of Arizona - October 26, 2020 - 250 Ariz. 1330 Arizona Cases Digest 6 - 474 P.3d 667**

Opponents of initiative to increase educational funding brought action against Secretary of State and sponsor of initiative to enjoin Secretary from placing initiative on ballot for general election, alleging that 100-word description on petition sheets violated statute governing petition sheets and that petition circulators were paid in violation of statute governing signature collection.

Following a bench trial, the Superior Court rejected signature-based objection, found that description on petition sheets violated applicable statute, and enjoined Secretary from certifying and placing initiative on ballot. Secretary and sponsor appealed, and opponents cross-appealed.

The Supreme Court held that:

- Percentage distribution of new income tax revenues under initiative was not principal provision of initiative and thus did not need to be included in description of principal provisions in petition signature sheets;
- Description stating that initiative would impose 3.5% surcharge on individuals' taxable incomes over specified amounts sufficiently communicated principal provision of raising the marginal tax rate on wealthier taxpayers;
- That increased marginal rate on individual taxable income would encompass business income taxable to individuals was not principal provision of initiative;
- Initiative's proposed statute stating that monies received by schools under initiative did not replace other funding sources was not principal provision of initiative;
- Graduated hourly wage scales did not violate statute prohibiting compensation based on number of signatures collected by a circulator;
- Spin-the-wheel program, which provided for prizes for circulators, did not violate statute prohibiting compensation based on number of signatures collected by a circulator; and
- Opponents were not entitled to preliminary injunction prohibiting initiative from being placed on ballot so that opponents could conduct discovery.