Bond Case Briefs

Municipal Finance Law Since 1971

TAX - ARIZONA

Pima County v. State

Supreme Court of Arizona - July 22, 2024 - P.3d - 2024 WL 3492043

County and school district sued the State and Department of Revenue, seeking reimbursement of school district's desegregation expenses through payment of disputed tax funds as additional state aid for education.

Parties cross-moved for summary judgment.

The Arizona Tax Court granted motion in favor of county and school district, denied State's motion, and ordered the State to pay disputed amount. State appealed. The Court of Appeals reversed and remanded, holding that funding allocations for desegregation expenses were secondary, and not primary, property taxes. County and school district petitioned for review.

The Supreme Court held that State was not obligated to reimburse, as additional state aid for education, desegregation expenses paid by county that exceeded constitutional 1% limit on residential property taxes.

School district's desegregation expenses were secondary and not primary property taxes under amended statutory scheme, and thus State was not obligated to reimburse, as additional state aid for education, desegregation expenses paid by county that exceeded constitutional 1% limit on residential property taxes; statute allowed district to budget for desegregation expenses outside revenue control limit only if revenues from secondary property taxes were used, credit for additional state aid for education could only be applied against primary property taxes, statutes reflected legislature's intent to end state funding of desegregation expenses with primary taxes, and statutes were not unworkable, rather, districts needed to reduce overall expenditures so that tax levy complied with 1% limit.

Copyright © 2026 Bond Case Briefs | bondcasebriefs.com