

Bond Case Briefs

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Arizona Town Ditches Illegal Attempt to Dump \$70 Million Debt on Residents.

Taxpayers in Payson, Ariz., are no longer on the hook for a massive debt after the Goldwater Institute and local residents raised concerns about the legality of the town's inclusion of a so-called "emergency clause" for the sale of \$70 million in bonds.

Payson officials had authorized the sale of \$70 million in municipal bonds in August, using an "emergency" clause to bypass the democratic process and deny residents the opportunity to put the controversial bond measure to a popular vote. The purported "emergency" was nothing more than the Town Council's desire to secure a bond quickly, as officials speculated that interest rates might slightly increase in the coming months.

The Goldwater Institute [filed a lawsuit](#) challenging the sham "emergency" measure on behalf of a local resident, pointing out that the Arizona Constitution and state statute guarantee the right of referendum—that is, voters' rights to refer a bill, ordinance, or resolution to the ballot and vote on it.

The case is currently on appeal, but in the meantime, Payson voters and taxpayers have already received some great news. Last week, the Town Council voted to repeal the problematic resolution, cancelling the "emergency" bond sale.

The court battle against governments' abuse of emergency clauses isn't over—indeed, local governments throughout the state routinely bypass democratic accountability using "emergency" clauses. We're fighting back to ensure government can't steamroll its own citizens and deny them rights afforded under Arizona's constitution.

You can read more about the case [here](#).

The Goldwater Institute

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