

Arizona's constitution enables voters to place initiatives on the statewide ballot. In 2016, Arizona voters raised the statewide minimum wage. The initiative also allowed voters to set minimum wages in their individual cities. That same year, Flagstaff voters passed their own minimum wage, higher than the statewide wage.

Now some legislators are trying to subvert Flagstaff voters' decision. If passed, Senate Bill 1108 would give Flagstaff businesses a 10% tax credit for the difference between their hourly labor costs and the State's minimum wage. That combined dollar amount would be withheld from the City of Flagstaff's share of State funding.

Think about it. Legislators are intending to punish every Flagstaff resident by withholding money that we depend on for critical services. The State's Joint Legislative Budget Committee estimates that the tax credit would completely wipe out the funding the City receives from State Shared Income Tax – over \$17 million in the first year of implementation! That means that over \$17 million in income tax shared by the State from Arizona residents to pay for core municipal services would be withheld from the City, and that amount will only go up in future years.

What budget cuts would the City have to make because of this? The impact of this bill would mean a 20% reduction in operating expenditures in the General Fund, which pays for things like police officers, firefighters, and facility maintenance, as well as parks and recreation services.

It's not right that our elected legislators should treat voters with such blatant disdain. It's not right that they should try to pit hardworking business owners against hardworking residents. We're a community and we face this together. I call on the Flagstaff Chamber of Commerce to stand with our community and to join me in opposing Senate Bill 1108.

Becky Daggett
Mayor of Flagstaff
On behalf of the Flagstaff City Council