



Home Rule Option Public Hearing

2024 Proposed Local Alternative
Expenditure Limitation



Home Rule Origen

- State Law effective June 3, 1980
- Limits municipal spending for Cities and Towns
- Maximum spending limit formula
- Based on FY 1979-80 expenditures
- Allows for annual population increase
- Allows for GDP inflation increase
- Allows for exclusions of some expenditures





Alternatives to Formula

1

One-Time Override

2



Local Alternative
Expenditure Limitation
(Home Rule)

3

Permanent Adjustment of
Base Limit

All require voter approval

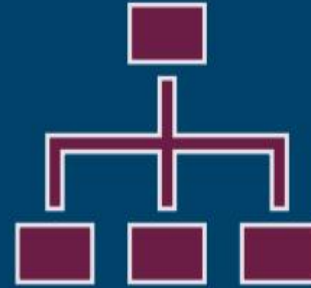
2024 Home Rule Option



**Allows City to override
State-imposed
Expenditure Limitation**



**Provides flexibility to
establish budget based
on anticipated
revenues, programs
and services**



**Authority re-established
every 4 years
Requires a majority vote
of the public at Primary
or General election**



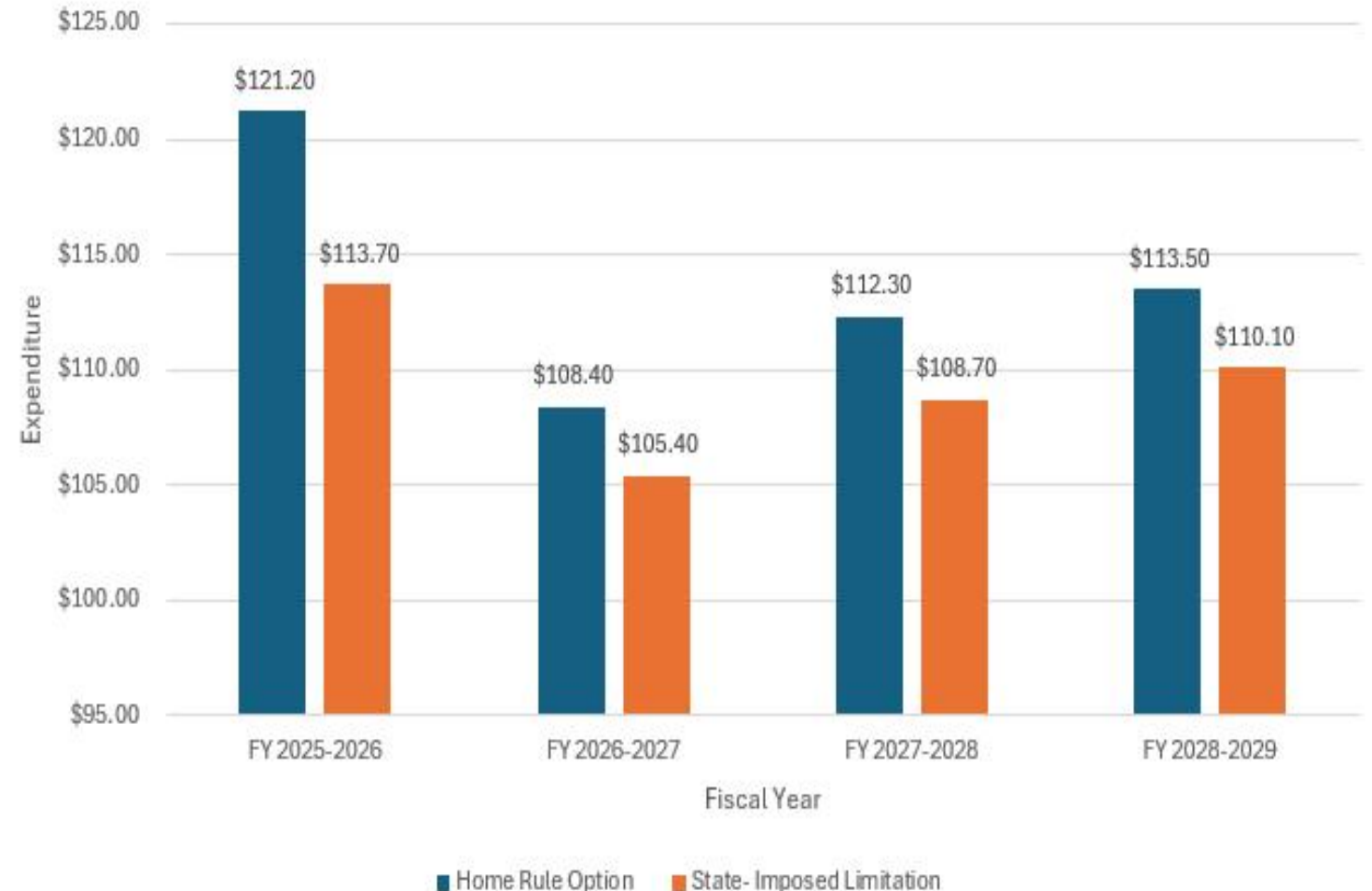
**Requires 2 Public Hearings
prior to Council action
Special Meeting held
immediately following the
2nd Public Hearing
Requires 2/3 majority**

Home Rule Option Financial Implications (preliminary)

- Amount Over State Limit for the four years:

\$17.5 Million
Budget Expenses that would need to be eliminated without approval of Home Rule

Comparison of Expenditures for FY 2026-2029



2024 Home Rule Option Financial Implications



**Approval of
Home Rule
does not
Increase
Taxes**

Potential Impacts if Home Rule fails

- Reductions in street maintenance funding
- Reductions in public safety funding
- Deferral or cancellation of capital projects (water, wastewater, streets, constructions of new parks, etc.)
- Reductions to recreation activities

**If Home Rule
fails, revenue
will continue to
be received but
it cannot be
spent.**

2024 Home Rule Election Schedule

Dates

Actions

| | |
|---------------|--|
| June 17th | <ul style="list-style-type: none">• Publish First Notice of Public Hearing |
| June 24th | <ul style="list-style-type: none">• Publish Second Notice of Public Hearing |
| July 3rd | <ul style="list-style-type: none">• Hold First Hearing on Proposed Home Rule Option |
| July 10th | <ul style="list-style-type: none">• Hold Second Public hearing on the Proposal |
| | <ul style="list-style-type: none">• Council Votes on the Proposal Immediately after Second Hearing in a Special Meeting |
| July 11th | <ul style="list-style-type: none">• Publish Record of Vote, Amount Over Limit & Purpose |
| July 11th | <ul style="list-style-type: none">• Submit Financial Worksheets to Auditor General's Office |
| July 29th | <ul style="list-style-type: none">• Receive Reviewed Worksheet From AGO |
| August 7th | <ul style="list-style-type: none">• Receive Arguments for or Against Alternative Expenditure Limit for Publicity Pamphlet |
| August 16th | <ul style="list-style-type: none">• Complete Preparation of Publicity Pamphlet and Sent Draft to Auditor General |
| September 6th | <ul style="list-style-type: none">• Send Publicity Pamphlets to the Printer After Incorporating Auditor General Comments |
| October 3rd | <ul style="list-style-type: none">• Make Early Ballots Available• Mail Publicity Pamphlets or let early voters know when and where they will be available |
| October 9th | <ul style="list-style-type: none">• Distribute Early Ballots |
| October 25th | <ul style="list-style-type: none">• Distribute Publicity Pamphlets |
| November 5th | <ul style="list-style-type: none">• General Election Day |
| November 25th | <ul style="list-style-type: none">• Canvas Vote• Inform Auditor General's Office and Economic Estimates Commission of the results |

A person is shown in silhouette from the back, looking through a telescope. The background is a city skyline at sunset, with the sun low on the horizon, casting a warm orange and red glow over the buildings. The sky is filled with soft, wispy clouds. The overall mood is contemplative and forward-looking.

Questions?

City of San Luis,
Arizona