

Stop corporate tax breaks

Part 3 of 3

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What about re-allocating city funds to address the sewer debt and fees?

What about the over \$25 million of big corporate tax incentives for big-box stores and shopping centers including; 1) \$11.9 million to the mall developer. 2) \$2.7 million for the mall owners. 3) \$317,000 for Home Depot. 4) \$930,150 for Lowe's. 5) \$3,983,197 for North Havasu Holdings. 6) \$3.9 million for an auto mall. 7) \$224,000 for Hobby Lobby.

Such corporate retail tax subsidies distort competition and undermine locally owned businesses, which are rarely given any sort of tax break or special deal. Elected officials often justify these deals on the basis of job creation and economic growth, **but studies indicate that subsidizing retail development does more economic harm than good!** You too can do an Internet search on the issues of tax subsidies for big corporations. It'll be a revelation.

Following a huge uproar in the Valley over such practices, the legislature outlawed retail tax incentives for Maricopa County, see [ARS 42-6010](#). A voter initiative version for our town follows;

THE PROHIBITION OF BUSINESS LOCATION MUNICIPAL TAX INCENTIVES IN LAKE HAVASU CITY, ARIZONA

Business location municipal tax incentives; prohibition; penalty; exceptions; definitions.

A. Lake Havasu City (hereafter the city) within its exterior boundaries shall not offer or provide a tax incentive to a business entity as an inducement or in exchange for locating or relocating a retail business facility in the city. B. City officials that violate this section may be subject to a penalty of removal from office under applicable statutes. C. The city shall report by public hearing the value of any tax incentive used as an inducement or in exchange for locating or relocating a retail business facility in the city. For the purposes of this subsection, the value includes all negotiated amounts, in any form and whether actual, realized or contingent, over the term of the incentive agreement. D. This section does not apply with respect to: 1. Municipal services and benefits generally afforded by ordinance to all new businesses in the city, having no direct affect on municipal tax levies. 2. Tax incentives that are afforded to all existing retail business facilities in the city. 3. Tax incentives for locating retail business facilities in an area designated as a redevelopment project pursuant to Arizona statutes title 36, chapter 12, article 3 where the average household income is less than the average city household income as determined by the united states census bureau. 4. Incentives consisting of reimbursement for public infrastructure dedicated to and accepted and controlled upon completion of the project by the city, county, state or a private utility where no other political subdivision provides such utility for transportation, water, sewer, electrical, drainage, the fair market value of real property necessary for the public infrastructure and other necessary public infrastructure. This paragraph does not apply to parking lots, parking structures or parking facilities or other structures or amenities owned or controlled by a private entity. 5. Incentives that are offered for the purpose of preserving historical buildings and other structures. 6. Incentives that are offered for cleanup or other remediation activities at a brownfields site under title 49, chapter 2, article 1.1 Or the comprehensive environmental response, compensation, and liability act of 1980 (p.l. 96-510, 94 Stat. 2767; 42 United states code sections 9601 through 9657), commonly known as "superfund". E. To qualify as exempt from the penalty, an incentive under subsection d of this section that is offered in exchange for expenses incurred by the business entity must be in the form of a reimbursement of the expenses and may not exceed or otherwise be disproportional to the actual cost incurred. F. This section does not apply to tax incentives that were referred to a vote of the qualified electors of the city before July 1, 2014 and approved by the qualified electors of the city. G. For the purposes of this section: 1. "Metropolitan statistical area" means a geographical area consisting of Lake Havasu City defined for federal statistical and census purposes by the united states office of management and budget with technical assistance from the united states bureau of the census. 2. "Retail business

facility” means a store, warehouse or other improvement to real estate where at least one-half of the business conducted on the premises consists of retail sales of tangible personal property to the ultimate consumer, measured by either the number of employees assigned to retail sales or the square footage of the facility used for retail sales. For the purposes of this paragraph, “retail sales” does not include: (A) sales of food and beverage for consumption on the premises of the facility. (B) the distribution without charge of promotional products that display the company logo or trademark. (C) sales solely to company employees. 3. “Tax incentive” means any waiver, exemption, deduction, credit, rebate, discount, deferral or other abatement or reduction of the normal municipal tax liability of an individual taxpayer that otherwise applies to similar existing taxpayers and properties in the city, however denominated, computed or applied, and generally understood as an inducement for the taxpayer to locate a business facility or other operation in the city.

To put all this in perspective, our town in 2001 voted the largest municipal bond in the history of Arizona! And, according to Fitch Ratings, “*The city's wastewater utility rates are among the highest in the region at 1.8% of median household income, above Fitch's affordability level of 1%.*”

What kind of impact might that \$25 million have had on your monthly sewer bills had those city tax dollars been properly spent on the priorities of the tax payers?

You can bet there will be some harsh criticism of me from city hall and the folks that support such tax incentives and subsidies. But, I have no fear of criticism and mudslinging. Yes, I've just opened quite a can of worms.

If you want to know where I stand on economic development, better paying jobs, and a constitution for Havasu, simply go to my website www.BillUllery.com. Click on the [REPORTS](#) and [NEWS](#) tabs. I do have a vision for my town and squandering your tax dollars on corporate welfare is not on my agenda.

I need help with a “*stop the sewer fee increase*” campaign.

To volunteer, please contact me: Cell 928.716.3014 Email dbu@dbuhomes.com

PAID BY BILL ULLERY