

## **UNFUNDED MANDATES GENERAL TALKING POINTS**

*Definition of Unfunded Mandates (UFM):* Financial burdens placed upon county governments by state actions, often resulting in increased property taxes at the local level. Such state actions include:

- directives to counties without providing the necessary funding to carry out the directives;
- withdrawal of or cuts in state funding to carry out existing directives; and
- changes in state operations which inadvertently result in county expenses and inefficiencies.

County government is an arm of state government and carries out the state's directives. However, it is important to remember that the burden of paying for unfunded state directives falls squarely upon local property taxpayers.

Unfunded mandates are often an unintended consequence of legislative action or state administrative action. In other words, legislators and state executives do not willingly intend to cause increases in local property tax rates, but their directives result in local tax hikes because they do not put in place statewide mechanisms to pay for their directives and administrative changes.

The problem of unfunded mandates did not begin with the most recent legislative session. Past legislatures and state agencies have done the same thing to counties and taxpayers. It is an on-going dilemma and will continue to be so, especially in times of economic stress for the state.

This is not a partisan issue. It cuts across both political parties, and no one political party is to blame.

Currently, the financial circumstances and economic climate in the state are not that wholesome, and the projections for recovery may not be as sound as some would have us believe. There is the worry that the state will resort to even more severe cuts in existing programs that will keep counties in a state of financial uncertainty, materially interfere with meeting budgetary essentials and cause a loss in bond ratings.

Local property taxpayers often do not understand the subtleties of the way our governments are organized. Hence, when their property taxes rise due to unfunded mandates, taxpayers know only to blame their local elected officials, whose hands are tied by state government. It is crucial to educate the public so they will understand the workings of unfunded mandates and make their concerns known to their legislators.