

Attachment Two

August 22, 2006

TO: Members of the MAG Population Technical Advisory Committee

FROM: Harry P. Wolfe, Senior Project Manager

SUBJECT: IMPACT OF ANNEXED POPULATION ON DISTRIBUTION OF STATE SHARED REVENUES

This memo addresses whether population that was annexed into a jurisdiction subsequent to the 2005 Census Survey could be used for distributing state shared revenue for that jurisdiction. Based on communication with the Arizona League of Cities and Towns and the Arizona Department of Revenue and a review of Census Bureau programs, the year 2000 population in the annexed area can be used for the distribution of state-shared revenue under under certain conditions. Those conditions and the actions needed on the part of the local government are described below:

1. The revised year 2000 population and the certification of that population must be prepared by the Census Bureau. The Census Bureau program for updating the last decennial population based on newly annexed areas is known as the Geographically Updated Population Certification Program(GUPCP).
<http://www.census.gov/mso/www/certification/GUPCP.html>
2. Submit a GUPCP request to the Census Bureau on Form BC-1869(EF). (see attached form). The Bureau will estimate how much it will cost to update the Census 2000 population figure. The cost depends upon how quickly the update is needed and whether it can be accomplished as a part of the regular Census Bureau work program (in connection with the Boundary and Annexation Program) or requires a special effort. The cost ranges from about \$700 to \$9,000.
3. The Director of the Arizona Department of Revenue (1600 West Monroe, Phoenix, Arizona 85007 must receive directly from the Census Bureau an original letter certifying the revised 2000 Census population. Although not required, it may also be helpful to have the certifying letter sent to the Arizona State Treasurer and the Arizona Department of Transportation since those agencies were required to receive the results of the Census Survey that was the base for distributing state shared revenue.

4. The Census Bureau sends a letter certifying the updated Census 2000 population directly to the Director of the Arizona Department of Revenue. Letters may be sent to other parties as requested by the city and/or town.
5. The Department of Revenue calculates the difference between the most recently certified Census 2000 population figure and the updated Census 2000 population and then adds the amount to the September 1, 2005 resident population.
6. The updated 2005 population figure is used in the distribution of state shared revenue as soon as it is calculated, but it is not applied retroactively.

If you have any questions or need additional information, please contact me at 602-254-6300.