



May 21, 2025

SENT VIA U.S. MAIL

Kris Mayes
Arizona Attorney General
2005 North Central Avenue
Phoenix, Arizona 85004

Subj: Public Monies Complaint re: City of Phoenix Sponsorships, Subsidies, and Gifts

Attorney General Mayes:

The Goldwater Institute represents Bramley Paulin, a Phoenix taxpayer concerned by the likely illegal payment of public monies by the City of Phoenix to various private organizations. Pursuant to A.R.S. § 35-213(B), this letter requests that you initiate an action to investigate and recover any unlawful expenditures.

On May 14, 2025, Representatives David Marshall, Walter Blackman, and Quang Nguyen submitted a request¹ for investigation under A.R.S. § 41-194.01² regarding whether the City of Phoenix’s “Gift Policy” violates the Gift Clause of the Arizona Constitution,³ A.R.S. § 9-499.01, or other state law provisions.⁴ The legislators cited *hundreds* of line items categorized as “Sponsorships,” “*Grants and Subsidies*,” “Emerg[ency] Assis[ance],” “Miscellaneous,” or so-called “Marketing” or “Advertising” expenses that appear to have no legal basis or direct benefit to taxpayers.⁵ These questionable expenditures total more than \$28.5 million over the past five years.⁶

Based on our review of these materials, it appears that the City—and senior city personnel—acted without lawful authority in approving these expenditures. Under Arizona law,

¹ The legislators’ “Complaint,” “Letter requesting SB 1487 Investigation,” and “Exhibits” are all available at <https://www.azag.gov/complaints/sb1487-investigations>.

² Also referred to as “SB 1487.”

³ Ariz. Const. art. IX § 7.

⁴ Ariz. Const. art. XIII § 2 and A.R.S. § 9-303(B).

⁵ See Legislators’ Exhibit E (emphasis added).

⁶ *Id.*

municipalities may exercise only those powers that are expressly granted by the Legislature, or that are necessarily implied by such express grants of power.⁷

In this case, there is no statute that authorizes the City to allocate taxpayer funds to private organizations at the sole discretion of city employees. Nor is there any provision in the City's charter or municipal ordinance that permits such unilateral expenditures.

Moreover, most—if not all—of these expenditures appear to violate the Arizona Constitution's Gift Clause, which strictly prohibits use of public funds to benefit private, special interests.⁸ Not only is it doubtful that these allocations serve a legitimate public purpose, but there also appears to be no direct or measurable consideration received in return for this use of public resources.

Given the serious issues raised in the legislators' request regarding what appear to be *ultra vires* and unconstitutional expenditures of public monies by the City of Phoenix, the purpose of this letter is to formally request—in addition to fulfilling your obligations under A.R.S. § 41-194.01—that you also initiate one or more actions pursuant to A.R.S. § 35-212 to “[e]njoin the illegal payment of public monies” and to “[r]ecover illegally paid public monies,” plus any available interest, costs, fees, and penalties. *Id.* See also A.R.S. § 35-213(B) (authorizing taxpayer to make such a request).⁹

Should you decline to initiate an action under A.R.S. § 35-212, our client reserves the right to bring an action pursuant to A.R.S. § 35-213(B), which shall have “the same effect as if brought by the attorney general” under A.R.S. § 35-212(A) or (B)(2).

If you wish to discuss this matter further, please do not hesitate to contact us at (602) 462-5000, or jriches@goldwaterinstitute.org and pjackson@goldwaterinstitute.org.

Sincerely,



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⁷ See *Home Builders Ass'n of Cent. Ariz. v. City of Apache Junction*, 198 Ariz. 493, 498 ¶ 10 (App. 2000); *Uhlmann v. Wren*, 97 Ariz. 366, 393 (1965) (Bernstein, J. concurring).

⁸ *Gilmore v. Gallego*, 552 P.3d 1084, 1089–90 ¶ 24 (Ariz. 2024).

⁹ This request encompasses A.R.S. § 35-212(A) and (B)(1) through (3).

cc: (via email only)

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