

LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #1

Urges the Legislature to find a sustainable revenue collection system that will increase revenue into the Highway User Revenue Fund. The purpose of this Resolution is to recommend the formation of a HURF revenue study committee to work together to analyze transportation funding challenges, explore revenue options and make recommendations for an up to date alternative revenue collection system necessary to expand and maintain Arizona’s transportation network now and into the future.

Submitted by: *(List the municipalities sponsoring this Resolution – there must be at least two.)*

City of Kingman

A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

Investment in our transportation system is absolutely vital for Arizona’s economic expansion and the safety of our traveling public. The quality of Arizona’s transportation infrastructure directly affects the quality of life of Arizonans through mobility, safety, and jobs. To be successful, commerce, economic development and international trade depend on quality transportation systems. Good quality roads are an integral part of tourism, one of Arizona’s top economic drivers. Infrastructure enhances accessibility of tourists to different parts of our state, more specifically transportation is an essential component of successful tourism development in that it creates an impression of our state, induces the creation of attractions and the growth of existing ones.

The quality of Arizona’s transportation infrastructure continues to deteriorate. Revenue going into the Highway User Revenue Fund (HURF) has decreased substantially and over the past several years, hundreds of millions of dollars have been diverted from the already declining HURF fund. Arizona’s transportation funding levels, while once average, now ranks 42nd in the nation. Modernization of how we pay for infrastructure needs to be reviewed to secure adequate and sustainable funding. Transferring of HURF revenues to pay for other government programs needs to stop. Arizona cannot afford to slip further behind.

- Transportation revenue collection continues to decline. Gasoline tax has lost its value over the past decade. And gas and fuel tax revenues will continue to decrease over time due to the increased fuel efficiency of the fleet. With more fuel efficient fleet, increasing the gasoline tax may not be a viable solution to sustain our current and future infrastructure needs. HURF revenues for 2013 of nearly \$1.2 billion were \$200 million less than 2007 and even less when compared to 2004.
- According to ADOT’s numbers, fuel tax revenues collected in FY 2013 totaled \$647.9 million. In FY 2004 \$642.5 million in fuel taxes were collected – that’s less than a percent difference over a span of 10 years, yet the rate of inflation over this period of time is 23.9%.
- Due to our state’s critical transportation funding gap, highway construction has become increasingly reliant on Washington. However, federal transportation dollars are drying up as well; it is expected that there will be no federal funding for new projects in fiscal year 2015 and beyond. Arizona currently receives roughly \$675 million in federal highway funding, continuation of receiving federal assistance remains highly volatile.
- Americans pump less gas these days, have a greater dependence on mass transit, and live in walkable communities where they walk to services, schools, and jobs. With continued high gas prices, fuel efficient cars like hybrids and electric cars are important factors for consumers. According to the University of Michigan, vehicles manufactured in the month of February 2014 averaged 25.2 mpg, a drastic improvement compared to 16.9 mpg in 1991 – the last time AZ gas taxes were addressed.
- The 2013 ASCE report card for Arizona’s infrastructure reflects 52% of Arizona roads were rated in poor to mediocre condition, and driving on these poor roads costs Arizona motorists almost \$887 million per

year in vehicle repair and operating costs. Additionally the report reflects 3.2% of Arizona bridges are structurally deficient and 9.2% are functionally obsolete.

Arizona's HURF revenue collection system is clearly out dated, running a budget based on a 1991 tax. The purpose of this Resolution is to recommend the formation of a HURF revenue study committee to work together to analyze transportation funding challenges, explore revenue options and make recommendations for an up to date alternative revenue collection system necessary to expand and maintain Arizona's transportation network now and into the future. *Examples* of possible alternative revenue sources the committee can explore include, but are not limited to:

- Increase to the current taxing rates.
- Implementing some sort of indexing mechanism.
- Move to a vehicle miles traveled tax.
- Implement a transportation-targeted state and local sales tax.
- Permit cities and towns to collect their own gas tax

Example of possible study committee composition can include a 19 member team representing all regions of Arizona and from the following groups: state, county and local government officials, League staff, business, labor, and advocates for motorists to name a few.

Our recommended time line is for the study committee be appointed in the 2015 legislative session, with a report of its findings and recommendations to the Governor and the legislature on or before December 1, 2015.

B. Relevance to Municipal Policy (*Explain how the resolution impacts cities/towns throughout the state.*)

Arizona is at a crucial decision point for transportation funding; our transportation system is in trouble. Allowing our roads to crumble, losing jobs and tourists and endangering the public is a disastrous plan, when we could secure adequate, sustainable transportation funding. Cities and towns across our state are struggling with a backlog of pavement preservation projects and dwindling transportation revenues.

Arizona's gasoline tax has stood at 18 cents per gallon for nearly 23 years. Over those years, the average rate of inflation is 2.63 percent making that 18 cents now worth what a dime was in 1991. Had the rate of inflation been kept up, that 18 cents tax would be .33 cents today. The buying power to construct new transportation improvements and maintain the existing transportation infrastructure has diminished due to inflation. Growth, changes to fuel saving automotive technology and driving habits are resulting in less revenue to repair our crumbling transportation infrastructure. Infrastructure is deteriorating on a yearly basis resulting in escalating and unaffordable costs for repair; it's reached a tipping point!

Fundamental responsibility for transportation decision-making should be at the local level. Municipalities should have the ability to set their own priorities in transportation investment that satisfy local needs and objectives. Maintaining and expanding our vital transportation infrastructure is critical for economic growth in our communities. With the overwhelming amount of economic activity that occurs in cities and towns, investing in infrastructure at the local level will create jobs, encourage tourism, and attract out-of-state businesses and to keep local businesses in our communities.

C. Fiscal Impact to Cities and Towns (*Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.*)

Streets, roads and bridges are critical assets for local government. HURF revenues are our primary source of street funding.

While we appreciate the inclusion of some restored HURF revenue in the recently adopted state budget, over the past decade, more than \$200 million in city and town HURF funds have been transferred to DPS. These legislative sweeps have been devastating to local governments. Sweeps need to stop and be redirected back to their intended use.

Local roads comprise over 75% of the nation's pavement. Roughly half of all HURF revenues are directed to county and municipal road programs. Mohave County alone has seen its HURF dollars reduced by 20%, losing \$5.9

million which has contributed to 80% of its road network reaching or surpassing its pavement service life.

Declining revenues and HURF sweeps have greatly affected the City of Kingman's transportation infrastructure program:

- Kingman has an increasing backlog of annual maintenance needs with a current estimated shortfall of approximately \$11 million.
- A funding gap of \$26.5 million is required to complete Kingman's much needed short term transportation projects.
- Kingman's 20 year Long Range Transportation Projects, which considers such factors as pavement conditions, congestion levels and safety performance, are estimated to have a \$365.9 million funding gap between needs and revenues.

Appointment of a HURF revenue study committee can review approaches to implement a set of revenue measures that address the transportation infrastructure funding shortfalls experienced by cities and towns across Arizona.

D. Fiscal Impact to the State (*Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.*)

Economic development and job growth continue to be cited as top priorities of public, local and state government officials, legislators and the Governor. Both are dependent on quality and capacity of our transportation infrastructure.

Infrastructure investment means higher economic activity for the construction industry. During the recession, Arizona construction jobs were slashed from 250, 000 to 120,000.

Maintenance in the state's transportation infrastructure already in place is not being adequately addressed. Last year's five-year program update provided \$150 million per year for maintenance while ADOT's pavement preservation staff estimate they need roughly \$260 million. ADOT estimates its system has \$18.4 billion worth of assets that would cost over \$100 billion to replace.

Due to declining transportation revenues, last year's ADOT five-year plan update required \$350 million in previously planned highway construction and maintenance activity. ADOT has had to cut or defer \$537 million in needed infrastructure projects, current revenue collection is woefully deficient.

The state's 25-year Long Range Transportation Plan, which considers such factors as pavement conditions, congestion levels and safety performance, projects a \$63 billion gap between needs and revenues.

Appointment of a HURF revenue study committee can review approaches to implement a set of revenue measures that address the transportation infrastructure funding shortfalls experienced by the state to properly fund vital infrastructure.

E. Contact Information

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LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #2

Urges the Legislature to amend A.R.S. § 39-121.01 to allow cities and towns to place reasonable balances of public record requests that are overbroad or abusive and on the frequency on requests. Such limitations may include placing reasonable limitations on the number of requests from individuals or groups within a specified, reasonable period of time.

Submitted by:

City of Yuma

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A. Purpose and Effect of Resolution

This Resolution seeks amendments to public records access laws that will allow cities and towns to facilitate and maintain timely and complete citizen’s access to public records while discouraging frequent, overbroad, or abusive requests.¹

Municipalities receive and process thousands of requests for public records each year. Most of these requests are reasonable, coming from the media and persons who may or may not make other requests but who seek specific and limited information. However, there are times when filling these requests is delayed because of frequent, extensive, or excessive numbers of requests of other persons. Requests from these few individuals require a significant and disproportionate amount of staff time to locate, review, redact, and prepare voluminous amounts of documents or materials from multiple departments for inspection and/or copying. In some cases the requesting party doesn’t review the records after having been notified that they are available for inspection. This creates unnecessary work for employees, delays other important work (including filling public records requests from other persons), and drains the public coffers.

Some requests by these individuals are overbroad, such as requests for “All documents, e-mail, memoranda, etc. pertaining to the city action ……” These documents can cover many years, require production of hundreds or thousands of documents, and involve research and review by several City departments. Again, after spending many hours locating, assembling, redacting, and copying these records, some are never inspected by the requestor.

Municipalities also receive and process numerous requests for public records from only a few individuals. As an example, Yuma received 46 requests in 44 business days from a single individual, including nine filed in one day, while 25 other filled requests of the same individual waited to be reviewed. A single individual is responsible for the following statistics:

| <u>Year</u> | <u>Number of requests</u> |
|-------------|---------------------------|
| 2008 | 114 |
| 2009 | 120 |

¹ Nothing in this Resolution is intended to limit media access to public records.

| | |
|--------------------|-----|
| 2010 | 85 |
| 2011 | 155 |
| 2012 | 81 |
| 2013 | 163 |
| 2014 (as of May 7) | 36 |

This resolution requests amendment of Title 39 to give municipalities the ability, in limited instances, to place reasonable restrictions on the number or frequency of requests made by a single individual and to limit certain requests such as those with a broad scope or that cover an extensive time period and where the individual is unwilling to narrow the request. Such restrictions will allow cities to both comply with the spirit and intent of public records laws while discouraging the frequent, numerous, overbroad, or abusive requests. These limited restrictions will discourage abusive requests while maintaining public records access for all citizens. We believe a reasonable restriction to be 5 requests per month. Those individuals making frequent, numerous or overbroad requests may be limited in the number of requests accepted within a specified time and have new requests held until all previous requests have been inspected. Additional requests beyond these numbers would still be filled, however the taxpayer would not have to continue bear costs of over-burdensome requests.

B. Relevance to Municipal Policy

Transparency is an essential component of a responsive, representative government. Cities endeavor at all times to be open, accessible and responsive to their citizens. Making records available for inspection by the public and the media is important to maintaining transparency and trust in government. Most citizens and the media are conscientious and purposeful in their requests. However, requests by a few individuals that are overbroad or abusive and require disproportionate amounts of city-wide staff time do not further the goal of transparency and will hurt citizen access to, and the availability of, public records. A copy of the proposed legislation is attached.

C. Fiscal Impact to Cities and Towns

Cities will still respond to public records requests in the spirit of transparency and openness in government. Allowing cities some relief from abusive public records requests or to identify potentially abusive practices will free staff to perform other governmental functions.

D. Fiscal Impact to the State

There will be no fiscal impact to the State. However an amendment could include public records requests of the State, which will result in savings.

E. Contact Information

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39-121.02. Action on denial of access; costs and attorney fees; damages; burdensome requests

A. Any person who has requested to examine or copy public records pursuant to this article, and who has been denied access to or the right to copy such records, may appeal the denial through a special action in the superior court, pursuant to the rules of procedure for special actions against the officer or public body.

B. The court may award attorney fees and other legal costs that are reasonably incurred in any action under this article if the person seeking public records has substantially prevailed. ~~Nothing in~~ ~~¶~~ ~~This subsection shall~~ does not limit the rights of any party to recover attorney fees, expenses and double damages pursuant to section 12-349.

C. Any person who is wrongfully denied access to public records pursuant to this article has a cause of action against the officer or public body for any damages resulting from the denial.

D. It is a defense to any action under this article that the request for access to public records is unduly burdensome or harassing.

**LEAGUE OF ARIZONA CITIES & TOWNS
RESOLUTION FORMAT**

Text of Resolution (Insert one or two concise sentences describing what action or policy you are proposing.)
Urges the authorization of expenditure and full appropriations through the reenactment of repealed ARS 41-501, 503 and 504 to restore the Arizona State Park Heritage Funds.

Submitted by: *(List the municipalities sponsoring this Resolution – there must be at least two.)*

City of Sedona

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A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

The Arizona State Parks (ASP) Board Heritage Fund was established in November 1990 by voter initiative, provides up to \$10 million annually to Arizona State Parks from Arizona Lottery proceeds (A.R.S. §41-503). There were three competitive grant programs offered annually from the Heritage Fund dollars to provide opportunities for the public to enjoy parks and outdoor recreation, and to help preserve natural and cultural resources. Seventeen percent of the State Parks Heritage Fund revenues were available annually (up to \$1.7 million) through the Historic Preservation (HP) Grant Program. Thirty-five percent of the revenues (up to \$3.5 million) were available through the Local, Regional and State Parks (LRSP) Grant Program, and five percent of the revenues (up to \$500,000) went to the Trails Heritage Fund, of which 95% was available through the competitive grant program.

Since 2009, sweeps of the Heritage Fund resulted in the discontinuation of the Heritage Fund Grant Programs due to lack of funding. The Heritage Fund Grant Programs were an important source of funding, through the LRSP in particular, to Cities and Towns for their ability to enhance and expand local park sites. The sweep of Heritage Funds directly impacts the ability of Cities and Towns to provide funds to conserve our state's natural, cultural, and historic resources and shifts costs to Cities and Towns that are the burden of the State, and which benefit the state.

Not only were the remaining Heritage Funds eliminated – funds that were used for Capital Improvements to the Arizona State Parks – but the Legislature fully repealed the funding mechanism for Heritage Funds through the repeal of authorizing statutes A.R.S. 41-501, 41-503, and 41-504 effective on July 1, 2011. The FY 12 State Budget swept the remaining \$2,090,000 of the Enhancement Fund, which eliminated the amount available for Capital Programs and left ASP with no capital funds available to repair structural emergencies. Without reauthorization of the related statutes, there is no vehicle to appropriate funds, and the future of not only local funding but the entirety of Arizona State Parks hangs in the balance. The inability to fund needed Capital Improvements, and even emergency repairs puts ASP at a dangerous financial precipice.

B. Relevance to Municipal Policy *(Explain how the resolution impacts cities/towns throughout the state.)*

Approval of this resolution and resulting policy changes would provide a vehicle for funding to continue municipalities and the states' ability to provide and enhance the conservation of our state's natural, cultural, and historic resources. It would shift the responsibility for these programs back to the State and reinforce the voter approved initiative that originally placed the burden on the State

C. Fiscal Impact to Cities and Towns *(Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.)*

Reenactment of Arizona Heritage Fund appropriations would have a significant positive impact on recreational opportunities, environmental education for the K-12 curriculum and enrichment for educators, grants and research, and response to and help with ameliorating human-wildlife conflicts in urban areas. It also positively impacts the viability of State Parks as the sweep of funds has left ASP without funds for capital improvements or for any structural emergency. The loss of Heritage Funds has a direct impact on Cities and Towns due to the

economic impact of State Parks as evidenced in the "The Economic Impact of Arizona State Parks 2007" study prepared by The Arizona Hospitality Research & Resource Center, Center for Business Outreach and The W. A. Franke College of Business, Northern Arizona University in February 2009.

D. Fiscal Impact to the State (*Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.*)

The restoration of Arizona Heritage Fund dollars to pre-2009 levels would require \$10 million, which previously had been authorized from Arizona Lottery proceeds per A.R.S. §41-503.

E. Contact Information

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LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #4

Amends A.R.S. § 48-574 to authorize retention and detention basin improvement districts to levy and expend money to operate, maintain, repair and improve retention and detention basins within a municipality.

Submitted by: City of Yuma

A. Purpose and Effect of Resolution

A.R.S. § 48-574 currently authorizes improvement districts for the operation, maintenance, repair and improvement of pedestrian malls, off-street parking facilities and parkings and parkways. The proposed statutory change makes retention and detention basins eligible for operation and maintenance cost payment through an improvement district.

Under current state law, improvement districts are not specifically authorized to maintain retention and detention basins. As a result, off-site retention, which benefits only a small, localized area, is often subsidized by landowners outside of the area receiving the benefit (and who may already bear the burden of on-site retention on their parcel). Alternatively, under current law, a municipality could require the formation of a homeowner’s or neighborhood association to maintain basins. Permitting a developer the flexibility to form an improvement district would allocate such costs directly to and in proportion to the benefit without the requirement of a homeowner’s or neighborhood association.

The proposed legislation would allow operation, maintenance, improvement and repair costs for retention and detention basins to be included in the tax levy as part of a property owner’s tax bill in accordance with assessed value or assessment of each lot within the improvement district in proportion to the benefit to each lot. The district would not have the authority to issue improvement bonds or to engage in any activity other than operation, maintenance, repair and improvement of the retention and/or detention basin.

B. Relevance to Municipal Policy

Improvement districts are prevalent across the state. A uniform process that allows cities and towns to more fairly distribute the perpetual maintenance costs of retention and detention basins will provide long-term cumulative savings to municipalities, provide developers with an alternative to homeowner’s or neighborhood associations, and facilitate ease of payment for homeowners.

C. Fiscal Impact to Cities and Towns

Cities and towns that approve retention and detention basin improvement districts would realize savings that could be spent for other improvements or services.

A.R.S. § 48-574 Improvement districts for operation, maintenance, repair and improvement of pedestrian malls, off-street parking facilities, retention and detention basins, parkings and parkways

A. In addition to the purposes for which an improvement district may be formed under the provisions of § 48-572, an improvement district may be formed for the sole purpose of the operation, maintenance, repair and improvements of pedestrian malls, off-street parking facilities, retention and detention basins, parkings and parkways.

B. Subject to the powers granted and the limitations contained in this section, the powers and duties of the governing body of the municipality and the procedure to be followed shall be as provided in this article for other types of special improvement districts.

C. If a petition for the formation of an improvement district under the provisions of this section is presented to the governing body purporting to be signed by all of the real property owners in the proposed district, exclusive of mortgagees and other lienholders, the governing body, after verifying the property ownership and making a finding of that fact, shall adopt a resolution of intention to order the improvement pursuant to the provisions of § 48-576

D. The governing body shall make annual statements and estimates of the expenses of the district, which shall be provided for either:

1. By the levy and collection of ad valorem taxes upon the assessed value of all the real and personal property in the district.

2. By assessment of the total sum upon the several lots, each respectively in proportion to the benefits to be received by each lot.

E. If the expenses of the district are provided for by ad valorem taxes, the governing body shall publish notice, have hearings and adopt the taxes at the times and in the manners provided for incorporated cities and towns by the applicable portions of title 42, chapter 17, article 3.¹ The governing body, on or before the third Monday in August of each year, shall fix, levy and assess the amount to be raised by ad valorem taxes upon all of the property of the district. If the expenses of the district are assessed upon the several lots in proportion to the benefits received by each lot, the governing body shall follow the procedures established in § 48-575 for the assessment and collection of the assessments. All statutes providing for the levy and collection of general county taxes, including the collection of delinquent taxes and sale of property for nonpayment of taxes, shall be applicable to the district taxes provided for under this section.

F. An improvement district formed under the provisions of this section shall not be authorized to issue improvement bonds.

G. No improvement district formed under the provisions of this section shall be authorized to engage in any activity other than as provided in subsection A of this section. If the municipality is willing to participate in the cost of the district, the governing body may, by resolution, summarily order such participation.

H. The formation of an improvement district under the provisions of this section shall not prevent the subsequent establishment of improvement districts for any other purpose authorized by law.

I. If, in the opinion of the governing body, any portion of the territory of a district formed under this section is no longer benefited by being a part of the district, the governing body may, by resolution, summarily delete from the district formed under this section any area and may form a new district from the balance of the original district formed under this section.

J. If, in the opinion of the governing body, territory adjacent to a district formed under this section would benefit from being a part of the district, the governing body, by resolution, may include the territory in the district formed under this section if the following conditions are met:

1. Improvements that meet the standards and specifications established by the governing body have been constructed in the territory and will be used for the purposes of the district.

2. Any required public dedications of property have been made or will be made before the inclusion of the territory in the district.

3. Including the territory in the district will not adversely affect the district.

4. Notice of the proposed inclusion of the territory in the district has been published in five consecutive issues of a daily newspaper or two consecutive issues of a weekly or semiweekly newspaper of general circulation published in the municipality and a public hearing has been held to consider the inclusion of the territory in the district.

5. Notice has been sent by first class mail at least ten days prior to the hearing specified in paragraph 4 of this subsection with an accurate map of the territory proposed for inclusion in the district to each owner of real and personal property within the district and in the proposed area of inclusion as shown on the statement furnished pursuant to subsection K of this section that is now or would be subject to taxation by the district in the event of inclusion of the proposed area.

K. The county assessor and the department of revenue, respectively, shall furnish to the district within thirty days after a request a statement in writing showing the name and the address of each owner of real and personal property within the district and in the proposed area of inclusion that is now or that would be subject to taxation by the district in the event of inclusion of the proposed area.

L. Within ten days after the governing body adopts a resolution pursuant to subsection J of this section, the municipality shall record the resolution in the office of the county recorder in the county in which the district is located to give notice of the inclusion of the territory in the district to all property owners in the district. If, before the governing body adopts the resolution pursuant to subsection J of this section, a majority of the property owners, by area, of either the original district formed under this section or the territory proposed to be included in the district files with the governing board written objections to the proposed inclusion of the territory, the territory shall not be included in the district.

M. Within ten days after adoption of the resolution of intention to order the improvement pursuant to § 48-576, the municipality shall record the resolution in the office of the county recorder in the county in which the district is located to give notice of formation of the district to all property owners within the district.

N. For the purposes of this subsection, a property owner is an owner of real property, exclusive of mortgagees and other lienholders, that is within an improvement district that was formed as prescribed by this section. A property owner may petition the governing body to dissolve the district pursuant to the following procedures:

1. A property owner shall file with the clerk of the governing body in which the district is located a written notice of the property owner's intent to circulate a petition to dissolve the district. The notice shall include the name, address and telephone number of at least one property owner living within the district who intends to circulate the petition, the name, location and general purpose of the district

which is to be dissolved and a true and concise statement of two hundred words or less explaining the advantages of dissolving the district. A petition shall not be circulated for thirty days after the property owner files with the governing body the notice of intent to circulate a dissolution petition.

2. The governing body may provide a form of petition to be used to dissolve the district. Any petition shall include the statement provided in the notice of intent to circulate a petition regarding the advantages of dissolving the district.

3. The governing body may provide a true and concise written statement of two hundred words or less regarding the petition or dissolution of the district. If so provided, the property owner must circulate this statement affixed to the petition.

4. Property owners shall submit to the clerk of the governing body a petition for the dissolution of an improvement district formed under this section that purports to be signed by more than fifty per cent of the property owners in the district.

5. Within twenty days of receipt of the signed petition, the governing body shall verify that the petition is signed by more than fifty per cent of the property owners as set forth in paragraph 4 of this subsection.

6. If the governing body finds the petition contains valid signatures of more than fifty per cent of the property owners, the governing body shall set the date for dissolution of the district within ninety days. The district may continue to operate after dissolution only as needed to collect money and make payments on any outstanding district obligations.

7. Each property in the district with outstanding assessments or liens attached shall remain subject to those assessments or liens for payment of the existing obligations of the district, notwithstanding dissolution of the district.

8. If a district formed under this section subsequently dissolves as prescribed in this subsection, the governing body may not attempt to form any district for the same purpose for at least two years after the date the district is dissolved if the proposed district includes lands formerly located within the dissolved district.

O. Districts that are located in slum or blighted areas as defined in § 36-1471 are exempt from subsection N of this section.

E. Contact Information

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LEAGUE OF ARIZONA CITIES & TOWNS

Proposed Resolution #5

Urges the Legislature and the Governor to partner with cities and towns for the operation and maintenance of Arizona State Parks (ASP) under long term leases, for a nominal amount, and to participate financially by providing for a dedicated funding mechanism to share a portion of the costs.

Submitted by: City of Yuma,

A. Purpose and Effect of Resolution

When the State became unable to continue full support of its parks, local governments and non-profit groups in Arizona stepped up to the plate and entered into short term agreements to operate and maintain the parks in or near their jurisdictions (Alamo Lake, Boyce Thompson Arboretum, Fort Verde, Homolovi, Jerome, Lost Dutchman, Lyman Lake, McFarland, Picacho Peak, Red Rock, Riordan Mansion, Roper Lake, Tombstone Courthouse, Tonto Natural Bridge, Tubac Presidio, Yuma Territorial Prison State Historic Park, Yuma Quartermaster Depot State Historic Park) so Arizona residents and visitors alike could continue to enjoy the rich recreational experiences that state parks provide. These Agreements have proven to be successful. However, the State has been reluctant to enter into leases for longer than three years. In order to make the current partnerships between the State and local governments more viable over time and to encourage partnerships with both public and private non-profit organizations, longer term leases (such as 10 years) and a continuing, dedicated, and reliable funding stream from the State, local governments and non-profits will be needed.

Longer term leases and a dedicated funding stream will assure that Arizona’s State Parks remain open to the public as a recreational, environmental, and cultural benefit that supports and generates tourism, and provides important revenue to not only local, but also to the regional and statewide, economies. In addition, the availability of the State Parks System will continue to provide a high quality of life for Arizona residents and serve as an attraction to new residents.

B. Relevance to Municipal Policy

State Parks are essential to the rural economies and people of Arizona, and the continued threat to their operation leaves a continued threat to the weakened local economies in rural Arizona. In addition, Arizona’s natural environment, including access to the environment through availability of State Parks across the state draws millions of tourists to Arizona, benefiting every entity that relies on tourism as part of its economy.

Increasingly, ASP is reliant on partnerships with local governments to make its state parks viable. This comes at a time when local resources are shrinking.

C. Fiscal Impact to Cities and Towns (Newer stats are not available)

Visitors' expenditures combined with their direct and induced impacts resulted in \$21,171,627 in Federal Government taxes and \$22,762,326 in state and local government taxes. The total tax impact of Arizona State Park visitors in 2007 was \$43,933,953.

D. Fiscal Impact to the State

The economic benefit of the State Park System is statewide. Calculated at the state level for FY07, the total economic impact of Arizona State Parks (direct, indirect and induced) on the state was \$266,436,582. This total state income resulted in 2,397 direct jobs and 950 indirect jobs for a total of 3,347 jobs statewide. The jobs provided were generated directly, through State Parks employment, but also indirectly, for the tourism industry that is supported and enhanced by the existence of State Parks.

Visitors' expenditures combined with their direct and induced impacts resulted in \$21,171,627 in Federal Government taxes and \$22,762,326 in state and local government taxes. The total tax impact of Arizona State Park visitors in 2007 was \$43,933,953.

(Economic figures cited are from "The Economic Impact of Arizona State Parks 2007" study prepared by The Arizona Hospitality Research & Resource Center, Center for Business Outreach and The W. A. Franke College of Business, Northern Arizona University in February 2009.)

E. Contact Information

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LEAGUE OF ARIZONA CITIES & TOWNS

RESOLUTION #6

Adopt further improvements to Arizona’s public safety retirement system that will promote affordability for taxpayers while providing for the benefit promised to workers. These improvements should include a plan to effectively deal with the problem of unfunded liability, bringing a balance within a reasonable period of time while ensuring that Arizona remains competitive in its ability recruit and retain talented public safety employees.

Submitted by: *(List the municipalities sponsoring this Resolution – there must be at least two.)*

City of Flagstaff

Town of Paradise Valley

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A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

Explore mechanisms to improve public safety pensions for both employer and employees that creates an economically sustainable retirement system that protects taxpayers.

B. Relevance to Municipal Policy *(Explain how the resolution impacts cities/towns throughout the state.)*

Need for sound financial planning and budgeting and use of the taxpayer dollars. How cities spend the taxpayers’ money is one of its most important responsibilities and a significant factor in garnering the trust of our citizens.

C. Fiscal Impact to Cities and Towns *(Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.)*

The disparate fiscal impact on each of the municipalities varies widely and creates challenges in budgeting and planning for the future. The current unfunded liability and increasing contribution rates for the public employee retirement systems are not financially sustainable and create a heavy burden on local governments to continue to fund pensions.

D. Fiscal Impact to the State *(Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.)*

Level the state contribution with a more uniform and therefore could be an impact to the State budget. The anticipated costs associated with decreasing unfunded liability will have a big impact on state and local budgets for years to come and is an essential component of any pension reform measure.

E. Contact Information

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Title: City Attorney / Deputy City Manager

LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #7

Support the restoration of funding to the Arizona Housing Trust Fund.

Submitted by: *(List the municipalities sponsoring this Resolution – there must be at least two.)*

City of Flagstaff

Town of Prescott Valley

Town of Chino Valley

A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

Resolution to restore funding to the Arizona Housing Trust Fund.

Created in 1988 to provide a flexible funding source to assist in meeting the needs of low-income households in Arizona , the Housing Trust fund is funded from the sale of unclaimed property, such as stocks or savings accounts abandoned by the owner, often due to a death without a will. The Housing Trust Fund was initially funded by 35% of unclaimed property proceeds, and then increased over time to 55% to better address rural housing needs. Prior to the Great Recession, the Housing Trust Fund received over \$30 million annually. Due to state budgetary constraints, in 2010 the Housing Trust Fund was capped at \$2.5 million.

B. Relevance to Municipal Policy *(Explain how the resolution impacts cities/towns throughout the state.)*

Cities and towns, as well as non-profits, are eligible to apply to receive an allocation of the Housing Trust Fund to further housing objectives within their communities. Restoration of funding to the Trust Fund will enable a greater number of grant applications to be funded and other funding to be leveraged.

C. Fiscal Impact to Cities and Towns *(Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.)*

Funding from the Housing Trust Fund has the potential to bring much needed funding to communities to address housing needs, either through the city, town or a non-profit application for use to further local housing objectives.

D. Fiscal Impact to the State *(Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.)*

When the Housing Trust Fund was capped at \$2.5 million in 2010, the funding from the sale of unclaimed property was reallocated to other areas. Restoration of funding to the Trust Fund will potentially pull funding away from the areas to which it was reallocated.

E. Contact Information

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LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #8

A resolution to amend the state laws on property tax to allow a city and a developer to hold title to property in such a way that the developer pays an excise tax equal to, but in lieu of the property tax, and 40% of such tax would be distributed to the city for public safety expenses.

Submitted by: (List the municipalities sponsoring this Resolution – there must be at least two.)

City of Flagstaff

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A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

Some development projects, notably university off-campus housing, put an increased public safety burden on the city. This proposal would allow a city to hold title to such a development and lease it to the developer. The developer would pay an excise tax instead of property tax. The excise tax would be divided among the usual taxing entities but in different proportions. The city would receive 40% instead of 7%.

B. Relevance to Municipal Policy *(Explain how the resolution impacts cities/towns throughout the state.)*

This policy would be more fair to cities because it would help fund direct expense incurred by the city in regard to specific projects.

C. Fiscal Impact to Cities and Towns *(Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.)*

Under this plan, a typical 150 unit (600 beds) high rise housing project would pay about \$200,000 per year to the city for public safety purposes.

D. Fiscal Impact to the State *(Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.)*

The funds shifted to the city would be coming from the funds ordinarily going to the public schools. The rationale is that some projects, like student housing, put more burden on public safety than they put on public schools.

E. Contact Information

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Title: City Attorney / Deputy City Manager

LEAGUE OF ARIZONA CITIES & TOWNS

PROPOSED RESOLUTION #9

Request and encourage the Arizona State Legislature to establish a mechanism enabling local government to establish renewable energy and conservation financing districts. In addition, encourage the Arizona State Legislature to identify and define energy efficiency, renewable energy and water conservation as a public benefit that enhances the public good and promotes the health, safety, prosperity, security, and general welfare of the community.

Submitted by: *(List the municipalities sponsoring this Resolution – there must be at least two.)*

Flagstaff, Arizona

Tucson, Arizona

A. Purpose and Effect of Resolution *(Explain your proposal and provide any relevant background information.)*

Renewable energy and conservation financing district authority enables local government to create a financing mechanism to provide up front funds to commercial property owners for energy efficiency, renewable energy, and water conservation improvements. Property owners can opt in to finance energy efficiency improvements, renewable energy installation, and water conservation improvements on their property and repay financing through a property assessment.

Energy efficiency, renewable energy and water conservation create an opportunity to utilize our nation’s resources wisely and secure reliable, clean, and safe energy. In the current economic climate the upfront financial commitment necessary to implement energy efficiency, renewable energy, and water conservation improvements is often a barrier for property owners. A voluntary renewable energy and conservation financing district can remove these barriers.

In Arizona, energy efficiency, water conservation and renewable energy financing programs have significant potential to stimulate the state’s economy, create jobs and transition residents to sustainable energy use and production. Such programs can deliver benefits beyond energy independence, including new sources of workforce stabilization and development, increase value and comfort of buildings, provide protection from increasing energy costs and enhance community awareness.

Energy efficiency, water conservation and renewable energy financing programs have been developed in numerous communities across the nation. At least 30 states have passed enabling legislation that allows local government to establish property assessed energy efficiency, water conservation and renewable energy financing districts, defines energy efficiency, water conservation and renewable energy as a public benefit, and grants the authority to issue bonds.

The federal government currently encourages the installation and use of renewable energy through a series of federal tax incentives and credits. Arizona also has several tax incentive-based programs to encourage the production of renewable energy. These incentives collectively make renewable energy projects more affordable only after installation but do little to address the upfront financial commitment.

Improving the energy efficiency of existing structures and deploying renewable energy installations supports adopted Arizona House Bill 2638 (2007), which requires towns, cities, and counties with a

population greater than 150,000 to adopt an energy element to their planning policies that will encourage and provide incentives for the efficient use of energy and requires that community general plans contain an assessment that identifies policies and practices that will provide for the greater use of renewable energy sources.

This resolution also supports Arizona regulated utilities' efforts to meet the Arizona Corporation Commission's Renewable Energy Standard that requires 15% of their energy generation to come from renewable resources by 2025.

B. Relevance to Municipal Policy (*Explain how the resolution impacts cities/towns throughout the state.*)

This resolution would support municipalities that choose to promote energy efficiency, renewable energy and water conservation practices within their communities. Many Arizona communities are working to improve the efficiency of existing building stock in the residential and commercial sectors to promote sustainability and help protect community members from rising energy costs.

C. Fiscal Impact to Cities and Towns (*Explain the potential fiscal impact, if any, to cities/towns. Include any cost estimates if possible.*)

Renewable energy and conservation financing district authority would allow local governments to proactively provide a mechanism for property owners to decrease their fossil fuel use and increase energy cost savings. Energy efficiency, renewable energy and water conservation financing programs can remove upfront financial barriers for property owners that would like to develop energy efficiency, renewable energy and water conservation projects. With enabling legislation, local governments could voluntarily elect to establish an energy efficiency, renewable energy and water conservation financing program and participation in the program would be completely voluntary for interested property owners. There would be no fiscal impact on the city or town.

D. Fiscal Impact to the State (*Identify possible state or federal funding sources and if the impact to the state would be an appropriation of monies or a tax credit, exemption, etc.*)

There are no fiscal impacts to the State. Energy district authority would allow for opt-in energy efficiency and renewable energy financing programs at the fiscal responsibility of the property owner.

E. Contact Information

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