



# Staff Report

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**Agenda Item:**            **LEAGUE OF ARIZONA CITIES AND TOWNS PROPOSED RESOLUTIONS SCHEDULED FOR ACTION AT THE LEAGUE ANNUAL CONFERENCE** – Discussion and consideration regarding the League of Arizona Cities and Towns current resolution proposals for consideration at the League Annual conference on August 24, 2010.

**Sponsored By:**            Mayor Doug Von Gausig

**Staff Contact:**            Gayle Mabery, Town Manager

**Meeting Date:**            August 10, 2010

**Background:**

The League of Arizona Cities and Towns Resolutions Committee will be meeting at the League Annual Conference. The Committee will be considering 22 resolutions that were submitted by the deadline. Municipalities had been requested by the League to review the resolutions prior to the meeting in an effort to focus their time on debate and voting. The Subcommittee put the resolutions into the categories of Recommended for Adoption, Recommend with Amendment, and Not Recommend. Action will be taken by members of the Resolutions Committee on any motions followed by discussion and voting on individual resolutions.

The Council will be discussing and considering some of the 22 resolutions that they may have concerns or questions on so that our representative on the Resolutions Committee will be able to participate at the Resolutions Committee Meeting with the recommendations from the full Council.

**Recommendation:**    Consideration of the 2011 proposed resolutions from the League of Arizona Cities and Towns Resolutions Committee.



1820 W. Washington · Phoenix, AZ 85007 · Phone: (602) 258-5786 · Fax: (602) 253-3874  
Email: league@azleague.org · Web site: www.azleague.org

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**DATE:** July 12, 2010

**TO:** Members of the Resolutions Committee

**FROM:** Councilmember Claude Mattox; Chairman

**SUBJECT:** Proposed Resolutions and Meeting Reminder

This memo is to remind you that the Resolutions Committee meeting will be held at the League Annual Conference at the following time and location:

*Tuesday, August 24, 2010, Glendale Renaissance Hotel  
Lunch- 12:30 pm (Room TBD); Meeting- 1:30 pm (Room TBD)*

Enclosed with this memo are the current resolution proposals received by the deadline and a meeting agenda. Please review the enclosed resolutions packet and bring it with you to the meeting. If your city or town is sponsoring resolutions, you may be asked to explain and possibly answer questions regarding the resolution. Also, please talk with your City/Town Manager and appropriate staff to research the other resolutions and their potential impact to your community. A contact from the sponsoring city or town is listed on each resolution and will be able to answer any questions that you may have. Seeking these answers prior to the meeting will allow the Committee to spend our limited amount of time on debate and voting rather than learning about each resolution.

The Committee will be considering 22 resolutions that were submitted by the deadline. As such, your preparation prior to the meeting and your prompt attendance will allow the Committee to complete its work in a timely fashion. The meeting will begin promptly at 1:30 pm with a report of the Resolutions Subcommittee, which met on July 7, 2010. The Subcommittee put the resolutions into categories (Recommend for Adoption, Recommend with Amendments, Not Recommend, etc.). You will have the option to remove items for individual discussion. After the report, action will be taken on any motions followed by discussion and voting on individual resolutions.

Late resolutions will not be considered except in the case of emergency as determined by the Resolutions Committee Chairman. The Resolutions approved by the Resolutions Committee will be formally adopted at the Annual Business Meeting, scheduled for Thursday, August 26, 2010 at 4:00 p.m.

We look forward to seeing you at the meeting. If you have any questions or a change in your plans to attend, please call the League office at (602) 258-5786.

Enclosure

cc: City and Town Managers or Clerks  
Intergovs

**LEAGUE OF ARIZONA CITIES AND TOWNS**  
**RESOLUTIONS COMMITTEE CONFERENCE MEETING**

Tuesday, August 24, 2010  
Lunch - 12:30 pm – Room TBD  
Meeting - 1:30 pm – Room TBD  
Glendale Renaissance Hotel

Councilmember Claude Mattox; Chairman

AGENDA

**12:30 pm**  
Room TBD

**Lunch for Resolutions Committee Members**

**1:30 pm**  
Room TBD

**Resolutions Committee Meeting**

- I. Call to Order and Introductions
- II. Report of Resolution Subcommittee
- III. Discussion and Action on Resolutions

League of Arizona Cities & Towns

Resolution Committee Meeting – August 24, 2010

No.	Resolutions Recommended for Adoption	Sponsor	Co-Sponsor
1	Defend cities' right to self-collect transaction privilege tax by contracting with a private third party.	Bullhead	Kingman, Lake Havasu
3	Urges the Legislature to identify a permanent, designated funding source to support the development and operation of a comprehensive multi-modal public transportation program in this state.	Chandler	Yuma
7	Request and encourage the Arizona State Legislature to establish the mechanism for the creation of sustainable energy financing district authority. In addition, encourage the Arizona State Legislature to identify and define energy efficiency and renewable energy as a public benefit that enhances the public good and promotes the health, safety, prosperity, security, and general welfare of the community.	Flagstaff	Bullhead City, Sedona, Surprise
9	Support a policy that facilitates acquisition of Arizona State Trust Lands by cities and towns to be used for transportation corridors and/or essential public facilities.	Lake Havasu	Bullhead, Kingman
11	Oppose any efforts to extend impact fee moratorium beyond the current three year period.	Marana	Bullhead, Kingman, Oro Valley, Queen Creek, Sierra Vista, Tucson
13	Urging the Governor and State Legislators to repeal or amend ARS § 36-2031 regarding public intoxication. Each county, municipality, or other political subdivision should be authorized to promulgate and enforce a constitutionally sufficient ordinance governing public intoxication.	Page	Holbrook, Prescott, Show Low, Winslow
15	Urges the Legislature to modify state liquor laws to enhance the ability of municipalities to address community related problems associated with liquor establishments, such as requiring the Department of Liquor Licenses and Control and the State Liquor Board give greater consideration to city recommendations on proposed liquor licenses.	Prescott	Avondale, Bullhead, Chino Valley, Flagstaff, Kingman, Prescott Valley
17	Urges the Arizona Congressional Delegation to oppose federal legislation that would place a mandate on local governments to provide collective bargaining rights to employees.	Scottsdale	Paradise Valley
18	Urges the Governor and the State Legislature to develop and pass legislation that allows greater flexibility in annexing county islands.	Sierra Vista	Apache Junction, Marana
21	Amend the laws and regulations concerning the Certificate of Necessity (CON) processes and requirements to grant cities & towns the authority to provide emergency ambulance transportation services within their jurisdictions. The State should issue a CON to any city or town that has the ability to provide such services to persons in such jurisdiction.	Yuma	Avondale, Cottonwood, Prescott, Sierra Vista

**League of Arizona Cities & Towns  
Resolution Committee Meeting – August 24, 2010**

<b>Resolutions Not Recommended</b>			
No.		Sponsor	Co-Sponsor
4	Urging the Arizona Legislature to Designate Medications Containing Certain Precursor Chemicals Used in the Production of Methamphetamine as Controlled Substances.	Cottonwood	Sedona
8	Identify and establish funding sources for Arizona Water Supply Revolving Fund Development authorized by H.B. 2692.	Flagstaff	Prescott Valley
14	Amending Title 16, Chapter 3, Article 3, Signature Requirements, clarifying steps to be taken by the City Clerk's Office upon submission of nomination petitions by candidates.	Prescott	Chino Valley, Kingman, Prescott Valley
16	Urges the Legislature to modify State Statutes to allow cities and towns to request a price range in a Request for Proposal or Statement of Qualification solicitation for Professional Services.	Prescott	Avondale, Chino Valley, Flagstaff, Prescott Valley
20	Urging the legislature to modify relevant sections of A.R.S Title 48 to allow municipalities to elect the assessment methodology (equal apportionment or ad valorem) for street lighting improvement districts (SLIDS) within a developed community. This resolution also includes modifying the relevant statute to provide for minor additions to existing SLIDS without requiring a new petition process.	Surprise	Youngtown

<b>Resolutions Withdrawn By Sponsoring Community</b>			
No.		Sponsor	Co-Sponsor
5	Urging and voicing border security concerns to the various United States and State of Arizona agencies tasked with Border and Homeland Security and to request additional physical and human resources as required securing Arizona's borders and protecting its public safety personnel and citizens from criminal activities.	Douglas	Benson, Flagstaff, Huachuca, Kingman, Sierra Vista, Thatcher, Willcox, Yuma

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**2011 *Proposed* RESOLUTIONS**

**LEAGUE OF ARIZONA CITIES AND TOWNS**

**To be reviewed  
by the Resolutions Committee  
on August 24, 2010**

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## Resolution # 1

*Defend cities' right to self-collect transaction privilege tax by contracting with a private third party.*

*Submitted by: Bullhead City, Kingman, Lake Havasu City*

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### A. Purpose and Effect of Resolution

The purpose of this resolution is to devote League resources to preserving the right of Arizona cities to conduct self-collection of local sales tax receipts by contracting with a private third party administrator.

If adopted, the effect of the resolution would authorize League staff to advocate against legislative attempts to remove or lessen this authority.

### B. Relevance to Municipal Policy

Currently, fourteen cities in Arizona exercise the option to collect their own municipal sales tax receipts. The remaining cities by default must have their sales tax collected by the Arizona Department of Revenue. Cities may have varying justifications for their decision to self collect taxes or not—but for most, it's the belief that self collection will yield faster and more accurate results and with greater efficiency. Self collection however, may not be a truly reasonable option for many smaller communities in the State given the steep start up, and operations costs.

Several years ago, the City of Bullhead City began investigating a private business that provides local governments across the country the service of administering local sales tax collection. After a thorough investigation and several meetings with various community stakeholders, the City in 2009 agreed to a contract to allow a private business the right to collect Bullhead City's local two percent sales tax. To date, the City has been very pleased with our decision.

In the 2010 State Legislative session, the right of cities to use a private third party for sales tax administration was challenged by the introduction of HB2512. The principle argument from the opponents was that allowing privatization in this manner would over complicate the sales tax model in Arizona.

### C. Fiscal Impact to Cities and Towns

There is no direct fiscal impact to cities and towns. However, Arizona cities that elect to self collect with a private third party may observe increased sales tax revenue due to an increase in accuracy and efficiency that the State Department of Revenue cannot offer.

### D. Fiscal Impact to the State

There is no direct fiscal impact to the state. However, the more cities in the Arizona that elect to self collect will place less of a demand on resources within the Arizona State Department of Revenue.

**Resolution #3**

*Urges the Legislature to identify a permanent, designated funding source to support the development and operation of a comprehensive multi-modal public transportation program in this state.*

*Submitted by: Chandler, Yuma*

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**A. Purpose and Effect of Resolution**

Since the Legislature eliminated the Local Transportation Assistance Fund (LTAF) during the last legislative session, Arizona is now one of only five states that do not have a dedicated state-funding source for public transportation services. Without these funds cities all over the state are struggling to find ways to continue to provide critical transportation services and infrastructure.

Public transportation services can no longer be viewed as a luxury. Highly desirable companies are using the availability of these services as a criterion in their decision-making when determining where to locate or expand. Without a more reliable funding source that adequately funds public transportation, Arizona will continue to fall behind our competitors.

Public transportation is critical to the mobility of those without their own means of transportation, either because of financial circumstances or disabilities. However, there is also a new user of these services emerging. These choice riders are often highly educated, well paid individuals who proactively make the decision to use public transportation rather than their own vehicle. Even the Metro light rail system, although it serves only a fraction of the Valley, has demonstrated the pent up demand for public transportation services in the Phoenix metropolitan area by exceeding all expectations of ridership.

**B. Relevance to Municipal Policy**

Cities have largely been responsible for funding public transportation services, either through regional taxes or locally imposed taxes. The only state funding came from LTAF, which was eliminated in the last legislative session.

Cities can no longer shoulder this responsibility alone. Without the State's assistance we will never be able to provide transportation options to our citizens that will allow us to reach our full potential and realize an improved quality of life that will make us competitive or that will truly serve our communities.

**C. Fiscal Impact to Cities and Towns**

The availability of state funding will not relieve individual regions or municipalities of all of the fiscal responsibility for public transportation services. However, it will be practically impossible to operate a public transportation system that adequately serves the residents of this state solely with local funding. Therefore, state funding is necessary to supplement our local monies.

**Resolution # 7**

*Request and encourage the Arizona State Legislature to establish the mechanism for the creation of sustainable energy financing district authority. In addition, encourage the Arizona State Legislature to identify and define energy efficiency and renewable energy as a public benefit that enhances the public good and promotes the health, safety, prosperity, security, and general welfare of the community.*

*Submitted by: Flagstaff, Sedona, Surprise, Bullhead City*

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**A. Purpose and Effect of Resolution**

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

Energy efficiency and renewable energy creates 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 improvements and deploy renewable energy installations is often a barrier for property owners. Energy efficiency and renewable energy financing programs can remove these barriers.

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

Energy efficiency and renewable energy financing programs have been developed in numerous communities across the nation. The states of California and Colorado have passed legislation that allows city and county agencies to establish sustainable energy financing district authorities, defines energy efficiency 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. The bill also requires that community general plans contain an assessment that identifies policies and practices that will provide for the greater use of renewable energy sources.

**Resolution # 9**

*Support a policy that facilitates acquisition of Arizona State Trust Lands by cities and towns to be used for transportation corridors and/or essential public facilities.*

*Submitted by: Lake Havasu City, Bullhead City and Kingman*

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**A. Purpose and Effect of Resolution**

Arizona has over nine million acres of land currently held in trust for the common schools. Trust law is a state constitutional measure that requires Trust lands be sold or leased for their highest use and highest appraised value to the highest bidder at public auction. Earning money for Arizona's public schools is the primary mission of the Trust; however, charging high commercial values for Trust land assets renders acquisition for essential public right-of-way purposes unattainable for most municipal entities. Making public right-of-way more affordable for municipalities would accelerate economic development in the state, provide efficient public transportation and utility corridors, and further enhance the value and desirability of adjacent state lands and other properties. Making the acquisition of Trust land for public right-of-way purposes more affordable would also enable adjacent Arizona communities to actively plan for the construction of transportation corridors and connecting thoroughfares in, around and between communities. These corridors would ease growing commuter concerns, provide alternative routes for commerce and improve public access to surrounding State Trust lands, making those properties even more attractive to developers and increasing their value to the schools.

**B. Relevance to Municipal Policy**

Trust lands are a substantial component of the process under Arizona's 1998 Growing Smarter program and are integrated into the General Plans of many communities across the state. Some communities, like Lake Havasu City for example, are virtually surrounded by Trust land that is needed for necessary public roads and infrastructure, but may only be acquired through public auction for the highest possible value. This situation holds hostage the economic development potential of those Arizona communities that simply cannot afford to pay resort property prices for land that is needed for a road.

**C. Fiscal Impact to Cities and Towns**

Although local governments may still need to borrow the funds necessary to acquire Trust lands for needed public right-of-way and/or facilities, making the public investment more affordable increases the likelihood of public support. Improved access increases the development potential for the adjacent undeveloped land, thereby expanding the economic base of the community and the state.

**D. Fiscal Impact to the State**

Any perceived loss of immediate revenue for the Trust would be offset by the economic benefits that result from the improved public access and subsequent enhanced value and development potential for the adjacent Trust lands and other properties.

**E. Contact Information**

Charlie Cassens, City Manager  
Lake Havasu City, Arizona  
928-854-4212; [cassensc@lhcaz.gov](mailto:cassensc@lhcaz.gov)

**Resolution # 11**

*Oppose any efforts to extend impact fee moratorium beyond the current three year period.*

*Submitted by: Town of Marana, Bullhead, Kingman, Oro Valley, Queen Creek, Sierra Vista, Tucson*

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**A. Purpose and Effect of Resolution**

During the Third Special Session of the 49<sup>th</sup> Legislature a two year moratorium on the creation or raising of any development impact fees was passed. This moratorium had technical problems that were resolved in 2010 by House Bill 2478 in exchange for a one year extension of the freeze until June 30, 2012. There should be no further extensions of this freeze.

**B. Relevance to Municipal Policy**

Development impact fees are governed by numerous statutes that require public hearings, public notification, significant analysis of the fee structure and clear direction on where these fees can be used. These statutes create a framework for cities and towns that allow communities to partially fund necessary infrastructure with fees generated from developments that will utilize and benefit from that infrastructure.

In the current economic environment financial resources are severely strained. The current moratorium was passed based on the claim that it would spur economic activity. While those claims are yet to be proven, cities and towns continue to face challenges providing needed infrastructure across our state.

Continuation of the freeze beyond June 30th of 2012 will leave our state with even fewer financial resources to address the needs of our growing communities and will create pressure on other revenue sources.

**C. Fiscal Impact to Cities and Towns**

Ending the current moratorium will allow cities and towns to once again plan for future growth and equitably finance the costs of that growth. Conversely, any further continuation of the current moratorium will significantly reduce the ability of cities and towns to address the needs our communities largely created by growth.

**D. Fiscal Impact to the State**

There will be no impact on the state as these are locally collected revenues.

**E. Contact Information**

**Name:** Steve Huffman  
**Phone:** (520) 954-2233

**Title:** Intergovernmental Affairs Administrator  
**Email:** shuffman@marana.com

## Resolution # 13

*Urging the Governor and State Legislator to repeal or amend ARS 936 2031 regarding public intoxication. Each county municipality or other political subdivision should be authorized to promulgate and enforce a constitutionally sufficient ordinance governing public intoxication.*

*Submitted by: Page, Winslow, Holbrook, Show Low, Prescott*

### **A. Purpose and Effect of Resolution**

The purpose of this resolution is to repeal or amend ARS 936 2031 initiated for the benefit of the alcohol industry. Heretofore, all Arizona cities and towns have been denied the ability to regulate themselves and meet the needs of their communities and constituents.

Public intoxication laws have long been a heavily-debated topic in our ever-changing society. Federal law grants each individual state the authority to determine public intoxication law. Most frequently it is the counties, cities, and towns that must manage and finance the consequences of public intoxication.

Public intoxication is a threat to the health safety and the general welfare of the public. It is important to note that public intoxication and drinking in public are not the same thing. This resolution seeks only to authorize enactment of constitutional laws pertaining to the management and regulation of public intoxication by those individuals whose conduct poses a direct and immediate threat to the health safety and general welfare of the public and the offender.

The impact of the current statute denies every city and town the ability to address their community needs. Amending this statute allows cities and towns the opportunity to create beneficial and enforceable laws specific to unique circumstances.

### **B. Relevance to Municipal Policy**

Each city and town will be afforded the ability to regulate themselves. If public intoxication isn't an issue for any given community there is no impact due to the statute change. But if a community is a border or tourism community or community with specific concerns seeking to maintain a responsible health and safety environment this resolution is an opportunity to enact laws specific to the community needs. Local government operates at the front lines and understands its community's needs. This resolution and the ultimate repeal or amendment of ARS 936 2031 would enable local governments to meet its needs.

### **C. Fiscal Impact to Cities and Towns**

None Cities and towns that do not establish public intoxication laws will not have any impact. Those cities and town that do establish laws will be subject to expense depending on the regulation enacted. If fines were included in the penalty assessment communities would offset the actual costs of public intoxication.

### **D. Fiscal Impact to the State**

None

## **Resolution #15**

*Urges the Legislature to modify state liquor laws to enhance the ability of municipalities to address community related problems associated with liquor establishments, such as requiring the Department of Liquor Licenses and Control and the State Liquor Board give greater consideration to city recommendations on proposed liquor licenses.*

*Submitted by: Prescott, Avondale, Bullhead, Chino Valley, Flagstaff, Kingman, Prescott Valley*

### **A. Purpose and Effect of Resolution**

This resolution proposes to modify state liquor laws to improve the ability of municipalities to address public safety and quality of life concerns associated with problem liquor establishments, primarily through the State Liquor Department and Board. Some examples are as follows: 1) Allow cities to request a hearing of the State Liquor Board at the time of renewal for existing licenses when sufficient reason exists to request the Board to not renew the license; and/or 2) Create a twelve-month provisional permit for licenses when a municipality recommends denial of a license but the Board grants approval; and/or 3) Modify the definition of licensed premises to include parking lots of bars and liquor stores; and/or 4) Hold license applicants accountable to commitments made during the application process. 5) Modify the membership of the State Liquor Board to include a municipal law enforcement representative. 6) Give careful consideration to a municipality's concerns regarding the owner/manager, particularly when factual research demonstrates poor past performance.

### **B. Relevance to Municipal Policy**

Poorly managed liquor establishments pose considerable problems for law enforcement and surrounding neighborhoods, such as crime, noise violations and parking issues. Reforms to liquor laws increasing the consideration of impacts to neighborhoods would greatly enhance the ability of municipalities to protect public safety and quality of life in these neighborhoods. Legislation addressing problem liquor establishments and changes to Arizona liquor laws have been an ongoing challenge for cities and towns. Cities and towns should have the ability to plan their communities as they believe best, including the location and operation of liquor establishments. The proposed provisions allow cities to have a greater role in the liquor licensing process for liquor establishments to ensure that are addressed.

### **C. Importance of Resolution to Your City or Town**

Legislation addressing problem liquor establishments and changes to Arizona liquor laws have been an ongoing challenge for cities and towns. Cities and towns should have the ability to plan their communities as they believe best, including the location and operation of liquor establishments. The proposed provisions allow cities to have a greater role in the liquor licensing process for liquor establishments to ensure that are addressed.

### **D. Fiscal Impact to Cities and Towns**

These provisions should result in fewer police calls for liquor establishment-related incidents, reducing the need for law enforcement resources and increased costs to cities and towns.

### **E. Fiscal Impact to the State**

**Resolution # 17**

***Urges the Arizona Congressional Delegation to oppose federal legislation that would place a mandate on local governments to provide collective bargaining rights to employees.***

*Submitted by: Scottsdale, Paradise Valley*

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**A. Purpose and Effect of Resolution**

In 1935, the U.S. Congress passed the National Labor Relations Act (NLRA). The broad intention of the act was to guarantee employees “the right to self-organization, to form, join, or assist labor organizations, to bargain collectively through representatives of their own choosing, and to engage in concerted activities for the purpose of collective bargaining or other mutual aid and protection.”

There were specific exemptions to the provisions of the NLRA that included airlines, railroads, agriculture, and government. The provisions of the NLRA were later expanded under the Taft-Hartley Labor Act of 1957 and the Landrum-Griffin Act of 1959.

Over the past several years, federal legislation known as the *Public Safety Employer-Employee Cooperation Act* has been introduced in both the Senate and the House. If passed, this legislation would effectively remove the government exemption from the National Labor Relations Act and mandate that local governments provide collective bargaining rights to public safety personnel. This legislation was introduced again in 2010 and is pending in the U.S. Senate.

This legislation raises Constitutional concerns under the Tenth Amendment. It is not clear whether courts would uphold the federal government’s authority to impose a comprehensive regulation of the labor relations between local governments and their employees in the manner prescribed by such legislation.

The U.S. Congress should not force every city and town to adopt a one-size-fits-all system of collective bargaining -- thereby denying local governments the freedom to choose whether and how to bargain collectively with their employees. The Congress should respect the ability of local governments to govern themselves and decide what best fits their needs.

**B. Relevance to Municipal Policy**

Passage of this legislation would mandate that every city and town in Arizona adopt national collective bargaining standards – regardless of whether a local government already participates in collective bargaining – which is an affront to the principle of local control.

**C. Fiscal Impact to Cities and Towns**

If passed, this legislation would require local governments to meet and bargain with an employee’s exclusive representative -- should the employee choose to be represented by a collective bargaining entity.

The costs of complying with this mandate would include the administrative activities associated with the bargaining process and additional costs that may likely occur as a result of new wage and benefit negotiations. Local governments that currently do not collectively bargain with their employees would likely have to hire staff and implement procedures to ensure that the letter of the law is met. Local

**Resolution # 18**

*Urges the Governor and the State Legislature to develop and pass legislation that allows greater flexibility in annexing county islands.*

Submitted by: Sierra Vista, Marana

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**A. Purpose and Effect of Resolution**

Over the past 30 years, the State Legislature has made changes in annexation law to respond to actions by local governments that have had unintended, and often negative, consequences. In 1980, the Legislature disallowed "strip" annexation by communities wanting to annex only highly lucrative commercial properties. That same legislation also changed the law further to disallow the creation of county islands, recognizing that having such islands completely surrounded by an incorporated city or town is not good public policy. Other steps have been taken within state law to improve the process, but more are needed.

Although new county islands can no longer be created, unfortunately a number of cities and towns in Arizona still have such areas within their incorporated city limits. The islands are governed by the laws of their respective county, which is a branch of local government largely designed to provide rural services and a one size fits all approach to planning and growth management. Depending on the individual county/city, disparities between county and city regulations may exist, and in many cases, these service and/or enforcement differences are taking place literally across the street from areas with the same density and neighborhood type.

It is time to allow a city or town more flexibility to extend urban services to these islands. This could include: allowing a city to shrink an island annexation area once the process has started if there is not enough interest to proceed with the entire area; removing the tie to assessed valuation in the process; allowing property owners with multiple properties within an annexation area to have a vote for each property; requiring property owners to sign a petition to opt out of a county island annexation rather than opt in, to address those areas with high out-of-town owners; or any combination of these methods. The ideas would be discussed with legislators to determine the most viable.

**B. Relevance to Municipal Policy**

Consistent service delivery to a community's residents insures that all areas of a city or town are appropriately managed. Counties, by design, are funded to provide a rural level of service. But such a service level within the middle of an urban area can, and has, led to problems that bleed over into incorporated cities.

**C. Fiscal Impact to Cities and Towns**

If legislation moves forward that allows greater flexibility in annexing county islands, it would be up to cities and towns themselves to determine timing on annexing these areas if they choose. Those communities that choose to move forward will need to extend their services to newly annexed areas. Those costs would be different for each community. But nothing in the legislation should require a city or town to annex county islands if they feel they cannot provide services. It should be noted that

**Resolution # 21**

*Amend the laws and regulations concerning the Certificate of Necessity (CON) processes and requirements to grant cities & towns the authority to provide emergency ambulance transportation services within their jurisdictions. The State should issue a CON to any city or town that has the ability to provide such services to persons in such jurisdiction.*

**Submitted by:** Yuma, Cottonwood, Avondale, Sierra Vista, Prescott

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**A. Purpose and Effect of Resolution**

It is time to rethink Arizona’s ambulance regulations. There are currently many local governments that are ready to improve their emergency medical services, but cannot because of the statutory scheme and rules developed by the Arizona Department of Health Services Bureau of Emergency Medical Services. If allowed, many local governments could improve the emergency medical services to their citizens. Local governments would work to coordinate the system across municipal and provider CON boundaries as they already have done with urban fire services. Integrated transport systems could also be provided. This would result in increased quality assurance and system efficiencies, in both service levels and cost.

Arizona’s former Auditor General, Douglas R. Norton, in his 1999 performance audit made a number of pertinent findings, including that the CON process “does not meet goals, is an unnecessary form of regulation”, and that the system “limits competition”. When explaining how the system was flawed Mr. Norton explained that the system was a barrier to local government involvement. The 1999 audit asks the State to convene a committee to find ways to include local government and adequately regulate real quality indicators.

The CON legislation should be amended so that any municipality can provide emergency ambulance transport services using their own fire department.

**B. Relevance to Municipal Policy**

By allowing Cities to provide emergency medical transport services themselves, the quality of the service can be improved. The local government will have effective control over this important public safety function and have the ability to integrate the function into their public safety infrastructure. Local government will also be able to effectively integrate the EMS transportation function into mutual aid agreements and emergency management function without the artificial barriers inherent in the current CON system.

**C. Fiscal Impact to Cities and Towns**

The ability to make local decisions about EMS transportation will provide opportunities for local governments to evaluate costs. Efficiencies can be achieved and costs recovered resulting in a lessening of the need for general fund dollars for public safety. Local governments providing these services will result in managed costs and cost recovery.

## REVISED RESOLUTION – MERGE WITH 12

### Resolution # 2/12

*Urges the Legislature to act on behalf of all cities and towns, asking for protection, authorization and full appropriations for funding of ~~State Shared Revenues and Arizona State Parks Board Heritage Funds.~~*

*Submitted by: Camp Verde, Cottonwood, Jerome, Sedona*

#### **A. Purpose and Effect of Resolution**

This resolution seeks to oppose the intended re-appropriation of monies from the ~~State Shared Revenue and Arizona Heritage Funds~~, which would shift the costs of monies dedicated from ~~State Shared Revenue (i.e. Urban Revenue Sharing, State Transaction Privilege Tax, Highway User Revenues, Local Transportation Assistance Fund, LTAF and LTAF II)~~, and Arizona Heritage Funds (i.e. funds to conserve our state's natural, cultural, and historic resources) to the municipality and its residents, which during this time of economic hardship, is fundamentally unfair to taxpaying citizens by significantly impacting the services provided by municipalities to protect their health, safety and welfare of our citizens.

#### **B. Relevance to Municipal Policy**

This would ensure funding to continue the ability of municipalities to provide public safety, maintenance of streets and highways, public transportation programs, and conservation of our state's natural, cultural, and historic resources.

#### **C. Fiscal Impact to Cities and Towns**

~~State Shared Revenue funding will be reduced by \$155 million for FY 2010/11, a decline of approximately 24.6 % from the current fiscal year's amount of \$629 million. Cities and Towns have already seen large decreases in local sales tax revenue. Legislative re-appropriations of State Shared Revenue will directly impact police services, crime rates, street and highway maintenance, public transportation programs, etc. in our cities and towns.~~

Arizona Heritage Fund re-appropriations will impact Arizona State Parks and Game and Fish Department by significantly reducing or eliminating recreational opportunities, environmental education for the K-12 curriculum and enrichment for educators, grants and research, and response to and help with remediating human-wildlife conflicts in urban areas.

The State's proposal to re-appropriate ~~State Shared Revenue and Arizona Heritage Funds~~ will seriously impact the taxpaying citizens of the State of Arizona. If this funding is not available, our state will see an increase in failing highways and streets, inability to provide adequate public safety, an increase in crime rates, inability to provide public transportation for disabled and elderly citizens to medical appointments, shopping, etc, transportation to work for low income citizens, failing of businesses that sustain local tax revenues, decrease recreational opportunities, severe impact to wildlife management, and increased unemployment to name only a few. This funding is essential to the health, safety, and welfare of our communities.

**REVISED RESOLUTION – MERGE WITH 2**

**Resolution # 12/2**

*Restore statutory distribution formula and funding from Lottery proceeds to the Local Transportation Assistance Fund.*

*Submitted by: Marana, Bullhead, El Mirage, Flagstaff, Oro Valley, Queen Creek, Sierra Vista, Tucson*

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**A. Purpose and Effect of Resolution**

The Arizona Lottery was approved by the voters of Arizona in 1980 and was most recently reauthorized by the voters in 2002 for an additional 10 years.

The Arizona Lottery was supported during these elections and has been heavily marketed throughout the existence of the lottery as a source of revenue to support important community priorities such as State Parks as well as local transit and transportation programs and projects.

In 2010, House Bill 2012 permanently diverted lottery funds dedicated to the Local Transportation Assistance Fund (LTAF) into the General Fund. These funds were then committed for debt service to help balance the General Fund Budget with borrowed money. While we recognize that the significant fiscal crisis facing our state, we believe these funds should be restored as quickly as possible as a dedicated funding source of funding for important community necessities like transit.

The Arizona Legislature should restore the statutory funding formula for LTAF and once again fund LTAF consistent with the expectations of Arizona voters.

**B. Relevance to Municipal Policy**

Federal and State transportation and transit funds have been under increasing strain in the current economic environment. With the elimination of these dedicated funds the Legislature has shifted an even greater burden to local government to maintain current levels of transportation and transit services and infrastructure.

**C. Fiscal Impact to Cities and Towns**

Restoration of LTAF funding will assist in maintaining valuable transit and transportation services and infrastructure. Additionally, it provides a reliable source of funds to leverage federal funds for use in our communities.

**D. Fiscal Impact to the State**

Lottery funds dedicated to LTAF have not been available to the General Fund until this year and as such will have minimal impact to that fund if restored to LTAF.

REVISED RESOLUTION – MERGE WITH 10

Resolution # 6/10

*Recommend that the State of Arizona continue to support retention of existing economic development tools and programs and increase access to new tools for cities to help them remain competitive nationally and internationally. Economic development remains a strong driver to the State’s economy by providing high wage jobs and thereby increasing revenues to municipalities and the State.*

*Submitted by: Flagstaff, Sedona, Kingman, Yuma, Tempe, Oro Valley*

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**A. Purpose and Effect of Resolution**

Although a resolution addressing economic development was submitted last year and was accepted by the committee, it is important that economic development continue to be a goal for the League given that 91 percent of the state’s income tax revenues come from municipalities. Cities and towns are the economic engines that positively impact the state’s financial well being.

In order to attract new, high-wage jobs to Arizona to sustain our economic health it is crucial that we have adequate tools to be competitive. Cities and towns need additional support from the State for new job attraction because they frequently must compete with not only a city in another state but also with a state government. In addition, we are now often competing internationally for companies. Arizona’s competitive edge against these areas has been diminished.

The purpose of this resolution is to maintain existing programs like the GPLET and job training funding while identifying and implementing new programs that assist municipalities in their efforts to attract new business, keep current business, and retain business expansion in the state.

**B. Relevance to Municipal Policy**

The disparity between the cost of living and available good paying jobs is significant, especially in Flagstaff and other rural communities. High wage jobs are critical for the economic health of Arizona’s cities and towns. Unfortunately, Arizona lacks the economic tools to assist municipalities in attracting high-wage employers. Individual municipalities require significantly more incentives than can be provided solely through local funding in order to be successful.

**C. Fiscal Impact to Cities and Towns**

Creating and funding economic development programs to support local government’s efforts to bring business to Arizona would allow both the state and municipalities to experience increased employment and tax revenues. State programs are critical in the effort to attract new business to Arizona or to assist a local business that is considering expanding in another state rather than expanding in Arizona.

**REVISED RESOLUTION – MERGE WITH 6**

**Resolution # 10/6**

***Protect and expand critical economic development tools.***

*Submitted by: Marana, Kingman, Oro Valley, Queen Creek, Sierra Vista, Tucson*

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**A. Purpose and Effect of Resolution**

The current downturn in the economy has highlighted the need for Arizona to focus on strategies to encourage job creation and economic expansion. Our state must acknowledge the globally competitive market we are in and protect and expand effective economic development tools that maximize our strengths and resources.

**B. Relevance to Municipal Policy**

Cities and towns across our state rely on programs such as workforce development and enterprise zone to successfully attract and expand businesses to Arizona. Absence of these programs can leave us routinely out of consideration in competition with our neighbors for business relocations and expansions.

Community leaders must work with our Legislators to target the most effective tools for job creation in this environment of limited resources.

**C. Fiscal Impact to Cities and Towns**

Strategic use of effective economic development tools can have an immediate positive impact by encouraging capital formation and investment as well as a secondary multiplier impact as a result of job creation.

**D. Fiscal Impact to the State**

The cost of critical economic development tools can be recovered many times over through revenues collected as a direct result of investment and job creation.

**E. Contact Information**

Name: Steve Huffman  
Phone: (520) 954-2233

Title: Intergovernmental Affairs Administrator  
Email: [shuffman@marana.com](mailto:shuffman@marana.com)

## REVISED RESOLUTION – REMOVE FORMER ADMINISTRATION REFERENCE

### Resolution #19

*Urges the Governor and the State Legislature to develop and pass legislation that ~~supports the implementation of the 2006 recommendations from the Governor's Emergency Medical Services Access Task Force~~ to address the shortage of physicians in the State of Arizona. The League encourages the Legislature to ~~be consistent with Task Force recommendations, including: expanding the level of Graduate Medical Education (GME) funding; expanding medical school capacity within the state universities; addressing issues affecting the attraction and retention of physicians from out-of-state; reducing obstacles to medical practice in Arizona; and addressing any other major issues that affect a physician's decision to locate or remain in Arizona to practice.~~*

*Submitted by: Sierra Vista, Apache Junction, Bisbee, Marana, Oro Valley*

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#### **A. Purpose and Effect of Resolution**

Part II of the ~~2005 Arizona Physician Workforce Study~~, conducted by specialists from the University of Arizona and Arizona State University identified that since 1992 to 2004, Arizona's physician supply is not keeping up with its population growth. The situation has not gotten any better. Arizona has 219 physicians per 100,000 people; well below the national average of 293 per 100,000. Rural communities in the state are affected by the shortage even more, with one county at under 60 physicians per 100,000. Specialty physicians are particularly difficult to recruit and retain. By way of example, the City of Sierra Vista's regional hospital is now the only location in all of Cochise County in which a woman can deliver a baby outside of a setting in which emergency services are available.

Since approximately 60% of physicians who complete their training in Arizona teaching hospitals remain to practice within the state, enhancing the Graduate Medical Education (GME) program is a critical component to addressing this shortfall; ~~one of the Task Force's recommendations. The Task Force also recommended~~ reducing obstacles to medical practice in Arizona. Recruitment and retention of physicians is hampered throughout the state by higher professional liability premiums as compared to other states, and this is certainly an obstacle needing attention.

#### **B. Relevance to Municipal Policy**

Health care is a key component of the overall quality of life for any community. It is an attraction and retention component for both business and military activities, both of which are the backbone of the state's economy. An adequate supply of physicians is the foundation of quality healthcare, and although most barriers to physician recruitment and retention are beyond the direct control of local government, the health of our citizens should be a strong consideration for local legislative input and advocacy. The National League of Cities has incorporated citizen health in its overall federal legislative platform by developing and advocating for health programs for children and youth.

REVISED RESOLUTION – SUPPORT HB 2302

Resolution # 22

Requests that statutes, including A.R.S. §39-204, requiring publication of notices, agendas, reports, and other statutorily mandated publications, in a newspaper, be amended to allow cities and towns the option to publish on an official website. THIS REQUEST SHOULD BE ACCOMPLISHED THROUGH THE TRANSPARENCY STUDY COMMITTEE EFFORT ESTABLISHED IN 2010 BY HOUSE BILL 2302; PUBLICATION OF NOTICES; COMMITTEE.

Submitted by: Yuma, Bullhead City, Tempe, Paradise Valley, Avondale, Prescott, Apache Junction

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**A. Purpose and Effect of Resolution**

There are no less than 26 statutes, including 16 in Title 9, that require cities and towns to publish, in a newspaper, notices, agendas, financial reports, etc. These statutes specify the number of times a notice must be published and when and where publication must be made. Some statutes also dictate the size of the notice (e.g. quarter page) and the font size. Publication must be in a newspaper of general circulation having "a bona fide list of paying subscribers", in the county where the city is located.

Yuma (population approximately 90,000) has only one local daily newspaper which has an average, county-wide, daily circulation of 21,000-22,000. The current trends indicate that more and more people are accessing news and information through electronic media and the internet rather than through traditional news and information sources, such as newspapers or other publications. Allowing cities and towns to publish required notices to an official municipal website or other electronic media, or to a newspaper in a form and format selected by the municipality, may reach exponentially more people at a lesser cost, freeing those resources for vital municipal services.

**B. Relevance to Municipal Policy**

Cities seek to provide the most information to the widest audience as quickly as possible. The internet is rapidly overtaking newspapers as the primary source of news and information. Posting required notices on an official website will reach a wider audience in less time and keep citizens better informed on matters that affect them.

**C. Fiscal Impact to Cities and Towns**

Allowing cities the option to publish on their website will free these funds for critical services. Expenditures by City: (\*through April 2010)

	<u>09-10</u>	<u>08-09</u>	<u>07-08</u>	<u>06-07</u>
Yuma	*\$19,027	\$30,829	\$35,158	\$27,978
Bullhead City	\$24,950	\$36,663	\$26,940	\$39,754
Apache Junction	\$11,888	\$13,613	\$43,977	\$46,556

**D. Fiscal Impact to the State**

**Resolution # 4**

*A Resolution of the League of Arizona Cities and Towns urging the Arizona Legislature to Designate Medications Containing Certain Precursor Chemicals Used in the Production of Methamphetamine as Controlled Substances.*

*Submitted by: Cottonwood, Sedona*

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**A. Purpose and Effect of Resolution**

The proposed resolution would urge the Legislature and Governor to pass a bill regulating medicines containing precursor chemicals used in the manufacture of methamphetamine as controlled substances, so that a prescription would be required to purchase them.

**B. Relevance to Municipal Policy**

Local law enforcement agencies spend a great deal of time and resources dealing with methamphetamine and its secondary effects. Methamphetamine directly and significantly threatens the public health, safety and welfare, and contributes to a number of serious social and societal problems including violent crime; property crime; child abuse and neglect; and domestic violence. In large part due to the methamphetamine epidemic, there is an entire class of children designated as “drug-endangered children.” Arizona’s communities would greatly benefit from a reduction in the local production, distribution and abuse of methamphetamine.

**C. Fiscal Impact to Cities and Towns**

To the extent that regulating precursor chemicals as controlled substances results in a measurable reduction in the local manufacture, distribution, availability and abuse of methamphetamine, this could result in significant savings by local law enforcement agencies, jails and court systems, as well as lower incidences of violent crime, child abuse and neglect, property crime, and domestic violence - all of which would result in significant cost savings for local governments.

**D. Fiscal Impact to the State**

In addition to the potentially significant positive local impacts described above, a statewide reduction in the amount of methamphetamine manufactured, distributed and consumed within the state could yield significant public health benefits, with equally significant cost savings related to the treatment of methamphetamine-related injuries and illnesses.

**E. Contact Information**

Name: Doug Bartosh  
Phone: 928-634-5526

Title: City Manager  
Email: dbartosh@cottonwoodaz.gov

**Resolution # 8**

*Identify and establish funding sources for Arizona Water Supply Revolving Fund Development authorized by H.B. 2692.*

*Submitted by: Flagstaff, Prescott Valley*

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**A. Purpose and Effect of Resolution**

H.B. 2692 contains the statement that the Legislature finds many water providers in Arizona, particularly in rural areas, lack access to sufficient water supplies to meet the long term water demands and these providers need financial assistance to construct water supply projects and obtain additional water supplies. The purpose of this resolution is to add to this Act additional revenue sources that would provide dependable, long term financial assistance consistent with the legislative intent.

**B. Relevance to Municipal Policy**

There is no funding available to support water supply development in rural Arizona. As surface water supplies dwindle and aquifers are reduced due to consumption, potential climate changes, water supplies need to be augmented for sustainability, the economic well being, and quality of life in Arizona. The lack of water will impact the environment, recreation, tourism and second home development even in the areas which have dependable water supplies. Water conservation is a solution for some areas but most of rural Arizona is to pay "their own pay" for these projects. A funding mechanism needs to be enacted to insure monies are available for loans or other funding solutions are available for these communities.

Long term financing is needed so that cities and towns in rural Arizona do not deplete their bonding capacity to finance large water projects or they simply will not be able to afford these water supply projects. This is an issue that is not isolated to rural Arizona and will have an impact on larger municipalities as water becomes scarce.

**C. Fiscal Impact to Cities and Towns**

The source of revenue for the Water Supply Fund must be matched to the ultimate size and length of time needed to accrue a sufficient amount of funds to offer loans. A large number of big water projects are needed throughout Arizona for a long term and the revenue sources need to provide a permanent, dependable, and sufficient income for a long period of time. Assets in a sufficient quantity to serve the water development needs of Arizona are needed and must be dependable.

**D. Fiscal Impact to the State**

Potential revenue sources include additional property tax allocations (Ad valorem taxes), annual groundwater withdrawal fees for water pumped, transaction privilege tax or a tax assessed on the sale

**Resolution # 14**

*Amending Title 16, Chapter 3, Article 3, Signature Requirements, clarifying steps to be taken by the City Clerk's Office upon submission of nomination petitions by candidates.*

*Submitted by: Prescott, Chino Valley, Kingman, Prescott Valley*

**A. Purpose and Effect of Resolution**

While the Arizona Revised Statutes provides specific steps to be taken by the secretary of state (city clerk) when initiative/referendum petitions are filed with their office, the Statutes are void of any such steps on the part of candidate nomination petitions, and the office(s) must rely on case law to determine what, if anything, is to be done when petitions have not be completed properly.

Understanding that the city clerk's office is to maintain neutrality in its duties, basic steps are included in this resolution to help alleviate many of the questions raised during the election process and eliminate the need for many of the challenges by electors, which can provide a personal hardship for them, while not impacting such neutrality.

The recommended steps would include the ability of the city clerk to (1) remove signatures that were obtained prior to the date the candidate filed their statement of organization or \$500 Threshold Exemption Statement; and (2) remove signatures that are from a location outside of the city/town.

While there are other discrepancies for which challenges may be filed by an elector and determined by the courts, these two steps could be taken without the neutrality of the office being impacted.

**B. Relevance to Municipal Policy**

The citizens of our municipalities expect basic steps to be taken on the part of the city clerk's office when candidates submit nomination petitions. Many citizens are under the impression that all signatures are verified on candidate petitions. While these proposed steps would not meet all of the expectations of the citizens with regard to petition verification, which would be cost prohibitive, they would provide an opportunity for obvious names to be stricken.

**C. Fiscal Impact to Cities and Towns**

While it does place an added burden on the Clerk's Office during the election process, it could also eliminate much of the need for challenges to be filed, and these challenges have a fiscal impact on cities/towns as well. The exact impact would be dependent upon the number of elections and candidates filing for those elections.

**D. Fiscal Impact to the State**

The secretary of state's office would also have the added burden during the election process, and the impact would again be dependent upon the number of elections and candidates filing for those elections.

NOT RECOMMENDED

**Resolution # 16**

*Urges the Legislature to modify State Statutes to allow cities and towns to request a price range in a Request for Proposal or Statement of Qualification solicitation for Professional Services.*

*Submitted by: Prescott, Avondale, Chino Valley, Flagstaff, Prescott Valley*

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**A. Purpose and Effect of Resolution**

This resolution proposes to modify State Statutes 34-103 and 34-603 to allow municipalities to request a price range for the fees associated with the services listed in a Request for Proposal/Statement of Qualifications (*RFP/SOQ*) solicitation. The price-range will only be one of several criteria used to evaluate the proposals and would not be allowed to be weighted more than 20% of the total score.

**B. Relevance to Municipal Policy**

34-103 does not allow a municipality to consider fees for services in the selection process for certain professional services. This has led to many instances where municipalities spend weeks in the selection process and find that the fees charged by the #1 rated firm far exceed the budgeted amount. The municipality is then required to restart the negotiation process with the #2 firm, and so on until a fee within the budgeted amount is agreed upon. In some cases, the municipality has to reissue the *RFP/SOQ* because they are unable to reach an agreement on fees, resulting in months of delay in starting a project and increasing the costs associated with the project.

The *RFP/SOQ* process is an important component of any municipality's Capital Improvement Program. Any delay to the process will ultimately result in increased costs to the citizens of the municipality. Having the ability to evaluate the fee structure range at the beginning of the process will enable a municipality to save time and start the project sooner.

**C. Fiscal Impact to Cities and Towns**

This provision should allow municipalities more timely completion of their needed capital projects and other projects requiring professional services, as well as ultimately saving the taxpayers money.

**D. Fiscal Impact to the State**

There should be no increased fiscal impact to the State.

**E. Contact Information**

Joseph Brehm, Prescott Intergovernmental Relations  
928-777-1279; Joe.brehm@prescott-az.gov

**Resolution # 20**

*Urging the legislature to modify relevant sections of A.R.S Title 48 to allow municipalities to elect the assessment methodology (equal apportionment or ad valorem) for street lighting improvement districts (SLIDS) within a developed community. This resolution also includes modifying the relevant statute to provide for minor additions to existing SLIDS without requiring a new petition process.*

*Submitted by: Surprise, Youngtown*

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**A. Purpose and Effect of Resolution**

Under the current statutory scheme, SLID costs can be assessed to landowners using one of two methods: ad valorem or equal apportionment. SLID costs mainly comprise streetlight electricity costs but also include maintenance costs, including repair and replacement. The SLID petitioner at formation has the option to pick which method is used. As such, the result could be a mix of the both methods within a city. Under each method, the total assessment is the same. However, the assessment to each particular landowner is different. The challenge for the municipality is that at the time of formation, the SLID petitioner elects the methodology for the assessments; resulting in a municipality maintaining numerous SLIDS with different assessment methods. To address the issue, municipalities should have the opportunity to select the method that reflects existing policy objectives and assessment structure. For example, the equal appointment method is much easier to explain. However, because the city cannot change the method once the SLID is formed, the city does not have this opportunity because the method is selected by the petitioner.

The attached schedule calculates a landowner's assessment under each method and shows the complexities of the ad valorem method as opposed to the more complex than equal apportionment. The attached calculation assumes five homes exist in the SLID. In the example, under ad valorem method, the tax levy rate of \$1.00 per \$100 value would result in a SLID tax of \$250, for a home with a market value of \$250,000. In this example, the five homes pay \$100, \$150, 200, \$250, and \$300. Under the equal appointment method, all homes pay \$200.

Under the current statutory scheme additional streetlights cannot be added to an existing SLID. Municipalities should have the discretion and authority to modify an existing SLID by adding and or deleting streetlights to address municipality needs. For example, assume an existing SLID has 46 lights. A municipality may desire to increase the street lighting for the safety of its citizens. Under best practices and professional standards a streetlight should be located within the boundaries of the existing SLID. Under current law, the municipality cannot add the light to the SLID. Rather, the municipality must effectively form an entirely new SLID. Under this proposal, the municipality could add the light to the existing SLID.

**B. Relevance to Municipal Policy**

The proposed modification would provide municipality's greater responsiveness to resident concerns for minor additions to lighting improvement districts. All cities and towns utilizing these methods to fund streetlight costs will realize these benefits.

**RESOLUTION # 5**

*A Resolution of the League of Arizona Cities and Towns urging and voicing border security concerns to the various United States and State of Arizona agencies tasked with Border and Homeland Security and to request additional physical and human resources as required to secure Arizona's borders and protect its public safety personnel and citizens from criminal activities.*

*Submitted by: Douglas, Flagstaff, Kingaman, Sierra Vista, Wilcox, Yuma, Thatcher*

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**A. Purpose and Effect of Resolution:**

It is recognized that southeastern Arizona is comprised of many communities such as Cochise County, Benson, Bisbee, Douglas, Huachuca City, Sierra Vista, Tombstone, Willcox, Graham County, Pima, Safford, Thatcher, Greenlee County, Clifton, Duncan, Santa Cruz County, Nogales, Patagonia and the San Carlos Apache Tribe,

These communities have seen marked increases in trespass, human and narcotics trafficking, burglary, assault, and recently a murder resulting from an unsecured border,

Border Patrol agents in service in this region have declined significantly,

The Federal Government is best suited due to their vast resources and as empowered by Federal Law to regulate and secure our international border with Mexico. A comprehensive Federal plan can serve as the ideal mechanism for enhanced National Border Security. Border Security should be recognized as the imperative catalyst for economic growth. The lack of border security have been detrimental to economic growth and have added to the current strain in international relations to our neighbors in the State of Sonora and the Country of Mexico, as a whole.

**B. Relevance to Municipal Policy:**

These Southeastern Arizona communities do not have permanent air support or air surveillance systems as a component of the current border security arrangement,

Additionally, these communities/entities provide public safety, fire, and emergency medical services in the border region, and due to sporadic and often non-existent radio and cellular phone service, do so at risk of injury to personnel responding to federal border security problems,

As a result of the circumstances expressed above, the health, safety and welfare of the citizens in the border region should be regarded as a priority for all federal and state agencies,

Protecting and securing our border is one of the principle responsibilities of the United States Government. In a past September 11 world, the mission of the customs service and the Department of Homeland Security has changed from collecting duties and tariffs to prevention of terrorism. Despite the change in duties, the southern border remains largely unsecured.

June 24, 2010 (amended July 8, 2010 to reflect the direction of the Resolutions Subcommittee)

To: Councilman Claude Mattox, Chairman, 2010 League Resolutions Committee  
From: Ken Strobeck, Executive Director  
Re: League Staff Legislative Agenda Resolution Recommendations

Chairman Mattox,

In reviewing the proposals submitted for consideration by the 2010 League Resolutions Committee, League staff has identified some critical city issues that we expect to be the subject of legislation next year, but which were not address by any of the resolutions. In order to have a complete legislative agenda that accurately reflects our priorities for the upcoming session, I am submitting seven additional concepts that we believe should be part of our Municipal Policy Statement. We request that the Resolutions Subcommittee consider adding these to the agenda for discussion and recommendation by the full Resolutions Committee.

#### League Staff Recommended Resolutions

1. Protect and defend the Model City Tax Code.
  - a. Since 1987, cities and towns in Arizona have been able to customize their own sales tax schedules using the various options available under the Model City Tax Code. This system is unique among the 50 states, and gives Arizona municipalities more discretion in customizing a tax structure that meets the needs of each individual community. A structure that includes the Municipal Tax Code Commission and the Unified Audit Committee has been established to assure compliance and proper notice, and to provide a forum for taxpayer appeals. The League staffs those committees and administers the MCTC. The MCTC is under frequent attack, primarily from business groups that would prefer that the state dictate a single sales tax schedule and require cities and towns to conform. They claim that the Arizona system is the most confusing of all those in the United States, and that compliance adds cost and complexity to doing business in the state. We believe that the systems in place ameliorate those concerns and streamline compliance while allowing flexibility among cities and towns. We expect that there will be a focused attempt to undo the Model City Tax Code in the 2011 session.
2. Support Reasonable Reform to the State Revenue System
  - a. Arizona's Transaction Privilege Tax (TPT, commonly referred to as Sales Tax), applies to goods but not to services. The system was developed in the early 20<sup>th</sup> Century when the economy was significantly different—dominated by farming, mining and trading of commodities and hard manufactured goods. Today's 21<sup>st</sup> Century economy is significantly different and is increasingly dominated by the service sector. However, services are not subject to state or local sales taxes. With the temporary one-cent increase approved by voters in Proposition 100, Arizona's state

provisions which prohibit the shifting of costs for state programs onto cities and towns. These provisions were enacted in the belief that:

- i. government will continue to grow when there is no financial impact to the level of government enacting mandates but without shouldering the fiscal responsibility to pay for them
    - ii. that the taxpayers are the ones who are ultimately forced to pay for all government programs, and
    - iii. that it is irresponsible and unacceptable to enact new or expanded programs that require someone else to pay for them.
  - b. League staff recommends that legislation be developed that prohibits the passage of unfunded mandates to cities and towns.
5. Job Creation and Economic Development
  - a. It has been widely documented that cities and towns in Arizona are the primary locations for businesses and economic activity. In the 2006 League publication, *The Role of Arizona Cities and Towns in the State's Economy*, it is reported that 91.4% of the income tax and 93% of the sales tax generated in the state comes from economic activity in cities and towns. More than 82% of the state population lives within an incorporated city or town. While the myth of the Wild West permeates our popular culture, Arizona in reality is a highly urbanized state. Cities and towns provide the essential services that businesses require to operate successfully and profitably, and also contain the neighborhoods and residential amenities that make the state attractive to workers and their families. The recent severe economic recession has demonstrated that we cannot build a long-term sustainable economic future relying only on the boom cycle industries of the early part of this decade: housing and tourism. The state must diversify its economy and attract new and relocating industries, particularly in the manufacturing, research and high tech sectors. Cities and towns will be where those businesses locate and must work with state leaders as well as private sector leaders to work cooperatively to promote, market and secure new industry. In addition to the economic development tools referenced in other resolutions, the League staff recommends that our agenda include business location and workforce-related options such as job training tax credits, expansion and improvement of enterprise zones, corporate tax reform, and other items that will enable Arizona to grow and prosper.
6. Political Signs.
  - a. Legislation introduced in 2009 and 2010 shows there is widespread frustration with the sometimes-inconsistent manner in which local ordinances are enforced regarding the posting of political signs. League staff recommends that some degree of uniformity regarding the size of signs, their placement in public rights-of-way and enforcement policies be developed through a collaborative stakeholder process resulting in the development of a model ordinance that can be implemented by cities and towns across the state without the need for state legislation.
7. Transparency.