



# County Supervisors

A S S O C I A T I O N  
o f a r i z o n a

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## COUNTY SUPERVISORS ASSOCIATION LEGISLATIVE POLICY COMMITTEE

### AGENDA

February 28, 2014

Teleconference 1-866-228-9900

Access Code 326208#

[Web Link](#)

County Supervisors Association

1905 W. Washington St.

Phoenix, AZ

9:00 a.m. Call to Order ~ *President James Palmer*

- A) Governor's Budget Recommendation Report / JLBC Baseline Budget Update
- B) Transportation Update
- C) CSA Legislative Agenda
  - 1) [HB 2149 state parks; SLIF fund distribution](#) (*Borrelli*)
  - 2) [HB 2218 fire districts reorganization elections](#) (*Fann*)
  - 3) [HB 2224 sale of fireworks; counties](#) (*Fann*)
  - 4) [HB 2240 developmental disabilities; client income; retention](#) (*Brophy-McGee*)
  - 5) [HB 2320 county seals; approval of use](#) (*J. Pierce*) /  
[SB 1116 county seal; board approval](#) (*McGuire*)
  - 6) [HB 2531 court-ordered evaluation services; payment](#) (*Brophy-McGee*)
  - 7) [SB 1271 county liens; abatements](#) (*Ward*)
- D) Legislative Bills for Discussion
  - 1) [HB 2418 S/E public bodies; websites; domain names](#) (*Stevens*)
  - 2) [HB 2457 mental health; veterans courts; establishment](#) (*Farnsworth*)
  - 3) [SB 1001 S/E fuel taxes; exemption; Navajo reservation](#) (*Begay*)
  - 4) [SB 1215 S/E unsubdivided land; definition](#) (*Griffin*)
  - 5) [SB 1248 jury service; lengthy trial fund](#) (*Driggs*)
  - 6) [SB 1316 financial reporting; political subdivisions](#) (*Pierce*)
- E) Next Meeting Date and Time (*Friday, March 7, at 9:00 a.m.*)
- F) Other Business
- G) Adjourn

## FY15 Executive Budget Recommendations and JLBC Baseline

Governor Brewer's Fiscal Year 2015 budget calls for a \$9.4 billion spending plan that supports the priorities she outlined in her State of the State address:

- **\$45.6 million** for transitioning the newly established Cabinet-level Child Safety & Family Services Division (CSFS), formerly CPS, away from the Department of Economic Services (DES), and increasing caseworker staff levels
- **\$40 million** for K-12 performance based funding
- **\$54 million** for one-time capital projects in the Arizona Department of Administration (ADOA) building system, State Prisons, and Universities, such as fire alarms, HVAC systems, electrical, and other fire safety projects
- **\$50 million** to be deposited into the "rainy day" fund
- **Executive Directive** to keep Fiscal Year 2016 structurally balanced

Additionally the Executive's proposal includes:

- **\$31 million** to reestablish a rural county exchange program that allows rural local government to access funds to assist them in accessing federal transportation project funding (does not include MAG & PAG member governments)
- **\$21 million** to complete the remaining parity phase-in, two years ahead of schedule
- **Sales tax (TPT) Exemption** for electricity used by manufactures (impact to county revenue is unknown at this point)

JLBC Baseline generally continues FY14 funding levels into FY15 while making relevant formula adjustments.

Some of the major difference between the Governor's budget recommendations and the JLBC Baseline are revenue projections. The total difference between the Executive and JLBC amount to about \$900 million in revenue difference over the three period FY15-FY17.

| <i>(Dollars in Millions)</i><br><i>*Figures may not add due to rounding</i> | FY 2015   |           | FY 2016   |           | FY 2017   |           |
|---|-----------|-----------|-----------|-----------|-----------|-----------|
|   | Exec.     | JLBC      | Exec.     | JLBC      | Exec.     | JLBC      |
| <b>Beginning Balance</b>  | \$676.1   | \$655.2   | \$244.0   | \$327.4   | \$236.4   | \$0.0     |
| <b>On-going Revenues</b>  | \$8,928.4 | \$8,708.1 | \$9,391.3 | \$9,061.1 | \$9,822.5 | \$9,465.1 |
| <b>On-going Expenditures</b>  | \$9,171.7 | \$9,035.9 | \$9,383.9 | \$9,405.8 | \$9,623.3 | \$9,848.0 |
| <b>Ending Balance<sup>1</sup></b>   | \$244.0   | \$327.4   | \$236.5   | (\$17.3)  | \$420.6   | (\$382.9) |
| <b>Structural Balance<sup>2</sup></b>                                       | (\$243.3) | (\$327.8) | \$7.4     | (\$344.7) | \$199.1   | (\$382.9) |

<sup>1</sup> Executive ending balance includes \$188.9 million in onetime expenditures in FY15, and \$15 million in FY16 & FY17. Neither JLBC or Executive ending balances include the effects of operating debt buyback per the terms of the 2010 \$1.5 billion financing deal. JLBC estimates this impact could be \$210 million in FY17

<sup>2</sup> Reflects the differences between on-going revenues and expenditures, does not include any "rainy day" fund deposits

## Select Items and Issues Directly Related to Counties

| County Specific issues   | JLBC Baseline  | Exec. Recommendation   |
|--|--|--|
| <b>HURF Funds</b> – In FY14 the State swept \$110M above the statutory limit from HURF to fund DPS operations. In FY14 counties lost \$20.9M.  | Although JLBC acknowledges the proposal to restore <b>\$120M</b> for FY15 & FY16, returning <b>\$20.9M</b> to the counties each year, JLBC continues to include the HURF to DPS sweep in the Baseline. | Notes that the HURF sweep should be considered in future fiscal years, but continues the sweep in the proposal.                    |
| <b>Sexually Violent Persons (SVP)</b> – In FY14 the county share of the cost was reduced by \$1.8M from the 50/50 split with state through an appropriation for the commitment of an individual confined at the Arizona Community Protection and Treatment Center (ACPTC). | Keeps a provision similar to FY14, but instead of reducing the county share by \$1.8M JLBC changed the provision requiring the county to reimburse the state from <b>50% to 32%</b> .                  | Continues the reimbursement requirement at a 50/50 split but does not continue the <b>(\$1.8M)</b> reduction.                      |
| <b>Restoration to Competency (RTC)</b> – Starting in FY10 counties were required to pay 100% for RTC services.   | Both include flexibility language allowing counties to use any source of county revenue to make the payment.   |  |
| <b>Restoration to Competency (RTC)</b> – Starting in FY10 counties were required to pay 100% for RTC services.   | Both budgets continue the 100% cost to counties provision, and the provision allowing counties to use any source of county revenue to make the payment.  |  |
| <b>County Lottery Revenue</b> - The FY14 budget provided a direct appropriation of \$550,000 to the 13 smaller counties instead of fully and permanently restoring lottery revenues for all 15 counties.   | Both budgets provide a direct appropriation to 13 smaller counties - <b>\$550,000</b> to each.   |  |
| <b>Flexibility Language</b> - Allows counties under 200,000 persons to access special funds to cover general county expenses.  | Both budgets continue to allow counties under 200,000 persons to access special funds to cover general county expenses.  |  |
| <b>State Aid to Indigent Defense</b> – Funded through a portion of penalty assessment on fines and forfeitures, these monies were used for county cases requiring a public defender. The FY14 budget allowed the AG to use \$500,000 for post-conviction relief.           | Continues to allow the Attorney General to use <b>\$500,000</b> from the State Aid to Indigent Defense Fund for capital post-conviction relief. No other monies in the fund are appropriated.          | Increases the appropriation to the AG by \$300,000 for a total of <b>\$800,000</b> . No other monies in the fund are appropriated. |

**NOTE:** Not all impacts to counties are listed. This is a preliminary review of the major issues and the direct county impacts.

## New Title

51st Legislature - 2nd Regular Session, 2014

Tuesday, Feb 25 2014 3:38 PM

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## CSA Legislative Agenda

### Bill Summaries

#### H2149: STATE PARKS; SLIF FUND DISTRIBUTION

Monies in the State Lake Improvement Fund must be dedicated annually for uses specified by the State Parks Board, which may include distributions to the Game and Fish Commission, and must be distributed at least annually to county boards of supervisors or municipal governing bodies, or both, to fund projects on waters where gasoline powered boats are permitted.

First sponsor: Rep. Borrelli

Others: Sen. Barto, Rep. Carter, Sen. Crandell, Rep. Fann, Rep. Gowan, Rep. Livingston, Rep. Lovas, Rep. Mesnard, Rep. Mitchell, Rep. Orr, Sen. Reagan, Sen. Shooter, Rep. Thorpe, Rep. Townsend, Sen. Ward

H2149 Daily History

Date Action

STATE PARKS; SLIF FUND DISTRIBUTION 2/12 from House agri-water with amend [#4118](#).

STATE PARKS; SLIF FUND DISTRIBUTION 1/22 referred to House agri-water, appro.

#### H2218: FIRE DISTRICT REORGANIZATION ELECTIONS

Various changes to statues governing elections to reorganize a fire district, including requiring any person seeking election to the governing body that would be formed or expanded upon reorganization to comply with the nomination requirements for a candidate prescribed in state statute, including filing a nomination paper and nomination petitions.

First sponsor: Rep. Fann

H2218 Daily History

Date Action

FIRE DISTRICT REORGANIZATION ELECTIONS 2/19 from House gov do pass.

FIRE DISTRICT REORGANIZATION ELECTIONS 1/22 referred to House gov.

#### H2224: SALE OF FIREWORKS; COUNTIES

Counties are authorized to regulate the sale and use of permissible consumer fireworks in unincorporated areas of the county when a federal or state agency implements state one fire restrictions in any portion of the county. Previously, counties were permitted to regulate the use of fireworks during times when there was a reasonable risk of wildfires in the county.

First sponsor: Rep. Fann

Others: Rep. Borrelli, Rep. Boyer, Rep. Cardenas, Rep. Coleman, Rep. Mesnard, Rep. Otondo, Rep. Peshlakai, Rep. Pratt, Rep. Saldate, Rep. Shope, Rep. Steele, Sen. Ward

H2224 Daily History

Date Action

SALE OF FIREWORKS; COUNTIES 2/19 FAILED House pub-mil-reg 2-5.

SALE OF FIREWORKS; COUNTIES 1/28 referred to House pub-mil-reg.

#### H2240: DEVELOPMENTAL DISABILITIES; CLIENT INCOME; RETENTION

Increases the minimum amount of a Department of Developmental Disabilities client's income or benefits that must be retained for the client's personal use to 30 percent, from 12 percent.

First sponsor: Rep. Brophy McGee

| H2240 Daily History                                  | Date | Action                         |
|--|------|--------------------------------|
| DEVELOPMENTAL DISABILITIES; CLIENT INCOME; RETENTION | 2/20 | from House ref-hu ser do pass. |
| DEVELOPMENTAL DISABILITIES; CLIENT INCOME; RETENTION | 1/22 | referred to House ref-hu ser.  |

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### **H2320: COUNTY SEALS; APPROVAL OF USE**

A person is permitted to use, display or otherwise employ a copy or other resemblance of the county seal only after obtaining approval from the county board of supervisors. The board of supervisors may grant approval to any person showing good cause for a proper purpose, and may adopt rules for the use of the county seal. Knowing violations are a class 3 (mid-level) misdemeanor.

First sponsor: Rep. J. Pierce

| H2320 Daily History           | Date | Action                                       |
|-------------------------------|------|--|
| COUNTY SEALS; APPROVAL OF USE | 2/25 | passed House <u>59-0</u> ; ready for Senate. |
| COUNTY SEALS; APPROVAL OF USE | 2/19 | from House rules okay.                       |
| COUNTY SEALS; APPROVAL OF USE | 2/18 | to House consent calendar.                   |
| COUNTY SEALS; APPROVAL OF USE | 2/12 | from House gov do pass.                      |
| COUNTY SEALS; APPROVAL OF USE | 2/11 | House gov do pass; report awaited.           |
| COUNTY SEALS; APPROVAL OF USE | 1/22 | referred to House gov.                       |

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### **H2531: COURT-ORDERED EVALUATION SERVICES; PAYMENT**

If a person is eligible for federal behavioral health benefits, the cost of court ordered services provided by a county are a charge against the county in which the person resided to the extent of the nonfederal share of the cost of the service. If a person has private health insurance coverage, the person's private health insurer is considered the primary payor and the cost of court ordered services provided by a county will be a charge against the county only to the extent that the private health insurance benefits are insufficient to cover the full cost of the services.

First sponsor: Rep. Brophy McGee

Others: Sen. Begay, Sen. McComish, Sen. Pancrazi, Sen. S. Pierce, Sen. Reagan, Sen. Worsley

| H2531 Daily History                        | Date | Action                             |
|--|------|------------------------------------|
| COURT-ORDERED EVALUATION SERVICES; PAYMENT | 2/19 | from House hel with amend #4236.   |
| COURT-ORDERED EVALUATION SERVICES; PAYMENT | 2/19 | House hel amended; report awaited. |
| COURT-ORDERED EVALUATION SERVICES; PAYMENT | 1/30 | referred to House hel.             |

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### **S1116: COUNTY SEAL; BOARD APPROVAL**

A person is permitted to use, display or otherwise employ a copy or other resemblance of the county seal only after obtaining approval from the county board of supervisors. The board of supervisors may grant approval to any person showing good cause for a proper purpose, and may adopt rules for the use of the county seal. Knowing violations are a class 3 (mid-level) misdemeanor.

First sponsor: Sen. McGuire

Others: Rep. Alston, Sen. Burges, Rep. Cardenas, Sen. Crandell, Sen. Driggs, Sen. D. Farnsworth, Sen. Gallardo, Sen. Hobbs, Sen. Landrum Taylor, Rep. Mach, Sen. McComish, Sen. Meza, Sen. Pancrazi, Rep. Pratt, Rep. Quezada, Sen. Reagan, Sen. Ward, Sen. Worsley, Sen. Yarbrough, Sen. Yee

| S1116 Daily History         | Date | Action                  |
|-----------------------------|------|-------------------------|
| COUNTY SEAL; BOARD APPROVAL | 2/25 | from Senate rules okay. |

COUNTY SEAL; BOARD APPROVAL 2/18 from Senate gov-env with amend [#4174](#).

COUNTY SEAL; BOARD APPROVAL 1/21 referred to Senate gov-env.

**S1271: COUNTY LIENS; ABATEMENTS**

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The sale of a real property tax lien or foreclosure of the right to redeem does not extinguish a county lien for nuisance abatement, dangerous building abatement, or abatement or injunction of rubbish, debris or dilapidated buildings.

First sponsor: Sen. Ward

Others: Rep. Borrelli

S1271 Daily History                      Date    Action

COUNTY LIENS; ABATEMENTS 1/30 referred to Senate gov-env.

## Feb 28th LPC

### Bill Summaries

#### **H2418: LOCAL GOVERNMENT WEBSITES; DOMAIN NAMES (TECH CORRECTION; PUBLIC RECORDS)**

Minor change in Title 41 (State Government) related to state finance. Apparent striker bus.

First sponsor: Rep. Stevens

| H2418 Daily History                            | Date Action  |
|--|--|
| LOCAL GOVERNMENT WEBSITES; DOMAIN NAMES        | 2/25 referred to Senate gov-env.   |
| LOCAL GOVERNMENT WEBSITES; DOMAIN NAMES        | 2/24 passed House <u>59-0</u> ; ready for Senate.                          |
| <b>LOCAL GOVERNMENT WEBSITES; DOMAIN NAMES</b> | 2/20 House COW approved with amend <u>#4027</u> . NOTE SHORT TITLE CHANGE. |
| TECH CORRECTION; PUBLIC RECORDS                | 2/17 from House rules okay.  |
| TECH CORRECTION; PUBLIC RECORDS                | 1/30 from House tech-inf with amend <u>#4027</u> .                         |
| TECH CORRECTION; PUBLIC RECORDS                | 1/29 referred to House tech-inf.   |

#### **H2457: MENTAL HEALTH; VETERANS COURTS; ESTABLISHMENT**

The presiding judge of the superior court in each county is authorized to establish a veterans court and mental health court. The judge must establish the eligibility criteria for referral to these courts.

First sponsor: Rep. E. Farnsworth

| H2457 Daily History                           | Date Action                                       |
|---|---|
| MENTAL HEALTH; VETERANS COURTS; ESTABLISHMENT | 2/25 passed House <u>59-0</u> ; ready for Senate. |
| MENTAL HEALTH; VETERANS COURTS; ESTABLISHMENT | 2/19 from House rules okay.                       |
| MENTAL HEALTH; VETERANS COURTS; ESTABLISHMENT | 2/18 to House consent calendar.                   |
| MENTAL HEALTH; VETERANS COURTS; ESTABLISHMENT | 2/12 from House pub-mil-reg do pass.              |
| MENTAL HEALTH; VETERANS COURTS; ESTABLISHMENT | 1/30 referred to House pub-mil-reg.               |

#### **S1001: TECH CORRECTION; TOBACCO TAX; TRIBES**

Minor change in Title 42 (Taxation) related to Indian reservation tobacco taxes. Apparent striker bus.

First sponsor: Sen. Begay

| S1001 Daily History                  | Date Action                            |
|--------------------------------------|--|
| TECH CORRECTION; TOBACCO TAX; TRIBES | 2/18 further referred to Senate appro. |
| TECH CORRECTION; TOBACCO TAX; TRIBES | 1/13 referred to Senate rules only.    |

#### **S1215: TECH CORRECTION; REAL ESTATE DEPARTMENT**

Minor change in Title 32 (Professions and Occupations) related to the Real Estate Department. Apparent striker bus.

First sponsor: Sen. Griffin

| S1215 Daily History                     | Date Action  |
|---|--|
| TECH CORRECTION; REAL ESTATE DEPARTMENT | 2/25 from Senate rules okay.                       |
| TECH CORRECTION; REAL ESTATE DEPARTMENT | 2/18 from Senate gov-env with amend <u>#4173</u> . |
| TECH CORRECTION; REAL ESTATE DEPARTMENT | 2/13 further referred to Senate gov-env.           |
| TECH CORRECTION; REAL ESTATE DEPARTMENT | 1/27 referred to Senate rules only.                |

**S1248: JURY SERVICE; LENGTHY TRIAL FUND**

The Supreme Court is required to establish an additional fee on each filing, appearance and answer or response fee charged by a clerk of the superior court, to be deposited in the Arizona Lengthy Trial Fund. The fee self-repeals January 1, 2024. The list of health care professionals who may provide prospective jurors requesting to be excused for a mental or physical condition with a medical statement is expanded to include a licensed physician assistant. Extends the repeal date of statute allowing jurors to request to be excused for these conditions 10 years, to July 1, 2024. Emergency clause.

First sponsor: Sen. Driggs

Others: Rep. Forese, Sen. McComish, Sen. McGuire, Sen. Melvin, Sen. Murphy, Sen. Worsley, Sen. Yarbrough

|   |             |
|---|-------------|
| S1248 Daily History   | Date Action |
| JURY SERVICE; LENGTHY TRIAL FUND 1/28 referred to Senate appro. |             |

**S1316: FINANCIAL REPORTING; POLITICAL SUBDIVISIONS**

Municipalities are required to file one copy of financial audit reports with the Auditor General. Municipalities, counties and community college districts are required to post financial audit reports in a prominent location on their official website. Municipalities, counties and community college districts that fail to file audits as required by law are prohibited from adopting a general fund budget in the subsequent fiscal year that exceeds the amount budgeted in the current fiscal year.

First sponsor: Sen. S. Pierce

|   |             |
|---|-------------|
| S1316 Daily History   | Date Action |
| FINANCIAL REPORTING; POLITICAL SUBDIVISIONS 2/25 from Senate rules okay.  |             |
| FINANCIAL REPORTING; POLITICAL SUBDIVISIONS 2/24 to Senate consent calendar. Stricken from Senate consent calendar by Pierce. |             |
| FINANCIAL REPORTING; POLITICAL SUBDIVISIONS 2/18 from Senate gov-env do pass.   |             |
| FINANCIAL REPORTING; POLITICAL SUBDIVISIONS 2/3 referred to Senate gov-env.   |             |