December 19, 2017

Resolution 2017 – ___
Recommended Legislative Agenda for 2018

Introduction

Proposed Resolution 2017 - ___ sets forth Pima County’s Recommended State Legislative Agenda for 2018 (Attachment 1). The 2018 legislative session will likely be dominated by budget-related discussions, issues and activities. It is imperative Pima County continue to work to minimize and reverse the many cost and program shifts, revenue reductions and fund sweeps enacted by the State Legislature that negatively affect our County. Recently, I provided information to the Board of Supervisors regarding an additional $2.6 million cost transfer to the County now contemplated by the Arizona Legislature. This cost transfer involves significant premium increases for paying the County’s portion of the Elected Officials’ Retirement Plan (EORP). The premium increase is estimated to increase from 23.5 percent of salary to over 61 percent. This is in addition to significant premium increases paid by the County for the Public Safety and Corrections Officers Retirement Plan. The only retirement plan where the County has not been required to pay additional funds is in the regular Arizona State Retirement System, which covers most of our employees. These cost transfers by the State have reduced County services and prevented more substantial property tax relief at the local level.

Background

The priority themes for this Legislative Agenda follow. For the most part, they parallel the Legislative Policy Items and County Legislative Proposals resulting from the County Supervisors Association 2017 Legislative Summit, which is included as Attachment 2 to this memorandum. If Arizona’s job growth and economic expansion are to be sustained, we must find solutions to fund one of the key drivers of economic expansion – transportation system improvements – whether they be surface, rail or air. I believe our top priority must continue to be transportation funding. I recommend the following areas be legislative priorities:

Transportation Funding

1. Repairing our streets and highways. Local streets and highways throughout Arizona are in a state of disrepair. This disrepair has resulted from a lack of adequate transportation funding and the diversion of Highway User Revenue Funds by the Legislature to balance the State budget during the Great Recession. Adequately repairing all of the streets and highways within the County is our highest priority.
The County should support any legislation that would increase transportation funding to the County.

2. **Stop the diversion of Highway User Revenue Funds (HURF) to balance the State’s budget.** Historically, over $1 billion in HURF monies has been diverted by the Legislature to balance the State’s budget. Just this last year, $96 million was diverted to support the State’s police agency, the Department of Public Safety. No city, town or county uses HURF to finance its police agency; neither should the State of Arizona. If these diverted funds were returned and distributed in accordance with the existing distribution formulas, this region would see significant additional transportation revenues.

3. **Increase overall transportation revenues statewide.** Arizona’s gas tax was last increased in October 1990, over 27 years ago. The gas tax must either be increased or replaced with another revenue source to fund the investment necessary for a modern, economically competitive transportation system. Increasing the gas tax or converting the existing cents-per-gallon gas tax to an excise tax makes little difference; what matters is that transportation revenues increase statewide to finance a modern, economically competitive transportation system for Arizona.

4. **Local gas tax option.** Last year, a proposal was made to allow counties the option of adopting and enacting a local gas tax. This option should be supported again this year. Perhaps we should follow the Clark County, Nevada model where the Board of Supervisors was given the authority to enact an additional countywide gas tax, but was required to place a ballot question in the next General Election where the voters were able to decide whether the gas tax should be permanent or be repealed. The voters in Clark County overwhelmingly approved making the gas tax permanent.

**Property Tax Reduction**

In order to reduce our property tax, I suggest the Board of Supervisors support three important legislative initiatives: 1) eliminating and reducing State cost transfers to the County, 2) excise tax authority that can be reasonably enacted if it results in direct reduction of the Pima County primary property tax rate, and 3) authority to transfer hospital obligations to the secondary property tax rate, similar to Maricopa County. These three initiatives are discussed below.

1. **Eliminating and reducing certain State cost transfers to the County.** Last year, for the first time, we highlighted on property tax statements the fact that more than 25 percent of their primary property tax is paid to the State. We have received numerous inquiries from taxpayers who were unaware the State took such a large portion of their County property tax; hence, our first and primary objective is to reduce these State cost transfers that have to be passed along to our property taxpayers.
Eliminating State cost transfers, particularly those imposed by the Legislature to balance their own budget during the Great Recession would allow Pima County to significantly reduce our primary property tax rate.

2. **Property tax reduction excise tax.** All other Arizona counties avail themselves of excise taxes to reduce their property taxes that pay for county programs. Pima County is the only county that has not taken advantage of this provision in State law. In addition to their general one-half-cent excise tax, some counties also have a full half-cent tax directed to transportation. Our inability to enact an excise tax results from the legislation requiring a unanimous vote of the Board of Supervisors.

3. **Special healthcare taxing districts.** Allow Pima County, similar to Maricopa County, to transfer its hospital funding obligations from the primary property tax rate to the secondary property tax rate. This would directly reduce our 1 percent property tax exceedance that is directly paid by the State. Maricopa County, under special legislation a number of years ago, transferred their hospital expenses from the county primary property tax levy to a secondary special taxing district. Pima County and Maricopa County differ substantially in their methods of providing medical services. Maricopa County provides support directly through ownership of hospital facilities and physician groups, while Pima County contracts with a private, nonprofit provider to operate our community-based hospital facility. Pima County historically has provided direct property tax support to the entity operating our hospital. This support has averaged $15 million annually, which is included in our primary property tax levy. In Maricopa County, their property tax support has now reached $109 million, which is funded through a special-district secondary tax levy at a rate of $0.2851. We ask that the Legislature consider giving Pima County the same flexibility to create a special hospital district and transfer our $15 million appropriation from our primary property tax to a secondary property tax.

These reduced property taxes would further enhance our statewide economic competitiveness, position the County for significantly increased tax base expansion, and be more in line with all other counties in Arizona.

**Economy Recovery and Job Creation**

The County would also support any other legislation that provides additional flexibility in local economic development incentives that encourage new employers to relocate to Pima County, and existing employers to remain and expand within the community.

Numerous legislative initiatives may be pursued to promote economic recovery and job creation. Such efforts need to benefit the entire state, including the local economy in Pima County, and do so in efficient ways likely to produce tangible results in our community.
Criminal Justice Reform

Historically, the largest expense of County government has been financing the criminal justice system, which includes a Sheriff, County Attorney, indigent defense, courts, adult and juvenile detention facilities, constables and other related expenses. In just the last 10 years these expenditures have grown by $46 million. In Arizona, we spend far too much on prisons and far too little on education. Clearly, State policy regarding criminal justice, which has not been substantively reformed in several decades, is in need of change and improvement. The past Justice for All report and recommendations of the taskforce formed by the Chief Justice of the Arizona Supreme Court lay the foundation for reform that should be supported by all.

While sentencing reform and providing more latitude for judges in sentencing is beyond the scope of our County Legislative Agenda, there are several criminal justice reforms we can and should support, including:

1. **Reclassify certain criminal misdemeanor charges to civil violations for first-time offenders.** Certain low-level, nonviolent offenses are treated as criminal misdemeanors, creating a criminal arrest record and risk of incarceration and conviction, which have unnecessarily harsh impacts on the individual defendant and result in unnecessarily high costs for the courts and the County. Examples of such offenses include 1) driving on a suspended license, 2) driver’s license restriction violations (such as failure to use corrective lenses), and 3) littering.

2. **Authorize judges to mitigate mandatory fines, fees, surcharges and penalties for defendants who cannot afford to pay the full amount.** Various Arizona statutes set mandatory minimum fines, fees, surcharges and penalties; and a sentencing judge has no discretion regarding the amount of the penalty, regardless of the defendant’s financial circumstances. Imposition of a financial sanction on a low-income individual who has no ability to pay can promote frustration and disrespect for the justice system and contribute to continued poverty.

3. **Expand the use of community restitution (community service) as a sentencing alternative to fines, fees and incarceration in misdemeanor cases.** Judges in municipal and justice courts have the authority to allow defendants to “work off” fines through community service if they cannot afford to pay the fines [ARS 13-824]. This provides an option for the courts to mitigate the impact of financial penalties on low-income individuals in some cases; however, the provision does not allow for either state-imposed surcharges or Superior Court fines or other financial obligations to be worked off through community service.

4. **State surcharges, fees and assessments often exceed the amount of the fine itself.** The courts should have the discretion to waive State surcharges.
The Honorable Chair and Members, Pima County Board of Supervisors
Re: Recommended Legislative Agenda for 2018
December 19, 2017
Page 5

5. Reduce the interest rate on criminal restitution orders. Request amendment of A.R.S. 13-805(E) to reduce the annual interest rate on a Criminal Restitution Order (currently 10 percent) to the rate provided for civil judgments in A.R.S. 44-1201 (1% plus the prime rate as published by the Federal Reserve).

6. Eliminate mandatory vehicle towing and impoundment for DSL violations. Amend A.R.S. 28-3511 to 1) provide the law enforcement officer with discretion as to whether a vehicle should be impounded and towed in the circumstances set forth (eliminating the mandatory towing and impoundment in connection with an arrest for driving on a suspended license) and 2) eliminate the mandatory 30-day impoundment period for those vehicles that are impounded pursuant to such statute.

Finally, Attachment 3 includes information regarding additional issues in which the County has an interest and will be monitoring. I in particular support the educational funding proposals of the Superintendent of Schools. If related legislation is introduced for any of these areas of specific interest, the County will support same.

Recommendation

I recommend the Board of Supervisors approve Resolution No. 2017-____ setting forth Pima County’s Legislative Agenda for 2018.

Respectfully submitted,

C.H. Huckelberry
County Administrator

CHH/dr – December 6, 2017

Attachments

c: Jan Lesher, Chief Deputy County Administrator
   Carmine DeBonis, Deputy County Administrator for Public Works
   Tom Burke, Deputy County Administrator for Administration
   Ellen Wheeler, Assistant County Administrator
   Michael Racy, Racy Associates, Inc.
PIMA COUNTY
RESOLUTION NO. 2017 - _____

A RESOLUTION OF THE BOARD OF SUPERVISORS IN PIMA COUNTY,
ARIZONA ADOPTING A PIMA COUNTY LEGISLATIVE PROGRAM FOR 2018

BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF PIMA COUNTY,
ARIZONA, AS FOLLOWS:

Section 1

That those persons authorized by Pima County to lobby on its behalf and registered as such with
the Secretary of State of the State of Arizona pursuant to Arizona Revised Statutes §41-1231
et.seq. (the “County Lobbyists”) are hereby authorize and directed, subject to the continuing
supervision of the Pima County Administrator and this Board, to represent and pursue the
legislative interests of Pima County by supporting legislation that embodies any of the following
basic principles:

A. Empowers Pima County with sufficient flexibility to address an expanding and changing
variety of local needs and conditions.

B. Establishes appropriate means to adequately compensate Pima County for the costs of
complying with state mandated requirements.

C. Provides Pima County with the means to cope with inflationary cost increases, population
growth and escalating service requirements.

D. Enables Pima County to provide public services in a more responsive, efficient and cost-
effective manner.

E. Defines appropriate fiscal and administrative responsibilities within various State/County and
City/County joint programs.

Conversely, legislation that is inconsistent with any of these basic principles should be opposed
or appropriate amendments pursued.

Section 2

That, in addition to those basic principles set forth in Section 1, the County Lobbyists are
authorized and directed to pursue the following specific objectives:

A. Property Tax Reduction

1. Facilitate property tax reduction by creating and implementing a sales or excise tax to
lower county property taxes

2. Facilitate primary property tax reduction by creation of a hospital secondary property tax
special district.
3. Support any legislation that would assist the County in reducing the property tax.

B. Recently Enacted State Cost Transfers

Eliminate certain recently enacted state cost transfers in order to provide for local county property tax relief.

C. New State Programs

Oppose any new state programs that increase direct or indirect costs to counties without full reimbursement of those costs from the new or expanded state programs.

D. Transportation Funding

Support any increase in funding for transportation.

E. Local Economic Recovery

Ensure that State legislation intended to promote economic recovery and job creation will benefit our region and employ efficient, effective strategies that will produce tangible, local results.

F. Criminal Justice Reform

1. Reclassify certain criminal misdemeanor charges to civil violations for first-time offenders.

2. Authorize judges to mitigate mandatory fines, fees, surcharges and penalties for defendants who cannot afford to pay the full amount.

3. Expand the use of community restitution (community service) as a sentencing alternative to fines, fees and incarceration in misdemeanor cases for low-income defendants who cannot afford to pay in cash.

4. Support court’s waiver of State surcharges, fees and assessments that often exceed the amount of the fine itself.

5. Reduce the interest rate on criminal restitution orders.

6. Eliminate mandatory vehicle towing and impoundment for DSL violations.

[SIGNATURE PAGE FOLLOWS]
PASSED, ADOPTED AND APPROVED this ___ day of __________, 2017 by the Board of Supervisors of Pima County.

Chair of the Board of Supervisors

ATTEST:                                                  APPROVED AS TO FORM:

Clerk of the Board of Supervisors                         Regina Nasen

Deputy County Attorney

REGINA NASSEN
Transportation & Infrastructure

- **Public Road Maintenance and Primitive Designation**: Clarify the universe of road systems that are eligible to be brought into the county roadway system and expand the number of roads that are eligible to be declared as “primitive” by a county board to include those roadways not built to county standards opened prior to June 13, 1990.

- **Domestic Drinking Water Treatment and Distribution System**: Allow a county improvement district to acquire, construct, or improve a domestic drinking water treatment and distribution system or a combination of such projects with funds from the Water Infrastructure Finance Authority.

Government Efficiency

- **Zoning Notice Service**: Provide more flexibility and clarity for the serving of zoning violations. Currently statute only permits the zoning inspector to serve such notices, but the Arizona Rules of Civil Procedure (ARCP) affords more flexibility.

- **State Land Payments**: Enables the State Land Commissioner to accept additional payment options, instead of only cashier’s checks, on sales and auctions of state land.

Criminal Justice

- **Resources for Juvenile Dependency Representation**: Allocate financial resources to counties to assist with providing mandated attorney services for indigent defendants in juvenile dependency matters, due to recent increases in costs associated with these cases as a result of the overhaul of the child protective services system in Arizona.

County Financing & Budget

- **Disproportionate Uncompensated Care (DUC) Pool Payments**: Eliminate the county Disproportionate Uncompensated Care (DUC) payments to the state. This payment costs 14 counties $2.6 million annually.

- **Supermajority to Levy County Excise Taxes**: Change the existing general fund one-half cent sales tax authority to allow a five-member board of supervisors to levy the tax with a super-majority vote, rather than a unanimous vote.
Global Priorities

CSA will develop policy and advocacy strategies regarding the following priority issues.

- **Elected Officials Retirement Plan (EORP) insolvency and expenditure relief** *(Actionable)*
  - To meet the state obligations to fund EORP and to promote good government and proper stewardship of taxpayer dollars, Arizona’s counties urge the Governor and legislature to enact the following:
    - Eliminate state mandates for counties to fund state agencies and restore the state responsibility to fund 50% of Superior Court Judge Salaries.
    - This action promotes transparency, improves governance and creates local capacity to help fund the EORP liability.
    - Create an on-going state general fund appropriation **AND/OR SUFFICIENT EXPENDITURE OFFSETS TO FUND EORP AT APPROPRIATE LEVEL WITHOUT PASSING THE ADDITIONAL COSTS ONTO THE COUNTY to assist counties lacking sufficient capacity to absorb the EORP liability.**
    - Provide an EORP circuit breaker to protect against future cost growth.

- **Supervisor Input**
  - Discussion regarding need to collaborate and establish a coalition to solve this issue.
  - Noted that there would not be much sympathy for the citizens because it seems self-serving.
  - Discussion about the approach some noted that by providing options we will be putting ourselves at risk, while others pointed out that we should come to the table with solutions or the legislature will find a solution for us.
  - Discussion around changing it from “cost shift” to “tax”.

- **Key Next Steps**
  1. Mobilize counties (supervisors other electeds, partner with AACo) to:
     a. Urge legislators to eliminate agency cost shifts and restore cost sharing for Superior Court judges salaries.
     b. Urge lawmaker to fix EORP without damaging the counties--counties were not responsible for the crisis; therefore, we should not be responsible for the additional costs. Promote a mutually beneficial outcome.
  2. Analyze the Trustees new (pending) actuarial study (use managers)
     a. What’s the county exposure?
     b. Are the assumptions sound?
     c. Review and revise the policy statement as necessary
  3. Build a champion base of legislators who will not vote to simply float the rate. Recruit legislators that will demand a larger reform and county protections.
- **Increase Transportation Investment.** *(Actionable)*
  - Permanently discontinue the use of Highway User Revenue Fund (HURF) resources for purposes other than road activities
  - Identify and enact revenue enhancements for the existing HURF distribution system (including user fees to fund DPS outside of HURF)
  - Identify and enact policies that improve efficient utilization of transportation resources

- **Secure county in-lieu lottery revenues.** *(Actionable)*
  - Secure ongoing county in-lieu lottery appropriation for rural counties.

- **Ensure the continued inclusion of “Flexibility Language” in the state budget** *(Actionable)*

### 2018 County Submitted Legislative Proposals

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| 1 | Public Road Maintenance and Primitive Designation: Clarify the universe of road systems that are eligible to be brought into the county roadway system and expand the number of roads that are eligible to be declared as “primitive” by a county board to include those roadways not built to county standards opened prior to June 13, 1990. *(Apache)* | - Sponsoring county noted that this is a less expensive alternative to paving road to county standard.  
- Concerns were raised regarding the impact to private roads, county right of ways, IGA’s, flood control and public health and safety.  
- Discussion that this proposal is permissive. | Pass: Vote Count 40 |
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| 2  | **STATE County Veterans Services Officer Funding:** Expand annual state funding to finance a full time veterans services officer position in all 15 counties. *(Apache)* | • Sponsoring county noted that there the State Department of Veterans Services does not have enough veterans services officers within a one hundred miles radius for veterans in rural parts of Apache County.  
• Concerns raised about county nexus.  
• Note that 10 counties have a veterans services officer(s) located within their county and 11 counties have a county veterans services office.  
• It was noted that this proposal is requesting an annual budget request for an agency however; the agency is unable to take a position on the proposal. | Expand annual state funding to finance **FIVE** full time veterans services officer positions in all 15 counties. | **No Vote: Apache County Requested Letter**                                       |
| 3  | **Disproportionate Uncompensated Care (DUC) Pool Payments:** Eliminate the county Disproportionate Uncompensated Care (DUC) payments to the state. This payment costs 14 counties $2.6 million annually. *(Coconino)* | • Sponsoring county discussed potential to include this within other budget recommendations.                                                                                                               |                                                                                  | **Pass: Vote Count 46**                                                       |
| 4  | **Commercial Property Assessed Clean Energy (C-PACE):** Creates a statewide program to facilitate financing for clean energy and water conservation upgrades on commercial properties and allows the counties to opt into a program that permits property owners to secure the private financing via the lien process. *(Coconino)* | • Discussion regarding county treasurers opposition to the proposal; sponsoring county offered to work to address their concerns.  
• Optional recommendation to use another county department to manage this program, possibly county finance department.  
• Discussion that this differs from a second mortgage in that it does not count towards a company’s line of credit since it is a lien on the property. |                                                                                  | **Failed: Vote Count 10**                                                      |
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<td>5</td>
<td><strong>Government Property Lease Excise Tax (GPLET):</strong> Subject all Government Property Leases to the same tax rate table as “new” leases. Clarify statute in order to eliminate confusion, and to include the National Park Service in various exemptions from local property taxes. (Coconino) <strong>WITHDRAWN</strong></td>
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<td><strong>No Vote: Withdrawn</strong></td>
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| 6  | **Short Term RV Rental Assessment:** Allow a County Board of Supervisors to impose an assessment on the short-term rental (fewer than 30 days) of recreational vehicles (RV) park spaces of up to $0.50 per night, per RV. (La Paz) **WITHDRAWN** | • Sponsoring county noted that this proposal and #7 are related.  
• Sponsoring county discussed that they are supporting a very large tourist population that is 2-3 times their residential population. Discussion regarding applying this proposal to incorporated as well. |                   | **No Vote: Withdrawn**    |
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| 7  | Transient Lodging Tax: Enable smaller counties, with a population of fewer than 500,000 persons, to levy a tax on transient lodging. *(La Paz)* TABLED | • Sponsoring county noted that this proposal and #6 are related.  
• Sponsoring county noted that there may be a mechanism that allows counties to apply transient lodging tax in incorporated areas.  
• Clarification provided on type of properties this proposal applies to they include hotels, motels, RV’s, private rentals, etc.  
• Other counties discussed similar burdens on their services from heavily tourist populations; some noted that hoteliers may be supportive of this type of proposal.  
• Discussion regarding expanding the population threshold to all 15 counties.  
• Discussion regarding likely opposition from ATRA.  
• Noted by potentially including incorporated areas we will share this with the League of Cities and Towns for feedback. | • Sponsoring county discussed the possibility of having CSA staff evaluate adding incorporated areas into the proposal and potential evaluation at a future board meeting. | No Vote: Tabled  
• Laz Paz would like to table the item and rework the idea for consideration at another meeting. |
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| 8  | **Supermajority to Levy County Excise Taxes**: Change the existing general fund one-half cent sales tax authority to allow a five-member board of supervisors to levy the tax with a super-majority vote, rather than a unanimous vote. *(Mohave)* | • Sponsoring county noted that this proposal would allow the county to have a more balanced revenue stream that is not as heavily dependent on the property tax.  
• Clarified that this proposal only applies to counties with 5 supervisors.  
• Discussion regarding potentially earmarking these funds to address pension liability.  
• Discussion regarding challenges garnering support at the legislature.  
• Question regarding whether an excise tax could be put to the voters but that is not permitted by statute. |                  | Pass: Vote Count 43       |
| 9  | **Resources for Juvenile Dependency Representation**: Allocate financial resources to impacted counties to assist with providing mandated attorney services for indigent defendants in juvenile dependency matters, due to recent increases in costs associated with these cases as a result of the overhaul of the child protective services system in Arizona. *(Mohave)* | • Sponsoring county discussed heavy financial impact on their county since 2014.  
• Discussion regarding whether this proposal could be constructed as a reimbursement for costs incurred by the counties instead of a funding request.  
• Each county has varied financial impacts due to this issue, though it is difficult to specify the precise financial impact to each county.  
• The advocacy of this issue last year worked to our benefit, by helping us obtain lottery revenue for the smallest 13 counties. |                  | Pass: Vote Count 41       |
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<td>10</td>
<td>Establishment of Electronic License Plates: Seeks to establish design</td>
<td>• Sponsoring county noted that this proposal stemmed from the transportation study committee at the legislature that was identifying new ways of generating transportation revenue.</td>
<td>No Vote: Mohave County Requested Letter</td>
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<td>parameters and directs standard issue of electronic license plates</td>
<td>• Concerns were raised regarding county nexus.</td>
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<td>beginning January 1, 2020 for each state registered vehicle, trailer, or semitrailer. In addition, it would mandate electronic license plate issuance to owners of registered vehicles, trailers, or semitrailers by December 31, 2021. Electronic license plates will incorporate permanently affixed or embedded Automatic Identification and Data Capture technology which will only contain the license plate number and vehicle identification number. (Mohave)</td>
<td>• Recommendation that a letter be sent to the Arizona Department of Transportation to encourage study of the feasibility of this idea.</td>
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<td>• It was noted that Colorado already uses a similar device to collect fees from truckers and Florida uses a similar device.</td>
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<td>11</td>
<td>State Land Payments: Enables the State Land Commissioner to accept</td>
<td>• Sponsoring county noted that this proposal would modernize the payment options for state land purchases.</td>
<td>Pass: Vote Count 42</td>
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<td>additional payment options, instead of only cashier’s checks, on sales and auctions of state land. (Pinal)</td>
<td>• The State Land Department is supportive of the proposal.</td>
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<td>12</td>
<td>Zoning Notice Service: Provide more flexibility and clarity for the</td>
<td>• Clarification that this proposal expands the methods by which a zoning notice violation may be served, beyond the service by just the zoning inspector.</td>
<td>Pass: Vote Count 40</td>
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<td>serving of zoning violations. Currently statute only permits the zoning inspector to serve such notices, but the Arizona Rules of Civil Procedure (ARCP) affords more flexibility. (Yavapai)</td>
<td>• Concerns raised regarding interpretation of statute.</td>
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| 13 | Domestic Drinking Water Treatment and Distribution System: Allow a county improvement district to acquire, construct, or improve a domestic drinking water treatment and distribution system or a combination of such projects with funds from the Water Infrastructure Finance Authority. (Yuma) | • Sponsoring county is seeking the permission to accept funds from WIFA directly; currently the county has to go through a non-profit organization to accept the funds.  
• Discussion regarding the importance of water issues and having additional tools in the toolbox.  
• Recommendation that CSA establish a water advisory committee related to the Governor’s water advisory committee. |                                                        | Pass: Vote Count 44 |
| 14 | Exempt Status for Labor Housing: Allows counties to regulate the development and permitting of labor housing located on agricultural, mining and railroad properties that qualify for exempt status. (Yuma) **WITHDRAWN** | • Concerns raised from the mining community about the impact on their industry, suggest removing them from the proposal.  
• Sponsoring county noted that PM10 concerns and potential encroachment are resulting from these developments.  
• Discussion regarding limiting the proposal to just PM 10 and encroachment.  
• Raised prospect of potential Prop 207 diminishment of property value from government action.  
• Discussion regarding Airport district does not allow multifamily housing on a property in a noise zone.  
• Concerns were also raised from the agricultural community regarding the negative impact on their industry. |                                                        | No Vote: Withdrawn |
MEMORANDUM

TO: Chuck Huckelberry  
Pima County Administrator

FROM: Dustin J. Williams  
Pima County School Superintendent

DATE: October 3, 2017

RE: Legislative Proposals

Please find attached the Legislative Proposals for consideration by your office and the Pima County Board of Supervisors. These items are particularly important to the overall support that we must provide to our public schools in Pima County. The lack of support in these three areas all can have a detrimental impact on the financial health of Pima County Government in the future.

Although all three items have great importance to my office, I am particularly concerned with the item related titled Funding for Non-Special Education Adult Students (18-21) in a County Jail Education Program and Funding for County Jail Students at 100%. This particular item impacts our Pima Accommodation District, which operates out of my office, and is currently charged with providing education services to students both at the Juvenile Detention Center and Adult Detention Center. However, a recent policy change as a result of interpretation in statute has eliminated over $100,000 from our FY2017 and FY2018 operating budgets, as a result of not providing funding for students not identified as special education services eligible and that are between the ages of 18 and 21 at the Jail. My office has provided details regarding the potential impact of this shift, as well as financial data on how we determined the estimate.

If you have any questions regarding any of these proposals, please feel free to reach out to my office.

I appreciate the support and consideration by your office and the Board of Supervisors.
Date: October 2, 2017

Department/Office: Superintendent of Schools

Name, Title and Telephone Number of Contact Person: Dustin Williams, Pima County School Superintendent, (520) 724-8433

Subject or Title of Proposal: Funding for Non-Special Education Adult Students (Ages 18-21) in a County Jail Education Program and Funding for County Jail Students

Proposal Description: Currently, the State does not provide funding for adult students (Ages 18-21) who are not identified as needing Special Education services that are participating in a County Jail Education Program (CJEP) in every Arizona county. Moreover, students who are funded are only funded at 72% if they were enrolled in any other program that is part of the Pima Accommodation District.

A. Background Information:
(Describe the issue or problem in need of legislative attention. Attach all existing documents relating to the issue.)

In Arizona, county school superintendents and county sheriffs are required to cooperate to provide an education program to prisoners who are under the age of 18 or who are identified as needing Special Education Services (SPED) and are under 21 that are confined in a county jail. The County Jail Education Program allows counties to provide education services either through a CJEP or through an accommodation school. In Pima County, the Pima Accommodation District provides services to these students. Starting July 1, 2017, the Arizona Department of Education stopped providing funding for non-SPED that were between ages 18 and 21 and in a County Jail. In Pima County, this is a loss of approximately $50,000 to $70,000 in funding preventing any education services to these students based on age. Moreover, all students in a CJEP are only funded at 72% to their Detention Center peers.

B. Legislative Proposal:
(Describe the proposal and what it would accomplish.)

The proposal would allow the Legislature to provide funding for students in a CJEP who are non-SPED and that are between ages 18 and 21. Moreover, it would allow ALL students in a CJEP to be funded at 100% of their peers who participate in a Detention Education Program at the Pima County Juvenile Detention Center. This would allow parity of these students. These non-SPED "adult" students, if they were in school at their home school district or charter school, would be funded and the school district or charter school would receive 100% of the State Aid. In the case of CJEP, where these "adult" students do not have a choice are not funded and therefore cannot participate in the CJEP through the Pima Accommodation District. This is a great inequity between student types.
C. **Statutes/Regulations Affected or Proposed Language:**
   (Identify any state or federal statutes or regulations to be amended or repealed or attach proposed new language.)

A.R.S. § 15-913.01, Paragraph A states, "Each county that operates a county jail shall offer an education program to serve all prisoners who are under eighteen years of age and prisoners with disabilities who are age twenty-one or younger and who are confined in the county jail." The proposed language should state something to the effect of, "Each county that operates a county jail shall offer an education program to serve all prisoners who are under twenty-one years of age or younger."

A.R.S. §15-913.01, Paragraph C states in part, "...each pupil enrolled in the accommodation school county jail education program shall be funded at an amount equal to seventy-two per cent of the amount for that pupil if that pupil were enrolled in another accommodation school program." This language should be stricken altogether or remove the limitation of the 72%.

D. **Fiscal Impact:**
   (Describe any direct or indirect impact on Pima County expenditures or revenues.)

Because the Pima County Jail is operated by Pima County and the education program is operated by the Superintendent's Offices through the Accommodation District, if the State does not change this language, then the adult students (non-SPED, between 18 and 21) will no longer be receiving any educational services while they are confined to the Pima County Jail. Moreover, if the Sheriff and the Superintendent want to provide educational services to these students who are excluded, the County would have to determine the dedicated source of revenues, locally, in order to provide funds for these students. Additionally, if these adult, non-SPED students are not provided some educational opportunities, the likelihood of recidivism will only increase because they will no be able to continue any educational program outside of the County Jail. Moreover, if funds are restored, but only at 72%, any remaining sources would have to be funded locally, as well.

E. **Proposal History:**
   (Describe any previous efforts by any person/entity to pursue this proposal.)

In 2008, the last Pima County School Superintendent attempted to have the language related to the 72% changes to a full 100% to ensure that every student was funded equitably. However, that proposal failed and a renewed effort was never undertaken. The funding for non-SPED, adult students was not an issue with the "old" student attendance accounting system from the AZ Department of Education. This changed on July 1, 2017, due to the new student attendance accounting system, which now has the ability for the system to confirm to law.

F. **Interested Parties:**
   (Identify any persons/entities that you know or believe will either support or oppose this proposal.)

All county school superintendents that operate a County Jail Education Program would have an interest in the success of this legislative change. Currently, other counties who have non-SPED, adult students do not service these students. In Maricopa County, the funds that are generated for the minors and adult, SPED students are provided directly to the Sheriff's Department and only used to serve these two populations. Non-SPED adults are not serviced at all in Maricopa County. The Arizona Correctional Educators would have an interest in ensuring that all students are provided access to education. We are unaware of anyone who would be opposed towards providing education services to all eligible students in a County Jail.
## FY18 and FY17
Non-SPED Adult Student Budget Reductions

<p>| | | |</p>
<table>
<thead>
<tr>
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<tbody>
<tr>
<td>A1</td>
<td>FY18 Adult Non-SPED ADM (9/5/17)</td>
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<tr>
<td>A2</td>
<td>Support Level Weight</td>
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<td>Weighted Student Count (A1 x A2)</td>
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<td>A4</td>
<td>Base Support Level</td>
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<td>A5</td>
<td>Teacher Experience Index</td>
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<td>A6</td>
<td>Base Revenue Control Limit (A3 x A4 x A5)</td>
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<tr>
<td>A7</td>
<td>District Additional Assistance Per Student</td>
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<tr>
<td>A8</td>
<td>District Additional Assistance for Textbooks</td>
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<tr>
<td>A9</td>
<td>District Additional Assistance Preliminary (A1 x A7) + (A1 x A8)</td>
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<td>A10</td>
<td>Legislative Reduction</td>
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<tr>
<td>A11</td>
<td>District Additional Assistance Net (A9)-(A5 x A10)</td>
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FY18 Preliminary Budget Reduction (A6 + A11) $13,595.01
FY17 Preliminary Budget Balance Carryover $88,369.88
Total FY18 Budget Reduction $101,964.89

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<tbody>
<tr>
<td>B1</td>
<td>FY17 Adult Non-SPED ADM (6/5/17)</td>
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<td>B2</td>
<td>Support Level Weight</td>
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<td>B3</td>
<td>Weighted Student Count (B1 x B2)</td>
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<td>Base Support Level</td>
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<td>Teacher Experience Index</td>
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<td>Base Revenue Control Limit (B3 x B4 x B5)</td>
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<td>B7</td>
<td>District Additional Assistance Per Student</td>
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<td>District Additional Assistance for Textbooks</td>
<td>$69.68</td>
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<td>B9</td>
<td>District Additional Assistance Preliminary (B1 x B7) + (B1 x B8)</td>
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<td>District Additional Assistance Net (B9)-(B9 x B10)</td>
<td>$6,359.52</td>
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FY17 Total Budget Reduction (B6 + B11) $88,369.88
Date: October 2, 2017

Department/Office: Superintendent of Schools

Name, Title and Telephone Number of Contact Person: Dustin Williams, Pima County School Superintendent, (520) 724-8453

Subject or Title of Proposal: Restoration of Capital Funding Cuts for School Districts

Proposal Description: Since 2009, the Legislature has reduced formula funds for school district for capital expenditures. The total reduction statewide has amounted to $2.4 billion. For Tucson Metro area districts, the reductions are near $284 million.

A. Background Information:
(Describe the issue or problem in need of legislative attention. Attach all existing documents relating to the issue.)

In order for the Legislature to help balance the budget, the funding for Capital, Building Renewal and New School Facilities construction has either been eliminated altogether or reduced dramatically. Since 2009, $2.4 billion has been reduced in capital funds; half of that amount in the last two years. The funds have never been restored since the cuts were instituted. Approximately 126 gross square footage in school district, or 89%, is older than 30 years. In Pima County nearly 60% of the square footage in school districts was built before 1988. School districts are currently receiving approximately 15 cents for every dollar they are owed by statutory formula for capital. This means that in order to make up the difference, school districts have to go out to their local tax base and raise property taxes through capital override and bond building elections. Since 2011, school district have requested and been approved nearly $400 million in capital and bond funding through additional secondary property taxes.

B. Legislative Proposal:
(Describe the proposal and what it would accomplish.)

By helping to start a restoration of the formula-required capital reductions, school districts will:
1. Stop having classroom instructional materials compete with the needs of facilities maintenance.
2. Will provide safe and adequate learning facilities for students, especially during the hot months.
3. Will allow school districts to fund proper building renewal and maintenance plans with dedicate revenues.
4. Will reduce the need to overburden local taxpayers with additional or larger capital or bond funding requests.
5. Eliminate having to use operating funds for items like teacher pay to in order found capital reductions.
C. **Statutes/Regulations Affected or Proposed Language:**
   (Identify any state or federal statutes or regulations to be amended or repealed or attach proposed new language.)

   A.R.S. §15-951 provides the formula that funds "District Additional Assistance" and the per pupil amounts required by the law. The statutory changes would be during any issuance of Budget Reconciliation Bills (BRB) to prevent the amounts that are stated in this section of statute to be funded at the levels. Restoration of these amounts does not have to be immediately restored, but should be done as quickly as

D. **Fiscal Impact:**
   (Describe any direct or indirect impact on Pima County expenditures or revenues.)

   As capital funding cuts continue, Pima County may be unable to leverage future bond requests for its own needs. It will increase the difficulty for Pima County to go out to taxpayers for a dedicated property tax or sales tax to fund much needed investment in road infrastructure and similar transportation needs. This will create a competition between funding school districts' needs and the County's needs. This has the potential to also increase County expenditures from other sources of funding if the County is challenged by school districts for property tax revenues.

E. **Proposal History:**
   (Describe any previous efforts by any person/entity to pursue this proposal.)

   Since 2009, various interested education/school support groups and members of the Legislature have advocated for restoration of these reductions. At this point, the school districts have joined together to file a lawsuit against the State in order to have the courts order the Legislature to restore these cuts. These funds were all part of litigation during the 1990's such as Roosevelt v. Bishop and Hull v. Albrecht that provided the funding scheme for school districts that has now been gutted by the Legislature.

F. **Interested Parties:**
   (Identify any persons/entities that you know or believe will either support or oppose this proposal.)

   All Arizona school districts would be supportive including the various education 'alphabet' groups such as the Arizona School Boards Association, Arizona Association of School Business Officials, Arizona Business and Education Coalition and local taxpayers. Opposition might come from groups like the Arizona Tax Research Association or Goldwater Institute who might believe this will lead to legislative impacts to tax expenditure legislation that is currently on the books.
Date: October 2, 2017

Department/Office: Superintendent of Schools

Name, Title and Telephone Number of Contact Person: Dustin Williams, Pima County School Superintendent. (520) 724-8483

Subject or Title of Proposal: Restoration of 9th Grade Funding for Pima County JTED

Proposal Description: In 2011, the Legislature cut student funding for 9th graders participating in any JTED program in Arizona. For Pima County JTED, this is approximately $10 million in funding reductions.

A. Background Information:
(Describe the issue or problem in need of legislative attention. Attach all existing documents relating to the issue.)

In 2011, the Legislature eliminated funding for all 9th graders who were participating in a JTED program at the end of that school year. The Legislature eliminated providing State funding for 9th graders as a response for having JTED require 9th graders enroll in more than one JTED course. Most 9th graders participate in JTED courses as preparation courses for certification programs that starts in the 10th grade. The Legislature allowed JTED's to begin using the amount collected through local property taxes to help supplant the loss of funds in the 9th grade. However, in Pima County's case, this means only approximately $4 million in property tax revenues. JTED's are not allowed to levy more than a 5-cent property tax and cannot have budget overrides, like traditional school districts.

B. Legislative Proposal:
(Describe the proposal and what it would accomplish.)

Under Section 15-393 of Arizona Revised Statutes, provide for inclusion of 9th grade students in the calculation of student counts for average daily membership for those participating in a JTED program. By allowing JTED's to include 9th graders in their student counts, the State would provide for additional budget capacity and funding for these students participating in certification-prep courses at Pima County JTED. This would provide a restoration of at least $50 million in funds that were eliminated 6 years ago by the Legislature. It will also allow greater participation by students who are interested in joining programs that may have a certification period that is longer than 3 years and finish their program by the time they graduate from their home high school.
C. **Statutes/Regulations Affected or Proposed Language:**  
(Identify any state or federal statutes or regulations to be amended or repealed or attach proposed new language.)

Section 15-393, Paragraph 9 of Arizona Revised statutes currently states, “A joint technical education district or school district that is a part of a joint district or a charter school shall only include pupils in grades ten through twelve in the calculation of student count or average daily membership in the pupils are enrolled in courses that are approved jointly by the governing board of the joint technical education district...” Amend to include, “…pupils in grades NINE through twelve...”

D. **Fiscal Impact:**  
(Describe any direct or indirect impact on Pima County expenditures or revenues.)

There is no impact to Pima County’s expenditures. However, there is an indirect impact to Pima County for revenues. If 9th grade students are allowed to participate in any preparation programs that can be funded with these revenues. It has the potential for:

a. Creating greater opportunities for youth in Pima County stay and find jobs within the County
b. Increased proportionate share of sales tax revenues for purchases by the Pima County JTED with the additional funds for materials/equipment used for these 9th grad programs

c. New job opportunities for full-time and part-time instructors for any expanded programs that require additional instructors.

E. **Proposal History:**  
(Describe any previous efforts by any person/entity to pursue this proposal.)

The various education alphabet groups -- Arizona School Boards Association, Arizona Association of School Business Officials, Arizona Business and Education Consortium, the Arizona CTE Curriculum Consortium and individual JTED’s statewide -- have been advocating for restoration of 9th grade funding since it was first eliminated 6 years ago. These efforts have not yielded results to restore these funds.

F. **Interested Parties:**  
(Identify any persons/entities that you know or believe will either support or oppose this proposal.)

All of the groups mentioned in Section E would have a greater interest in supporting this proposal. We would also surmise that business support groups like the various Chambers of Commerce, statewide leadership councils like the Southern Arizona Leadership Council and every county school superintendent would be interested in supporting this measure.
MEMORANDUM
Public Works Administration

DATE: October 9, 2017

TO: C.H. Huckelberry
   County Administrator

FROM: Carmine DeBonis, Jr.
   Deputy County Administrator

RE: 2018 State Legislative Agenda Items

The Public Works Departments submitted the attached compilation of legislative topics potentially affecting Pima County operations. The provided September 29, 2017 memorandum summarizes legislative items for the upcoming Arizona State Legislative session that are of interest. For most topics, we ask that our lobbyists “monitor & advise” on any efforts that potentially affect the County in the identified areas.

In the following areas, new or amended legislation is proposed that is in the best interest of the County:

○ Public Works Administration – Real Property Services
  - ARS §11-256 – Lease of County Lands and Buildings
    The proposed legislation would modify requirements for notice and auction of leased properties having a particular value. The change would minimize the time that those properties are vacant, not generating revenue or having open exposure to vandalism. Reducing the number of publications and holding auctions sooner for properties with a fair market rent value of less than $3,000 will minimize administrative costs and enable quicker leasing of these properties.
  - ARS §42-18303 – Disposal of Treasurer’s Deeded Property
    The proposed amendment to legislation will permit counties to sell uneconomic remnant-parcels for nominal consideration without the bidding process and would allow counties to grant properties, if deemed to be of public interest, at no cost to governmental agencies. Disposal of surplus property may be facilitated and tax delinquent properties returned to the tax rolls or conveyed to tax-exempt agencies.

○ Regional Wastewater Reclamation
  - ARS §45-802.01(22)(f) – Definition of “Water that cannot reasonably be used directly”
    Support amending language to continue availability of recharge storage credits through 2050. The Arizona Department of Water Resources may introduce legislation that reflects this objective.
  - ARS §45.852.01 – Managed underground Storage Facilities
    Support the Governor’s Water Augmentation Council under the Arizona Water Initiative and the Arizona Department of Water Resources in pursuit of statutory change for managed recharge credit to encourage environmental use of effluent by changing storage credits from 50% to 95%. A 95% long-term storage credit would increase annual accrual of storage credit assets and there would be greater incentive to continue devoting effluent resource to managed recharge to maintain flow in the Santa Cruz River.
Transportation

- Highway User Revenue Fund (HURF)

Support the various options previously outlined by you to increase revenue for transportation system operation and maintenance, including a statewide or local gas tax increase and the protection of HURF revenue from future diversion to items other than road repair and maintenance. Materials on this topic are not included since you are fully aware of the issues affecting Pima County.

As in past years, Larry Hawke of the Pima County Department of Environmental Quality assisted with compiling this information. We are grateful for his guidance through this process, and plan to utilize him to provide routine updates as the Legislative Session progresses.

Attachments

c: Carla Blackwell, Director, Development Services Department
    Chris Cawein, Director, Natural Resources, Parks and Recreation
    Nancy Cole, Manager, Project Management Office
    Jackson Jenkins, Director, Regional Wastewater Reclamation Department
    Neil Konigsberg, Manager, Real Property Services
    Ursula Kramer, Director, Department of Environmental Quality
    Linda Mayo, Director, Office of Sustainability and Conservation
    Ana Olivares, Interim Director, Department of Transportation
    Suzanne Shields, Director, Regional Flood Control District
    Nanette Slusser, Assistant County Administrator for Public Works Policy
    Larry Hawke, Intergovernmental Relations Manager, Department of Environmental Quality
MEMORANDUM
Pima County Department of Environmental Quality

DATE: September 29, 2017

TO: Carmine DeBonis, Jr.  
Deputy County Administrator for PW

FROM: Larry Hawke  
Intergovernmental Relations  
Manager, PDEQ

RE: Pima County Public Works 2018 Legislative Proposals – 53rd Arizona Legislature, 2nd Regular Session

Attached please find the Pima County Public Works 2018 Legislative Proposals recommended by your Pima County Public Works departments.

The Natural Resources, Parks & Recreation Department, Project Management Office, Sustainability & Conservation Office, Public Works Administration and Department of Transportation have been contacted and do not offer legislative proposals at this time.

The Development Services Department, Department of Environmental Quality, Real Property Services, Regional Flood Control District and Regional Wastewater Reclamation Department submit the following proposals and issues of interest for your consideration:

I. Development Services Department

MONITOR & ADVISE – Introduced legislation relating to the following issues:

1. University and Community College Funding
2. Pima County Sports and Tourism Authority
3. Joint Technical Education District (JTED)
4. Highway User Revenue Fund (HURF)
5. Healthy Housing Stock Maintenance: Mobile Homes
6. Community Facilities Districts: Statutory Changes Impacting Counties
7. Procurement
8. Government Property Lease Purchase Excise Tax
9. Planning, Zoning and Building; Public Notification Timelines

II. Department of Environmental Quality

MONITOR & ADVISE – Introduced legislation relating to the following issues:

1. Regulation of Solid Waste Dumping
2. Waste Tire Program – Diversion of Waste Tire Fund Monies
3. Regulation of Activities Related to Stormwater Discharges and Permitting
4. Air Quality
5. County-targeted Regulatory Reform
III. Public Works Administration – Real Property Services
   1. Lease of County Lands and Buildings – Amending A.R.S. § 11-256
   2. Disposal of Treasurer’s Deeded Property – Amending A.R.S. § 42-18303

IV. Regional Flood Control District

MONITOR & ADVISE – Introduced legislation relating to the following issues:
   1. Regulatory Bill of Rights
   2. Special Taxing Districts
   3. Flood Control Districts
   4. Aggregate Mining
   5. Water Quality Standards: Ephemeral & Effluent-Dependent Streams
   6. Environmental Permits
   7. Stormwater Rules & Regulations
   8. Water Resources

V. Regional Wastewater Reclamation Department

MONITOR & ADVISE – Introduced legislation relating to the following issues:
   1. Managed Underground Storage Facilities: Storage Credit Accrual
   2. Revision of A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly”
   3. Governor’s Water Initiative & Governor’s Plenary Working Group: Water-related Legislative Initiatives
   4. Professional Engineers – Liability
   5. Environmental Management Systems; Capacity, Management, Operations & Maintenance (CMOM); Asset Management Systems
   6. Regulation of Wastewater Treatment Facility Operators and/or Inspectors
   7. Blue Stake/House Connection Service (HCS)
   8. Critical Infrastructure
   9. Environmental Permits
   10. Stormwater Treatment Costs & Point Source Compliance Pollution Limits
   12. Stormwater I & I Cost Impacts/CMOM
I.

Development Services Department
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
DEVELOPMENT SERVICES DEPARTMENT

Federal
X State

Date:
September 29, 2017

Department/Office:
Development Services/Director

Name, Title and Telephone Number of Contact Person:
Carla Blackwell, Director, 724-9516

Subject of Proposal:

MONITOR & ADVISE — Introduced legislation relating to the following issues:

1. University and Community College Funding
2. Pima County Sports and Tourism Authority
3. Joint Technical Education District (JTED)
4. Highway User Revenue Fund (HURF)
5. Healthy Housing Stock Maintenance: Mobile Homes
6. Community Facilities Districts: Statutory Changes Impacting Counties
7. Procurement
8. Government Property Lease Purchase Excise Tax
9. Planning, Zoning and Building; Public Notification Timelines

PROPOSAL DESCRIPTION:

1. University and Community College Funding
   Support public and private funding initiatives for the University of Arizona and oppose further reductions in state funding of Arizona’s university and community college systems. Actively support increased public and private funding for all public education programs, particularly increased funding for the university and community college systems in order to minimize future increases in tuition and fees.

2. Pima County Sports and Tourism Authority
   Issues relating to support of the Pima County Sports and Tourism Authority. Support tourism-related initiatives designed to increase tourism economic development

3. Joint Technical Education District (JTED)
   Issues relating to support of full funding of JTED and full funding of JTED programs to support and assist Pima County businesses.
4. **Highway User Revenue Fund (HURF)**
   Issues relating to increasing revenue for transportation systems, particularly a statewide gasoline tax increase, and constitutionally protecting the HURF revenue stream from diversion.

5. **Healthy Housing Stock Maintenance: Mobile Homes**
   Issues relating to the condition of mobile home parks in Arizona. Past legislative proposals were based on the Manufactured Housing Office moving to State of Arizona Housing Office. Most would request the same protections in real estate transactions be extended to mobile home ownership, sales and rentals. Urge more real estate protections and disclosures for mobile homes, inspections upon transfer, C of O process, licensing for park owners who buy, sell or rent mobile homes in parks and foreclosure protections.

6. **Community Facilities Districts: Statutory Changes Impacting Counties**
   Issues relating to statutory changes to Community Facilities Districts affecting counties.

7. **Procurement**
   Issues relating to revision of procurement practices and procedures affecting local preferences for goods and services.

8. **Government Property Lease Purchase Excise Tax**
   Issues relating to county use of the Government Property Lease Purchase Excise Tax for county use and abatement for economic incentives.

9. **Planning, Zoning and Building: Public Notification Timelines**
   Issues relating to county planning, zoning and building requirements, including statutory changes in public notification timelines, i.e. whether Development Services continues mailing versus website posting and advertising requirements.
II.

Department of Environmental Quality
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
DEPARTMENT OF ENVIRONMENTAL QUALITY

Federal
X State

Date:
September 29, 2017

Department/Office:
Environmental Quality/Director

Name, Title and Telephone Number of Contact Person:
Ursula Nelson, P.E., Director, 724-7454

Subject of Proposal:

MONITOR & ADVISE – Introduced legislation relating to the following issues:
1. Regulation of Solid Waste Dumping
2. Waste Tire Program – Diversion of Waste Tire Fund Monies
3. Regulation of Activities Related to Stormwater Discharges and Permitting
4. Air Quality
5. County-targeted Regulatory Reform

PROPOSAL DESCRIPTION:

1. Regulation of Solid Waste Dumping
   During past legislative sessions, bills were introduced establishing requirements and penalties for the removal of trash and other solid waste on private and public property. Similar legislation may be introduced during the 2018 legislative session.

2. Waste Tire Program – Diversion of Waste Tire Fund Monies
   Legislation extending the waste tire program was enacted during the 2017 legislative session that continues the program through 2025. Bills and/or amendments were introduced in past legislative sessions proposing significant changes to the state-mandated county waste tire program. Proposals have included using waste tires as “fill” for abandoned mine sites. Enactment of such proposals, including diversion of monies from the Waste Tire Fund that supports county implementation, would severely compromise Pima County’s program mission.

3. Regulation of Activities Related to Stormwater Discharges and Permitting
   The Arizona Legislature has enacted legislation providing expanded authority to Phase II MS4 counties thereby facilitating compliance with the terms of their permits. Legislation relating to Stormwater permitting and regulation of stormwater discharge activities may be introduced during the 2018 legislative session.
4. **Air Quality**

During past legislative sessions, legislation was introduced proposing changes related to air quality regulation. Legislation relating to the Federal Clean Air Act, Regional Haze, Vehicle emissions, Fugitive Dust, Exceptional Events and/or Diesel Retrofit Programming may be introduced during the 2018 legislation session.

5. **County-targeted Regulatory Reform**

In past legislative sessions, legislation was introduced and enacted making changes to county regulatory procedures. Related “regulatory reform” measures affecting county operations may, once again, be introduced during the 2018 legislative session.
III.

Public Works Administration – Real Property Services
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
PUBLIC WORKS ADMINISTRATION – REAL PROPERTY SERVICES

Federal
X State

Date:
September 29, 2017

Department/Office:
Public Works Administration/ Real Property Services

Name, Title and Telephone Number of Contact Person:
Neil Konigsberg, Manager, 724-6582

Subject of Proposal:

Lease of County Lands and Buildings – Amending A.R.S. § 11-256

PROPOSAL DESCRIPTION:

A. Background:

Acquisition in advance of using property for capital improvement projects may necessitate purchase of improved properties that are then leased on an interim basis. A.R.S. § 11-256 requires four consecutive weeks of public notice of the proposed lease and a minimum of 30 days after the last public notice to schedule an auction each time those properties become vacant. This is a time consuming process. While vacant, the properties generate no revenue and often are vandalized.

B. Legislative Proposal:

Amend A.R.S. § 11-256 to distinguish requirements for publication of notice and requirements for auctions, depending on rental value. Properties with a market rental value not exceeding $3000 per month would be exempt from notice and auction. Two notices published over two consecutive weeks and an auction 30 days after the first publication would be required for rental values exceeding $3000 per month.

C. Statutes Affected:

See, EXHIBIT – Lease of County Lands and Buildings – Amending A.R.S. § 11-256

D. Fiscal Impact:

Reducing the number of publications and holding an auction sooner will minimize administrative costs. Additional administrative costs will be saved by not publishing or holding auctions for properties with a fair market rent of less than $3000.
E. Proposal History:
This proposal was submitted in years 2001-2008, 2014, 2015 and 2016

F. Interested Parties:
All Arizona counties should support this legislative proposal
EXHIBIT – Lease of County Lands and Buildings: Amending A.R.S. § 11-256

11-256. Lease or sublease of county lands and buildings; exceptions

A. The board may lease or sublease, for a term not to exceed twenty-five years plus an option to renew for an additional period not exceeding twenty-five years, any land or building owned by or under the control of the county.

B. An experienced A CERTIFIED GENERAL REAL ESTATE appraiser LICENSED BY THE STATE OF ARIZONA shall be appointed to determine the rental-valuation MARKET RENT of such land or building, except that the appointment of an appraiser is not required for the lease of any land or building that is valued at HAS A MARKET VALUE OF five thousand dollars or less if the value of the land or building has been estimated and justified by a market analysis that is based on comparable sales.

C. PROPERTIES WITH A MARKET RENT NOT EXCEEDING $3000 PER MONTH MAY BE LEASED WITHOUT PUBLICATION OF NOTICE AND WITHOUT PUBLIC AUCTION. PROPERTIES WITH A MARKET RENT EXCEEDING $3000 PER MONTH Such-land-or building shall be leased or subleased at a public auction to the highest responsible bidder, provided that the amount of bid is at least ninety per cent of the rental valuation as determined by the appraiser or the market analysis, and subject to such other terms and conditions as the board may prescribe.

D. FOR LEASES WITH A MARKET RENT EXCEEDING $3000 PER MONTH NOTICE Notice of a proposed lease or sublease shall be given by publication, once each week for four TWO consecutive weeks, in a newspaper of general circulation in the county. The notice shall state the period and all material conditions of the proposed lease, and the day on which the auction will be held, which shall be not less than thirty days after last FIRST publication of the notice.

E. Subsections C and D do not apply to leases granting a leasehold interest to a person or entity that owned, leased or otherwise possessed the property to be leased immediately before purchase or acquisition by the county or to other persons or entities leasing property for a term that would expire within four years after the purchase or acquisition by the county. A lease entered into pursuant to this subsection shall be for at least ninety per cent of, but not more than, the appraised rental valuation or market analysis determined pursuant to subsection B.

F. This section is supplementary to and not in conflict with other statutes governing or regulating powers of boards of supervisors.
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
PUBLIC WORKS ADMINISTRATION – REAL PROPERTY SERVICES

Federal
X State

Date:
September 29, 2017

Department/Office:
Public Works Administration/Real Property Services

Name, Title and Telephone Number of Contact Person:
Neil Konigsberg, Manager, 724-6582

Subject of Proposal:

Disposal of Treasurer's Deeded Property – Amending A.R.S. § 42-18303

PROPOSAL DESCRIPTION:

A. Background:

Roads, alleys, riverbeds, drainage ways, and other parcels are deeded to the State of Arizona by Treasurer's Deeds. These properties could be beneficial for uses, by the state, its political subdivisions, municipalities, or towns, for streets, alleys, drainage, utility installation and other public uses, including reconstruction of low-income housing or reduction of neighborhood blights.

A.R.S. § 42-18303 requires that Treasurer's Deeded Properties be sold to the highest bidder for cash. Many of the properties are uneconomic remnants and bidders do not typically come to auctions for such properties.

The state does not reimburse local jurisdictions for costs to clean up health hazards on real property administered by counties acting in the capacity of agents of the state. Some Treasurer’s Deeded Properties require abatement of hazard, dumping, or neighborhood blight. Counties, municipalities and towns may be willing to acquire the properties to abate such conditions, providing they would have title to the properties and authority to sell and be reimbursed for costs.

Parcels with an economic worth less than cost of disposal may be conveyed after payment of nominal consideration, to be determined by the county for costs of processing and recordation.

B. Legislative Proposal:

Amend A.R.S. § 42-18303 to permit counties to sell uneconomic parcels without the bidding process and for nominal consideration. This would also allow counties to grant the properties at no cost to governmental agencies, if deemed to be in the public interest.

C. Statutes affected:

D. Fiscal Impact:
   Many tax delinquent properties could be returned to the tax rolls or conveyed to tax-exempt agencies.

E. Proposal History:
   This proposal was submitted in 2001-2008; 2014

F. Interested Parties:
   County real estate managers should support this proposal because this revision facilitates disposal of surplus property. County treasurers should support this proposal because properties would be more readily placed back onto the tax rolls.
EXHIBIT – Disposal of Treasurer’s Deeded Property – Amending A.R.S. § 42-18303

42-18303. Auction and sale of land held by state under tax deed; disposition of proceeds

A. After advertisement, pursuant to section 42-18302, the board of supervisors may:

1. Sell the real property in the county held by the state by tax deed to the highest bidder for cash; OR

2. Convey the real property in the county held by the state by tax deed to the county, a political subdivision, municipality or town after written application is made to the board declaring a proposed public use and agreeing to bear the reasonable costs of transferring and recording the conveyance; OR

3. Sell the real property in the county held by the state by tax deed, without a bidding process, if the county determines the real property to have value not exceeding five thousand dollars or if the county determines that the real property is an uneconomic remnant, for such consideration as the county shall deem advisable, giving due consideration to its degree of fragmentation and marketability, and any other public benefit derived by the county, without necessity of publication and posting.

B. On selling the Real property the board shall execute and deliver to the purchaser, at the purchaser’s cost, a deed conveying the title of the state in and to the parcel Real property purchased. The deed shall be acknowledged by the chairman and clerk of the board.

C. The purchase money shall be paid to the county treasurer. After deducting and distributing interest, penalties, fees and costs charged against the parcel Real property, the treasurer shall apportion the remainder to the funds of the various taxing authorities in proportion to their current share of the taxes charged against the real property. Costs charged against the real property may include expenses incurred by the county to acquire or to administer the property and shall be reimbursed to the county upon sale.

D. If the Real property is not sold before the time for the next succeeding notice of sale, the board may omit it from the notice.

E. The board of supervisors may accept an offer from, and sell real property held by this state by tax deed to, the county or a city, town or special taxing district in the county for a public purpose related to transportation or flood control. The board of supervisors shall convey the deed and apportion the monies received in the transaction in the manner prescribed by this section.

F. The board of supervisors may sell real property in the county held by the state by tax deed to the owner of contiguous real property that is used for residential purposes, and the board may accept an offer by the contiguous owner to purchase the Real property, if both of the following conditions apply:
1. Both the REAL property offered for sale and the contiguous REAL property were at one time under common ownership, or the REAL property offered for sale is part of a common area maintained by a homeowners' association as determined by the county assessor.

2. The REAL property offered for sale cannot be separately used for residential purposes pursuant to applicable building codes and ordinances of the jurisdiction in which the REAL property is located due to its size, configuration or recorded common area restrictions.

G. If an offer under subsection E or F of this section is pending at the time of the auction under this section, the board of supervisors shall remove the REAL property from the auction.

H. Subsection F of this section does not apply if there is more than one contiguous parcel of REAL property that meets the requirements prescribed by subsection F of this section.
IV.

Regional Flood Control District
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
REGIONAL FLOOD CONTROL DISTRICT

Federal
X State

Date:
September 29, 2017

Department/Office:
Regional Flood Control District/Director

Name, Title and Telephone Number of Contact Person:
Eric Shepp, P.E., Deputy Director & Floodplain Administrator, 724-4610

Subject of Proposal:

MONITOR & ADVISE – Introduced legislation relating to the following issues:

1. Regulatory Bill of Rights
2. Special Taxing Districts
3. Flood Control Districts
4. Aggregate Mining
5. Water Quality Standards: Ephemeral & Effluent-Dependent Streams
6. Environmental Permits
7. Stormwater Regulation
8. Water Resources

PROPOSAL DESCRIPTION:

1. Regulatory Bill of Rights
   Issues relating to statutory requirements that set conditions and limitations on the issuance of permits, licenses and regulations that limit the District’s ability to effectively regulate and permit activities.

2. Special Taxing Districts
   Issues relating to the District’s ability to set tax rates or the District’s use of revenues generated by special taxing districts.

3. Flood Control Districts
   Issues relating to limiting the District’s ability to regulate, permit or enforce development within floodplains, erosion hazards or riparian habitat.

4. Aggregate Mining
   Issues relating to aggregate mining activities and impacts on flood control district jurisdiction and authority to regulate related activities.
5. **Water Quality Standards: Ephemeral & Effluent-Dependent Streams**

Continue efforts toward the adoption of state water quality standards that are appropriate for ephemeral and effluent-dependent streams and that do not discourage the use of effluent as a renewable resource.

6. **Environmental Permits**

Issues relating to the timing, cost, fees and requirements of environmental permits including Arizona Pollutant Discharge Elimination System (AZPDES) Permits, Aquifer Protection Program (APP) Permits, Reuse Permits and Air Quality/Greenhouse Gas Permits.

7. **Stormwater Regulation**

Issues relating to green infrastructure or BMPs to minimize stormwater runoff or allow runoff to be treated by soils to reduce pollutant loads to receiving waters, i.e. retention basins, detention basins, green management zones (trees, e.g.) and pervious pavement.

8. **Water Resources**

Issues relating to reuse, recharge, credits, ownership rights, flood control diversion and assured water supply.

Issues that impact the ability to capture stormwater from non-point sources, i.e. green infrastructure laws for mandatory use of pervious pavement in road projects that may reduce the amount of stormwater captured at a single point for recharge/treatment/credits.
V.

Regional Wastewater Reclamation Department
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
REGIONAL WASTEWATER RECLAMATION DEPARTMENT

Federal
X State

Date:
September 29, 2017

Department/Office:
Regional Wastewater Reclamation/Director

Name, Title and Telephone Number of Contact Person:
Jackson Jenkins, Director, 724-6549

Subject of Proposal:

MONITOR & ADVISE – Introduced legislation relating to the following issues:

1. Managed Underground Storage Facilities: Storage Credit Accrual
2. Revision of A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly”
3. Governor’s Water Initiative & Governor’s Plenary Working Group: Water-related Legislative Initiatives
4. Professional Engineers – Liability
5. Environmental Management Systems; Capacity, Management, Operations & Maintenance (CMOM); Asset Management Systems
6. Regulation of Wastewater Treatment Facility Operators and/or Inspectors
7. Blue Stake/House Connection Service (HCS)
8. Critical Infrastructure
9. Environmental Permits
10. Stormwater Treatment Costs & Point Source Compliance Pollution Limits
12. Stormwater I & I Cost Impacts/CMOM

PROPOSAL DESCRIPTION:

1. Managed Underground Storage Facilities: Storage Credit Accrual
   Support changing from 50% to 95% the long-term storage credit accrual for effluent managed recharge projects provided in A.R.S. § 45-852.01

2. Revision of A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly”
   Support extension of definition expiration date to of 2050.
3. **Governor’s Water Initiative & Governor’s Plenary Working Group: Water-related Legislative Initiatives**

   Legislative efforts relating to:
   
   A. Mandatory measuring and reporting of groundwater withdrawals from non-exempt wells in Pima County that are outside the Tucson Active Management Area;
   
   B. Changes to the Central Arizona Water Conservation District and impacts to service and representation;
   
   C. Changes to the Central Arizona Groundwater Replenishment District;
   
   D. Water quality standards: Ephemeral & Effluent-dependent Streams and Outstanding Arizona Waters; and
   
   E. Utilization of Effluent and Reclaimed Water.

4. **Professional Engineers – Liability**

   Issues relating to the liability of professional engineers.

5. **Environmental Management Systems: Capacity, Management, Operations & Maintenance (CMOM); Asset Management Systems**

   Issues relating to the implementation and/or establishment of Environmental Management Systems, Asset Management Systems and Capacity, Management, Operations & Maintenance (CMOM).

6. **Regulation of Wastewater Treatment Facility Operators and/or Inspectors**

   Issues relating to the regulation, certification and oversight of wastewater facility operators and/or inspectors.

7. **Blue Stake/House Connection Service (HCS)**

   Issues relating to the responsibilities of locating, installing, operating and maintaining House Connection Service (HCS) between the sanitary sewer and a structure.

8. **Critical Infrastructure**

   Issues relating to the security and vulnerability of critical public infrastructure, including water and wastewater facilities.

9. **Environmental Permits**

   Issues relating to the timing, cost/fees and requirements of environmental permits including Arizona Pollutant Discharge Elimination System (AZPDES) Permits, Aquifer Protection Program (APP) Permits, Reuse Permits and Air Quality/Greenhouse Gas Permits.

10. **Stormwater Treatment Costs & Point Source Compliance Pollution Limits**

    Issues relating to green infrastructure or BMPs to minimize stormwater runoff or allow runoff to be treated by soils to reduce pollutant loads to receiving waters (i.e., retention basins, detention basins, green management zones (e.g. trees), pervious pavement).

11. **Water Resource Legislation**

    Issues relating to reuse, recharge, recharge credits, ownership rights, flood control diversion and assured water supply.
12. **Stormwater I & I Cost Impacts/CMOM**

Issues relating to stormwater management and flood control. Stormwater and flood control design measures, including roads, may be beneficial above-ground fixes that reduce or avert stormwater Inflow & Infiltration from conveyance and treatment system components. Also, issues related to pipe capacity (e.g. 10 year/24 hour storm events, including hydraulic model standards).
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
REGIONAL WASTEWATER RECLAMATION DEPARTMENT

Federal
X State

Date:
September 29, 2017

Department/Office:
Regional Wastewater Reclamation/Compliance & Regulatory Affairs Office

Name, Title and Telephone Number of Contact Person:
Jim DuBois, Permit & Regulatory Compliance Officer, 724-6009

Subject of Proposal:

Managed Underground Storage Facilities: Changing from 50% to 95% Long-term Storage Credit
Accrual for Effluent Managed Recharge Projects – Amending A.R.S. § 45-852.01

PROPOSAL DESCRIPTION:

A. Background:

Pima County cooperates with the U.S. Department of Interior, Bureau of Reclamation, Tucson Water, Metropolitan Water District and the Town of Oro Valley to store effluent in the Lower Santa Cruz Managed Underground Storage Facility. This groundwater recharge facility operates pursuant to an Intergovernmental Agreement signed in 2003 and spans a portion of the Santa Cruz River from Ina Road to Trico Road. It is designated as a “managed recharge facility” because it utilizes the stream channel for recharge and has no constructed basins or other features to retain the reclaimed water.

Another managed underground storage facility is operated by the Bureau and Tucson Water utilizing the reach of the Santa Cruz River from Roger Road to Ina Road. Participants in these managed underground storage facilities receive a long-term storage credit for 50% of the effluent that reaches the aquifer. Receiving long term storage credit for only 50% of this effluent through managed recharge encourages owners of effluent to build off-channel constructed recharge projects or to seek other off-channel uses of the effluent. Taking effluent out of the Santa Cruz River threatens the long-established riparian habitat there.

If 95% long-term storage credits could be received, there would be greater incentive to continue devoting this effluent resource to managed recharge and maintaining flow in the Santa Cruz River. Recently, the Governor’s Water Augmentation Council, under Governor Ducey’s Arizona Water Initiative, recommended that the Arizona Department of Water Resources pursue a statutory change for managed recharge credit in order to encourage such environmental use of effluent with the multiple benefit of aquifer recharge. The recommendation was for 95% credit with a 5% cut to the aquifer.
Managed Underground Storage Facilities: Changing from 50% to 95% Long-term Storage Credit Accrual for Effluent Managed Recharge Projects

B. Legislative Proposal:

Amend A.R.S. § 45-852.01 to increase from 50% to 95% the long-term storage credit accrual for effluent managed recharge projects.

C. Statutes Affected:

See, EXHIBIT – Managed Underground Storage Facilities: Changing from 50% to 95% Long-term Storage Credit Accrual for Effluent Managed Recharge Projects – Amending A.R.S. § 45-852.01 (Note: Pima County expects that the Arizona Department of Water Resources may have legislation introduced that reflects the objectives of this proposal)

D. Fiscal Impact:

The difference annually in recharge credits for Pima County between 50% and 95% for the lower Santa Cruz Managed Recharge Project would amount to an additional 382 acre-feet (A/F), based on 2016 recharge volume. At the estimated price of $183/AF, this would amount to $69,906 in additional annual accrual of our storage credit assets. Impact from loss of riparian habitat if effluent is moved off-channel by any of the managed recharge project stakeholders is difficult to assign a dollar value.

E. Proposal History:

This proposal was submitted in 2011. In the spring of 2017, the Governor’s Water Augmentation Council’s Subcommittee on Recycled Water heard arguments from stakeholders favoring the change in the credit structure for managed recharge facilities. ADWR may, on the basis of the findings of the Council, introduce legislation for this statutory change.

F. Interested Parties:

RWRD, OCS, RFCD, U.S. Department of Interior, Bureau of Reclamation, Tucson Water, Metropolitan Water District, Town of Oro Valley, Town of Marana, Cortaro-Marana Irrigation District, Flowing Wells Irrigation District, ADWR, Arizona Department of Environmental Quality, Central Arizona Water Conservation District, Tohono O’Odham nation, Community Water Coalition, Watershed Management Group, Audubon Society and other environmental, conservation, recreational and eco-tourism interests are in support of this proposal.
EXHIBIT – Managed Underground Storage Facilities: Changing from 50% to 95% Long-term Storage Credit Accrual for Effluent Managed Recharge Projects – Amending A.R.S. § 45-852.01

45-852.01. Long-term storage accounts

... 

C. The director shall credit ninety-five per cent of the recoverable amount of stored water that meets the requirements of subsection B of this section to the storee's long-term storage account, except that:

1. If the water was stored at a managed underground storage facility that had not been designated at the time of storage as a facility that could add value to a national park, national monument or state park and the water stored is effluent, the director shall credit to the storee's long-term storage account fifty NINTY-FIVE per cent of the recoverable amount of water that meets the requirements of subsection B of this section. For storage of effluent in a managed underground storage facility that is located in a recreational corridor channelization district established pursuant to title 48, chapter 35, the director may increase the storage credits earned from fifty NINTY-FIVE per cent to ninety-five per cent if both of the following apply:

(a) The effluent was not discharged into the stream where the facility is located before the permit application for that facility was filed.

(b) The director determines that the storage of effluent in the facility will provide a greater benefit to aquifer conditions in the active management area or, if outside an active management area, to the groundwater basin than would accrue to the active management area or groundwater basin if the effluent is used or disposed of in another manner.

...
Federal
X State

Date:
September 29, 2017

Department/Office:
Regional Wastewater Reclamation/Compliance & Regulatory Affairs Office

Name, Title and Telephone Number of Contact Person:
Jim DuBois, Permit & Regulatory Compliance Officer, 724-6009

Subject of Proposal:

Revising A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly” – Amending A.R.S. § 45-802.01(22)(f)

PROPOSAL DESCRIPTION:

A. Background:

In 1986 the Arizona Legislature established the Underground Water Storage and Recovery program to allow persons with surplus supplies of water to store that water underground and recover it at a later time for the storer’s use. To encourage the direct use of renewable water supplies, the recharge program restricts the type of water that may be stored long-term to renewable water that cannot be used directly, as defined by A.R.S. §45-802.01(22) – a provision affectionately referred to as WATERBUD by state water managers. Effluent is included in this definition, specifically listed in subsection (f), but it is only allowed under WATERBUD until the year 2025.

It is not clear why the statute ends the availability of recharge credit for effluent in 2025. This is the year established in statute as the target for all active management areas in the state, except for the Pinal AMA, to reach safe yield.

Pima County stores effluent in the Lower Santa Cruz Managed Underground Storage Facility, at the Marana High Plains Recharge Facility, at its Avra Valley WRF in the Black Wash Recharge Facility, and at the Corona de Tucson Recharge Facility. In 2016 Pima County earned storage credits for almost 2800 acre-feet in effluent recharge, generating an asset estimated at a value of more than $500,000.

Recently, the Governor’s Water Augmentation Council, under Governor Ducey’s Arizona Water Initiative, recommended that ADWR pursue a statutory change to extend the 2025 target in statute. The Arizona Municipal Water Users Association favors such a change as well.
Page 2 – Revising A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly” – Amending A.R.S. § 45-802.01(22)(f)

B. Legislative Proposal:

Amend A.R.S. § 45-802.01(22)(f) to continue the eligibility of recharge storage credits through 2050.

C. Statutes Affected:

See, EXHIBIT – Revising A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly” – Amending A.R.S. § 45-802.01(22)(f) (Note: Pima County expects that the Arizona Department of Water Resources may have legislation introduced that reflects the objectives of this proposal)

D. Fiscal Impact:

In 2016, Pima County earned storage credit for nearly 2,800 acre-feet in effluent recharge, generating an asset of estimated value of more than $500,000.

E. Proposal History:

This proposal has been discussed by water managers in Arizona at various professional meetings and in stakeholder meetings with ADWR over the past two years. ADWR may, on the basis of stakeholder input, introduce legislation for this statutory change.

F. Interested Parties:

In Pima County the interested parties are Pima County (RWRD, OCS, RFCD); U.S. Department of Interior, Bureau of Reclamation; Tucson Water; Metro Water; Town of Oro Valley; Town of Marana; Cortaro-Marana Irrigation District; Flowing Wells Irrigation District; Central Arizona Water Conservation District; Tohono O’Odham Nation. Statewide, ADWR is involved and there is interest on the part of virtually every water or wastewater utility with service areas within ADWR’s established active management areas.
EXHIBIT – Revising A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly” – Amending A.R.S. § 45-802.01(22)(f)

45-802.01. Definitions

Unless the context otherwise requires, the terms defined in section 45-402 have the same meanings in this chapter and:

... 

22. "Water that cannot reasonably be used directly" means water that the storer cannot reasonably put to a direct use during the calendar year, including:

... 

(f) Until the year 2025 2050:

...
MEMORANDUM
Pima County Department of Environmental Quality

DATE: September 29, 2017

TO: Carmine DeBonis, Jr.
    Deputy County Administrator for PW

FROM: Larry Hawke
       Intergovernmental Relations Manager, PDEQ

RE: Pima County Public Works 2018 Legislative Proposals – 53rd Arizona Legislature, 2nd Regular Session

Attached please find the Pima County Public Works 2018 Legislative Proposals recommended by your Pima County Public Works departments.

The Natural Resources, Parks & Recreation Department, Project Management Office, Sustainability & Conservation Office, Public Works Administration and Department of Transportation have been contacted and do not offer legislative proposals at this time.

The Development Services Department, Department of Environmental Quality, Real Property Services, Regional Flood Control District and Regional Wastewater Reclamation Department submit the following proposals and issues of interest for your consideration:

I. Development Services Department

MONITOR & ADVISE – Introduced legislation relating to the following issues:

1. University and Community College Funding
2. Pima County Sports and Tourism Authority
3. Joint Technical Education District (JTED)
4. Highway User Revenue Fund (HURF)
5. Healthy Housing Stock Maintenance: Mobile Homes
6. Community Facilities Districts: Statutory Changes Impacting Counties
7. Procurement
8. Government Property Lease Purchase Excise Tax
9. Planning, Zoning and Building; Public Notification Timelines

II. Department of Environmental Quality

MONITOR & ADVISE – Introduced legislation relating to the following issues:

1. Regulation of Solid Waste Dumping
2. Waste Tire Program – Diversion of Waste Tire Fund Monies
3. Regulation of Activities Related to Stormwater Discharges and Permitting
4. Air Quality
5. County-targeted Regulatory Reform
III. Public Works Administration – Real Property Services
   1. Lease of County Lands and Buildings – Amending A.R.S. § 11-256
   2. Disposal of Treasurer’s Deeded Property – Amending A.R.S. § 42-18303

IV. Regional Flood Control District
MONITOR & ADVISE –Introduced legislation relating to the following issues:
   1. Regulatory Bill of Rights
   2. Special Taxing Districts
   3. Flood Control Districts
   4. Aggregate Mining
   5. Water Quality Standards: Ephemeral & Effluent-Dependent Streams
   6. Environmental Permits
   7. Stormwater Rules & Regulations
   8. Water Resources

V. Regional Wastewater Reclamation Department
MONITOR & ADVISE –Introduced legislation relating to the following issues:
   1. Managed Underground Storage Facilities: Storage Credit Accrual
   2. Revision of A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly”
   3. Governor’s Water Initiative & Governor’s Plenary Working Group: Water-related Legislative Initiatives
   4. Professional Engineers – Liability
   5. Environmental Management Systems; Capacity, Management, Operations & Maintenance (CMOM); Asset Management Systems
   6. Regulation of Wastewater Treatment Facility Operators and/or Inspectors
   7. Blue Stake/House Connection Service (HCS)
   8. Critical Infrastructure
   9. Environmental Permits
   10. Stormwater Treatment Costs & Point Source Compliance Pollution Limits
   12. Stormwater I & I Cost Impacts/CMOM
I.

Development Services Department
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
DEVELOPMENT SERVICES DEPARTMENT

Federal
X State

Date:
September 29, 2017

Department/Office:
Development Services/Director

Name, Title and Telephone Number of Contact Person:
Carla Blackwell, Director, 724-9516

Subject of Proposal:

MONITOR & ADVISE – Introduced legislation relating to the following issues:

1. University and Community College Funding
2. Pima County Sports and Tourism Authority
3. Joint Technical Education District (JTED)
4. Highway User Revenue Fund (HURF)
5. Healthy Housing Stock Maintenance: Mobile Homes
6. Community Facilities Districts: Statutory Changes Impacting Counties
7. Procurement
8. Government Property Lease Purchase Excise Tax
9. Planning, Zoning and Building; Public Notification Timelines

PROPOSAL DESCRIPTION:

1. University and Community College Funding
   Support public and private funding initiatives for the University of Arizona and oppose further reductions in state funding of Arizona’s university and community college systems. Actively support increased public and private funding for all public education programs, particularly increased funding for the university and community college systems in order to minimize future increases in tuition and fees.

2. Pima County Sports and Tourism Authority
   Issues relating to support of the Pima County Sports and Tourism Authority. Support tourism-related initiatives designed to increase tourism economic development

3. Joint Technical Education District (JTED)
   Issues relating to support of full funding of JTED and full funding of JTED programs to support and assist Pima County businesses.
4. **Highway User Revenue Fund (HURF)**
   Issues relating to increasing revenue for transportation systems, particularly a statewide gasoline tax increase, and constitutionally protecting the HURF revenue stream from diversion.

5. **Healthy Housing Stock Maintenance: Mobile Homes**
   Issues relating to the condition of mobile home parks in Arizona. Past legislative proposals were based on the Manufactured Housing Office moving to State of Arizona Housing Office. Most would request the same protections in real estate transactions be extended to mobile home ownership, sales and rentals. Urge more real estate protections and disclosures for mobile homes, inspections upon transfer, C of O process, licensing for park owners who buy, sell or rent mobile homes in parks and foreclosure protections.

6. **Community Facilities Districts: Statutory Changes Impacting Counties**
   Issues relating to statutory changes to Community Facilities Districts affecting counties.

7. **Procurement**
   Issues relating to revision of procurement practices and procedures affecting local preferences for goods and services.

8. **Government Property Lease Purchase Excise Tax**
   Issues relating to county use of the Government Property Lease Purchase Excise Tax for county use and abatement for economic incentives.

9. **Planning, Zoning and Building: Public Notification Timelines**
   Issues relating to county planning, zoning and building requirements, including statutory changes in public notification timelines, i.e. whether Development Services continues mailing versus website posting and advertising requirements.
II.

Department of Environmental Quality
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
DEPARTMENT OF ENVIRONMENTAL QUALITY

Federal
X State

Date:
September 29, 2017

Department/Office:
Environmental Quality/Director

Name, Title and Telephone Number of Contact Person:
Ursula Nelson, P.E., Director, 724-7454

Subject of Proposal:

MONITOR & ADVISE – Introduced legislation relating to the following issues:
1. Regulation of Solid Waste Dumping
2. Waste Tire Program – Diversion of Waste Tire Fund Monies
3. Regulation of Activities Related to Stormwater Discharges and Permitting
4. Air Quality
5. County-targeted Regulatory Reform

PROPOSAL DESCRIPTION:

1. Regulation of Solid Waste Dumping
   During past legislative sessions, bills were introduced establishing requirements and penalties for the removal of trash and other solid waste on private and public property. Similar legislation may be introduced during the 2018 legislative session.

2. Waste Tire Program – Diversion of Waste Tire Fund Monies
   Legislation extending the waste tire program was enacted during the 2017 legislative session that continues the program through 2025.

   Bills and/or amendments were introduced in past legislative sessions proposing significant changes to the state-mandated county waste tire program. Proposals have included using waste tires as “fill” for abandoned mine sites. Enactment of such proposals, including diversion of monies from the Waste Tire Fund that supports county implementation, would severely compromise Pima County’s program mission.

3. Regulation of Activities Related to Stormwater Discharges and Permitting
   The Arizona Legislature has enacted legislation providing expanded authority to Phase II MS4 counties thereby facilitating compliance with the terms of their permits. Legislation relating to Stormwater permitting and regulation of stormwater discharge activities may be introduced during the 2018 legislative session.
4. **Air Quality**

   During past legislative sessions, legislation was introduced proposing changes related to air quality regulation. Legislation relating to the Federal Clean Air Act, Regional Haze, Vehicle emissions, Fugitive Dust, Exceptional Events and/or Diesel Retrofit Programming may be introduced during the 2018 legislation session.

5. **County-targeted Regulatory Reform**

   In past legislative sessions, legislation was introduced and enacted making changes to county regulatory procedures. Related “regulatory reform” measures affecting county operations may, once again, be introduced during the 2018 legislative session.
III.

Public Works Administration
– Real Property Services
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
PUBLIC WORKS ADMINISTRATION – REAL PROPERTY SERVICES

Federal
X State

Date:
September 29, 2017

Department/Office:
Public Works Administration/ Real Property Services

Name, Title and Telephone Number of Contact Person:
Neil Konigsberg, Manager, 724-6582

Subject of Proposal:

Lease of County Lands and Buildings – Amending A.R.S. § 11-256

PROPOSAL DESCRIPTION:

A. Background:

Acquisition in advance of using property for capital improvement projects may necessitate purchase of improved properties that are then leased on an interim basis. A.R.S. § 11-256 requires four consecutive weeks of public notice of the proposed lease and a minimum of 30 days after the last public notice to schedule an auction each time those properties become vacant. This is a time consuming process. While vacant, the properties generate no revenue and often are vandalized.

B. Legislative Proposal:

Amend A.R.S. § 11-256 to distinguish requirements for publication of notice and requirements for auctions, depending on rental value. Properties with a market rental value not exceeding $3000 per month would be exempt from notice and auction. Two notices published over two consecutive weeks and an auction 30 days after the first publication would be required for rental values exceeding $3000 per month.

C. Statutes Affected:

See, EXHIBIT – Lease of County Lands and Buildings – Amending A.R.S. § 11-256

D. Fiscal Impact:

Reducing the number of publications and holding an auction sooner will minimize administrative costs. Additional administrative costs will be saved by not publishing or holding auctions for properties with a fair market rent of less than $3000.
E. Proposal History:

This proposal was submitted in years 2001-2008, 2014, 2015 and 2016

F. Interested Parties:

All Arizona counties should support this legislative proposal
11-256. Lease or sublease of county lands and buildings; exceptions

A. The board may lease or sublease, for a term not to exceed twenty-five years plus an option to renew for an additional period not exceeding twenty-five years, any land or building owned by or under the control of the county.

B. An experienced A CERTIFIED GENERAL REAL ESTATE appraiser LICENSED BY THE STATE OF ARIZONA shall be appointed to determine the rental valuation MARKET RENT of such land or building, except that the appointment of an appraiser is not required for the lease of any land or building that is valued at HAS A MARKET VALUE OF five thousand dollars or less if the value of the land or building has been estimated and justified by a market analysis that is based on comparable sales.

C. PROPERTIES WITH A MARKET RENT NOT EXCEEDING $3000 PER MONTH MAY BE LEASED WITHOUT PUBLICATION OF NOTICE AND WITHOUT PUBLIC AUCTION. PROPERTIES WITH A MARKET RENT EXCEEDING $3000 PER MONTH Such land or building shall be leased or subleased at a public auction to the highest responsible bidder, provided that the amount of bid is at least ninety per cent of the rental valuation as determined by the appraiser or the market analysis, and subject to such other terms and conditions as the board may prescribe.

D. FOR LEASES WITH A MARKET RENT EXCEEDING $3000 PER MONTH NOTICE of a proposed lease or sublease shall be given by publication, once each week for four TWO consecutive weeks, in a newspaper of general circulation in the county. The notice shall state the period and all material conditions of the proposed lease, and the day on which the auction will be held, which shall be not less than thirty days after last FIRST publication of the notice.

E. Subsections C and D do not apply to leases granting a leasehold interest to a person or entity that owned, leased or otherwise possessed the property to be leased immediately before purchase or acquisition by the county or to other persons or entities leasing property for a term that would expire within four years after the purchase or acquisition by the county. A lease entered into pursuant to this subsection shall be for at least ninety per cent of, but not more than, the appraised rental valuation or market analysis determined pursuant to subsection B.

F. This section is supplementary to and not in conflict with other statutes governing or regulating powers of boards of supervisors.
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
PUBLIC WORKS ADMINISTRATION – REAL PROPERTY SERVICES

Federal
X State

Date:
September 29, 2017

Department/Office:
Public Works Administration/Real Property Services

Name, Title and Telephone Number of Contact Person:
Neil Konigsberg, Manager, 724-6582

Subject of Proposal:

Disposal of Treasurer's Deeded Property – Amending A.R.S. § 42-18303

PROPOSAL DESCRIPTION:

A. Background:

Roads, alleys, riverbeds, drainage ways, and other parcels are deeded to the State of Arizona by Treasurer’s Deeds. These properties could be beneficial for uses, by the state, its political subdivisions, municipalities, or towns, for streets, alleys, drainage, utility installation and other public uses, including reconstruction of low-income housing or reduction of neighborhood blights.

A.R.S. § 42-18303 requires that Treasurer's Deeded Properties be sold to the highest bidder for cash. Many of the properties are uneconomic remnants and bidders do not typically come to auctions for such properties.

The state does not reimburse local jurisdictions for costs to clean up health hazards on real property administered by counties acting in the capacity of agents of the state. Some Treasurer’s Deeded Properties require abatement of hazard, dumping, or neighborhood blight. Counties, municipalities and towns may be willing to acquire the properties to abate such conditions, providing they would have title to the properties and authority to sell and be reimbursed for costs.

Parcels with an economic worth less than cost of disposal may be conveyed after payment of nominal consideration, to be determined by the county for costs of processing and recordation.

B. Legislative Proposal:

Amend A.R.S. § 42-18303 to permit counties to sell uneconomic parcels without the bidding process and for nominal consideration. This would also allow counties to grant the properties at no cost to governmental agencies, if deemed to be in the public interest.

C. Statutes affected:

D. Fiscal Impact:

Many tax delinquent properties could be returned to the tax rolls or conveyed to tax-exempt agencies.

E. Proposal History:

This proposal was submitted in 2001-2008; 2014

F. Interested Parties:

County real estate managers should support this proposal because this revision facilitates disposal of surplus property. County treasurers should support this proposal because properties would be more readily placed back onto the tax rolls.
EXHIBIT – Disposal of Treasurer’s Deeded Property – Amending A.R.S. § 42-18303

42-18303. Auction and sale of land held by state under tax deed; disposition of proceeds

A. After advertisement, pursuant to section 42-18302, the board of supervisors may:

1. Sell the real property in the county held by the state by tax deed to the highest bidder for cash; OR

2. CONVEY THE REAL PROPERTY IN THE COUNTY HELD BY THE STATE BY TAX DEED TO THE COUNTY, A POLITICAL SUBDIVISION, MUNICIPALITY OR TOWN AFTER WRITTEN APPLICATION IS MADE TO THE BOARD DECLARING A PROPOSED PUBLIC USE AND AGREETING TO REAR THE REASONABLE COSTS OF TRANSFERRING AND RECORDING THE CONVEYANCE; OR

3. SELL THE REAL PROPERTY IN THE COUNTY HELD BY THE STATE BY TAX DEED, WITHOUT A BIDDING PROCESS, IF THE COUNTY DETERMINES THE REAL PROPERTY TO HAVE VALUE NOT EXCEEDING FIVE THOUSAND DOLLARS OR IF THE COUNTY DETERMINES THAT THE REAL PROPERTY IS AN UNECONOMIC REMNANT, FOR SUCH CONSIDERATION AS THE COUNTY SHALL DEEM ADVISABLE, GIVING DUE CONSIDERATION TO ITS DEGREE OF FRAGMENTATION AND MARKETABILITY, AND ANY OTHER PUBLIC BENEFIT DERIVED BY THE COUNTY, WITHOUT NECESSITY OF PUBLICATION AND POSTING.

B. On selling the REAL property the board shall execute and deliver to the purchaser, at the purchaser’s cost, a deed conveying the title of the state in and to the parcel REAL PROPERTY purchased. The deed shall be acknowledged by the chairman and clerk of the board.

C. The purchase money shall be paid to the county treasurer. After deducting and distributing interest, penalties, fees and costs charged against the parcel REAL PROPERTY, the treasurer shall apportion the remainder to the funds of the various taxing authorities in proportion to their current share of the taxes charged against the real property. COSTS CHARGED AGAINST THE REAL PROPERTY MAY INCLUDE EXPENSES INCURRED BY THE COUNTY TO ACQUIRE OR TO ADMINISTER THE PROPERTY AND SHALL BE REIMBURSED TO THE COUNTY UPON SALE.

D. If the REAL property is not sold before the time for the next succeeding notice of sale, the board may omit it from the notice.

E. The board of supervisors may accept an offer from, and sell real property held by this state by tax deed to, the county or a city, town or special taxing district in the county for a public purpose related to transportation or flood control. The board of supervisors shall convey the deed and apportion the monies received in the transaction in the manner prescribed by this section.

F. The board of supervisors may sell real property in the county held by the state by tax deed to the owner of contiguous real property that is used for residential purposes, and the board may accept an offer by the contiguous owner to purchase the REAL property, if both of the following conditions apply:
1. Both the REAL property offered for sale and the contiguous REAL property were at one time under common ownership, or the REAL property offered for sale is part of a common area maintained by a homeowners' association as determined by the county assessor.

2. The REAL property offered for sale cannot be separately used for residential purposes pursuant to applicable building codes and ordinances of the jurisdiction in which the REAL property is located due to its size, configuration or recorded common area restrictions.

G. If an offer under subsection E or F of this section is pending at the time of the auction under this section, the board of supervisors shall remove the REAL property from the auction.

H. Subsection F of this section does not apply if there is more than one contiguous parcel of REAL property that meets the requirements prescribed by subsection F of this section.
IV.

Regional Flood Control District
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
REGIONAL FLOOD CONTROL DISTRICT

Federal
X State

Date:
September 29, 2017

Department/Office:
Regional Flood Control District/Director

Name, Title and Telephone Number of Contact Person:
Eric Shepp, P.E., Deputy Director & Floodplain Administrator, 724-4610

Subject of Proposal:

MONITOR & ADVISE – Introduced legislation relating to the following issues:

1. Regulatory Bill of Rights
2. Special Taxing Districts
3. Flood Control Districts
4. Aggregate Mining
5. Water Quality Standards: Ephemeral & Effluent-Dependent Streams
6. Environmental Permits
7. Stormwater Regulation
8. Water Resources

PROPOSAL DESCRIPTION:

1. **Regulatory Bill of Rights**
   Issues relating to statutory requirements that set conditions and limitations on the issuance of permits, licenses and regulations that limit the District’s ability to effectively regulate and permit activities.

2. **Special Taxing Districts**
   Issues relating to the District’s ability to set tax rates or the District’s use of revenues generated by special taxing districts.

3. **Flood Control Districts**
   Issues relating to limiting the District’s ability to regulate, permit or enforce development within floodplains, erosion hazards or riparian habitat.

4. **Aggregate Mining**
   Issues relating to aggregate mining activities and impacts on flood control district jurisdiction and authority to regulate related activities.
5. **Water Quality Standards: Ephemeral & Effluent-Dependent Streams**

Continue efforts toward the adoption of state water quality standards that are appropriate for ephemeral and effluent-dependent streams and that do not discourage the use of effluent as a renewable resource.

6. **Environmental Permits**

Issues relating to the timing, cost, fees and requirements of environmental permits including Arizona Pollutant Discharge Elimination System (AZPDES) Permits, Aquifer Protection Program (APP) Permits, Reuse Permits and Air Quality/Greenhouse Gas Permits.

7. **Stormwater Regulation**

Issues relating to green infrastructure or BMPs to minimize stormwater runoff or allow runoff to be treated by soils to reduce pollutant loads to receiving waters, i.e. retention basins, detention basins, green management zones (trees, e.g.) and pervious pavement.

8. **Water Resources**

Issues relating to reuse, recharge, credits, ownership rights, flood control diversion and assured water supply.

Issues that impact the ability to capture stormwater from non-point sources, i.e. green infrastructure laws for mandatory use of pervious pavement in road projects that may reduce the amount of stormwater captured at a single point for recharge/treatment/credits.
V.

Regional Wastewater Reclamation Department
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
REGIONAL WASTEWATER RECLAMATION DEPARTMENT

Federal
X State

Date:
September 29, 2017

Department/Office:
Regional Wastewater Reclamation/Director

Name, Title and Telephone Number of Contact Person:
Jackson Jenkins, Director, 724-6549

Subject of Proposal:

**MONITOR & ADVISE** – Introduced legislation relating to the following issues:

1. Managed Underground Storage Facilities: Storage Credit Accrual
2. Revision of A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly”
3. Governor’s Water Initiative & Governor’s Plenary Working Group: Water-related Legislative Initiatives
4. Professional Engineers – Liability
5. Environmental Management Systems; Capacity, Management, Operations & Maintenance (CMOM); Asset Management Systems
6. Regulation of Wastewater Treatment Facility Operators and/or Inspectors
7. Blue Stake/House Connection Service (HCS)
8. Critical Infrastructure
9. Environmental Permits
10. Stormwater Treatment Costs & Point Source Compliance Pollution Limits
12. Stormwater I & I Cost Impacts/CMOM

**PROPOSAL DESCRIPTION:**

1. Managed Underground Storage Facilities: Storage Credit Accrual
   Support changing from 50% to 95% the long-term storage credit accrual for effluent managed recharge projects provided in A.R.S. § 45-852.01

2. Revision of A.R.S. § 45-802.01 (22)(f) Definition of “Water that cannot reasonably be used directly”
   Support extension of definition expiration date to 2050.
3. **Governor's Water Initiative & Governor's Plenary Working Group: Water-related Legislative Initiatives**

Legislative efforts relating to:

A. Mandatory measuring and reporting of groundwater withdrawals from non-exempt wells in Pima County that are outside the Tucson Active Management Area;
B. Changes to the Central Arizona Water Conservation District and impacts to service and representation;
C. Changes to the Central Arizona Groundwater Replenishment District;
D. Water quality standards: Ephemeral & Effluent-dependent Streams and Outstanding Arizona Waters; and
E. Utilization of Effluent and Reclaimed Water.

4. **Professional Engineers – Liability**

Issues relating to the liability of professional engineers.


Issues relating to the implementation and/or establishment of Environmental Management Systems, Asset Management Systems and Capacity, Management, Operations & Maintenance (CMOM).

6. **Regulation of Wastewater Treatment Facility Operators and/or Inspectors**

Issues relating to the regulation, certification and oversight of wastewater facility operators and/or inspectors.

7. **Blue Stake/House Connection Service (HCS)**

Issues relating to the responsibilities of locating, installing, operating and maintaining House Connection Service (HCS) between the sanitary sewer and a structure.

8. **Critical Infrastructure**

Issues relating to the security and vulnerability of critical public infrastructure, including water and wastewater facilities.

9. **Environmental Permits**

Issues relating to the timing, cost/fees and requirements of environmental permits including Arizona Pollutant Discharge Elimination System (AZPDES) Permits, Aquifer Protection Program (APP) Permits, Reuse Permits and Air Quality/Greenhouse Gas Permits.

10. **Stormwater Treatment Costs & Point Source Compliance Pollution Limits**

Issues relating to green infrastructure or BMPs to minimize stormwater runoff or allow runoff to be treated by soils to reduce pollutant loads to receiving waters (i.e., retention basins, detention basins, green management zones (e.g., trees), pervious pavement).

11. **Water Resource Legislation**

Issues relating to reuse, recharge, recharge credits, ownership rights, flood control diversion and assured water supply.
12. **Stormwater I & I Cost Impacts/CMOM**

Issues relating to stormwater management and flood control. Stormwater and flood control design measures, including roads, may be beneficial above-ground fixes that reduce or avert stormwater Inflow & Infiltration from conveyance and treatment system components. Also, issues related to pipe capacity (e.g. 10 year/24 hour storm events, including hydraulic model standards).
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
REGIONAL WASTEWATER RECLAMATION DEPARTMENT

Federal
X State

Date:
September 29, 2017

Department/Office:
Regional Wastewater Reclamation/Compliance & Regulatory Affairs Office

Name, Title and Telephone Number of Contact Person:
Jim DuBois, Permit & Regulatory Compliance Officer, 724-6009

Subject of Proposal:
Managed Underground Storage Facilities: Changing from 50% to 95% Long-term Storage Credit Accrual for Effluent Managed Recharge Projects – Amending A.R.S. § 45-852.01

PROPOSAL DESCRIPTION:
A. Background:

Pima County cooperates with the U.S. Department of Interior, Bureau of Reclamation, Tucson Water, Metropolitan Water District and the Town of Oro Valley to store effluent in the Lower Santa Cruz Managed Underground Storage Facility. This groundwater recharge facility operates pursuant to an Intergovernmental Agreement signed in 2003 and spans a portion of the Santa Cruz River from Ina Road to Tucso Road. It is designated as a “managed recharge facility” because it utilizes the stream channel for recharge and has no constructed basins or other features to retain the reclaimed water.

Another managed underground storage facility is operated by the Bureau and Tucson Water utilizing the reach of the Santa Cruz River from Roger Road to Ina Road. Participants in these managed underground storage facilities receive a long-term storage credit for 50% of the effluent that reaches the aquifer. Receiving long term storage credit for only 50% of this effluent through managed recharge encourages owners of effluent to build off-channel constructed recharge projects or to seek other off-channel uses of the effluent. Taking effluent out of the Santa Cruz River threatens the long-established riparian habitat there.

If 95% long-term storage credits could be received, there would be greater incentive to continue devoting this effluent resource to managed recharge and maintaining flow in the Santa Cruz River. Recently, the Governor’s Water Augmentation Council, under Governor Ducey’s Arizona Water Initiative, recommended that the Arizona Department of Water Resources pursue a statutory change for managed recharge credit in order to encourage such environmental use of effluent with the multiple benefit of aquifer recharge. The recommendation was for 95% credit with a 5% cut to the aquifer.
B. Legislative Proposal:
   
   Amend A.R.S. § 45-852.01 to increase from 50% to 95% the long-term storage credit accrual for effluent managed recharge projects.

C. Statutes Affected:

   See, EXHIBIT – Managed Underground Storage Facilities: Changing from 50% to 95% Long-term Storage Credit Accrual for Effluent Managed Recharge Projects – Amending A.R.S. § 45-852.01 (Note: Pima County expects that the Arizona Department of Water Resources may have legislation introduced that reflects the objectives of this proposal)

D. Fiscal Impact:

   The difference annually in recharge credits for Pima County between 50% and 95% for the lower Santa Cruz Managed Recharge Project would amount to an additional 382 acre-feet (A/F), based on 2016 recharge volume. At the estimated price of $183/AF, this would amount to $69,906 in additional annual accrual of our storage credit assets. Impact from loss of riparian habitat if effluent is moved off-channel by any of the managed recharge project stakeholders is difficult to assign a dollar value.

E. Proposal History:

   This proposal was submitted in 2011. In the spring of 2017, the Governor’s Water Augmentation Council’s Subcommittee on Recycled Water heard arguments from stakeholders favoring the change in the credit structure for managed recharge facilities. ADWR may, on the basis of the findings of the Council, introduce legislation for this statutory change.

F. Interested Parties:

   RWRD, OCS, RFCD, U.S. Department of Interior, Bureau of Reclamation, Tucson Water, Metropolitan Water District, Town of Oro Valley, Town of Marana, Cortaro-Marana Irrigation District, Flowing Wells Irrigation District, ADWR, Arizona Department of Environmental Quality, Central Arizona Water Conservation District, Tohono O’Odham nation, Community Water Coalition, Watershed Management Group, Audubon Society and other environmental, conservation, recreational and eco-tourism interests are in support of this proposal.
45-852.01. Long-term storage accounts

C. The director shall credit ninety-five per cent of the recoverable amount of stored water that meets the requirements of subsection B of this section to the storer's long-term storage account, except that:

1. If the water was stored at a managed underground storage facility that had not been designated at the time of storage as a facility that could add value to a national park, national monument or state park and the water stored is effluent, the director shall credit to the storer's long-term storage account fifty NINETY-FIVE per cent of the recoverable amount of water that meets the requirements of subsection B of this section. For storage of effluent in a managed underground storage facility that is located in a recreational corridor channelization district established pursuant to title 48, chapter 35, the director may increase the storage credits earned from fifty NINETY-FIVE per cent to ninety-five per cent if both of the following apply:

(a) The effluent was not discharged into the stream where the facility is located before the permit application for that facility was filed.

(b) The director determines that the storage of effluent in the facility will provide a greater benefit to aquifer conditions in the active management area or, if outside an active management area, to the groundwater basin than would accrue to the active management area or groundwater basin if the effluent is used or disposed of in another manner.
PIMA COUNTY
LEGISLATIVE PROPOSAL FORM
REGIONAL WASTEWATER RECLAMATION DEPARTMENT

Federal
X State

Date:
September 29, 2017

Department/Office:
Regional Wastewater Reclamation/Compliance & Regulatory Affairs Office

Name, Title and Telephone Number of Contact Person:
Jim DuBois, Permit & Regulatory Compliance Officer, 724-6009

Subject of Proposal:
Revising A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly” – Amending A.R.S. § 45-802.01(22)(f)

PROPOSAL DESCRIPTION:

A. Background:

In 1986 the Arizona Legislature established the Underground Water Storage and Recovery program to allow persons with surplus supplies of water to store that water underground and recover it at a later time for the storers use. To encourage the direct use of renewable water supplies, the recharge program restricts the type of water that may be stored long-term to renewable water that cannot be used directly, as defined by A.R.S. §45-802.01(22) – a provision affectionately referred to as WATERBUD by state water managers. Effluent is included in this definition, specifically listed in subsection (f), but it is only allowed under WATERBUD until the year 2025.

It is not clear why the statute ends the availability of recharge credit for effluent in 2025. This is the year established in statute as the target for all active management areas in the state, except for the Pinal AMA, to reach safe yield.

Pima County stores effluent in the Lower Santa Cruz Managed Underground Storage Facility, at the Marana High Plains Recharge Facility, at its Avra Valley WRF in the Black Wash Recharge Facility, and at the Corona de Tucson Recharge Facility. In 2016 Pima County earned storage credits for almost 2800 acre-feet in effluent recharge, generating an asset estimated at a value of more than $500,000.

Recently, the Governor’s Water Augmentation Council, under Governor Ducey’s Arizona Water Initiative, recommended that ADWR pursue a statutory change to extend the 2025 target in statute. The Arizona Municipal Water Users Association favors such a change as well.
Page 2 – Revising A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly” – Amending A.R.S. § 45-802.01(22)(f)

B. Legislative Proposal:

Amend A.R.S. § 45-802.01(22)(f) to continue the eligibility of recharge storage credits through 2050.

C. Statutes Affected:

See, EXHIBIT – Revising A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly” – Amending A.R.S. § 45-802.01(22)(f) (Note: Pima County expects that the Arizona Department of Water Resources may have legislation introduced that reflects the objectives of this proposal)

D. Fiscal Impact:

In 2016, Pima County earned storage credit for nearly 2,800 acre-feet in effluent recharge, generating an asset of estimated value of more than $500,000.

E. Proposal History:

This proposal has been discussed by water managers in Arizona at various professional meetings and in stakeholder meetings with ADWR over the past two years. ADWR may, on the basis of stakeholder input, introduce legislation for this statutory change.

F. Interested Parties:

In Pima County the interested parties are Pima County (RWRD, OCS, RFCD); U.S. Department of Interior, Bureau of Reclamation; Tucson Water; Metro Water; Town of Oro Valley; Town of Marana; Cortaro-Marana Irrigation District; Flowing Wells Irrigation District; Central Arizona Water Conservation District; Tohono O’Odham Nation. Statewide, ADWR is involved and there is interest on the part of virtually every water or wastewater utility with service areas within ADWR’s established active management areas.
EXHIBIT – Revising A.R.S. § 45-802.01(22)(f) Definition of “Water that cannot reasonably be used directly” – Amending A.R.S. § 45-802.01(22)(f)

45-802.01. Definitions

Unless the context otherwise requires, the terms defined in section 45-402 have the same meanings in this chapter and:

... 22. "Water that cannot reasonably be used directly" means water that the storer cannot reasonably put to a direct use during the calendar year, including:

... (f) Until the year 2025 2050:

...
Date: October 9, 2017

Department/Office: Finance and Risk Management

Name, Title and Telephone Number of Contact Person:
Keith Dommer, Finance and Risk Management Director, 520.724.8496

Subject or Title of Proposal: GOVERNMENT PROPERTY TAX EXEMPTIONS BASED ON THE EXEMPT STATUS OF THE PROPERTY ON THE TAX LEVY DATE

Proposal Description:

A. Background Information:
(Describe the issue or problem in need of legislative attention. Attach all existing documents relating to the issue.)

The Arizona Constitution exempts from taxation all federal, state, county and municipal property. Historically, counties in Arizona have fully exempted such properties on the levy date if the government owned them on the levy date. Arizona Attorney General Opinion No. 62-18 and other Attorney General Opinions support this position.

In the HUB case (HUB Properties Trust vs Maricopa County), the tax court stated that “[t]he period of exemption . . . begins on the date the property enters government ownership and ends on the date it leaves government ownership”. The common interpretation by most, if not all, other of Arizona counties is that a property is exempt from tax if the tax levy date falls within the property’s exempt ownership period. However, the Pima County Assessor has interpreted the ruling to mean that on the tax levy date, properties should only be proportionally exempted for the portion of the year that the property had exempt status. The Pima County Assessor’s interpretation results in taxation of government owned property if the government purchased the property prior to the tax levy date but the government did not own it for the entire tax year.

Because of the Pima County Assessor’s interpretation of the HUB case, Pima County
and many governments within Pima County levied property taxes on properties owned by Pima County, the University of Arizona, the City of Tucson, the State of Arizona, the Federal government, and others whose properties are exempt from taxation.

Article 9, Section 2 of the Arizona Constitution specifically exempts government owned property from taxation stating: “There shall be exempt from taxation all federal, state, county, and municipal property.”

Attachment 1 is the County Administrator’s January 9, 2017 memo to the Pima County Board of Supervisors describing the problem. The memo includes the Pima County Assessor’s related procedures, the HUB decision, and several Arizona Attorney General opinions supporting that property taxes should not be prorated for partial year exemptions.

B. Legislative Proposal:
(Describe the proposal and what it would accomplish.)

Arizona Revised Statutes section 42-17151 *County, municipal, community college and school tax levy* requires local governments to fix, levy, and assess (determine) the amount of their property tax levy on or before the third Monday in August.

Arizona Revised Statutes section 42-17152 *Extending tax roll; limitation on residential property tax; effect of informalities* requires county boards of supervisors to assess taxes on properties as soon as the property tax amounts are determined. This statute already includes a reinforcement of the State Constitutional exception for residential property tax in excess of one percent of the property’s limited property value. An additional reinforcement of the State Constitutional exception for property owned by a government on the tax levy date would be a simple and reasonable addition to this statute.

C. Statutes/Regulations Affected or Proposed Language:
(Identify any state or federal statutes or regulations to be amended or repealed or attach proposed new language.)

Attachment 2 shows the proposed addition to section 42-17152 of: “and except that pursuant to article IX, section 2, Constitution of Arizona, primary property taxes may not be fixed, levied, or assessed in any tax year against taxable property exempt from taxation as of the date of the levy set forth in section 42-17151.”

For reference: Attachment 3 includes copies of section 42-17151 and article IX, section 2 of the Arizona Constitution.

D. Fiscal Impact:
(Describe any direct or indirect impact on Pima County expenditures or revenues.)

Because the Arizona Constitution exempts government owned properties from taxation, any property taxes levied on government owned properties would not likely be collected. Pima County and governments within Pima County are not likely to lose revenues.

Pima County owned properties were assessed several thousand dollars of property
taxes in 2017. To preserve Pima County's legal rights related to the taxes assessed on its properties, Pima County paid one $53 tax levy. It is unknown whether Pima County be required to pay the remaining tax levies. Approximately half of these taxes will paid to other governments within Pima County.

E. Proposal History:
(Describe any previous efforts by any person/entity to pursue this proposal.)

Pima County officially requested an Arizona Attorney General's opinion regarding prorated property taxes being levied on government owned property in violation of the Arizona Constitution. The Arizona Attorney General's Office refused to review the matter.

F. Interested Parties:
(Identify any persons/entities that you know or believe will either support or oppose this proposal.)

The Federal government, the State of Arizona, the University of Arizona, the City of Tucson, and several other governmental entities have all purchased property within the tax year and before the tax levy date. Because of the Pima County Assessor's interpretation of the HUB case, they were all assessed taxes on their affected properties even though the State Constitution exempts government properties from taxation. The governments in Pima County that were taxed on their government owned property would likely support this proposal.

All government property owners in Arizona should support this proposal so that Arizona governments can continue to acquire necessary properties without fear of unconstitutional property tax levies.
MEMORANDUM

Date: January 9, 2017

To: The Honorable Chair and Members
    Pima County Board of Supervisors

From: C.H. Huckelberry
      County Administrator

Re: Proration of Taxes on Exempt Properties

Attached is a December 29, 2016 memorandum from Deputy County Administrator Tom Burke to Pima County Assessor Bill Staples regarding the proration of exempt status as it relates to levying property taxes. The Assessor recently contacted title companies and the Pima Association of Governments informing them of a revision to his procedure for providing exemptions for properties that transfer between private owners and governmental owners. As indicated in Mr. Burke's memorandum, the Assessor's interpretation differs from the method by which Pima County has always taxed such properties.

Each year, privately owned real property that has been subject to real property taxes transfers into governmental ownership and becomes exempt from property taxes, such as when a local government acquires land for a park or a road. Historically, counties in Arizona have fully exempted such properties on the levy date. By statute, all government-owned property is exempt from taxation. Conversely, when real property transfers from governmental ownership to private ownership, the property loses its exempt status and becomes subject to real property taxes. Historically, counties in Arizona have fully taxed such properties on the levy date.

I met with the Pima County Attorney's Office to discuss this matter; and based on that meeting, I will not be asking the County Attorney to seek an Attorney General's opinion. I concur with Mr. Burke's interpretation of the method Pima County has historically used to levy taxes.

I recommend Pima County continue to levy taxes on property based on the exemption status on the date of the annual tax levy and to attempt to levy based on prorated exemptions by the County Assessor. This would mean, as it has historically, that property that is exempt on the date of the levy is not taxed and that property that is not exempt on the date of the levy is taxed for its full taxable value, not prorated based on dates of ownership.

CHH/anc
Attachment

c: The Honorable Bill Staples, Pima County Assessor
   The Honorable Beth Ford, Pima County Treasurer
   Thomas Weaver, Chief Civil Deputy County Attorney
   Tom Burke, Deputy County Administrator for Administration
   Keith Dommer, Director, Finance and Risk Management
MEMORANDUM
Administration Services

Date: December 29, 2016

To: The Honorable Bill Staples
     Pima County Assessor

From: Tom Burke
       Deputy County Administrator

Re: Pima County Assessor’s Office Internal Policy and Procedures re Government Ownership Sales

Attached is an email from you indicating that your office has informed the title companies and the Pima Association of Governments about your interpretation of the Hub Properties Trust vs Maricopa County case. As we discussed last summer, I disagree with your interpretation of the case and believe that the law still requires either that properties be exempted in full for the entire year or that taxes be levied in full upon the owner of the property on the date of the levy adoption, the third Monday of August. I also believe no other County is applying your interpretation, but even if they are, I still read the statutes and the case law to require the levy to occur without proration. I am asking the County Administrator to request that the County Attorney seek a formal Attorney General Opinion on this topic. I am attaching several former Attorney General opinions which support the interpretation that taxes are to be levied in full, and not prorated. If Ms. LaWall agrees to seek the Attorney General opinion, I will be asking that you send a follow up email to the title companies and the Pima Association of Governments explaining that the County is seeking a formal interpretation from the Attorney General.

Given that people are mostly out of the office this week, I will likely not know until next week whether the County Attorney will request an opinion or issue one from her own office.

TB/sp

Attachments

c: C. H. Huckelberry, County Administrator
    Thomas Weaver, Chief Civil Deputy County Attorney
As you may be aware, the Arizona Court of Appeals rendered a decision in Hub Properties Trust vs Maricopa County requiring the Pima County Assessor’s Office to modify our process in how an exemption is applied when a parcel is sold or purchased by a government entity. The tax court stated that "[t]he period of exemption . . . begins on the date the property enters government ownership and ends on the date it leaves government ownership." What was formerly known as the third Monday in August rule, to determine the exempt status of property sold or purchased by a government entity, is no more.

Attached you will find the Assessor policy of how we will handle sales to or from a government entity. We will pro-rate the exemption period for the days that the government entity owns the property. We wanted you to be aware of this change as it will impact your closing with respect to the proration of taxes.

If you have any questions about this change please give me a call.

Joyce L. Hays
Assessor DSMA Division Manager
(Deeds, Splits, Mapping, Appeals)
240 N. Stone Ave., Tucson AZ 85701
520.724.8257
520.770.4251 fax
I. PURPOSE
This procedure establishes guidelines for identifying transfer documents into or out of any government entity and the period of time that the parcel will be exempt. Any questions regarding this procedure should be directed to your Department Supervisor.

II. RESPONSIBILITY
This procedure applies to all employees responsible for document transfers or re-parceling processes. These employees should have knowledge and understanding of what a government entity is and basic math skills to calculate exempt time periods.

III. STATUTORY or COURT REFERENCES
AZ Constitution Article 9 § 2(1) Property Subject to Taxation; exemptions
ARS § 42-11102(A) Exemption for Government Property
ARS § 42-16205.01(A) New Owner of Property; Review and Appeal
CA-TX 14-0005 Arizona Court of Appeals Aug 20, 2015
To AZ Supreme Court Sep 15, 2015 request for hearing
ARS § 42-16258 Correcting tax roll by County Treasurer (Omission of Tax)

IV. OVERVIEW
The tax court concluded “[t]he period of exemption . . . begins on the date the property enters government ownership and ends on the date it leaves government ownership.”

The court also concluded that “ARS 42-16205 permits a new property owner to appeal a property's valuation to a court if the former owner of the property did not have a pending appeal”.

As such, a change in exemption status is not considered an error and will not require a NoPC form or any formal notice for the change in taxable days.
V. GUIDELINES (Beginning Document Recordings Jan 1, 2016)
   – Splits will use the 3rd Monday rule for processing

All ‘TAXABLE DAYS’ worksheets for less than 100% in 2016 will be sent to Bill Staples to forward to
Risk_Finance for processing, published 08/01/2016; 12/01/2016 and 03/01/2017 by Joyce Hays, Manager

TRANSFER FEE TITLE (2016 RECORDINGS):
Govt. Purchase/Sale Jan 1, 2016 to Supplemental Cutoff date (based on deed recording)
2016 (open tax roll -- becomes closed tax roll in August)
   • Verify new Use Code assigned is still appropriate to parcel
   • Class / Ratio should remain the same
   • Rule A, unless existing Rule B
   • Taxable Days Worksheet to determine exempt assessed amount – Give to Manager
2017 (open valuation SUPPLEMENTAL roll)
   • Adjust Secondary Valuation module to show 100% exempt (9xxx use code) for Sup Notice
   • Class / Ratio should remain the same
   • Rule B Calculator for Limited Value http://asrweb/asp/calc_ruleb/ (first year parcel is revalued)
   • Notify Real Property of change in exempt status to have a new use, class, ratio, value assigned

Govt. Purchase/Sale Supplemental Cutoff date to Abstract Dec 31, 2016 (based on deed recording)
2016 (closed tax roll)
   • Verify new Use Code assigned is still appropriate to parcel
   • Class / Ratio should remain the same
   • Rule A, unless existing Rule B
   • Taxable Days Worksheet to determine exempt assessed amount – Give to Manager
2017 (closed valuation roll – pending abstract)
   • Taxable Days Worksheet to show 100% exempt (9xxx use code) – Give to Manager
   • Class / Ratio should remain the same
   • Rule A, unless existing Rule B (first year parcel is revalued)
2018 (open NOTICE roll)
   • Adjust Secondary Valuation module to show 100% exempt (9xxx use code) for Sup Notice
   • Class / Ratio should remain the same
   • Rule B Calculator for Limited Value http://asrweb/asp/calc_ruleb/ (first year parcel is revalued)
   • Notify Real Property of change in exempt status to have a new use, class, ratio, value assigned

Govt. Purchase/Sale Abstract to Dec 31, 2016 (based on deed recording)
2016 (closed tax roll)
   • Verify new Use Code assigned is still appropriate to parcel
   • Class / Ratio should remain the same
   • Rule A, unless existing Rule B
   • Taxable Days Worksheet to determine exempt assessed amount – Give to Manager
2017 (open tax roll)
- Taxable Days Worksheet to show 100% exempt (9xxx use code) – Give to Manager
- Class / Ratio should remain the same
- Rule A, unless existing Rule B (first year parcel is revalued)

2018 (open NOTICE roll)
- Adjust Secondary Valuation module to show 100% exempt (9xxx use code)
- Class / Ratio should remain the same
- Rule B Calculator for Limited Value [http://asrweb/as9p/calc_ruleb/](http://asrweb/as9p/calc_ruleb/) (first year parcel is revalued)
- Notify Real Property of change in exempt status to have a new use, class, ratio, value assigned

---

**TRANSFER FEE TITLE (2017 RECORDINGS):**

*Beginning Jan 2017 recordings: Third Monday in August rule is no more for splits. ALL SPLITs regardless of ownership will be for current valuation year only (2018). No 2017 apportionment!*

Govt. Purchase/Sale Jan 1, 2017 to Supplemental Cutoff date (based on deed recording)

2017 (open tax roll – becomes closed tax roll in August)
- Verify new Use Code assigned is still appropriate to parcel
- Class / Ratio should remain the same
- Rule A, unless existing Rule B
- Taxable Days Worksheet to determine exempt assessed amount – Give to Manager
- HOLD forms – audit will process list in June prior to close of tax roll

2018 (open valuation SUPPLEMENTAL roll)
- Adjust Secondary Valuation module to show 100% exempt (9xxx use code) for Sup Notice
- Class / Ratio should remain the same
- Rule B Calculator for Limited Value [http://asrweb/as9p/calc_ruleb/](http://asrweb/as9p/calc_ruleb/) (first year parcel is revalued)
- Notify Real Property of change in exempt status to have a new use, class, ratio, value assigned

Govt. Purchase/Sale Supplemental Cutoff date to Abstract Dec 31, 2017 (based on deed recording)

2017 (closed tax roll)
- Verify new Use Code assigned is still appropriate to parcel
- Class / Ratio should remain the same
- Rule A, unless existing Rule B
- Taxable Days Worksheet to determine exempt assessed amount – Give to Manager
- HOLD forms – audit will process list in November prior to abstract

2018 (closed valuation roll – pending abstract)
- Taxable Days Worksheet to show 100% exempt (9xxx use code) – Give to Manager
- HOLD forms – audit will process list in November prior to abstract
- Class / Ratio should remain the same
- Rule A, unless existing Rule B (first year parcel is revalued)

2019 (open NOTICE roll)
- Adjust Secondary Valuation module to show 100% exempt (9xxx use code) for Sup Notice
- Class / Ratio should remain the same
- Rule B Calculator for Limited Value [http://asrweb/as9p/calc_ruleb/](http://asrweb/as9p/calc_ruleb/) (first year parcel is revalued)
- Notify Real Property of change in exempt status to have a new use, class, ratio, value assigned
Govt. Purchase/Sale Abstract to Dec 31, 2017 (based on deed recording)

2017 (closed tax roll)
- Verify new Use Code assigned is still appropriate to parcel
- Class / Ratio should remain the same
- Rule A, unless existing Rule B
- Taxable Days Worksheet to determine exempt assessed amount – Give to Manager
- HOLD forms – audit will process list in March 2018 after all recordings are completed

2018 (open tax roll)
- Taxable Days Worksheet to show 100% exempt (9xxx use code) – Give to Manager
- HOLD forms – audit will process list in March 2018 after all recordings are completed
- Class / Ratio should remain the same
- Rule A, unless existing Rule B (first year parcel is revalued)

2019 (open NOTICE roll)
- Adjust Secondary Valuation module to show 100% exempt (9xxx use code)
- Class / Ratio should remain the same
- Rule B Calculator for Limited Value [http://assessorweb.asp/calculator] (first year parcel is revalued)
- Notify Real Property of change in exempt status to have a new use, class, ratio, value assigned
VI. MISCELLANEOUS, SCREEN PRINTS OR FAQ's

Ordinal Calendar CLIP from SharePoint SHARED Documents
Also see Leap Year Ordinal Calendar for 2016

Ordinal Date Calendar
(Perpetual)

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TRC system needs FCV and LTD Assessed Values for Exempt amount data entry

Use RULE B Calculator for limited value before the exemption

Land

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<thead>
<tr>
<th>Number</th>
<th>Ratio</th>
<th>FCV</th>
<th>Assessed</th>
<th>RULE B</th>
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<td>60,097</td>
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<td>X</td>
<td>60,097</td>
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LIMITED VALUE CORRECTION FORM
Use the TaxableDaysTRCform.xls to calculate exempt dollars for the ARC/TRC using ALL taxable days in the calendar year of the deed recording.

WHEN ALL BOXES ARE COMPLETED...CLICK 'PRINT'
Fill in SHADED boxes below - All other boxes will calculate
**If 100% Exempt then use ZERO taxable days and 9xxx Taxable Use

PART 1:
TAXABLE WORKSHEET:

TODAYS DATE: 6/22/2016
TAX YEAR: 2016
CALENDAR DAYS 2016
PARCEL 11161131A
TAX AREA 7550
TAXABLE DAYS 2016
DATE RECORDED 6/22/2016
SEQUENCE NO. 201602238100

TOAD [LAND USE: ""
LAND VALUE 141,048
IMPROVEMENT VALUE 9,105
ADJ LTD VALUE 140,953
LAND CLASS MAJ/MIN 1
LAND % OF CLASS 18.0
IMP CLASS MAJ/MIN 5
IMP % OF CLASS 22.0
OVERALL % OF CLASS 18.0

PART 2: (When applicable)
Use for properties that also have a 'Personal Exemption' or 'Secured Personal Property'
on their tax statement. If none, then value should be ZERO
SEC PERS PROP
EXEMPT FULL CASH
EXEMPT LIMITED

ARC/TRC VALUATION WORKSHEET:
A change in exempt status is NOT an error, this form is used for data entry only!!

TAXABLE DAYS ARC/TRC DATA SHEET

PARCEL 11161131A
TAX AREA 7550
USE CODE 9600

TOTAL TAXABLE DAYS VALUE

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<td>IMPRT VALUE</td>
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<td>ASSESS VALUE</td>
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ARC HISTORY: 11/27/2015 0152161332 1616020202016 05/13/2016

PROCUREMENT APPROVAL:

SIGNED BY DUE DATE

ARC ENTRY:
CREATED BY DUE DATE
RELEASED BY DUE DATE
SIGNATURE DUE DATE
42-16258. Correcting tax roll by county treasurer

A. After receiving the tax roll, if the county treasurer determines that any property is omitted from the roll, or has reason to believe that any personal property that is omitted from the roll has not been taxed in any other county for that year, the treasurer shall request the assessor to determine the valuation of the property.
B. The treasurer shall enter the valuation on the roll following the levies made and delivered by the county board of supervisors. The entries shall be designated as additional valuations, and the taxes so computed by the county treasurer are valid for all purposes.
C. If there is an error on the roll in the name of the taxpayer who should be assessed or taxed, the county treasurer may change the name and collect the tax from the correct taxpayer.
D. If an error or omission is determined under this section, the taxpayer shall be notified of the proposed correction and the taxpayer may appeal the proposed correction pursuant to section 42-16252.

42-16205. Appeal to court in the case of new construction, changes to assessment parcels and changes in use

An appeal to court from the state board of equalization or a county board of equalization relating to changes in assessments under section 42-15105 due to new construction, additions to or deletions from assessment parcels or changes in property use that occur after September 30 of the preceding year and before October 1 of the valuation year shall be filed within sixty days after the date of mailing of the decision.

42-16252. Notice of proposed correction; response; petition for review; appeal

A. Subject to the limitations and conditions prescribed by this article, if a tax officer determines that any real or personal property has been assessed improperly as a result of a property tax error, the tax officer shall send the taxpayer a notice of proposed correction at the taxpayer's last known address by:
1. Certified mail, return receipt requested, if correction of the error results in an increase in the full cash value or change in legal classification of the property.
2. First class mail or, at the taxpayer's written request, delivery by common carrier or electronic transmittal, if correction of the error does not result in an increase in the valuation of the property.
B. The notice shall:
1. Be in a form prescribed by the department.
2. Clearly identify the subject property by tax parcel number or tax roll number and the year or years for which the correction is proposed.
3. Explain the error, the reasons for the error and the proposed correction of the error.
4. Inform the taxpayer of the procedure and deadlines for appealing all or part of the proposed determination before the tax roll is corrected.
C. Within thirty days after receiving a notice of proposed correction, the taxpayer may file a written response to the tax officer that sent the notice to either consent to or dispute the proposed correction of the error and to state the grounds for disputing the correction. A failure to file a written response within thirty days constitutes consent to the proposed correction. A taxpayer may file a request for an extension of time within thirty days after receiving the notice of proposed correction. The extension of time may not exceed thirty days. If an extension is granted, any response that is not filed within the extended due date constitutes consent to the proposed correction.
D. The taxpayer may appeal any valuation or legal classification issue that arises from the proposed correction as provided in this section.
E. If the taxpayer consents to the proposed correction, or consents to the proposed correction but disputes the proposed valuation or legal classification as provided on the form prescribed by the department, the tax roll shall be promptly corrected to allow property taxes to be levied and collected in all subsequent tax years, but no additional tax, interest or penalty may be imposed for the current tax year or any tax year preceding the date of the notice of proposed correction.
F. If the taxpayer disputes the proposed correction or the proposed valuation or legal classification, the tax officer shall meet with the taxpayer or the taxpayer's representative in any case in which the taxpayer has timely filed a written response to discuss the proposed correction. If after the meeting the tax officer and the taxpayer reach an agreement on all or part of the
proposed correction, the tax officer and the taxpayer shall each sign an agreement and the tax roll must be promptly corrected to the extent agreed on.

G. If after the meeting the parties fail to agree on all or part of the proposed correction, the tax officer shall serve a notice on the taxpayer by certified mail within thirty days after the meeting date advising the taxpayer that the tax roll will be corrected to the extent agreed on. The taxpayer may file a petition on a form prescribed by the department with the board of equalization within thirty days after the date of the notice or it is barred. On receiving the petition, the board shall hold a hearing on the disputed issues in the proposed correction within thirty days and shall issue a written decision pursuant to the board's rules.

H. A party that is dissatisfied with the decision of the board may appeal the decision to court within sixty days after the date the board's decision is mailed, but any additional taxes that are determined to be due must be timely paid before delinquency for the court to retain jurisdiction of the matter.
IN THE
ARIZONA COURT OF APPEALS
DIVISION ONE

HUB PROPERTIES TRUST,
a Maryland real estate investment trust,
Plaintiff/Appellant,

v.

MARICOPA COUNTY, a political subdivision of the State of Arizona;
THE ARIZONA DEPARTMENT OF REVENUE,
an agency of the State of Arizona,
Defendants/Appellees.

No. 1 CA-TX 14-0005

Appeal from the Superior Court in Maricopa County
TX2011-000654
The Honorable Dean M. Pink, Judge

AFFIRMED

COUNSEL

Mooney, Wright & Moore, PLLC, Mesa
By Paul J. Mooney, Jim L. Wright
Counsel for Plaintiff/Appellant

HUB PROPS. TRUST V. MARICOPA CNTY.


ARIZONA COURT OF APPEALS DIVISION ONE

No. 1 CA-TX 14-0005

08-20-2015
HUB PROPERTIES TRUST, a Maryland real estate investment trust, Plaintiff/Appellant, v. MARICOPA COUNTY, a political subdivision of the State of Arizona; THE ARIZONA DEPARTMENT OF REVENUE, an agency of the State of Arizona, Defendants/Appellees.

COUNSEL Mooney, Wright & Moore, PLLC, Mesa By Paul J. Mooney, Jim L. Wright Counsel for Plaintiff/Appellant Maricopa County Attorney's Office, Phoenix By Kathleen A. Patterson Counsel for Defendant/Appellee Maricopa County Arizona Attorney General's Office, Phoenix By Kenneth J. Love, Jerry A. Fries Counsel for Defendant/Appellee Arizona Department of Revenue

OROZCO, Judge

Appeal from the Superior Court in Maricopa County TX2011-000654The Honorable Dean M. Fink, Judge

AFFIRMED

COUNSEL Mooney, Wright & Moore, PLLC, Mesa By Paul J. Mooney, Jim L. Wright Counsel for Plaintiff/Appellant Maricopa County Attorney's Office, Phoenix By Kathleen A. Patterson Counsel for Defendant/Appellee Maricopa County Arizona Attorney General's Office, Phoenix By Kenneth J. Love, Jerry A. Fries Counsel for Defendant/Appellee Arizona Department of Revenue

OPINION

Presiding Judge Patricia A. Orozco delivered the opinion of the Court, in which Judge Randall M. Howe and Judge Maurice Portley joined. OROZCO, Judge:

Hub Properties Trust (Hub) appeals the grant of summary judgment in favor of Maricopa County and the Arizona Department of Revenue (collectively the State). For the following reasons, we affirm.

FACTS AND PROCEDURAL HISTORY

This appeal concerns a property tax assessment for real property in Maricopa County (the Property) for tax year 2011. Hub purchased the Property from the City of Phoenix (the City) on March 4, 2011. When the City owned the Property, it was exempt from property taxes pursuant to Article 9, Section 2(1) of the Arizona Constitution and Arizona Revised Statutes (A.R.S.) section 42-11102.A. (West 2015). After Hub purchased the Property, the County Assessor's Office determined the Property was no longer exempt municipal commercial property. As a result, the Property was included in the Assessor's roll as taxable property and was included in the County's tax roll for tax year 2011. The Maricopa County Board of Supervisors then fixed, levied and assessed property taxes for the Property for the County's assessment and tax roll for the 2011 tax year. Hub subsequently brought suit claiming the taxes assessed on the Property were illegally collected because the Property "was not subject to ad valorem taxation" and appealed the Property's valuation. The parties filed cross-motions for summary judgment on the former claim and the tax court granted the State's motion, finding the Property was no longer tax exempt after the City sold it to Hub. The parties subsequently settled Hub's valuation claim and the tax court entered a stipulated judgment on that issue. Hub timely appealed the tax court's grant of summary judgment in favor of the State. We have jurisdiction pursuant to Article 6, section 9 of the Arizona Constitution and A.R.S. §§ 12-120.21.A.1 and -2101.A.1 (West 2015).

1. We cite the current version of applicable statutes when no revisions material to this decision have since occurred.

DISCUSSION

We review the grant of summary judgment and questions of law, including the interpretation of statutes, de novo. Maycock v. Asilomar Dev., Inc., 207 Ariz. 495, 498, 500, ¶¶ 14 (App. 2004). In reviewing issues of
statutory construction, we look to the statute's plain language to determine its meaning. Koss Corp. v. American Express Co., 233 Ariz. 74, 79, ¶12, 309 P.3d 898, 903 (App. 2013). I. Property Tax Exemption ¶6 All property in Arizona is subject to taxation unless expressly exempt. See A.R.S. § 42-11002. Such an exemption applies to federal, state, county, and municipal property. Ariz. Cons. art. 9 § 2.1; A.R.S. § 42-11102.A. There is a general presumption against tax exemptions and laws creating property tax exemptions are to be strictly construed. See Verde Valley Sch. v. Yavapai Cnty., 90 Ariz. 180, 182, 367 P.2d 223, 225 (1961). ¶7 A tax exemption must be specifically granted by statute. New Cornelia Coop. Mercantile Co. v. Ariz. State Tax Comm'n, 23 Ariz. App. 324, 327 (App. 1975). Moreover, "[t]he taxpayers have the burden of establishing the right to an exemption from taxation." McElhaney Cattle Co. v. Smith, 132 Ariz. 286, 291 (1982). ¶8 On appeal, Hub argues that because the City owned the Property "during the entire assessment period for the tax year 2011, on the tax lien date, and for more than two full months of the tax year at issue herein," the Property was exempt during the tax year 2011. Thus, Hub contends the Property was illegally taxed that year. Hub's argument presumes that once property is exempt, it is exempt for the entire tax year even if there is a change of use or ownership. Hub argues:

Although the Property was arguably non-exempt for ten months out of tax year 2011—despite being tax exempt during 44 the entire assessment period for tax year 2011, and on the statutory lien date—the Legislature has not provided for the prorated taxation of real property that transitions from government ownership to private ownership during the tax year. Simply put, there is no provision in the law for the prorated taxation of such property. Absent such a provision, there is no legal authority for the [State's] actions in this case.

Although the City owned the property during the pertinent property valuation period, that is not dispositive in determining whether the Property was tax exempt after Hub bought it in tax year 2011. The statute provides that the County Assessor shall determine the Property's "full cash value" on or before January 1, 2010 for the State's 2011 tax roll. See A.R.S. §§ 42-13051.B.2., -11001.19(a) (West 2015). After the sale to Hub, however, the Property was no longer exempt municipal commercial property. On or before the third Monday in August 2011, the Maricopa County Board of Supervisors "fix[ed], lev[ied], and assess[ed]" property taxes for the Property in accordance with A.R.S. § 42-17151.A.1. (West 2015). There is no dispute that Hub owned the Property during the 2011 assessment period. ¶10 The tax court correctly noted the logical extension of Hub's position that "taxable status is fixed on the valuation date" is that if the State had purchased the Property from a private party in March 2011, the State could be required to pay property taxes until the next valuation period. This would clearly contravene the plain meaning of both Article 9, Section 2 of the Arizona Constitution and A.R.S. § 42-11102.A. "There shall be exempt from taxation all federal, state, county and municipal property." Ariz. Cons. art. 9, § 2 (emphasis added). "Federal, state, county and municipal property is exempt from taxation." A.R.S. § 42-11102.A (emphasis added). ¶11 Moreover, we find Hub has failed to meet its burden of showing it was entitled to a property tax exemption for tax year 2011 and cannot point to a statutory provision that explicitly grants such an exemption. The tax court concluded, "[t]he period of exemption . . . begins on the date the property enters government ownership and ends on the date it leaves government ownership." We agree. Although the Property was tax exempt while the City owned it in 2011, the exemption was lifted when Hub purchased the Property in March. See City of Phoenix v. Elias, 64 Ariz. 95, 97-101 (1946) (holding property was exempt until January 6 while the State owned it, but could be taxed upon its subsequent transfer to a private party). Thus, we affirm the tax court's ruling that the Property was not tax exempt after the City sold it to Hub in 2011. *551h. Double Taxation ¶12 Hub contends that it was subject to double taxation because the City could have been required to pay government property lease excise taxes (GPET) while it owned the Property in 2011 pursuant to A.R.S. § 42-6203.G (West 2015). "Double taxation occurs when the same property or person is taxed twice for the same purpose or for the same taxing period by the same taxing authority." Lake Havasu City v. Mohave Cnty., 138 Ariz. 552, 562 (App. 1983) (internal citations and quotations omitted). ¶13 Under A.R.S. § 42-6203.G:

Prime lessees of government property improvements who become taxable or whose taxable status terminates during the calendar year in which the taxes are due, including prime lessees subject to exemption or abatement under §§ 42-6208 and 42-6209, shall pay tax for that calendar year on a pro rata basis.

Hub admits that no GPET were imposed during the 2011 tax year. Instead, Hub's double taxation argument stems from the possibility that the State could have assessed GPET for the 2011 tax year. ¶14 We find three reasons why such a tax
would not constitute double taxation when imposed with property taxes. First, GPLET would not be imposed on the same party. Hub is not a "prime lessee" because it did not enter into a lease directly with a government lessor; it purchased the Property from the City. See A.R.S. § 42-6201.4 (West 2015). Second, the taxes are not assessed for the same purpose. GPLET are assessed on prime lessees "for the use or occupancy of each government lessor's government property improvement" while ad valorem taxes are assessed on the property itself based on its full cash value. A.R.S. § 42-6202.A.; see supra ¶ 9. Third, the taxes are levied by different taxing authorities. "Government lessors" levy GPLET. A.R.S. § 42-6202.A. By contrast, the property taxes Hub paid were levied by the County Assessor. See A.R.S. § 42-17151.A. Thus, we affirm the tax court's ruling that "[t]here is plainly no double taxation here."III. Due Process¶15 Unlike Hub's illegal taxation claim, the parties voluntarily settled Hub's property valuation claim and the tax court entered a stipulated judgment. However, Hub argues its due process rights were violated because:

*66The County's actions in assessing property taxes against the . . . Property for tax year 2011 gave no . . . notice to [Hub] . . . and provided it no opportunity to appeal the proposed valuation to either the Assessor or to the State Board of Equalization prior to having to remit the tax.

Hub mischaracterizes the requirements of due process. "If it is property that is being taxed, due process requires that the property owner be advised of the tax, and that it have the opportunity to be heard with respect to its assessment." Seafirst Corp. v. Ariz. Dep't. of Revenue, 172 Ariz. 54, 59 (Tax Ct. 1992).¶16 Hub undoubtedly had notice of the Property's valuation and had a right to appeal the valuation pursuant to A.R.S. § 42-16205.01.A.1 (West 2015), which permits a new property owner to appeal a property's valuation to a court if the former owner of the property did not have a pending appeal or had not received a final judgment or dismissal regarding the property valuation. Moreover, Hub exercised its due process rights by filing its complaint in the tax court; Hub's second claim for relief was a "Valuation Appeal."¶17 Hub exercised its right to be heard in the tax court, and we find no authority supporting Hub's argument that due process requires the Assessor or the State Board of Equalization to hear valuation appeals, and Hub has not cited to any such authority. Thus, we find no due process violation and affirm the tax court's ruling on this issue.

CONCLUSION
We affirm the tax court's grant of the State's motion for summary judgment.
AG OPINION No. 62-18
Opinion No. 62-18
R-80 and R-100
April 9, 1962

REQUESTED BY: THE HONORABLE HARRY ACKERMAN
Pima County Attorney

OPINION BY: ROBERT W. PICKRELL
The Attorney General

QUESTIONS: 1. Does the County Treasurer or County Assessor have authority to pro-rate or waive the taxes levied upon real property which is acquired by a tax exempt division of local, state or the federal government re-
gardless of the date upon which such acquisition legally occurs?

2. If so, what procedure does the County Assessor or County Treasurer follow in adjusting the tax roll to reflect the credit for the portion of the year for which exemption is granted?

ANSWERS:

1. No.

2. Not applicable.

The question of the taxability of lands which are acquired during the fiscal year by a tax exempt body was first discussed in the case of Territory of Arizona v. Farns, 3 Ariz. 316, 63 P. 661 (1905). The facts indicate that a taxpayer owned certain land which he thereafter deeded to the United States Government. The deeds were approved by the Secretary of the Interior of the United States in April of 1908. The County Treasurer of Coconino County brought an action against the land owner for all of the 1908 taxes and the question was whether or not all of the taxes, or any of them, could be imposed on the United States or upon the taxpayer previously owning the land. The court held:

"Under the provisions of the laws of Arizona, the tax-rate is not fixed until the third Monday in August of each year, and the levy and assessment is not completed until the duplicate assessment-roll is prepared and certified as provided by chapter 5 of title 63 of the Revised Statutes of Arizona of 1901. ... Lands acquired for public purposes during the period between the first and final steps of taxation are exempt from taxes levied during the year in which they are acquired. (Citations omitted) And this is true even where, as in this territory, the legislature has declared that a lien for taxes shall attach at a date prior to the time when the first steps are taken to subject the real estate to taxation. There can be no real or effective lien until the amount of taxes is ascertained and assessed. In the nature of things, no tax or assessment can exist, so as to become an encumbrance on real estate, until the amount thereof is ascertained or determined. (Citations omitted). ... In the case at bar, the lands having become the property of the United States at the time the taxes were levied or assessed, and no longer subject to taxation, the acts of the taxing officers were void and of no effect."

The leading treatise on this subject reiterates and endorses the Perrin decision, 4 Nichols on Eminent Domain, § 14.246, Taxes, p. 293. In addition, the decision in the Perrin case was noted and approved by our Supreme Court in Halls v. Evans, 69 Ariz. 247 P.2d 985 (1949).

It is felt that it is reasonably obvious that Art. 9, Sec. 2 of the Arizona Constitution exempts from taxation all federal, state, county and municipal property. Therefore, it is clear that if the state, the federal government or any county or municipality acquires property to the "final step of taxation," that no taxes can be imposed upon that property for that calendar year. Neither the state nor other public bodies are required to file a claim for exemption as there are no provisions for filing such in the statutes relating to exemption. A.R.S. § 42-271 et seq. Therefore, there is no question of "waiver" as far as land acquired by the state is concerned. The acquisition by an exempt public body before the fixing of the tax rate operates to deprive taxing officials from any jurisdiction to impose or collect any taxes upon that land from anybody.

The time sequence noted in the Perrin case is changed somewhat. In our present procedure, A.R.S. § 42-284, the clerk of the Board of Supervisors sitting as clerk of the County Board of Equalization shall upon the adjustment in July of the County Board of Equalization forward the tax roll to the State Board of Equalization. Thereafter the State Board in A.R.S. § 42-
149 shall, on or before the second Monday in August of each year, submit any changes to the Board of Equalization of each of the counties. The several Boards of Supervisors shall then fix, levy and assess the taxes on or before the third Monday in August of each year, A.R.S. §42-304. It would, therefore, appear that this date establishes the taxability of lands acquired by a tax exempt public body.

The only duty remaining on either the County Assessor or the County Treasurer following the notification of the change of status is to make an appropriate notation on the assessment roll, noting therein the date of the acquisition by the tax exempt institution. This being so question No. 2 is not at issue as there is no authority for granting exemptions for portions of the year where the property has been acquired by a tax exempt body. The only provision for reducing the evaluation is where the property has been destroyed. A.R.S. § 42-351. The fact that private individuals may by their mutual contracts, agree to separate the tax year and pro-rate the liability among themselves, has no bearing where a public body becomes the owner of property. Neither the state, county, nor municipality can legally expend money to pay for something for which they are not liable such as taxes, and the payment of taxes would be merely gratuitous and public bodies are not allowed to make gratuitous payments. In the converse position neither the County Treasurer nor the County Assessor has any authority to waive any taxes or grant exemptions until the waiver or exemption is clearly set forth in the statute and there are no provisions allowing the County Treasurer or County Assessor to waive or exempt the payment of taxes on property by individuals merely because they did not own the land in the full taxable year.
Opinion No. 64-15 R-123

June 12, 1964

REQUESTED BY: HONORABLE NORMAN E. GREEN
Pima County Attorney

QUESTIONS:
1. Where a public body acquires real property by virtue of eminent domain proceedings at which point does the property become exempt for ad valorem taxation?

2. Is the question the same where the public body taxes a taxpayer's land without proceedings and the taxpayer files an action in inverse eminent domain?

3. Where the public body acquires only a portion of a taxpayer's property in an eminent domain proceeding, what is the validity of the assessment which was originally made on the entire property?

ANSWERS:
1. See body of opinion.

2. See body of opinion.

3. See body of opinion.

There are certain primary conditions which we must review before answering any of the questions. Under A.R.S. §12-112 the property vests in the plaintiff, i.e., the public body condemning the land, upon the filing of a copy of final order of condemnation in the office of the county recorder. Under the case of Territory v. Perrin, 9 Ariz. 216, 9 Pac. 361 (1885) if a public body acquires land prior to the completion of the taxing process the land is exempt from taxes for that year. However, as we have no statutes in Arizona relative to the priorities of taxes, it follows that if the land is acquired after the completion of the taxing process there is no exemption. The court also stated that the taxing process is complete when the rate of taxes is fixed and the amount determined and levied. This occurs on the third Monday of May of each year. Even though the assessment is finished by the first of May, the tax rate to be determined by the State Tax Commission for state purposes is not complete until the second Monday in August. A.R.S. §42-142. Only when this is completed may the county (which for the first time has had the final decision on the total valuation) fix and assess its own taxes. This is done subsequent to the state determination and prior to the third Monday in August in each year. A.R.S. §42-304. The actual date can be prior to the third Monday, but it will never be more than a week prior to that date and is a matter of record in any given year.

To return to the question, we have no specific cases in Arizona and the assistance which we may gain from the decisions in other states is conditioned somewhat upon their statutes and the similarity of their law to our law. However, the leading authority on eminent domain can be paraphrased as follows. Taxes which become a lien upon the real property prior to the date of the title vested
In the condemnation is a lien upon the property to be paid to the taxing authority from the award. 4 Nichols, Eminent Domain, Section 14-248, page 633. This is also the rule in federal cases. See the annotations of 45 A.L.R. 2d 322, Section 22, page 362. Inasmuch as up to 90% of the costs of interstate highway construction, the most active area in condemnation, are paid from federal funds and up to 75% of the costs on city or county cases are also paid from federal funds, we feel assured that the following of the federal rule is the best insofar as Arizona is concerned.

It is true that some jurisdictions have followed a different rule, notably New York, but the A.L.R. annotation notes them to be in the minority. We also realize that occasionally a proratin of the taxes would appear to be the more equitable solution, but this is a legislative matter. For example, the State of Illinois in 1961 by specific statute enacted a proration provision. See, Public Building Commission v. Continental Illinois National Bank, 195 N.E. 2d 192 (Ill. 1963).4

In answer to your second question, we feel there should be no difference in the answer. The public body even though it occupies the land is not the vested owner until the provisions of A.R.S. §§12-1126 are complied with. Real property taxes run with the land and are not personal and they cannot be abated or derogated against the interests of county, city, school districts or other taxing bodies without clear statutory authority.

In answer to your third question, there is a possibility that a taxpayer might avail himself of the provisions of A.R.S. §§42-244 to 42-243. I am assuming the following factual situation. That the condemning authority has condemned a portion of a taxpayer's land, and that the order of condemnation has been filed with the recorder sometime prior to the fixing of the tax rate. It is obvious that a portion of the land is tax exempt and a portion properly taxable. But inasmuch as the assessor was required to go by the record ownership during his assessment process, he assessed the total property to the taxpayer. I would see no legal reason why a taxpayer could not use the appeal provisions in A.R.S. §§42-244 through 42-243 to call to the attention of the supervisors a substantial factual change and to ask for an adjustment accordingly. If the board failed to so act, I believe an appeal to the courts under A.R.S. §42-243 might well be justified. But it is our belief that the assessor has no authority to change the assessment rolls once he has certified them to the board of supervisors in accordance with the provisions of A.R.S. §42-239.
AG OPINION NO. 178-235
Mr. Jack King  
Assistant Director  
Division of Property and Special Taxes  
Department of Revenue  
Capitol Wing  
Phoenix, Arizona 85007

Dear Mr. King:

In your letter of May 11, 1978, you inquired whether certain property presently occupied by the City of Globe, pursuant to an agreement with a private party, is owned by the City of Globe and, therefore, exempt from property taxation.

We have carefully examined the agreement you enclosed in your letter. We conclude that the property ownership remains in private ownership, and hence the property is subject to taxation. The removal of this property from the tax rolls and the cancellation of any taxes due thereon would be improper.

Municipal property is exempt from property taxation by virtue of Article IX, Section 2 of the Arizona Constitution. This exemption is self-executing and does not depend upon a public utilization of the property, but merely public ownership of the property. Clark v. City of Tucson, 1 Ariz. App. 431, 403 P.2d 936 (1965); Maricopa County v. Fox Riverside Theatre Corp., 60 Ariz. 260, 135 P.2d 513 (1943). Public ownership of real property is equated with fee title to the land. Arizona Land & Stock Co. v. Markus, 37 Ariz. 530, 296 P. 251 (1931). Since the exemption is self-executing as a publicly owned property, it is not necessary for the owner to make application for an exemption, as is required for private exemptions from taxation. A.R.S. §§ 42-274, 42-275; Maricopa County v. Phoenix Baptist Church, 2 Ariz. App. 418, 409 P.2d 577 (1966).

If an “exempt” public body acquires ownership of land during the tax year, such property may still be exempt from taxation, depending upon the date of acquisition. If title is acquired prior to the completion of the assessment process,
the property becomes automatically exempt, even though the property may have been acquired after the January lien date. Territory of Arizona v. Perrin, 9 Ariz. 316, 83 P. 361 (1905). Under our present statutory framework, the state tax rate must be set on or before the first Monday in August, A.R.S. § 42-108, and the remaining tax rates must be set on or before the third Monday in August, A.R.S. § 42-304. Thus, if in this particular case, the City of Globe had acquired ownership of the property prior to those dates, the property would be exempt from taxation for the entire tax year, and not just for a portion of the tax year.

However, it is clear from the terms of the agreement that the City of Globe does not own the property in question. The agreement does not transfer title to the property. Instead, title is to be transferred at the end of ten years, provided certain payments are made by the City. The City of Globe merely receives a right of possession as long as the payments continue and a right to purchase the property upon payment of all the amounts set forth in the agreement.

The City of Globe is under no obligation to complete the acquisition of the property. Paragraph six of the agreement specifically provides "while the seller has agreed to sell the said assets to buyer for the sum of $400,000, the buyer shall be under no obligation to purchase the said assets. If at any time prior to the payment of the full purchase price, the buyer shall so elect, buyer may terminate this agreement." (Emphasis added.) Paragraph seven of the agreement provides that in the event of termination of the agreement by the City, all sums paid to the owners are considered as "rental for the use of the property by buyer and as payment for the right to purchase herein provided for" with no right to a refund from the owners. Furthermore, under paragraph eighteen of the agreement, if the City elects not to complete the acquisition of the property, the owners are relieved of any duty to convey the property.

Although the parties may have hoped that this agreement would effectively render the property exempt from taxation, the parties were aware of the possibility the property would remain subject to taxation. In paragraph thirteen of the agreement, the private party agreed to pay the 1977 property taxes. The City has agreed to indemnify the owners for any future property taxes assessed against the property while the agreement is in effect. The fact that the City has agreed to reimburse the owners for the taxes surely does not render the property tax-exempt.
The terms of this agreement as outlined above do not transfer title to the City, nor do they even constitute a binding agreement of sale and purchase. Instead, it is merely an option to purchase, and the City of Globe has discretion whether to proceed to complete the purchase. Under these circumstances, title to the land remains in the owners and their land remains subject to taxation. See City of Phoenix v. State of Arizona ex rel. Harlis, 60 Ariz. 369, 137 P.2d 783 (1943). The agreement is very similar to the agreement construed by the court in Boldren v. Peterson, 52 Ariz. 429, 82 P.2d 1095 (1939). In that case, the seller and the County of Maricopa entered into an agreement concerning certain property. Under that agreement, the County was under no obligation to complete the sale. In the event of termination, which was discretionary with the County, all payments were to be considered as rental and as payment for the right to purchase. The Court, citing and relying upon the Automatic Voting Machine decision, supra, ruled that this agreement did not pass title to the property and that the property remained subject to taxation. That ruling in our opinion appropriately applies to the facts here.

Very truly yours,

John A. Lasota, Jr.
Attorney General

JAL: pb
42-17152. Extending tax roll; limitation on residential property tax; effect of informalities

A. As soon as the county board of supervisors finally determines the estimated amounts provided for in article 2 of this chapter, it shall assess taxes for the estimated amounts on the taxable property of the county, according and in proportion to the individual and particular valuation as specified in the assessment roll for the year, except that pursuant to article IX, section 18, Constitution of Arizona, primary property taxes may not be assessed in any tax year against real property, improvements and personal property classified as class three pursuant to section 42-12003 in excess of one per cent of the property's limited property value, and except that pursuant to article IX, section 2, primary property taxes may not be assessed in any tax year against taxable property exempt from taxation as of the date of the levy set forth in section 42-17151.

B. The board of supervisors shall compute and list the property taxes and totals of taxes of each parcel, shall add the several taxes levied and shall compute the totals. The completed document constitutes the assessment and tax roll for the year.

C. In addition to the requirements of subsection B of this section, if the board of supervisors authorizes tax statements to be delivered to the taxpayers of the county, the board shall list and compute the totals of the taxes by jurisdiction, for the current and the previous year.

D. Any informality in complying with the requirements of this chapter does not render any tax collection proceeding illegal.

E. For the purposes of this section, items of merchandise property that are exempt pursuant to article IX, sections 2 and 13, Constitution of Arizona, need not be listed on the tax rolls or tax statements.
A. As soon as the county board of supervisors finally determines the estimated amounts provided for in article 2 of this chapter, it shall assess taxes for the estimated amounts on the taxable property of the county, according and in proportion to the individual and particular valuation as specified in the assessment roll for the year, except that pursuant to article IX, section 18, Constitution of Arizona, primary property taxes may not be assessed in any tax year against real property, improvements and personal property classified as class three pursuant to section 42-12003 in excess of one per cent of the property's limited property value.

B. The board of supervisors shall compute and list the property taxes and totals of taxes of each parcel, shall add the several taxes levied and shall compute the totals. The completed document constitutes the assessment and tax roll for the year.

C. In addition to the requirements of subsection B of this section, if the board of supervisors authorizes tax statements to be delivered to the taxpayers of the county, the board shall list and compute the totals of the taxes by jurisdiction, for the current and the previous year.

D. Any informality in complying with the requirements of this chapter does not render any tax collection proceeding illegal.

E. For the purposes of this section, items of merchandise property that are exempt pursuant to article IX, sections 2 and 13, Constitution of Arizona, need not be listed on the tax rolls or tax statements.
2. **Property subject to taxation; exemptions**

Section 2. (1) There shall be exempt from taxation all federal, state, county and municipal property.

(2) Property of educational, charitable and religious associations or institutions not used or held for profit may be exempt from taxation by law.

(3) Public debts, as evidenced by the bonds of Arizona, its counties, municipalities or other subdivisions, shall also be exempt from taxation.

(4) All household goods owned by the user thereof and used solely for noncommercial purposes shall be exempt from taxation, and such person entitled to such exemption shall not be required to take any affirmative action to receive the benefit of such exemption.

(5) Stocks of raw or finished materials, unassembled parts, work in process or finished products constituting the inventory of a retailer or wholesaler located within the state and principally engaged in the resale of such materials, parts or products, whether or not for resale to the ultimate consumer, shall be exempt from taxation.

(6) The legislature may exempt personal property that is used for agricultural purposes or in a trade or business from taxation in a manner provided by law, except that the exemption does not apply to any amount of the full cash value of the personal property of a taxpayer that exceeds fifty thousand dollars. The legislature may provide by law to increase the exempt amount according to annual variations in a designated national inflation index.

(7) The legislature may exempt the property of cemeteries that are set apart and used to inter deceased human beings from taxation in a manner provided by law.

(8) There shall be further exempt from taxation the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, in the amount of:

(a) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.

(b) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.

(c) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.

(d) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.

(e) No exemption if the total assessment of such person exceeds five thousand dollars.

No such exemption shall be made for such person unless such person shall have served at least sixty days in the military or naval service of the United States during World War I or prior wars and shall have been a resident of this state prior to September 1, 1945.

(9) There shall be further exempt from taxation as herein provided the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, where such
person has a service-connected disability as determined by the United States veterans administration or its successor. No such exemption shall be made for such person unless he shall have been a resident of this state prior to September 1, 1945 or unless such person shall have been a resident of this state for at least four years prior to his original entry into service as an airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof. The property of such person having a compensable service-connected disability exempt from taxation as herein provided shall be determined as follows:

(a) If such person's service-connected disability as determined by the United States veterans administration or its successor is sixty per cent or less, the property of such person exempt from taxation shall be determined by such person's percentage of disability multiplied by the assessment of such person in the amount of:

(i) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.

(ii) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.

(iii) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.

(iv) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.

(v) No exemption if the total assessment of such person exceeds five thousand dollars.

(b) If such person's service-connected disability as determined by the United States veterans administration or its successor is more than sixty per cent, the property of such person exempt from taxation shall be in the amount of:

(i) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.

(ii) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.

(iii) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.

(iv) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.

(v) No exemption if the total assessment of such person exceeds five thousand dollars.

(10) There shall be further exempt from taxation the property of each honorably discharged airman, soldier, sailor, United States marine, member of revenue marine service, the coast guard, nurse corps or of any predecessor or of the component of auxiliary of any thereof, resident of this state, where such person has a nonservice-connected total and permanent disability, physical or mental, as so certified by the United States veterans administration, or its successor, or such other certification as provided by law, in the amount of:

(a) One thousand five hundred dollars if the total assessment of such person does not exceed three thousand five hundred dollars.

(b) One thousand dollars if the total assessment of such person does not exceed four thousand dollars.
(c) Five hundred dollars if the total assessment of such person does not exceed four thousand five hundred dollars.

(d) Two hundred fifty dollars if the total assessment of such person does not exceed five thousand dollars.

(e) No exemption if the total assessment of such person exceeds five thousand dollars.

No such exemption shall be made for such person unless he shall have served at least sixty days in the military or naval service of the United States during time of war after World War I and shall have been a resident of this state prior to September 1, 1945.

(11) There shall be further exempt from taxation the property of each widow, resident of this state, in the amount of:

(a) One thousand five hundred dollars if the total assessment of such widow does not exceed three thousand five hundred dollars.

(b) One thousand dollars if the total assessment of such widow does not exceed four thousand dollars.

(c) Five hundred dollars if the total assessment of such widow does not exceed four thousand five hundred dollars.

(d) Two hundred fifty dollars if the total assessment of such widow does not exceed five thousand dollars.

(e) No exemption if the total assessment of such widow exceeds five thousand dollars.

In order to qualify for this exemption, the income from all sources of such widow, together with the income from all sources of all children of such widow residing with the widow in her residence in the year immediately preceding the year for which such widow applies for this exemption, shall not exceed:

1. Seven thousand dollars if none of the widow's children under the age of eighteen years resided with her in such widow's residence; or

2. Ten thousand dollars if one or more of the widow's children residing with her in such widow's residence was under the age of eighteen years, or was totally and permanently disabled, physically or mentally, as certified by competent medical authority as provided by law.

Such widow shall have resided with her last spouse in this state at the time of the spouse's death if she was not a widow and a resident of this state prior to January 1, 1969.

(12) No property shall be exempt which has been conveyed to evade taxation. The total exemption from taxation granted to the property owned by a person who qualifies for any exemption in accordance with the terms of subsections (8), (9), (10) or (11) shall not exceed one thousand five hundred dollars. The provisions of this section shall be self-executing.

(13) All property in the state not exempt under the laws of the United States or under this constitution or exempt by law under the provisions of this section shall be subject to taxation to be ascertained as provided by law.
Date: August 30, 2017

Department/Office: Clerk of the Board's Office

Name, Title and Telephone Number of Contact Person:
Julie Castañeda, Clerk of the Board
(520) 724-8007

Subject or Title of Proposal:
Title 11, Chapter 2, Article 4 – 11-255 Annual contract for advertising and printing

Proposal Description:
Requirement changes to 11-255 annual contract for advertising and printing

A. Background Information:
(Describe the issue or problem in need of legislative attention. Attach all existing documents relating to the issue.)

Change the requirements for annual renewal of advertising and printing contract. This change will allow the process to conform with current procurement processes and improve efficiency by allowing renewals instead of performing a procurement process each year.

Remove the requirement that bid notices be mailed via the US Postal Service by the Clerk of the Board to qualified newspapers. This process is antiquated and the process would be more expedient with the use of technology.

B. Legislative Proposal:
(Describe the proposal and what it would accomplish.)
Removal of annual renewal requirement would allow for 1-year contract term with four 1-year renewal options in conformance with procurement standards.

Removal of the bid notification process by the Clerk of the Board via the USPS and allow Procurement to perform this function using their standard notification process. Not defining the method of sending the notice allows for technology changes. This would also allow more rapid distribution of information.

C. **Statutes/Regulations Affected or Proposed Language:**
   (Identify any state or federal statutes or regulations to be amended or repealed or attach proposed new language.)

Attached

D. **Fiscal Impact:**
   (Describe any direct or indirect impact on Pima County expenditures or revenues.)
   
   Would eliminate the expense associated with conducting annual renewals and the costs associated with the US Postal Service.

E. **Proposal History:**
   (Describe any previous efforts by any person/entity to pursue this proposal.)
   
   No known prior proposals

F. **Interested Parties:**
   (Identify any persons/entities that you know or believe will either support or oppose this proposal.)
   
   Clerk of the Board, Procurement
11-255. Annual Contract for advertising and printing

A. The board shall contract annually for all advertising, publications and printing required to be done or made by all departments of county government.

B. Written notice of letting the contract shall be sent to a representative deposited in the post-office by the clerk of the board, postage prepaid, addressed to the office of each qualified newspaper within the county, at least ten days prior to the opening of bids, calling for written bids for the advertising, publications and printing required by all county departments during the ensuing year, and stating on what day the bids received will be opened.

C. A contract shall be made with the lowest and best bidder, in the discretion of the board, and to a newspaper which for at least one year has been admitted to the United States mail as second-class matter, if the bid is within the legal rate. During the existence of the contract, all advertising, publications and printing ordered by any department of county government shall be provided to the newspaper awarded the contract for printing under the terms and conditions of the contract.

D. The newspaper which is awarded the contract pursuant to subsection C may be referred to as the official newspaper of the county.

E. Notwithstanding subsection C, the board of supervisors may, for itself and all departments of county government, advertise, publish and print in a publication other than the official newspaper, if any of the following apply:

1. The advertising, publishing or printing is in addition to that required to be done in the official newspaper of the county.

2. The advertising, publishing or printing is authorized but not required by law.

3. The advertising, publishing or printing is required by statute to be done in a location other than that of the official newspaper of the county.
Date: September 8, 2017

Department/Office: Procurement

Name, Title and Telephone Number of Contact Person:
Mary Jo Furphy, Procurement Director
(520) 724-8198

Subject or Title of Proposal:
Title 11, Chapter 2, Article 4 – 11-254.01, Bid notices and vendor registration

Proposal Description:
Modernize processes by changing the requirements: 1) from posting bid notices in a printed paper to posting bid notices on the County’s website and 2) to allow vendors to register electronically instead of in writing.

A. Background Information:
   (Describe the issue or problem in need of legislative attention. Attach all existing documents relating to the issue.)

The requirement to place bid notices in a printed paper as a legal notice is an antiquated practice. The requirement for vendors to notify the purchasing department in writing to be added to the vendor list is also an antiquated practice. Modern technology allows for more efficient and expedient processes by posting notices on a website and emailing notices to vendors who have registered electronically.

The printed paper notice is not reaching the audience. The current circulation of Pima County’s official newspaper is in the hundreds. The County has been electronically posting bid notices and emailing notices for over a decade. These electronic postings and messages are what is reaching the audience. The printed paper process costs public funds and delays the process, with little or no value to the citizens.

It is impractical to require vendors to notify procurement in writing and that practice has not been occurring for more than a decade. Pima County currently has an electronic database of over 22,000 vendors.

B. Legislative Proposal:
   (Describe the proposal and what it would accomplish.)
The proposal allows for the use of technology, specifically the internet, for posting bid notices, emailing vendor notices and vendors registering with the County. All of these electronic postings are currently occurring, not only by Pima County but also by most, if not all, agencies in the State of Arizona. The proposal would result in savings for the County, but most importantly, website postings have the capability to reach a larger audience, which is the purpose of the public notice requirement.

C. Statutes/Regulations Affected or Proposed Language:
(Identify any state or federal statutes or regulations to be amended or repealed or attach proposed new language.)

11-254.01. County purchasing procedures: purchases to be based on competitive bids; content and issuance of invitations and specifications; basis of awards and rejection of bids; professional services; buildings

A. All purchases of supplies, materials, equipment and contractual services, except professional services, made by the county having an estimated cost in excess of ten thousand dollars per transaction, or the aggregate dollar amount provided for in section 41-2535, if pursuant to section 41-2501, subsection C the board of supervisors adopts the aggregate dollar amount, shall be based on sealed, competitive bids. The county purchasing agent shall make the awards on board of supervisors approval. The invitation for bids and specifications must be issued in sufficient time before the purchase is made and in sufficient detail to permit free competition. Notice of the invitation for bids shall be published in a newspaper in accordance with title 39, chapter 2 on the County's official website unless the board of supervisors, by at least a two-thirds vote of its membership, determines that an emergency exists requiring immediate action to protect the public health or safety. Copies of the invitation and specifications shall be supplied to and bids shall be solicited from qualified sources consistent with the item to be purchased as determined by the county purchasing agent, including all qualified suppliers who before the issuance of the invitation notify the purchasing department in writing or by electronic registration that they desire to bid on materials, supplies, equipment or contractual services.

D. Fiscal Impact:
(Describe any direct or indirect impact on Pima County expenditures or revenues.)

Would eliminate the expense associated with placing legal ads for bid notices. The estimated annual spend for all legal ads in the official newspaper is $29,000.00. The annual spend for bid notices is approximately $3,600.00. The soft cost is staff time to perform the process approximately 120 times per year, including the processing of the payments. While the direct fiscal impact is minimal, the cost produces no return.

E. Proposal History:
(Describe any previous efforts by any person/entity to pursue this proposal.)

No known prior proposals

F. Interested Parties:
(Identify any persons/entities that you know or believe will either support or oppose this proposal.)

Procurement all departments that pay the advertising fee would support this proposal.
Date: September 8, 2017

Department/Office: Procurement

Name, Title and Telephone Number of Contact Person:
Mary Jo Furphy, Procurement Director
(520) 724-8198

Subject or Title of Proposal:
Title 11, Chapter 2, Article 4 – 11-251, Surplus property sale notices

Proposal Description:

Modernize processes by changing the requirements: 1) from posting sales notices in a printed paper to posting sales notices on the County’s website.

A. Background Information:
(Describe the issue or problem in need of legislative attention. Attach all existing documents relating to the issue.)

The requirement to place sale notices in a printed paper as a legal notice is an antiquated practice. Modern technology allows for more efficient and expedient processes by posting notices on a website.

The printed paper notice is not reaching the audience. The current circulation of Pima County’s official newspaper is in the hundreds. It is the electronic version that is reaching an audience. The current printed paper notice costs public funds and delays the process, with little or no value to the citizens.

B. Legislative Proposal:
(Describe the proposal and what it would accomplish.)

The proposal allows for the use of technology, specifically the internet, for posting sale notices. The proposal would result in savings for the County, but most importantly, website postings have the capability to reach a larger audience, which is the purpose of the public notice requirement.

C. Statutes/Regulations Affected or Proposed Language:
(Identify any state or federal statutes or regulations to be amended or repealed or attach proposed new language.)
11-251. Powers of board

9. Sell at public auction, after thirty days' previous notice given by publication in a newspaper of the county on the County's official website, stating the time and place of the auction, and convey to the highest bidder, for cash or contract of purchase extending not more than ten years after the date of sale and on such terms and for such consideration as the board shall prescribe, any property belonging to the county that the board deems advantageous for the county to sell, or that the board deems unnecessary for use by the county, and shall pay the proceeds of the sale into the county treasury for use of the county, except that personal property need not be sold but may be used as a trade-in on the purchase of personal property when the board deems this disposition of the personal property to be in the best interests of the county. If the property for sale is real property, the board shall have the property appraised by a qualified independent fee appraiser who has an office located in this state. The appraiser shall establish a minimum price that shall be at least ninety percent of the appraised value. The notice regarding the sale of real property shall be published in the county where the property is situated and may be published in one or more other counties, and shall contain, among other things, the appraised value, the minimum acceptable sale price, and the common and legal description of the real property. Notwithstanding the requirement for a sale at public auction prescribed in this paragraph, a county, with unanimous consent of the board and without a public auction, may sell or lease any county property to any other duly constituted governmental entity, including the state, cities, towns and other counties. A county, with unanimous consent of the board and without public auction, may grant an easement on county property for public purposes to a utility as defined in section 40-491. A county, with unanimous consent of the board and without public auction, may sell or lease any county property for a specific use to any solely charitable, social or benevolent nonprofit organization incorporated or operating in this state. A county may dispose of surplus equipment and materials that have little or no value or that are unauctionable in any manner authorized by the board.

56. In addition to paragraph 9 of this section, and notwithstanding section 23-504, sell or dispose of, at no less than fair market value, county personal property that the board deems no longer useful or necessary through a retail outlet or to another government entity if the personal property has a fair market value of not more than one thousand dollars, or by retail sale or private bid, if the personal property has a fair market value of not more than fifteen thousand dollars. Notice of sales in excess of one thousand dollars shall include a description and sale price of each item and shall be published in a newspaper of general circulation in the county on the County's official website, and for thirty days after notice other bids may be submitted that exceed the sale price by at least five percent. The county shall select the highest bid received at the end of the thirty-day period.

D. Fiscal Impact:
(Describe any direct or indirect impact on Pima County expenditures or revenues.)

Would eliminate the expense associated with placing legal ads for sale notices. The estimated annual spend for all legal ads in the official newspaper is $29,000.00. The annual spend for surplus notices is less than $200.00. The soft cost is staff time to perform this process each month, including the processing of the payments. While the fiscal impact is minimal, the cost produces no return.

E. Proposal History:
(Describe any previous efforts by any person/entity to pursue this proposal.)

No known prior proposals
F. **Interested Parties:**
(Identify any persons/entities that you know or believe will either support or oppose this proposal.)

Procurement, Real Property and all departments that pay the advertising fee would support this proposal.