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# Board of Supervisors Memorandum

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November 22, 2016

Resolution 2016 - \_\_\_\_  
Recommended Legislative Agenda for 2017

## Introduction

Proposed Resolution 2016 - \_\_\_\_ sets forth Pima County's Recommended State Legislative Agenda for 2017 (Attachment 1). The continuing challenges faced by all levels of government as a result of the economic downturn have been substantial and, in Arizona, unprecedented. As was the case for the past six years, the 2017 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. These maneuvers by the State have reduced County services and prevented more substantial property tax relief at the local level.

## Background

As Arizona's economy begins to recover, the recovery presents a number of opportunities for investment, as well as tax reform, that have not existed since the beginning of the Great Recession. Our successful legal challenge to the State Legislature's attempt to force counties and other local taxing jurisdictions to provide funding for State Aid to Education will undoubtedly provide an opportunity to suggest significant additional property tax reform as the Legislature addresses State education funding and the Constitutional one-percent cap on homeowners. It will be important to combat any attempt to again look to other entities to provide this funding. It is and always has been a State funding obligation.

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 2016 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 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

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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 \$110.5 million, which is funded through a special-district secondary tax levy at a rate of \$0.3053. 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.

#### Election Integrity

Third on the overall Legislative priority list is election integrity. With one of the major candidates for President in 2016 claiming our election system is rigged, now is the time to ensure full transparency in the election process. Technical advances make this transparency very easy; however, Arizona election law needs to enter the 21<sup>st</sup> Century. We have advocated for such in previous years, but the Legislature has not responded. The Legislature must enact significant, modern election system reform.

Arizona's elections laws are at least two decades behind election technology. Current election laws do not take into account significant advances in ballot tabulations, scanning and sorting; nor have they kept pace with the dramatic shift from Election Day voting to early, mail-in ballot voting. The entire series of election laws in Arizona needs to be revamped by the Secretary of State; but until that occurs, there are a number of significant modifications to existing election laws that can improve voter confidence in reported election results. Pima County has been a leading proponent of improved election integrity and is the only county in Arizona that has an Election Integrity Commission. The County also continues its tradition of checks and balances by dividing election responsibilities between the County Recorder and County Administration, similar to most other counties in Arizona.

The County has been significantly constrained in our ability to provide voters the transparency needed to confirm the integrity of election results. On numerous occasions, we have asked the County Attorney for legal opinions regarding the County's flexibility to address modern day election integrity issues. The most recent example was the legal inability to hand count a local county election. The response received from the Secretary of State, as well as the Attorney General, did not confirm the County has the legal authority to hand count local county election results even though they both concurred the idea was sound.

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In addition, the County has desired to scan and post scanned ballots as public records so any interested citizen can count ballots to verify the electronic results. The County Attorney has indicated the County lacks the authority to scan ballots and post the scanned images on the internet. Provided it can be clearly demonstrated this practice does not conflict with the constitutional requirement to preserve "secrecy in voting" (Arizona Constitution Article VII, § 1.), these legal obstacles to the County's election integrity initiatives need to be removed, and election laws in Arizona modernized to reflect the current technology in election processing and tabulation. Therefore, I recommend the Board endorse election integrity modifications to State election laws that a) modify any State law that prevents or precludes hand count or automated audits of local county elections; b) allow the County, in conducting an election, to scan and sort ballot images for auditing election results; c) allow the County to perform tabulation audits using independent software to process ballot images; d) provide authority for the County, at its option, to conduct their elections by mail; and e) declare as public records, ballots cast in any election if the ballots have been scanned as electronic images. If an electronic image of a ballot has been created, the electronic image can be treated as a public record and be available for public inspection upon request.

#### Economy Recovery and Job Creation

Pima County has been actively engaged in economic expansion and job creation activities. The Board has adopted and implemented a number of economic development initiatives, all related to our Pima County Economic Development Plan, which will be updated and reaffirmed. The plan discusses a number of strategies, ranging from primary employment expansion to job training, creating a regional logistics center and workforce investment; as well as enhancing tourism and trade with Mexico, Canada, East Asia and South Korea.

State and local incentives are essential to ensure Arizona is economically competitive and can readily attract new employers and entice our existing employers to expand. The County will support expansion of incentives that can be offered by the Arizona Commerce Authority to primary export-based employers that choose to locate to or expand in Pima County.

Recently, the County has provided economic-development incentives, in the form of leases, which are expressly permitted by A.R.S. § 11-254.04, which states:

*"A. In addition to the authority granted under section 11-254, a board of supervisors may appropriate and spend public monies for and in connection with economic development activities.*

*B. To fund economic development activities under this section, a county shall not impose a new fee or tax on a single specific industry or type of business.*