



MEMORANDUM

Date: January 31, 2018

To: Chair and Members
Sales Tax Advisory Committee

From: C.H. Huckelberry
County Administrator

Chair and Members
Transportation Advisory Committee

Re: **State Legislative Bills Authorizing Counties to Submit to Voters a Sales Tax for Transportation**

The Board of Supervisors Legislative Agenda for this session again includes support for legislation for that would increase transportation revenues. Two bills have been introduced at the State Legislature, one in the House and one in the Senate, that would authorize counties to place a transportation plan and sales tax to fund that plan, on the ballot for the for voters to consider. These are [SB 1147](#) and [HB 2165](#). The immediate effect of these bills for Pima County would be to allow for up to a one-half cent sales tax increase for transportation administered by the RTA. Attached is a letter I recently sent to Executive Director of the Regional Transportation Authority, Farhad Moghimi, requesting the convening of the RTA's Technical and Management Committee to begin discussing how to develop a regional plan for road repair and pavement preservation that could be developed to send to the voters this November, should the legislation be approved.

Please note that so far only one of the bills, SB1147, has been considered by a committee, the Senate Committee on Transportation and Technology, and received a unanimous due-pass-as-amended vote. HB 2165 is scheduled to be considered today. During the Committee on Transportation and Technology meeting, lobbyist for rural counties, contractors and Pima County spoke in support of the bill. A lobbyist for the Arizona Tax Research Association spoke out against portions of the bill which have since been amended. Chris DeSimone, Supervisor Ally Miller's appointment to Pima County's Transportation Advisory Committee (TAC), spoke against the bill, as did Keith Van Heyningen, a frequent speaker at Pima County's Board of Supervisors meetings. It is unfortunate that Mr. DeSimone, after hearing first hand on TAC and from Pima County residents how much need there is for funding for road repair, would advocate against allowing those same residents to vote on a plan and tax to fund such improvements.

Sales Tax Advisory Committee
Transportation Advisory Committee

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Transportation**

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Should you want to know more about these bills, the bill numbers above are hyperlinked to the Arizona State Legislature webpages that provide updated text of the bills, status updates, and names of those for and against the bills. In addition, video and audio of meetings are posted at <https://www.azleg.gov/archivedmeetings/>. Video and audio of yesterday's Senate Committee on Transportation and Technology meeting has not yet been posted.

CHH/nf

Attachment

C: Jan Leshar, Chief Deputy County Administrator
Tom Burke, Deputy County Administrator for Administration
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Michael Racy, Racy Associates, Inc.
Nicole Fyffe, Executive Assistant to the County Administrator



COUNTY ADMINISTRATOR'S OFFICE

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C.H. HUCKELBERRY
County Administrator

January 29, 2018

Farhad Moghimi, Executive Director
Pima Association of Governments
1 E. Broadway Boulevard, Suite 401
Tucson, Arizona 85701

Re: Future Agenda Item for the Technical and Management Committee Related to Regional Roadway Repair and Pavement Rehabilitation

Dear Mr. Moghimi:

As you know, the Board of Supervisors has been discussing delegation of a County road repair and pavement rehabilitation program that could be financed with a County-enacted half-cent sales tax, based on a unanimous vote of the Board of Supervisors to the Regional Transportation Authority.

The primary interest of the Board in delegating implementation authority to the Regional Transportation Authority (RTA) relates to obtaining the unanimous consent of the Board for tax enactment. Unfortunately, Arizona law requires the Board to direct specifically how a half-cent sales tax would be spent for this purpose. Delegation to the RTA would also not alleviate the County of complying with Arizona's constitutional expenditure limitation imposed on counties. Hence, we would have to utilize costly short-term financing to remain compliant with Pima County's constitutional expenditure limitation, which I believe is a waste of resources given the critical needs associated with regional road repair and pavement rehabilitation.

The Legislature is also contemplating new legislation for an RTA additional half-cent sales tax to be used for any purpose, including maintenance such as that contemplated by the road repair and pavement rehabilitation program. Such legislation would allow the Board of Supervisors, on a simple majority vote, for the RTA to refer to the ballot a question regarding a position of a half-cent sales tax for period of 10 to 20 years, with an appropriate expenditure plan.

Mr. Farhad Moghimi

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Given the highlighted public concerns regarding road repair and pavement rehabilitation, it is clear that if this legislation passes, we should concentrate entirely on road repair and pavement rehabilitation for the next 10 years. Using this new authority would be superior to the method now contemplated – a unanimous vote of the Board of Supervisors.

Since the RTA would not be impaired by our constitutional expenditure limitation, the program implemented on a pay-as-you-go basis would not have to utilize the costly short-term financing that would be required if the County were to enact a half-cent sales tax. This would allow all monies to be invested in pavement repair and rehabilitation.

The purpose of this letter is to begin to have the Technical and Management Committee discuss how best to establish an appropriate road repair and pavement rehabilitation program that could be referred to the voters almost immediately after any successful legislation allowing same emerges from this session of the Arizona Legislature.

Sincerely,



C.H. Huckelberry
County Administrator

CHH/anc

c: Michael Racy, Racy Associates Inc.
Carmine DeBonis, Jr., Deputy County Administrator for Public Works
Nicole Fyffe, Executive Assistant to the County Administrator