



2010 LEGISLATIVE SESSION IN REVIEW

General Effective Date: July 29, 2010

Comprehensive Summary at www.countysupervisors.org

STATE BUDGET FY11: COUNTY FISCAL IMPACTS

HURF Shift to DPS	\$14.25 million
Eliminate County Assist. Fund ¹	\$7.65 million
Eliminate Prop. 204 Hold Harmless ²	\$4.83 million
100% Restoration to Competency at ASH	\$4.87 million
25% Violent Prisoners Housed at ASH	\$2.87 million
County Payment (Maricopa/Pima) ³	\$34.6 million
Maricopa 100% Superior Ct Judge Salaries	\$8.1 million
Additional Share of JP Salaries	\$1.13 million

Total Estimated Fiscal Impact \$78.3 million

¹ Rural counties lose \$550,000/year, urban counties lose \$250,000. ² Prop. 204 Hold Harmless funds were distributed to Graham, Greenlee, La Paz, Pima, Santa Cruz and Yavapai counties. ³ \$28.6 million from Maricopa and \$6 million from Pima counties.

- **State Juvenile Corrections:** Governor proposed to eliminate DJC and transfer the population to county facilities. Plan would have saved the state \$63 million, but would have shifted a much greater fiscal liability due to inadequate county facilities and programming (substance abuse, behavioral health, education). Department was continued for one year pending review of a commission on juvenile corrections reform (HB2006, 7 SS).
- **County flexibility language:** For FY11 and FY12, allows a county to meet any county fiscal obligation from any source of county revenue designated by the county, including funds of any countywide special taxing jurisdictions in which the board of supervisors serves as the board of directors (HB2012, 7 SS).
- **County criminal justice funds, non-supplanting provision:** Suspends for FY11 non-supplanting restrictions on certain funds (alternative dispute resolution, adult probation services, and others) to allow counties to receive state funding even if local funding is reduced. Requires a report on any funding reductions. (HB2006, 7 SS).
- **Suspension of incentive funding for reducing probation revocations:** Suspends the provisions of 2008's SB1476, which directs that if a county reduced probation revocation, a portion of the state savings generated shall be redirected to the county (HB2006, 7 SS). The suspension applies for FY11.
- **Executive ARRA distribution:** The Executive has committed a one-time distribution of \$4 million to rural counties impacted by the loss of County Assistance Fund and Prop. 204 Hold Harmless resources.

CSA-INITIATED LEGISLATION

- Improved P&Z processes in three bills: reorganized statutes to increase transparency (SB1206); improved annexation notification to county officials (SB1207); clarified commission meeting requirements and provided temporary local flexibility regarding comprehensive plan mandates (HB2145).
- Improved county ability to control costs while protecting public services in areas such as road maintenance (HB2422) and budget publication (HB2423).
- Created efficiencies and cost savings in the court system (HB2470 and HB2471).
- Expanded cost-savings opportunities for special districts by authorizing established "design-build" type and similar procurement bidding procedures for capital projects (SB1406).

COUNTY OVERSIGHT & REVENUE AUTHORITY

- SB1017 sought to erode boards of supervisors' primary responsibility to promote countywide fiscal oversight and accountability (Pearce, *Failed*).
- SB1402 proposed to remove local control over library, jail and public health services districts (Pearce, *Held*).
- Other measures sought, but failed, to remove county authority to create public health services districts (HB2303, Crump) and divert funds collected by large library districts to municipalities (SB1373, Melvin).

GOVERNMENT TRANSPARENCY

- HB2282 requires local government to create an on-line database of revenues and expenditures over \$5,000, by January 1, 2013 (Montenegro, Ch 288).
- HB2257 requires a tax or fee increase to be posted online 60 days in advance of board consideration, primary levies and impact fees excluded (Antenori, Ch 316).
- Other measures required online posting of meeting notices (HB2209, Ch 88, Reagan) and local government budget information (HB2423, Ch 100, Tobin).

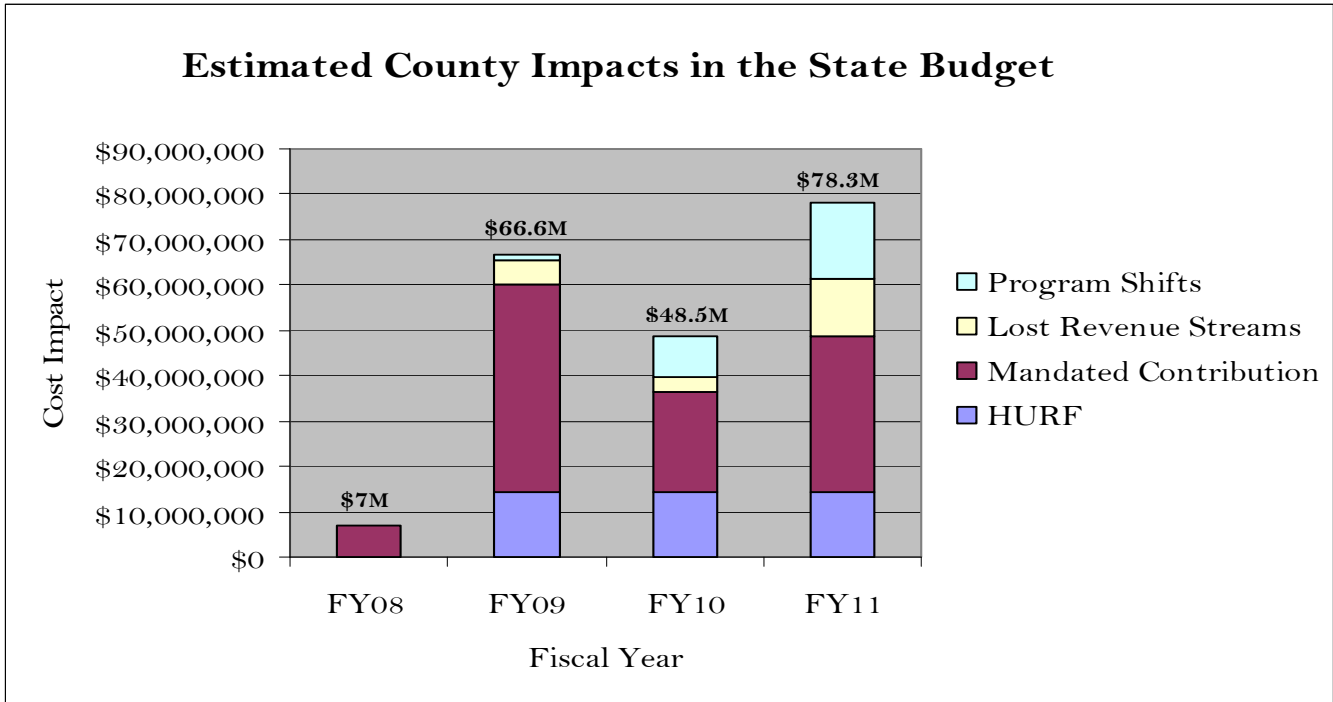
IMMIGRATION ENFORCEMENT

- SB1070 prohibits political subdivisions from restricting or limiting the enforcement of federal immigration law and requires law enforcement to make a reasonable attempt to determine the immigration status of a person during a lawful contact. Also, establishes a civil penalty for local governments in violation of the law.
- HB2162 clarified that SB1070 applied to not only state laws, but also local ordinances and reduced the civil penalty for violations.
- The AZ Peace Officers Standards and Training Board developed a law enforcement training program on order of the Governor.



ADDITIONAL BILLS OF INTEREST

- HB2063: solar energy; permit fees (*Held in House Water Energy*)
- HB2211: political subdivisions; volunteers; noxious weeds (*Ch 65, Laws 2010*)
- HB2246: regulation of fireworks (*Ch 286, Laws 2010*)
- HB2424: defensive driving fees (*Held in Senate*)
- HB2428: counties; zoning; attorney IGA (*Ch 319, Laws 2010*)
- HB2605: subdivisions; acting in concert (*Held in Senate Government*)
- HB2608: constables; jurisdiction; surcharge (*Ch 230, Laws 2010*)
- HB2627: county transportation excise tax; transit (*Ch 326, Laws 2010*)
- HB2710: satellite voting and registration locations (*Held in House Judiciary Committee*)
- HB2767: water quality fees (*Ch 265, Laws 2010*)
- SB1071: involuntary civil commitment; privileged communications (*Ch 112, Laws 2010*)
- SB1100: counties; audits; merit system; judges (*Ch 238, Laws 2010*)
- SB1253: fire districts; dissolution process (*Ch 275, Laws 2010*)
- SB1349: state parks; management (*Ch 249E, Laws 2010*)
- SB1357: majority vote; rezoning (*Ch 146, Laws 2010*)
- SB1398: regulations; local coordination (*Ch 189, Laws 2010*)
- SB1411: dairy farms; zoning; agricultural purpose (*Ch 338, Laws 2010*)



- Estimated total impact over four fiscal years is \$200.4 million. General Fund (GF) impact is \$157.7 million. Lost local road building and maintenance funds (HURF) totals \$42.8 million.
- Mandated contributions include \$77 million from Maricopa County, and \$14 million from Pima County. Additionally, in FY09 all 15 counties had ALTCS refunds swept by the state for a total of \$17 million.
- Lost revenue streams include Prop. 204 Hold Harmless funds and county share of lottery revenues.
- Program shifts include funding state responsibilities at the Arizona State Hospital; increased share of JP salaries; and Maricopa assuming 100 percent of superior court judges salaries.
- Analysis does not include cuts to state agency funds that helped fund county services (*i.e.*, boating safety, DUI prevention, immunizations, and recycling) and agency fee increases that will be borne by local governments (*i.e.*, solid waste, dam safety, water quality permitting, *etc.*).