



County Supervisors Association 2017 Budget Priorities

The following priorities will provide meaningful relief to all counties and promote good government and proper stewardship of taxpayer resources.

Eliminate State Mandate for Counties to Fund ADJC & Reform Arizona Juvenile Justice System

- In 2015 the state shifted 25% of Arizona Department of Juvenile Corrections (ADJC) costs to 15 counties costing **\$12 million**.
- In 2016 the state kept the 25% county payment, but gave a one-time **\$8 million** appropriation to mitigate these costs, still costing counties **\$3.26 million**.
- Counties already pay millions locally for juvenile detention and court costs.
- More than 98% of juvenile referrals are treated locally and just 1.7% go to ADJC.
- Eliminate the county cost shift of ADJC.
- Rather than shifting costs, the state should collaborate with stakeholders to evaluate ADJC and the juvenile system's operations to identify efficiencies for the state and the counties.

Eliminate Shifts of HURF Funds ~Increase Investment in Transportation~

- Since 2009, **\$140.6 million** of county Highway User Revenue Funds (HURF) has been diverted to fund state obligations.
- In 2016 counties received a one-time **\$10 million** partial HURF restoration.
- Counties are asking to permanently discontinue the use of HURF resources for purposes other than road activities.
- In addition to restoring HURF, counties request legislative action to identify and enact revenue enhancements for the HURF distribution system.

It is bad policy to force counties to fund state agencies, over which they have no control. The state should again take full responsibility for these state programs.

Maintain & Expand Counties' Share of Lottery Revenues

- For more than 20 years, all 15 counties received a share of lottery revenues to partially compensate counties for performing state mandated functions.
- The county share was eliminated in FY11.
- A partial "in-lieu" appropriation restored some funds for the past 3 years, but during FY16 & FY17 this appropriation was limited to 10 counties.
- Counties have no flexible taxing authority to make up the revenue loss; authorities are capped or formulaic.
- JLBC Baseline expected to include **\$5.5 million** for the 10 counties under 200,000 population.
- The resources are used for critical county general fund obligations.

Extend County "Flexibility Language" as a Tool to Meet County Fiscal Obligations

- The continuation of the "Flexibility Language" in the state budget is necessitated by the continuation of many state cost and program shifts.
- The confluence of state cost and program shifts with the expanded restrictions on accessing the tax base have placed a colossal weight on counties.
- Rural areas of the state continue to experience slow and, in some cases, negative revenue growth.
- Without the "Flexibility Language," many counties would not be able meet some of their mandated requirements.

- **State law contains several other problematic cost shifts to counties and policies that create financial burdens on local county taxpayers.**
- **If resources permit, counties request action to address additional county priorities.**

Eliminate SVP Payments to ASH

- Counties currently charged 31% of costs for Sexually Violent Persons (SVP) at the Arizona State Hospital (ASH), down from 50%
- County burden is **\$3.1 million**.
- Shift first enacted in 2010.

Eliminate DOR Contribution

- Since 2015, DOR must assess a fee to every county, city & town, and to MAG & PAG.
- County burden is **\$6.7 million**, based on population.



County Supervisors Association 2017 Legislative Priorities

County Financing & Budget

- **Property Valuation Appeals:** Require a property owner to submit an affidavit of valuation in a specific time frame in order to expedite court proceedings during a property tax appeal case (on properties valued at more than \$4 million, which are not handled in a small claims division of tax court), where the property tax owner is claiming the property tax assessment is inaccurate.
 - **IPTA Taxation Authority:** Grant an intergovernmental public transportation authority (IPTA), which has the same boundaries as the county in which it resides, the same authority as a regional transportation authority (RTA) to levy up to a one-half cent transportation excise tax if approved by the voters.
 - **DUC Pool Payments:** Eliminate the county payments to the Disproportionate Uncompensated Care (DUC) Pool.
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Criminal Justice

- **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.
 - **County Transfer of Juvenile Parole Function:** Assuming alleviation of county financial burdens and appropriate state funding, transfer the Arizona Department of Juvenile Corrections (ADJC) parole functions to county probation departments.
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Transportation & Infrastructure

- **Waste Tire Fund Program:** Extend the Waste Tire Program and the fees and fund associated with the program from December 31, 2017 to December 31, 2027.
- **Fuel Tax Ballot Measure:** Refer to the ballot an increase in the state fuel tax, up to 10 cents, to help pay for road building and maintenance. Funds cannot be swept for other projects or agencies.
- **Decrease Default Speed Limit on Unpaved Roads:** Establish that speeds in excess of 45 MPH on unpaved roads are considered unreasonable, down from current speed limit of 65 MPH.
- **Public Road Maintenance and Primitive Designation:** Expand the number of roads that are eligible to be declared as “primitive” by a county board to include all those not constructed in accordance with county standards and opened prior to June 13, 1990; allow a county board of supervisors to maintain roads laid out, opened and constructed to adopted county standards regardless of whether or not the road is part of a platted subdivision.