



ISSUE 11 - MARCH 18, 2011

Legislative Overview

Today is the 68th day of the first session of Arizona's 50th Legislature. The past week was an unusually busy one at the State Capitol, where the news was dominated by the Senate budget plan (see story below), the forced ouster of the Senate Majority Leader and defeat of immigration bills authored by the Senate President.

Late Tuesday, Senate leadership released its comprehensive budget plan. The package of budget bills (SB 1612 through SB 1624) includes spending reductions at least \$368 million deeper than those proposed by Governor Brewer. It also omits some \$275 million in spending increases proposed in the Governor's budget. The budget package passed the Senate on Wednesday on a series of votes that generally followed along party lines.

In other news, Republicans voted 12-9 to remove Senator Scott Bundgaard (R-Peoria) from his leadership position as Senate Majority Leader. He was replaced by Senator Andy Biggs (R-Gilbert).

Highway User Revenue Fund

Among the proposals included in the Senate budget is a diversion of \$83 million from the Highway User Revenue Fund (HURF) to the Arizona Department of Transportation. Approximately one-half of that amount, \$43 million, comes from that portion of HURF funding distributed to cities, towns and counties. The net effect on municipalities is a loss of approximately \$26 million in HURF distributions over and above the \$12.5 million reduction previously proposed by the Governor. The League opposes the additional HURF reduction and prefers and supports the Governor's budget. We will continue to work constructively with legislators and the Governor on a final budget that minimizes negative impacts on cities and towns.

Impact Fees

Discussions between the League and homebuilders regarding SB 1525 (city; town; development fees) continued this week under the auspices of the Office of the Governor. In response to the sweeping language of SB 1525 - language that virtually eliminates impact fees in the state - the League offered an alternative bill that builds upon much of the language negotiated with homebuilders over the last six years and adds three additional items that the homebuilders claim are essential: a refund provision, establishment of an advisory committee in each city and town, and a definition of "necessary public services." A final meeting of the two sides is scheduled for late today, Friday, March 18.

SB 1525 is scheduled to be heard on Tuesday afternoon in the House Committee on Government. If there is agreement on compromise language, we will alert you by separate email. Meanwhile, we are proceeding under the assumption that the original language of SB 1525 will be considered in committee. Please strongly encourage your Representatives to oppose SB 1525 in its current form. The Members of the House Committee on Government are: Rep. Judy Burges (R-District 4), Rep. Steve Urie (R-District 22), Rep. Ben Arredondo (D-District 17), Rep. Tom Forese (R-District 21), Rep. David Gowan (R-District 30), Rep. Katie Hobbs (D-District 15), Rep. Eric Meyer (D-District 11), Rep. Steve Montenegro (R-District 12), and Rep. Michelle Ugenti (R-District 8).

Managed Competition

On March 14, the Senate passed SB 1322 (managed competition; city services) by a vote of 18-10. The bill, opposed by the League, mandates comprehensive private competition for city services. It provides that, with certain exceptions, all contracts valued in excess of \$75,000 must be subject to private sector competition. By establishing a population threshold of 500,000, the bill now applies only to Tucson and Phoenix. The sponsor, however, has previously expressed an interest in expanding its application to other cities. The bill is scheduled for a hearing next Tuesday before the House Government Committee.

A related bill, SB 1345 (municipal employees; compensation) establishes strict limits on personnel and compensation levels in Arizona's two largest cities. The bill, also opposed by the League, was defeated in the Senate on March 14 by a vote of 12-16.

Residential Rental Taxes

SB 1160 (city sales tax; residential rental) requires that the imposition of any tax increase on residential landlords be approved by a vote of the people. Despite the League's persistent opposition, the bill has passed the full Senate and the House Government Committee. The bill was caucused by the House majority and minority on March 15 and is subject to placement on the Committee of the Whole calendar.

Deannexation and Incorporation

On Monday, the Senate passed SB 1333 (cities; towns; deannexation; incorporation) by a vote of 21-7. The League continues to oppose the provisions of the bill that create a statewide process for the deannexation of pockets of land within the incorporated boundaries of an existing municipality. The League is working with other interested parties to improve the legislation, which is scheduled for a hearing before the House Government Committee on March 22.

Apartment Trash Collection

SB 1204 (trash collection; multifamily housing), which previously passed the Senate, was approved by the House Government Committee this week on a 4-2 vote. The sponsor, Senator Gail Griffin (R-Hereford) did not accept the League's amendment that provided for uniformity of service, a delayed effectiveness date and other protections for cities. Senator Griffin had previously expressed a willingness to work with the League on this bill. At the initiative of Representative Steve Urie (R-Gilbert), Vice Chair of the House Government Committee, stakeholders have begun to meet to consider potential amendments to the bill.

Consumer Fireworks

SB 1379 (now: consumer fireworks; regulation) limits the extent to which cities and towns may regulate the use of fireworks. Among other things, it mandates that cities may not prohibit the use of consumer fireworks during the periods of June 15 to July 5 and December 12 to January 2. SB 1379 will be heard before the House Government Committee on Tuesday, March 22.

Emergency Response Fee Prohibition

With certain exceptions, HB 2003 (emergency response services fee; prohibition) precludes political subdivisions from charging for the recovery of costs incurred for responding to motor vehicle accidents. The bill, previously passed by the House, was approved by the Senate Rules Committee on Monday. The League is working with the sponsor on a floor amendment to ensure that the bill's prohibition does not apply to services rendered pursuant to intergovernmental agreements between cities and towns.

Regulatory Reform Update

On Tuesday, March 15, the House Committee on Government was scheduled to consider SB 1286 (counties; cities; permits; time limits), which imposes a 60-day time limit on local permitting. The bill was retained on the committee calendar but has reappeared on the March 22 agenda.

HB 2501 (rules; laws; ordinances; interpretation) requires that any rule, ordinance or law related to permitting, licensing or zoning that is ambiguous be interpreted in favor of the party challenging its clarity. The League opposes the measure, which is scheduled for a hearing before the Senate Government Reform Committee on March 23.

On Tuesday, March 22, the House Committee on Government is scheduled to hear SB 1598 (cities; counties; regulatory review). The measure applies the Regulatory Bill of Rights (currently governing state agencies) to local government; it also makes changes to the general plan statutes regarding aggregate resources. The League has been working with stakeholders on a committee amendment to address our concerns. SB 1598 represents a more manageable approach to regulatory reform than alternate measures currently moving through the legislative process.

Photo Radar

SB 1354 (photo enforcement; violator identification; response) provides that persons receiving a photo radar ticket are required to neither identify the driver in the photo nor respond to the complaint. The bill, which is opposed by the League and which passed the Senate on March 8, has been assigned to the House Committee on Transportation. That committee has yet to schedule a hearing on the bill, though the week of March 21 is expected to be the last week of committee hearings in the Legislature.

A related measure, SCR 1029 (photo radar prohibition), would put the question of a statewide photo radar ban to a vote of the people. The bill passed the Senate on March 10 but has not yet been first read in the House.

Assessments on Moving Violations

In addition to eliminating the state photo radar enforcement system, SB 1353 (moving violations; assessment; enforcement; equipment) as passed by the Senate, imposes a \$13 assessment on every civil penalty or fine on motor vehicle related operations. The total amount is allocated as follows: \$4 to the Public Safety Equipment Fund, \$4 to the Gang and Immigration Intelligence Team Enforcement Mission, \$4 to the agency that issued the citation (to be spent for officer safety equipment), and the remaining \$1 to the justice courts. The League has concerns that municipal courts and treasurers will incur the costs of complying with this measure without the compensation provided to other affected entities.

Utility Charges

Two bills related to delinquent utility charges both stalled in the Legislature this week, but for different reasons. SB 1157 (wastewater and garbage charges) and HB 2193 (municipal water charges; responsibility) both prevent municipalities from seeking recovery of utility charges from anyone (e.g. a property owner) other than the individual who contracts for the service (e.g. a tenant).

SB 1157 was held in the House Committee on Government without being heard on Tuesday. HB 2193 was scheduled for a Wednesday hearing before the Senate Committee on Water, Land Use and Rural Development, but consideration of the Senate budget package (see story above) forced cancellation of all committee hearings that day. The committee has rescheduled the bill for consideration on Wednesday, March 23.

Pension Reform Update

SB 1609 (retirement systems; plans; plan design), comprehensive pension reform legislation introduced by Senator Steve Yarbrough (R-Chandler), is scheduled to be heard in the House Committee on Employment and Regulatory Affairs this coming Tuesday. There will be an amendment to the bill that reflects a compromise between Sen. Yarbrough and Speaker of the House Kirk Adams (R-Mesa), another author of comprehensive pension reform legislation. The League continues to support the efforts of these legislators to enact meaningful pension reform.

Immigration

On Thursday, the Senate voted on a number of measures pertaining to illegal immigration. Of particular note was SB 1611 (immigration omnibus), comprehensive legislation that visits multiple operational impacts on cities and towns. SB 1611 failed

to pass the Senate on Thursday by a vote of 11-19; the other immigration bills failed as well.

Liquor

SB 1460 (liquor omnibus) is scheduled for a hearing before the House Commerce Committee on March 23. The bill was previously amended to permit municipalities and counties to protest the transfer of an existing liquor license to a new business owner, an issue that was very important to the League. The League continues to work with the proponents of the measure to effect more positive changes.

Firearms

The House Judiciary Committee will hear SB 1201 (firearms omnibus) on Thursday March 24. Although a number of unacceptable provisions have been removed from the bill, it still requires those public entities that prohibit firearms in their buildings to provide metal detectors, lock boxes for storage and armed personnel at their entrances. Compliance with this provision alone would be extremely expensive for many cities. We will continue to oppose this bill unless and until our concerns are addressed.

Legislator Profile: Representative Sally Ann Gonzales

When Rep. Sally Ann Gonzales learned about an employment opportunity as a public school bus driver, she applied for the job and showed up for a scheduled interview. She had not, however, anticipated that the "interview" would be composed of a school bus driving test. There was just one problem: she had never before driven a bus or any other sort of massive public conveyance. Undaunted, she hopped into the driver's seat, fired up the engine, and passed the test.

This episode illustrates a certain fearlessness and willingness to take giant leaps of faith. These qualities have helped propel Rep. Gonzales from the most abject poverty to a seat in the Arizona House of Representatives.

One of eleven children, Rep. Gonzales grew up in the impoverished Yaqui community of Guadalupe, Arizona. As the middle child with seven brothers and three sisters, she found that competition for food and attention was fierce. Her daily routine included preparation of an enormous stack of tortillas, which along with beans was a constant staple of the family diet. Dinner was taken in shifts, because the family never owned a table large enough to accommodate everyone. Because the children were so active, the tortilla pile was often insufficient, and woe to the child who did not get to the table on time! Only later in life did Rep. Gonzales learn that her mother often went to bed hungry, declining to eat so that her children could have more.

As a child, Rep. Gonzales had no consciousness of being poor. Her circumstances were all she knew. Those circumstances included difficult field labor - pulling vegetables from the ground under the sizzling Arizona sun - from the fifth grade on. They also included regular attendance at school. Her mother, who had not enjoyed the benefits of formal education herself, absolutely insisted that her children attend school. She saw education as the great equalizer and regarded it as both a ticket out of poverty and a necessary prerequisite for one to effectively fight for justice.

And little Sally loved school - largely because of the abundance and variety of good food! Her countenance brightens as she recalls the aroma of freshly baked bread and the offerings of mashed potatoes and an assortment of fresh meat, fruits and vegetables. ("This was before schools served processed junk food," she remarks.) It was a cornucopia unknown in the family home.

She also preferred school over the alternative. "If we were at home, we had to clean," she recalls. There was no time to be idle in her crowded house.

As a teenager, life was hard, and it didn't get any easier when Rep. Gonzales dropped out of high school (she was enrolled in



the first class to attend Marcos de Niza in Tempe) to raise the first of her five daughters. Time passed, her young husband lost his job, and Rep. Gonzales joined the workforce. She hoped to work in or around school so that she could keep an eye on her young daughter. The only available job at school, however, was that of a school bus aide. "I was very young, and I looked even younger, so they put me on the bus to rat on the kids who were misbehaving." Curiously, the children didn't catch on. "They thought I was a special kid attending another school," she recalls with a laugh.

Following her stint as an undercover spy, she worked as a teacher's aide for two years. An instructor at the school encouraged Rep. Gonzales to complete her own education. Accordingly, she and her husband passed their General Educational Development tests, and then she enrolled in Mesa Community College (MCC). She accepted the bus driver job, because it offered better pay and a schedule that permitted her to attend classes. She held that job for seven years while she completed her course of study at MCC and went on to earn a bachelor's degree in education at Arizona State University. Later she relocated to Tucson to get a master's degree in multicultural education from the University of Arizona.

Reflecting her mother's values, Rep. Gonzales joined her sisters in pursuit of a meaningful career in public education. Serving as a fifth grade classroom teacher where her children attended, Rep. Gonzales became involved in education politics. As a parent and school employee, she was alarmed at the conditions prevailing at schools attended by underserved children. Her own school, designed for a student population of fewer than 500, was attended by more than 900 children, 75% of whom were Yaqui. As a consequence, Rep. Gonzales taught in one of fifteen portable buildings. Troubled by the inequality in service and infrastructure among different areas of the school district, Rep. Gonzales went to work as an advocate. The efforts she spearheaded eventually led to the construction of new schools and the expansion of bilingual education programs.

Learning from this experience that her dedication could result in real-world positive outcomes, she decided to enter politics and ran for the Pascua Yaqui tribal council in 1992. Securing all of the signatures she needed on the final day to submit petitions ("it helps to have a large family"), she won her election and a seat on the council. Buoyed by her success, she ran for an open seat in the Arizona House in 1996. Ever the underdog, she won again and served two terms before pursuing a seat in the State Senate in 2000. She lost that election by a thin margin, enjoyed a one-year sabbatical and then accepted a position as the Director of Education for the Pascua Yaqui tribe.

Rep. Gonzales' successful bid to return to the House in 2010 was largely a response to the encouragement of her grown girls. Advocates and activists themselves, they were discouraged by the direction the state was headed, and basically said, "Mom, you have to go back and lead us to a better Arizona."

As a return legislator, Rep. Gonzales is mystified by the surfeit of anti-city bills under consideration by the Legislature. "I just don't understand where they are coming from," she laments. "Those who are preaching the loudest for less government are the first to impose new mandates on cities and towns." With a faint smile, she wryly whispers, "They speak with forked tongue."

Rep. Gonzales is manifestly proud of her Yaqui roots and family heritage. Her grandmother was born in Congress, Arizona, during the state's mining heyday and later repatriated to Guadalupe. Always the educator, Rep. Gonzales is quick to explain how, at the turn of the century, Father Lucius helped move the tribe from its original flood-prone location (off present-day Baseline Road, east of Priest) to Guadalupe. Upon relocation, the tribe had forty acres, upon which her own mother was born.

Rep. Gonzales' favorite pastime is spending time with her twenty grandchildren. She is amazed to see how quickly they learn to walk and talk and activate the computer skills with which they seem to be born. With enough grandkids to field two entire softball teams (including designated hitters), she loves to join them on the diamond to play a few innings now and again. She also likes to sew, particularly because it results in a product that is tangible, useful and beautiful: "something we don't see here at the Legislature very often," she jokes.

As during her previous service in the House, Rep. Gonzales is a member of the minority party, with limited power over the legislative agenda. There is no doubt, though, that if she ever has the opportunity to do so, she will gladly and fearlessly take the wheel and steer the bus.

Legislative Bulletin is published by the League of Arizona Cities and Towns.
Forward your comments or suggestions to league@azleague.org.