



Date: January 15, 2009
To: Intergovernmental Affairs Committee
Through: Christopher J. Brady, City Manager
From: Scott Butler, Government Relations Director
Subject: 2009 State Legislative Agenda

Purpose and Recommendation

- This is a request for City Council to review and provide direction on the 2009 state legislative agenda.
- The Council approved legislative agenda defines the City of Mesa's priorities for the upcoming legislative session and will guide the City's lobbying activities at the Arizona State Legislature. The Government Relations staff recommends prioritizing the legislative agenda to key guiding principles to allow the City to have a stronger, more consistent message on the items of greatest priority. The proposed guiding principles for consideration are described in this report.
- The Government Relations staff will provide written updates on a regular basis throughout the session in order to keep the Council informed of bills and amendments.
- The City's legislative agenda is a flexible document and may change based on activities at the Legislature and with Council direction.

Background

The First Regular Session of the 49th Legislature convened on Monday, January 12, 2009. Governor Napolitano delivered her seventh and final State of the State Address the same day. Governor Napolitano has been named as the United States Secretary of Homeland Security. Once she is confirmed, Secretary of State Jan Brewer will be sworn in as the States 22nd Governor. In addition to picking up the Governor seat vacated by Napolitano, Republicans continue to hold a majority in both chambers. The Senate will consist of 18 Republicans and 12 Democrats. The House will consist of 35 Republicans and 25 Democrats.

East Valley legislators in leadership positions include: Kirk Adams (R-19), Speaker of the House and Chuck Gray (R-19), Senate Majority Leader.

Legislative Guiding Principles

Fiscal Sustainability

The City supports the preservation of state shared revenue including state transaction privilege tax (sales) and urban revenue (income) tax revenue at the voter approved distribution levels and opposes any reduction or cap in the distribution of these revenues.

The City supports the full funding of existing revenue streams including Heritage Funds, Highway User Revenue Fund (HURF), Vehicle License Tax (VLT), and the Local Transportation Assistance Funds (LTAF). The City opposes any attempts to redirect funds away from these accounts by the Legislature.

Local Control

Citizens voluntarily created the City of Mesa in 1883 to provide local self-government and vital services. The City must be allowed the freedom to make decisions at a local level that best meet the needs of the community. The City supports the protection of local control and decision-making authority and opposes any attempts to erode this control through preemptions or mandates.

Economic Development

The City of Mesa relies on numerous tools to support, promote, retain, expand and attract economic development. The City supports efforts to maintain and enhance the economic development mechanisms available to create future economic sustainability, including increasing tools for private sector revitalization. The City opposes any attempts to limit or prohibit economic development.

Neighborhoods

The City of Mesa has strived to preserve and enhance the quality of life in its communities and to provide the necessary protections to keep neighborhoods safe. The City supports appropriate initiatives to preserve the safety and security of neighborhoods.

Public Safety

The City supports efforts to maintain and improve its ability to strategically plan for and respond to the public safety needs of the community.

Transportation

The City supports regional transportation planning and the continuation of revenue streams dedicated to the region. The City opposes attempts to place restrictions on the implementation or funding of transportation projects.

Water

The City supports efforts to ensure the sustainability of water resources and sustainable development.

Legislative Priorities

FISCAL SUSTAINABILITY

State Shared Revenue

The State's FY 2009 budget signed by the Governor in late June 2008 included an unprecedented mandatory contribution from cities, towns and counties of over \$29 million. The City of Mesa's share of that contribution is \$1.7 million. The League of Arizona Cities and Towns retained counsel to analyze the mandate; they have prepared a written opinion that it is unconstitutional because it increases state revenue but was not passed with the required two-third majority vote. Although the Supreme Court has accepted jurisdiction for this special action and will hear oral arguments in the coming days, it is unclear how this issue will be resolved.

Position: *It is recommended that the City Council **support** staff efforts to reverse the legislation and prevent any similar action in future budgets.*

STAN Funding

The 2006 Legislature created the Statewide Transportation Acceleration Needs (STAN) account and provided \$307 million to expedite highway and freeway project accelerations. The City of Mesa received \$20.4 million of the STAN money for the S.R. 802 Williams Gateway freeway. Although the City is in the final stages of completing the acceleration agreement, the STAN money is being targeted by the Legislature to help cover their \$1.9 billion deficit in FY 2009. If the STAN money is swept, the acceleration will be financially impossible.

Position: *It is recommended that the City Council **oppose** efforts to sweep Mesa's \$20.4 million of STAN money.*

PUBLIC SAFETY

Statewide 9-1-1 Emergency System

New Communication technology increases burdens on public safety answering points (PSAPs). In order for 9-1-1 operators to receive important information such as wireless phone locations and callback numbers when users dial 9-1-1, computer networks need upgrades. Magnifying this challenge is the anticipated shortfall in funding, due to legislative 9-1-1 fund sweeps and reductions to the telecommunications public safety tax. Last year, the City supported legislation that would address the shortfall in the emergency 9-1-1 system by adjusting administrative fees that the Arizona Department of Administration receives and transferring a portion of these funds to the regional 9-1-1 network. Unfortunately, this legislation did not pass and the Maricopa Region 9-1-1 office was forced to cut one staff position.

Position: *It is recommended that the City Council **support** staff efforts to seek legislative solutions to address the 9-1-1 service funding needs.*

Metal Theft

Metal theft continues to plague our community. Thieves target various types of metal-based property including air conditioning units, catalytic converters, cemetery vases and city manhole covers. These crimes pose a financial burden and a threat to public safety.

Position: *It is recommended that the City Council **support** staff efforts to strengthen law enforcement's ability to reduce this problem.*

Photo Enforcement

With ADOT's decision to institute freeway photo enforcement throughout the State, there is renewed interest at the Legislature to re-examining photo enforcement as a public safety tool. Mesa will work with stakeholders to ensure that our local arterial photo enforcement programs are not affected by any new legislation.

Position: *It is recommended that the City Council **oppose** efforts that would have a negative effect on Mesa's arterial photo enforcement program.*

ECONOMIC DEVELOPMENT

Government Property Lease Excise Tax (GPLET)

The State Legislature created GPLET as a tool to develop commercial property in areas that have challenging public infrastructure needs. This tool has been used in central business districts and redevelopment areas throughout the State. The City of Mesa has recently explored opportunities to utilize GPLET in the area surrounding Phoenix-Mesa Gateway Airport. For decades the city did everything in its power to keep infrastructure away from the area when it was operating as the Williams Air Force base. GPLET is one tool that allows the city to now address the resulting lack of infrastructure. Attempts to reform GPLET could have a significant consequence on current economic development deals throughout the State as well as be a detriment to utilizing this tool in the future.

Position: *It is recommended that the City Council **oppose** any reforms to GPLET that would result in a less effective economic development tool.*

Solar and Renewable Energy Initiatives

ASU Polytechnic campus has been recognized as the national leader in photovoltaic research. The City of Mesa will work in conjunction with the Greater Phoenix Economic Council (GPEC) and other stakeholders to promote Arizona as a viable location for emerging solar and renewable energy technologies.

Position: *It is recommended that the City Council **support** staff efforts to promote Arizona as a desired location for solar and renewable energy companies.*

University Facilities

Position: *It is recommended that the City Council **support** efforts to provide additional necessary infrastructure including additional roads, utilities and classroom facilities.*

NEIGHBORHOODS

Graffiti Crimes

Graffiti vandals spread their blighted impact throughout communities and cost local government and private property owners million for removal.

Position: *It is recommended that the City Council **support** staff efforts to increase the penalty for damaging property with graffiti.*

Payday Lending Sunset

In Mesa there are over 95 payday lenders who charge up to 459% annual percentage rate (APR) for a two-week loan. Overall, payday lending costs Arizona families nearly \$149 million each year. These lending locations bring along crime and other community related problems. The State granted authority for Payday lenders to do business in Arizona for 10 years back in 2000. That authority will be automatically revoked in 2010 through a sunset of the statutes unless the sunset is continued or removed by the Legislature, (Proposition 200 was a failed attempt by the payday industry to remove the sunset which would have allowed payday lending to continue indefinitely).

Position: *It is recommended that the City Council **oppose** any attempts by the Legislature to eliminate the 2010 sunset provision tied to payday lending.*