

**MARICOPA COMMUNITY COLLEGES**  
**OFFICE OF GOVERNMENT RELATIONS**  
**49<sup>TH</sup> LEGISLATURE**  
**FIRST REGULAR SESSION 2009**

**Legislative update as of March 13, 2009- Day 61**

**FY08-09 Budget Fix Trailer**

Yesterday the Legislature passed a bill to restore about \$55 million dollars to health care and other programs that will qualify the state for federal stimulus aid. Thursday's fix is also intended to shield the state from possible legal action regarding the January budgets cuts.

**Budget Cut Proposals Forthcoming**

In February, The Office of Strategic Planning and Budgeting (OSPB) requested that all department heads submit plans to reduce their FY2010 by 5, 10, 15, and 20 per cent. These estimates are anticipated to be released to the public on March 20<sup>th</sup>. The Governor's spokesman said that the estimates may be used to guide the 2010 budget, but it is too early to consider these options or proposals.

**Federal Stimulus Under Review**

Governor Brewer has not yet decided to reject any stimulus money, but she opposes accepting any money that creates a long-term financial obligation for the state. OSPB Director Klein and former director Jim Apperson traveled to Washington, D.C. this week to consult with federal officials about the requirements attached to different funding sources in the stimulus legislation. Already a plan to use \$350 million for transportation projects has been vetted by ADOT and the Transportation Board, and the proposal is expected to be certified by Brewer next week.

**Bill progression**

House committees have completed their work several weeks ahead of schedule this year. Senate President Bob Burns has suggested a willingness to reverse his "no bills until after the budget" decision, but only for platform issues like the property tax repeal. Burns does not yet anticipate regular work for Senate committees. Senator Huppenthal, Senate Education Chair, is looking to develop an education omnibus bill in order to meet what may be a strict timeline for bills and hearings when the Senate is ready to begin their policy work.

House Speaker Kirk Adams has said that the House will begin third reading bills soon, but only those bills included in the 45-day portion of the House majority platform and emergency measures will be considered. There will be no further action on other bills until the Senate indicates its willingness to accept them.

**Prop 13 for Arizona**

A group called Prop 13 Arizona has registered an initiative that would return property valuations to 2003 levels, reduce the maximum tax liability for residential property to 0.5%, and establish a 1% cap on all other property classifications. Properties added to the tax rolls since 2003 will be valued at their purchase price. Valuation increases will also be limited to 2% per year, with overrides and exceptions to the tax cap eliminated. If passed, the initiative is estimated to reduce property tax revenues by half. A similar initiative last year was unsuccessful, due to a lack of signatures. Prop 13 Arizona has until July 1, 2010 to submit petitions to the Secretary of State to qualify for the November 2010 ballot.

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**Total bills introduced:** 1098

Below are bills of interest to community colleges. This is not an all inclusive list and will continue to be revised as amendments are adopted.

**H2012 COMMUNITY COLLEGE BOOKSTORES; REVENUE EXPENDITURES** *Rep. Konopnicki*

A community college district that exceeds its expenditure limit (as prescribed by Article 9, Section 21 of the Constitution) because of expenditures of money generated by its bookstore shall not have state aid withheld. Effective July 1, 2009. Self-repeals on June 30, 2019.

**Status:** Passed Education, Appropriations, & Rules.

**H2024 LAW ENFORCEMENT; DUTY FITNESS EXAMINATION** *Rep. Kavanagh*

If an entity requires a law enforcement or probation officer to submit to a physical exam to determine fitness for duty, the employer must provide the officer with the results of the exam within 3 days of receipt of the results.

**Status:** Strike everything amendment in Military Affairs & Public Safety, awaiting hearing in Rules.

**H2080 CONTRACTORS; PAYMENT** *Rep. Reagan*

Changes in statutes pertaining to payment of construction contracts by owners. A contractor may submit a bill for final payment upon final completion (defined as the earlier of the date of final inspection and written acceptance by the governmental entity responsible or when the work (or a designated portion of the work) has been completed in accordance with the contract. The bill is deemed to have been certified and approved if the owner does not issue a written statement of why the work is not complete. Owners must pay contractors within 7 days after the bill for final payment has been certified and approved.

**Status:** Strike everything amendment in Commerce; awaiting hearing in Rules.

**H2175 EASTERN ARIZONA COLLEGE** *Rep. Konopnicki*

Beginning in FY2010-2011, Eastern Arizona College may offer 4-year baccalaureate degrees, with 300-level and 400-level classes beginning spring semester 2011, if specified requirements are met. The Graham County Community College District is authorized to levy a property tax of up to \$1 per \$100 assessed valuation in FY 2009-2010 through FY2014-2015 for capital construction projects. The District is entitled to specified amounts of state aid and capital outlay funds for the additional academic courses, and formulas for student enrollment are specified. The District must continue to provide a 2-year program, and tuition for all courses offered by the District must be less than tuition at state universities. By June 30, 2014, the District governing board must either continue the tax levy or dissolve the District and transfer authority to govern EAC to the Arizona Board of Regents. Appropriates unspecified amounts from the General Fund to the District in FY2009-2010 for supplemental funding and capital costs associated with campus housing.

**Status:** Failed in Education.

**H2253 PUBLICATION OF NOTICES; WEBSITES** *Rep. Jones*

Legal notices required to be published by government entities may be published on the official website of the entity instead of, as formerly, in a newspaper printed within the boundaries of the entity.

**Status:** Failed in Government. Strike-everything amendment adopted to: Establish the Committee on Published Public Legal Notices for the purpose of examining existing statutes requiring newspaper publication of legal or public notices applicable to cities, towns, and counties.

## **H2268 COUNTY & MUNICIPAL BUDGETS**

*Rep. Crump*

The requirement that counties and municipalities make certain information concerning their budgets available at libraries and government offices may be satisfied by posting the information on the entity's official website.

**Status:** Passed with amendment in Government, awaiting hearing in Rules. (amendment prepared to address community college districts)

## **H2337 ENERGY STANDARDS; BUILDINGS; CONTRACTING**

*Rep. Mason*

Numerous changes to statutes relating to energy standards. By July 1, 2015, all state agencies, universities and school districts must purchase at least 10% of their energy requirements in public buildings from renewable and nonpolluting energy sources. All state buildings constructed on or after July 1, 2010 must conform to green building rating standards. For property tax purposes, energy efficient building components and renewable energy equipment are considered to add no value to a property. Voluntary statewide goals are established for energy efficiency in construction. State agencies and school districts are required to reduce energy use in public buildings by increasing percentages at several specified intervals. The Dept of Administration is authorized to enter into energy performance contracts for state buildings after consultation with the Joint Legislative Budget Committee staff. Municipalities and counties are required to annually report to the Dept of Commerce information on energy efficient buildings (defined). School districts and charter schools are authorized to establish an energy and water savings account that designates capital investment monies to fund specified energy or water saving projects in school facilities, and regulations are established for deposits to and expenditures from the account.

**Status:** Strike everything amendment in Water & Energy. Awaiting hearing in Rules.

## **H2360 GENERAL OBLIGATION BOND REQUIREMENTS**

*Rep. Murphy*

The data required to be distributed to voters in the information pamphlet prior to a bond election is changed to require that the hypothetical impact of the tax increase necessary to pay off the bonds be calculated with the assumption that the assessed valuation of the hypothetical property increases annually at 50% of the projected total annual increase in the full cash value of the property. Previously, the estimated impact was to be based on an assumption that the assessed value of the property remained constant. Also, bonds issued to repay other bonds (called refunding bonds) must be approved by voters if the weighted average maturity of the new bonds is more than 75% of the average maturity of the bonds being refunded.

**Status:** Passed with amendment in Ways and Means, awaiting hearing in Rules.

## **H2438 COLLEGES; TRANSFER ARTICULATION; DIRECT EQUIVALENCY**

*Rep. Kavanagh*

Statute that requires institutional cooperation on a system whereby credits earned at a community college may be transferred to a state university is amended to cap the number of credits at 90 for courses up to the 300-level and to require that if a university does not accept credit for a community college course, it must notify the college with specific recommendation so that the course may be accepted as a direct equivalent of the university course.

**Status:** Withdrawn from Education. Awaiting hearings in Appropriations and Rules.

## **H2495 IN-STATE TUITION; VETERANS**

*Rep. Fleming*

For the purpose of tuition at state universities and community colleges, a person who was serving in the armed forces at an Arizona military installation when the person was honorably discharged, is eligible for in-state tuition regardless of whether the person has an Arizona driver license, voter registration or other proof of residence otherwise required.

**Status:** Withdrawn from Education. Passed in Appropriations. Awaiting hearing in Rules.

## **H2615 GOVERNMENT TRANSPARENCY; POLITICAL SUBDIVISIONS**

*Rep. Montenegro*

The requirement that by Jan. 1, 2011, the Dept of Administration include on its website a comprehensive, searchable database of receipts and expenditures of the state is extended to all levels of local government.

**Status:** Passed in Government. Withdrawn from Appropriations. Awaiting hearing in Rules.

**S1001 GOVERNMENT ENTITIES; WEB & VIDEO CONFERENCING***Sen. Waring*

Requires the purchase, training and usage of on-line Web and video conference software by statewide governmental agencies, municipalities, counties, school districts, state universities and community college districts. Software functionality must include capability to calculate cost savings from using Web and video conferencing software. Establishes a Web and Video Conferencing Savings Committee consisting of three members from both the House of Representatives and Senate, and five members appointed by the governor to collect and compile the reported cost savings of each government entity. Self-repeals on January 1, 2014. [Note: session law only; does not change statutes.]

**Status:** Senate first read; no committee assigned.

**S1103 PARTNERSHIP FOR NURSING EDUCATION***Sen. C. Allen*

The sunset date for the Arizona Partnership for Nursing Education Demonstration Project, funded in the 2005 higher education BRB (Laws 2005, Chapter 330, Sec 15), is extended one year to June 30, 2011.

**Status:** Senate first read; no committee assigned.

**S1135 TEACHER STUDENT LOAN PROGRAM; EXPANSION***Sen. Huppenthal*

The loan program established to aid students pursuing a teaching degree at state universities is expanded to include any regionally or nationally accredited public or private postsecondary or vocational program.

**Status:** Senate first read; no committee assigned.

**S1142 PUBLIC EXPENDITURE TRANSPARENCY DATABASE***Sen. Paton*

Counties and municipalities must establish and maintain a searchable database on their individual websites that contain comprehensive information on revenue and expenditures by the entity. Effective either on Jan. 1, 2010 or Jan. 1, 2011 depending on the population of the entity. The effective date for the state to implement a similar online database is advanced one year to Jan. 1, 2010.

**Status:** Senate first read; no committee assigned.

**S1272 COMMUNITY COLLEGE BUILDINGS; NAMES***Sen. L. Gray*

The list of powers of a community college governing board is expanded to include naming a building on campus after a person or entity that has made a "significant contribution" to the college. The contribution may be money or other property.

**Status:** Senate first read; no committee assigned.

**S1276 COMMUNITY COLLEGES; RESEARCH; ROYALTY INCOME***Sen. L. Gray*

Community college governing boards may enter into agreements to pursue research and development, to organize a corporation to pursue product development, or to establish patent policies regarding research conducted by the college. The board is authorized to receive royalty payments, grants and gifts from sponsors of the research.

**Status:** Senate first read; no committee assigned.

**S1399 GPLET REFORM***Sen. Chewront*

Various changes to statutes governing government property lease excise tax, including redefining "government lessor" to include the state, school districts, community college districts, and special taxing districts (in addition to previous definition of municipalities, counties, and county stadium districts). Specified per square foot tax rates for types of property uses are deleted, and the Department of Revenue is authorized to prescribe standard rates of taxation per square foot of building or parking space. Discount tax rates are established for current leases for tax periods beginning January 1, 2010 through December 31, 2039. More. Effective January 1, 2010.

**Status:** Senate first read; no committee assigned.

**S1422 PROPERTY TAX TRANSPARENCY***Sen. Waring*

Various changes to statutes related to property taxes and school financing. Authorization for counties to levy a state equalization assistance property tax is repealed. Monies to pay for public improvements for school purposes must be approved by voters in the districts at an election to exceed the capital outlay revenue limit. School boards that meet certain conditions cannot levy a primary property tax rate higher than the current year's rate. New maximum allowable secondary property tax levy limits are established beginning with tax year 2009 for fire districts, county television improvement districts, county flood control districts, county free library districts, county jail districts, and public health services districts. A process for voters in fire districts to override the limit at a general election is also established. The Property Tax Oversight Commission is required to review the secondary property tax levy of these types of districts to determine violations and enforce tax levy limits. More.

**Status:** Senate first read; no committee assigned.

**S1441 PUBLIC EXPENDITURE TRANSPARENCY***Sen. Melvin*

Beginning January 1, 2011, municipalities, counties, school districts, charter schools, and community college districts are required to establish and maintain an official website that is electronically searchable by the public and that contains a comprehensive database of expenditures of monies, including funding sources. The database must be updated within 30 days after the end of each fiscal year, and data must be kept in the database for at least 10 full fiscal years. The information that must be contained in a comprehensive database the state is already required to establish and maintain by 2011 is modified, and must include expenditures by budget unit, including state universities.

**Status:** Senate first read; no committee assigned.

**S1468 JTEDS; ADULT STUDENTS***Sen. Pearce*

Students over 22 years old may attend courses at a joint technological education district during regular school hours (rather than only at night) if there is sufficient capacity after all students 22 and under have been enrolled.

**Status:** Senate first read; no committee assigned.

**SCR1009 VOTER-PROTECTION; TEMPORARY BUDGETARY SUSPENSION***Sen. Pearce*

The 2010 general election ballot is to carry the question of whether to amend the Article IV, Part 1, Section 1, of the state Constitution to require suspension of the protection afforded to appropriations stipulated by voter approved initiatives if doing so avoids a budget deficit.

**Status:** Senate first read; no committee assigned.

**SCR1035 PROPERTY TAX; VALUATION INCREASE LIMIT***Sen. Gould*

The 2010 general election ballot is to carry the question of whether to amend Article IX, Section 18, of the state Constitution to limit the annual increase in the valuation of real property for tax purposes to the lesser of 2% or the full cash value of the property.

**Status:** Senate first read; no committee assigned.

**SCR1036 PROPERTY TAX; VALUATION ROLLBACK***Sen. Gould*

The 2010 general election ballot is to carry the question of whether to amend Article IX, Section 18, of the state Constitution to require that beginning in tax year 2012, the full cash value for all parcels shall be the FCV on the tax rolls in 2003 plus the calculated 2003 baseline value of subsequent improvements. Annual increases in value are limited to 2% of the 2003 value. Severability clause.

**Status:** Senate first read; no committee assigned.

## **SCR1037 PROPERTY TAX LEVY ROLLBACK**

*Sen. Gould*

The 2010 general election ballot is to carry the question of whether to amend Article IX, Section 19, of the state Constitution to set the levy limit of Arizona property taxing authorities to the average actual levy of the years 2005 through 2008. Annual levy limit increases are limited to 2% unless approved by a 2/3 majority of voters. Also provides for electors within a district to petition the governing body of the district to reduce the levy limit by up to 20%. If the governing body does not lower the limit within a prescribed time, the question is to be put on the next general election ballot in the district. Severability clause

**Status:** Senate first read; no committee assigned.

*Summaries are provided by Arizona Capitol Reports and do not fully represent all proposed modifications, nor do they include any proposed amendments to this legislation.*