




MEMORANDUM

Date: January 20, 2012

To: Chairman and Members
Pima County Bond Advisory Committee

From: C.H. Huckelberry
County Administrator 

Re: **House Bill 2656 – Creating a Regional Bond Accountability Committee**

Enclosed is a copy of recently introduced legislation, House Bill (HB) 2656, which would apparently supersede the current Pima County Bond Advisory Committee (BAC) and create a committee comprised of one member appointed by the Board of Supervisors, one member appointed by the council of each incorporated city, and one member appointed by the council of each incorporated town. Under present incorporated city and town status, this would mean a committee of six. It appears the Pascua Yaqui Tribe and Tohono O’odham Nation would be excluded from membership.

This substantially limited special-interest committee would be responsible for formulating and must approve any recommendation of future bond issue to the Board of Supervisors before it can be put to a vote by the County electorate.

The population limits established in HB 2656 for such a committee would result in this legislation being applicable only to Pima County and the present BAC.

This proposed committee does not come close to establishing reasonable representation of the electorate or the taxpayers who pay for County bonds. This proposal would essentially disenfranchise 36 percent of the population living in the unincorporated area, who are the taxpayers who pay the most for County bonds. Taxpayers in the unincorporated area represent 43 percent of the total County assessed value – the highest of any city or town (see table below).

Share of County Net Assessed Value (NAV) and Population by Jurisdiction

Jurisdiction	FY 2011/12 Secondary Taxable NAV	% Share of NAV	2010 Population	% Share of Population
City of Tucson	\$3,487,959,628	41.29	520,000	53.04
City of South Tucson	24,687,760	0.29	5,762	0.59
Town of Oro Valley	624,180,464	7.39	40,984	4.18
Town of Marana	454,567,513	5.38	35,051	3.57
Town of Sahuarita	206,283,811	2.44	25,347	2.59
Unincorporated Area	3,650,602,410	43.21	353,319	36.04
Total	\$8,448,281,586	100.00	980,463	100.00

Chairman and Members, Pima County BAC
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There are more substantial problems associated with this ill-formulated legislation.

CHH/mjk

Attachment

c: The Honorable Chairman and Members, Pima County Board of Supervisors
Martin Willett, Chief Deputy County Administrator
Nicole Fyffe, Executive Assistant to the County Administrator

REFERENCE TITLE: county bonding; regional committee

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

HB 2656

Introduced by
Representatives Proud, Gowan, Judd, Stevens, Williams, Senators Antenori,
Griffin, Smith: Representative Vogt, Senators Melvin, Shooter

AN ACT

AMENDING TITLE 11, CHAPTER 4, ARIZONA REVISED STATUTES, BY ADDING ARTICLE 6;
RELATING TO THE REGIONAL BOND ACCOUNTABILITY COMMITTEE.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Title 11, chapter 4, Arizona Revised Statutes, is amended
3 by adding article 6, to read:

4 ARTICLE 6. REGIONAL BOND ACCOUNTABILITY COMMITTEE

5 11-691. Regional bond accountability committee; membership;
6 duties; applicability; definitions

7 A. ANY COUNTY WITH A POPULATION OF AT LEAST NINE HUNDRED THOUSAND
8 PERSONS BUT NOT MORE THAN ONE MILLION FIVE HUNDRED THOUSAND PERSONS SHALL
9 ESTABLISH A REGIONAL BOND ACCOUNTABILITY COMMITTEE CONSISTING OF THE
10 FOLLOWING MEMBERS:

11 1. ONE MEMBER APPOINTED BY THE COUNTY BOARD OF SUPERVISORS, WHO MAY BE
12 A MEMBER OF THE BOARD OF SUPERVISORS.

13 2. ONE MEMBER APPOINTED BY THE CITY COUNCIL OF EACH INCORPORATED CITY
14 IN THE COUNTY, WHO MAY BE A MEMBER OF THE CITY COUNCIL.

15 3. ONE MEMBER APPOINTED BY THE TOWN COUNCIL OF EACH INCORPORATED TOWN
16 IN THE COUNTY, WHO MAY BE A MEMBER OF THE TOWN COUNCIL.

17 B. MEMBERS OF THE REGIONAL BOND ACCOUNTABILITY COMMITTEE SERVE AT THE
18 PLEASURE OF THE GOVERNING BODY THAT APPOINTED THE MEMBER.

19 C. THE REGIONAL BOND ACCOUNTABILITY COMMITTEE SHALL SELECT FROM THE
20 COMMITTEE MEMBERSHIP A CHAIRPERSON AND MAY ADOPT ALL RULES AND PROCEDURES
21 NECESSARY OR CONVENIENT FOR THE CONDUCT OF THE COMMITTEE'S BUSINESS.

22 D. ALL MEETINGS OF THE REGIONAL BOND ACCOUNTABILITY COMMITTEE ARE
23 SUBJECT TO TITLE 38, CHAPTER 3, ARTICLE 3.1.

24 E. ALL WORKING PAPERS AND RECORDS OF THE REGIONAL BOND ACCOUNTABILITY
25 COMMITTEE ARE PUBLIC RECORDS AND SUBJECT TO TITLE 39, CHAPTER 1.

26 F. THE CLERK OF THE COUNTY BOARD OF SUPERVISORS SHALL ACT AS THE CLERK
27 OF THE REGIONAL BOND ACCOUNTABILITY COMMITTEE, AND IS RESPONSIBLE FOR
28 MAINTAINING THE RECORDS OF THE REGIONAL BOND ACCOUNTABILITY COMMITTEE AND
29 PERFORMING ALL REASONABLE ADMINISTRATIVE FUNCTIONS SUPPORTING THE REGIONAL
30 BOND ACCOUNTABILITY COMMITTEE.

31 G. THE COUNTY SHALL PAY ALL REASONABLE ADMINISTRATIVE COSTS AUTHORIZED
32 BY THE REGIONAL BOND ACCOUNTABILITY COMMITTEE AS NECESSARY FOR THE COMMITTEE
33 TO CARRY OUT ITS FUNCTIONS AS DESCRIBED IN THIS SECTION, INCLUDING FACILITY
34 USAGE FEES, PUBLICATION COSTS, PRINTING COSTS, MILEAGE REIMBURSEMENT FEES,
35 OFFICE EQUIPMENT COSTS, INDEPENDENT AUDITOR FEES AND ATTORNEY FEES.
36 ADMINISTRATIVE COSTS SHALL BE MINIMIZED BY USING EXISTING MEMBER JURISDICTION
37 FACILITIES AND STAFF WHENEVER IT IS REASONABLY FEASIBLE TO DO SO. MEMBER
38 JURISDICTION FACILITIES AND STAFF SHALL BE REIMBURSED AT THE MEMBER
39 JURISDICTION'S ACTUAL COST.

40 H. IN ADDITION TO ANY OTHER REQUIREMENTS OF LAW AND BEFORE ANY
41 REQUIRED VOTE OF THE QUALIFIED ELECTORS OF THE COUNTY, THE COUNTY SHALL NOT
42 ISSUE OR SELL GENERAL OBLIGATION BONDS UNTIL THE FOLLOWING HAS OCCURRED:

43 1. THE BOARD OF SUPERVISORS SHALL SUBMIT TO THE REGIONAL BOND
44 ACCOUNTABILITY COMMITTEE A REPORT IDENTIFYING THE PROPOSED ALLOCATION OF
45 AMOUNTS AND SPECIFIC PROJECT USES OF THE COUNTY GENERAL OBLIGATION BONDS.

1 2. THE REGIONAL BOND ACCOUNTABILITY COMMITTEE SHALL HOLD A PUBLIC
2 HEARING ON THE REPORT AFTER PUBLISHING NOTICE OF THE PUBLIC HEARING IN AN
3 ADVERTISEMENT THAT IS NO LESS THAN ONE-EIGHTH OF A FULL PAGE IN A NEWSPAPER
4 WITH GENERAL CIRCULATION PUBLISHED IN THE COUNTY WHERE THE HEARING WILL BE
5 HELD OR, IF NO NEWSPAPER WITH GENERAL CIRCULATION IS REGULARLY PUBLISHED, IN
6 A NEWSPAPER WITH STATEWIDE GENERAL CIRCULATION.

7 3. AT THE CONCLUSION OF THE PUBLIC HEARING, THE REGIONAL BOND
8 ACCOUNTABILITY COMMITTEE SHALL, BY A MAJORITY VOTE OF THE FULL MEMBERSHIP OF
9 THE COMMITTEE, DO ONE OF THE FOLLOWING:

10 (a) HOLD ANOTHER PUBLIC HEARING AT A LATER TIME AND DATE.

11 (b) AUTHORIZE THE COUNTY TO ISSUE OR SELL THE PROPOSED BONDS.

12 (c) RETURN THE REPORT TO THE COUNTY BOARD OF SUPERVISORS FOR REVISION
13 OR ADDITIONAL INFORMATION.

14 (d) REJECT THE PROPOSED BONDS. IF THE COMMITTEE FAILS TO TAKE ONE OF
15 THE OTHER ACTIONS AUTHORIZED IN THIS PARAGRAPH, THE PROPOSED BONDS ARE DEEMED
16 REJECTED.

17 I. AFTER A GENERAL OBLIGATION BOND HAS BEEN ISSUED OR SOLD OR APPROVED
18 BY A VOTE OF THE QUALIFIED ELECTORS OF THE COUNTY, THE COUNTY SHALL NOT
19 CHANGE THE PROPOSED AMOUNTS ALLOCATED FOR A SPECIFIC PROJECT USE OR THE
20 SPECIFIC PROJECT USES OF ANY COUNTY GENERAL OBLIGATION BONDS FROM THE AMOUNTS
21 AND USES AUTHORIZED BY THE REGIONAL BOND ACCOUNTABILITY COMMITTEE WITHOUT THE
22 PRIOR APPROVAL OF THE REGIONAL BOND ACCOUNTABILITY COMMITTEE, PURSUANT TO THE
23 FOLLOWING PROCEDURE:

24 1. THE COUNTY BOARD OF SUPERVISORS SHALL SUBMIT TO THE REGIONAL BOND
25 ACCOUNTABILITY COMMITTEE A REPORT IDENTIFYING THE PROPOSED CHANGES TO THE
26 AMOUNTS ALLOCATED FOR A SPECIFIC PROJECT USE AND THE SPECIFIC PROJECT USES OF
27 THE COUNTY GENERAL OBLIGATION BONDS. ANY PROPOSED CHANGES TO THE AMOUNTS OR
28 USES OF A COUNTY GENERAL OBLIGATION BOND SHALL BE CONSISTENT WITH THE AMOUNTS
29 AND USES APPROVED IN THE ELECTION AUTHORIZING THE BONDS.

30 2. THE REGIONAL BOND ACCOUNTABILITY COMMITTEE SHALL HOLD A PUBLIC
31 HEARING ON THE REPORT AFTER PUBLISHING NOTICE OF THE PUBLIC HEARING IN AN
32 ADVERTISEMENT THAT IS NO LESS THAN ONE-EIGHTH OF A FULL PAGE IN A NEWSPAPER
33 WITH GENERAL CIRCULATION PUBLISHED IN THE COUNTY WHERE THE HEARING WILL BE
34 HELD OR, IF NO NEWSPAPER WITH GENERAL CIRCULATION IS REGULARLY PUBLISHED, IN
35 A NEWSPAPER WITH STATEWIDE GENERAL CIRCULATION.

36 3. AT THE CONCLUSION OF THE PUBLIC HEARING, THE REGIONAL BOND
37 ACCOUNTABILITY COMMITTEE SHALL, BY A MAJORITY OF THE FULL MEMBERSHIP OF THE
38 COMMITTEE, DO ONE OF THE FOLLOWING:

39 (a) HOLD ANOTHER PUBLIC HEARING AT A LATER TIME AND DATE.

40 (b) APPROVE THE PROPOSED CHANGES TO THE AMOUNTS ALLOCATED FOR A
41 SPECIFIC PROJECT USE OR SPECIFIC PROJECT USES OF THE GENERAL OBLIGATION
42 BONDS.

43 (c) RETURN THE REPORT TO THE COUNTY BOARD OF SUPERVISORS FOR REVISION
44 OR ADDITIONAL INFORMATION.

1 (d) REJECT THE PROPOSED CHANGES TO THE AMOUNTS OR USES OF THE GENERAL
2 OBLIGATION BONDS. IF THE COMMITTEE FAILS TO TAKE ONE OF THE OTHER ACTIONS
3 AUTHORIZED IN THIS PARAGRAPH, THE PROPOSED BONDS ARE DEEMED REJECTED.

4 J. THE REGIONAL BOND ACCOUNTABILITY COMMITTEE MAY ORDER AN AUDIT OF
5 THE COUNTY'S BOND PROGRAM AT ANY TIME BY MAJORITY VOTE OF THE FULL MEMBERSHIP
6 OF THE REGIONAL BOND ACCOUNTABILITY COMMITTEE, THE COSTS OF WHICH SHALL BE
7 PAID BY THE COUNTY PURSUANT TO SUBSECTION G OF THIS SECTION.

8 K. THE GOVERNING BODY OF ANY JURISDICTION REPRESENTED ON THE REGIONAL
9 BOND ACCOUNTABILITY COMMITTEE MAY ORDER AN AUDIT OF THE COUNTY'S BOND PROGRAM
10 AT ANY TIME BY ADOPTING A RESOLUTION ORDERING AND COMMITTING TO PAY ALL COSTS
11 OF THE AUDIT.

12 L. FOR THE PURPOSES OF THIS SECTION, A CITY OR TOWN IS CONSIDERED TO
13 BE IN THE COUNTY IF ANY PORTION OF ITS JURISDICTIONAL LIMITS IS LOCATED IN
14 THE COUNTY.

15 M. FOR THE PURPOSES OF THIS SECTION:

16 1. "AN AUDIT OF THE COUNTY'S BOND PROGRAM" MEANS AN AUDIT EXAMINING
17 THE USES OF ALL PROCEEDS OF ALL COUNTY GENERAL OBLIGATION BONDS THAT ARE NOT
18 FULLY REDEEMED ON THE DATE THE AUDIT IS ORDERED.

19 2. "GENERAL OBLIGATION BONDS" MEANS ALL BONDS, OBLIGATIONS OR OTHER
20 INDEBTEDNESS FOR WHICH THE FULL FAITH AND CREDIT OF THE COUNTY ARE PLEDGED AS
21 A SOURCE OF REPAYMENT.

22 N. NOTHING IN THIS SECTION AUTHORIZES A COUNTY OR THE REGIONAL BOND
23 ACCOUNTABILITY COMMITTEE TO CHANGE THE TOTAL AMOUNT OR GENERAL USE OF ANY
24 GENERAL OBLIGATION BOND APPROVED BY A VOTE OF THE QUALIFIED ELECTORS OF THE
25 COUNTY.