

2021

Municipal Policy Statement

\$325k

Installation Cost per mile of Street Lights

Cost for Paving for two lanes per mile:
\$525k

79%

of the Arizonans live within Arizona's 91 incorporated Cities and Towns

Traffic Signals:
Cost per Location

\$300k

Projected Local Revenue Shortfall in FY21

\$1 BILLION

League of Arizona
Cities AND Towns

Overview

Cities and towns in Arizona are home to nearly 80% of the state's residents and more than 90% of the state's business activity. They are the level of government closest to the people, most accessible to them and most responsive to their needs. They provide the vast majority of first responder—police and fire—services and are national leaders in business development, government efficiency and quality-of-life amenities. Arizona's cities and towns are an essential part of the continuum of government in our state.

Core Principles

The League of Arizona Cities and Towns is guided by two core principles:

- 1) Preserve local decision-making; and
- 2) Protect shared revenues.

Legislative Priorities

The League supports legislation respecting the role of municipal government and its core principles and opposes measures that undermine them. The following policy priorities were developed with input from our members, approved by the League's Resolutions Committee, and will ensure that cities and towns can maintain the high-quality municipal government services that businesses and citizens rely on.

- Support the creation of a housing tax credit to increase affordable housing and reduce the costs of and demand on public services as a result of a lack of housing
- Provide flexibility to cities and towns to publish or post public notices where it is most accessible to the public to achieve maximum transparency at the lowest possible expense
- Support changes to state law to allow the use of consular ID cards as a valid form of identification

City and Town COVID-19 Response and Impacts

In response to the unprecedented health and economic crises triggered by COVID-19, cities and towns are working with local non-profits and community organizations to provide support to small businesses and residents facing financial difficulties to pay rent and utility expenses. Cities and towns have made the following allocations for various types of assistance:

- Small business assistance: \$71,155,076
- Non-profit assistance: \$37,718,528
- Utility assistance: \$38,095,834
- Eviction prevention: \$37,709,030
- Personal protective equipment to local schools and hospitals: \$4,467,391
- Food and shelter assistance: \$40,781,701
- Broadband and technology assistance for students: \$20,260,597

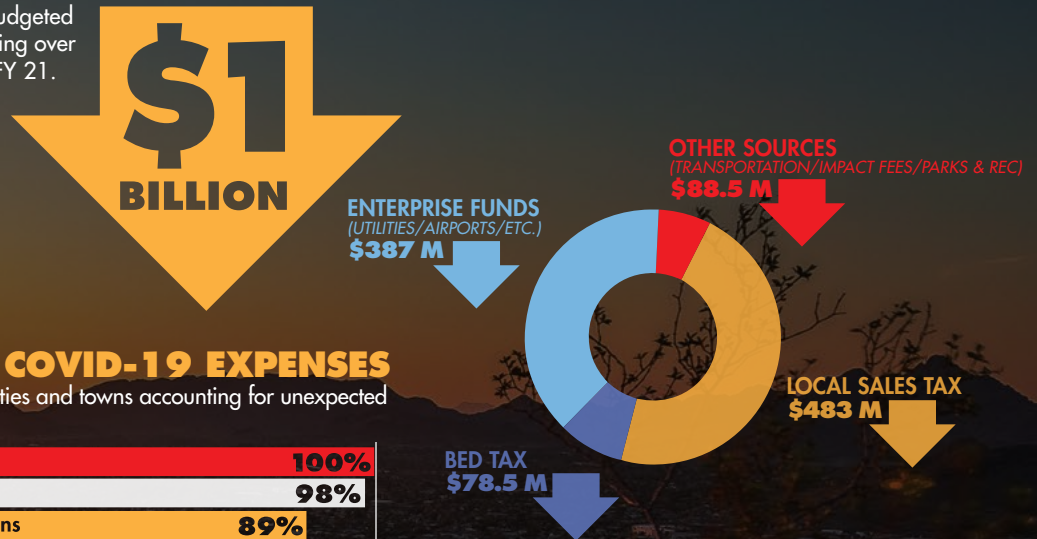
While cities and towns throughout the state are working hard to provide aid to struggling residents and businesses, they too are experiencing the economic challenges due to reduced economic activity and loss of tourism revenue. Local governments rely heavily on transaction privilege and hospitality taxes to balance their budgets. When these sources of revenue decline, local elected leaders must make difficult decisions including cuts to municipal services like public safety, parks or community services; delaying road construction or improvements to municipal facilities; or lay off

their workforce. This exemplifies the mutual relationship between local government and the business community: when businesses thrive, tax revenue is generated and invested back into the community to provide services; when the economy contracts, so do revenues that support public services.

As part of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, Congress allocated specific financial relief for states and local governments to endure some of these challenges. However, this measure did not account for the massive reduction in revenue from lost tourism and economic activity. The information below illustrates these impacts and identifies the cuts to essential services:

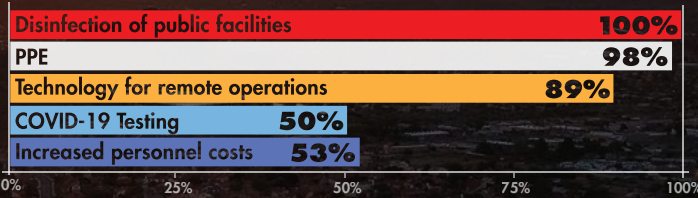
ECONOMIC EFFECTS

Arizona cities and towns are budgeted and projected for shortfalls totaling over **\$1 Billion** in local revenues in FY 21.



UNANTICIPATED COVID-19 EXPENSES

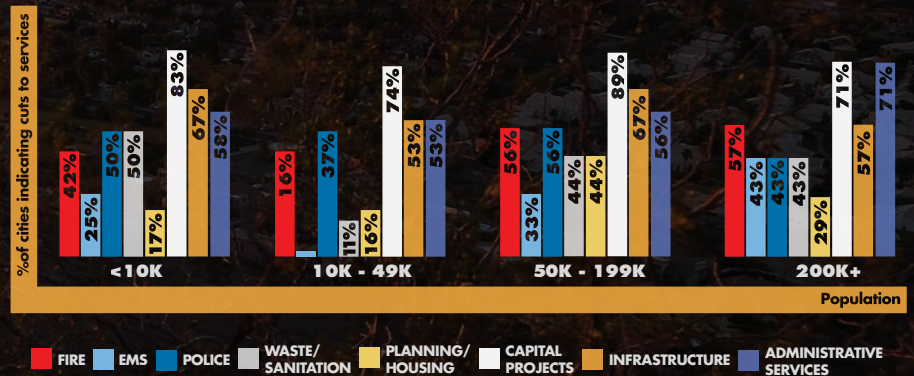
Graph denotes percentage of cities and towns accounting for unexpected expenses in these categories.



IMPACT TO ESSENTIAL SERVICES

Essential services provided by municipalities will be impacted due to revenue shortfalls regardless of city or town size. Infrastructure and capital projects will be the most affected as declining revenues force municipalities to delay critical needs, further slowing an economic recovery.

Essential functions such as fire and police will also face cuts.



- 01.** **Ⓢ Karen Fann (R)**
Ⓡ Judy Burges (R), Quang Nguyen (R)
Carefree, Cave Creek, Chino Valley,
Dewey-Humboldt, Peoria, Phoenix,
Prescott, Prescott Valley, Wickenburg
- 02.** **Ⓢ Rosanna Gabaldón (D)**
Ⓡ Andrea Dalessandro (D), Daniel Hernandez (D)
Nogales, Patagonia, Sahuarita,
South Tucson, Tucson
- 03.** **Ⓢ Sally Ann Gonzales (D)**
Ⓡ Andrés Cano (D), Alma Hernandez (D)
Tucson
- 04.** **Ⓢ Lisa Otondo (D)**
Ⓡ Charlene Fernandez (D), Joel John (R)
Buckeye, Gila Bend, Goodyear, San Luis,
Somerton, Tucson, Yuma
- 05.** **Ⓢ Sonny Borrelli (R)**
Ⓡ Leo Biasiucci (R), Regina Cobb (R)
Bullhead City, Colorado City, Kingman,
Lake Havasu City, Parker, Quartzsite
- 06.** **Ⓢ Wendy Rogers (R)**
Ⓡ Brenda Barton (R), Walt Blackman (R)
Camp Verde, Clarkdale, Cottonwood, Flagstaff,
Holbrook, Jerome, Payson, Sedona, Snowflake,
Star Valley, Taylor, Tusayan, Williams
- 07.** **Ⓢ Jamescita Peshlakai (D)**
Ⓡ Arlando Teller (D), Myron Tsosie (D)
Eagar, Fredonia, Page, Pinetop-Lakeside,
Show Low, Springerville, St. Johns, Winslow
- 08.** **Ⓢ TJ Shope (R)**
Ⓡ David Cook (R), Frank Pratt (R)
Casa Grande, Coolidge, Eloy, Florence,
Globe, Hayden, Kearny, Mammoth, Miami,
Superior, Winkelman
- 09.** **Ⓢ Victoria Steele (D)**
Ⓡ Randy Friese (D), Pamela Powers Hannley (D)
Marana, Oro Valley, Tucson
- 10.** **Ⓢ Kirsten Engel (D)**
**Ⓡ Domingo DeGrazia (D),
Stephanie Stahl Hamilton (D)**
Tucson
- 11.** **Ⓢ Vince Leach (R)**
Ⓡ Mark Finchem (R), Bret Roberts (R)
Casa Grande, Eloy, Marana, Maricopa,
Oro Valley, Tucson
- 12.** **Ⓢ Warren Petersen (R)**
Ⓡ Travis Grantham (R), Jake Hoffman (R)
Chandler, Gilbert, Queen Creek
- 13.** **Ⓢ Sine Kerr (R)**
Ⓡ Tim Dunn (R), Joanne Osborne (R)
Buckeye, El Mirage, Glendale, Goodyear,
Litchfield Park, Surprise, Wellton,
Wickenburg, Yuma
- 14.** **Ⓢ David Gowan (R)**
Ⓡ Gail Griffin (R), Becky Nutt (R)
Benson, Bisbee, Clifton, Douglas, Duncan,
Huachuca City, Pima, Safford, Sierra Vista,
Thatcher, Tombstone, Tucson, Willcox
- 15.** **Ⓢ Nancy Barto (R)**
Ⓡ Steve Kaiser (R), Justin Wilmeth (R)
Cave Creek, Phoenix
- 16.** **Ⓢ Kelly Townsend (R)**
Ⓡ John Fillmore (R), Jacqueline Parker (R)
Apache Junction, Mesa, Queen Creek
- 17.** **Ⓢ J.D. Mesnard (R)**
Ⓡ Jennifer Pawlik (D), Jeff Weninger (R)
Chandler, Gilbert
- 18.** **Ⓢ Sean Bowie (D)**
Ⓡ Mitzi Epstein (D), Jennifer Jermaine (D)
Chandler, Mesa, Phoenix, Tempe
- 19.** **Ⓢ Lupe Contreras (D)**
Ⓡ Diego Espinoza (D), Lorenzo Sierra (D)
Avondale, Phoenix, Tolleson
- 20.** **Ⓢ Paul Boyer (R)**
Ⓡ Shawanna Bolick (R), Judy Schwiebert (D)
Glendale, Phoenix
- 21.** **Ⓢ Rick Gray (R)**
Ⓡ Kevin Payne (R), Beverly Pingerelli (R)
El Mirage, Peoria, Surprise, Youngtown
- 22.** **Ⓢ David Livingston (R)**
Ⓡ Frank Carroll (R), Ben Toma (R)
Glendale, Peoria, Surprise
- 23.** **Ⓢ Michelle Ugenti-Rita (R)**
Ⓡ Joseph Chaplik (R), John Kavanagh (R)
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- 24.** **Ⓢ Lela Alston (D)**
Ⓡ Jennifer Longdon (D), Amish Shah (D)
Phoenix, Scottsdale
- 25.** **Ⓢ Tyler Pace (R)**
Ⓡ Rusty Bowers (R), Michelle Udall (R)
Mesa
- 26.** **Ⓢ Juan Mendez (D)**
Ⓡ Melody Hernandez (D), Athena Salman (D)
Mesa, Phoenix, Tempe
- 27.** **Ⓢ Rebecca Rios (D)**
Ⓡ Reginald Bolding (D), Diego Rodriguez (D)
Guadalupe, Phoenix, Tempe
- 28.** **Ⓢ Christine Marsh (D)**
Ⓡ Kelli Butler (D), Aaron Lieberman (D)
Paradise Valley, Phoenix, Scottsdale
- 29.** **Ⓢ Martín Quezada (D)**
Ⓡ Richard Andrade (D), César Chávez (D)
El Mirage, Glendale, Phoenix
- 30.** **Ⓢ Tony Navarrete (D)**
Ⓡ Robert Meza (D), Raquel Terán (D)
Glendale, Phoenix