

State of Arizona
Senate
Fiftieth Legislature
First Regular Session
2011

SENATE BILL 1345

AN ACT

AMENDING TITLE 9, ARIZONA REVISED STATUTES, BY ADDING CHAPTER 9; RELATING TO
HIRING AND COMPENSATION OF MUNICIPAL EMPLOYEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

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

2 Section 1. Title 9, Arizona Revised Statutes, is amended by adding
3 chapter 9, to read:

4 CHAPTER 9

5 HIRING AND COMPENSATION OF CITY EMPLOYEES

6 ARTICLE 1. GENERAL PROVISIONS

7 9-1001. Definitions

8 IN THIS ARTICLE, UNLESS THE CONTEXT OTHERWISE REQUIRES:

9 1. "CITY" MEANS A CITY WITH A POPULATION OF MORE THAN FIVE HUNDRED
10 THOUSAND PERSONS.

11 2. "MUNICIPAL EMPLOYEE" MEANS A PERSON WHO IS EMPLOYED BY THE CITY OR
12 ITS DEPARTMENTS, A PERSON EMPLOYED BY A MUNICIPAL ENTERPRISE DEPARTMENT,
13 INCLUDING A PERSON WHO IS EMPLOYED BY ANY POLITICAL SUBDIVISION OR
14 QUASI-GOVERNMENTAL BODY THAT IS ORGANIZED BY THE CITY UNDER A LOCAL ORDINANCE
15 OR CHARTER PROVISION AND OVER WHICH THE CITY COUNCIL, ONE OR MORE MEMBERS OF
16 THE CITY COUNCIL OR THE CITY MANAGER, OR THEIR AUTHORIZED AGENTS, RETAIN
17 CONTROLLING OR SUPERVISORY AUTHORITY.

18 9-1002. Limit on hiring and compensation of municipal employees

19 A. NOTWITHSTANDING ANY LAW TO THE CONTRARY, THE TOTAL NUMBER OF
20 MUNICIPAL EMPLOYEES FOR A CITY SHALL NOT EXCEED THE NUMBER OF FILLED
21 POSITIONS EXISTING AT THE BEGINNING OF FISCAL YEAR 2011-2012 FOR THAT CITY.
22 AFTER FISCAL YEAR 2013-2014, THE NUMBER OF MUNICIPAL EMPLOYEES, EXCLUDING
23 SWORN POLICE OFFICERS AND FIREFIGHTERS THAT ARE EXEMPT FROM PRIVATIZATION
24 PURSUANT TO A CITY ORDINANCE OR CITY CHARTER, SHALL NOT EXCEED 0.4 PER CENT
25 OF THE POPULATION OF THE CITY.

26 B. BEGINNING WITH THE FIRST FISCAL YEAR AFTER THE EFFECTIVE DATE OF
27 THIS CHAPTER AND EACH FISCAL YEAR THEREAFTER, THE TOTAL AMOUNT OF ANNUAL
28 COMPENSATION AND BENEFITS BUDGETED AND AUTHORIZED TO BE PAID BY THE CITY TO
29 MUNICIPAL EMPLOYEES ON AVERAGE PER MUNICIPAL EMPLOYEE, EXCLUDING SWORN POLICE
30 OFFICERS AND FIREFIGHTERS THAT ARE EXEMPT FROM PRIVATIZATION UNDER A CITY
31 ORDINANCE OR CITY CHARTER, SHALL NOT EXCEED ONE HUNDRED TEN PER CENT OF THE
32 TOTAL AMOUNT OF ANNUAL COMPENSATION AND BENEFITS PAID TO PRIVATE SECTOR
33 EMPLOYEES OF BUSINESSES AND ORGANIZATIONS THAT OPERATE WITHIN THE CITY'S
34 JURISDICTION ON AVERAGE PER EMPLOYEE. DATA REGARDING THE CITY'S METROPOLITAN
35 STATISTICAL AREA MAINTAINED BY THE UNITED STATES BUREAU OF LABOR STATISTICS
36 PRESUMPTIVELY ESTABLISHES A REASONABLE ESTIMATE FOR THE TOTAL AMOUNT OF
37 ANNUAL COMPENSATION AND BENEFITS PAID TO PRIVATE SECTOR EMPLOYEES OF
38 BUSINESSES AND ORGANIZATIONS THAT OPERATE WITHIN THE CITY'S JURISDICTION ON
39 AVERAGE PER EMPLOYEE. IF NO LOCAL STATISTICAL TOOL EXISTS FOR AN AFFECTED
40 CITY TO DETERMINE AVERAGE PRIVATE SECTOR COMPENSATION, THE CITY SHALL USE A
41 STATISTICAL REPORT FROM THE UNITED STATES BUREAU OF LABOR STATISTICS FOR THE
42 RELEVANT COUNTY.

43 C. THIS SECTION DOES NOT APPLY IF COMPLIANCE WOULD VIOLATE ANY
44 APPLICABLE FEDERAL LAW OR REGULATION.

1 9-1003. Reporting of employee compensation

2 A. ON THE FIRST DAY OF EACH CITY FISCAL YEAR, THE CITY SHALL PUBLISH A
3 REPORT DISCLOSING THE FOLLOWING:

4 1. THE BUDGETED TOTAL AMOUNT OF ANNUAL COMPENSATION AND BENEFITS PAID
5 BY THE CITY TO MUNICIPAL EMPLOYEES ON AVERAGE PER EMPLOYEE.

6 2. THE BUDGETED TOTAL AMOUNT OF ANNUAL COMPENSATION AND BENEFITS PAID
7 BY THE CITY TO MUNICIPAL EMPLOYEES ON AVERAGE PER EMPLOYEE FOR SWORN POLICE
8 OFFICERS AND FIREFIGHTERS THAT ARE EXEMPT FROM PRIVATIZATION PURSUANT TO A
9 CITY ORDINANCE OR CITY CHARTER.

10 B. THE AMOUNT OF COMPENSATION ESTIMATED IN CONNECTION WITH THE AMOUNTS
11 PRESCRIBED IN SUBSECTION A SHALL INCLUDE, IN ADDITION TO OTHER CATEGORIES OF
12 COMPENSATION, THE GREATER OF BUDGETED OVERTIME OR ACTUAL OVERTIME PAID DURING
13 THE PRECEDING FISCAL YEAR.

14 C. THE AMOUNT OF RETIREMENT BENEFITS ESTIMATED IN CONNECTION WITH THE
15 AMOUNTS PRESCRIBED IN SUBSECTION A SHALL BE BASED ON THE PRESENT VALUE OF
16 ANTICIPATED RETIREMENT BENEFITS TO BE PAID ASSUMING EXISTING VESTING
17 SCHEDULES AND THE AVERAGE MUNICIPAL EMPLOYEE ATTRITION RATE OVER THE
18 PRECEDING FIVE YEARS.

19 D. THE ESTIMATED TOTAL AMOUNT OF ANNUAL COMPENSATION AND BENEFITS PAID
20 TO PRIVATE SECTOR EMPLOYEES FOR BUSINESSES AND ORGANIZATIONS THAT OPERATE
21 WITHIN THE CITY'S JURISDICTION ON AVERAGE PER EMPLOYEE SHALL BE BASED ON THE
22 MOST RECENT STATISTICS AVAILABLE FROM THE UNITED STATES BUREAU OF LABOR
23 STATISTICS OR AN EQUIVALENT RELIABLE STATISTICAL AGENCY DATA REGARDING THE
24 CITY'S METROPOLITAN STATISTICAL AREA THAT IS MAINTAINED BY THE UNITED STATES
25 BUREAU OF LABOR STATISTICS PRESUMPTIVELY ESTABLISHES A REASONABLE ESTIMATE
26 FOR THE AMOUNT REQUIRED BY THIS SUBSECTION.

27 E. THE CITY SHALL ALSO PROVIDE THE BASES AND SOURCES OF DATA FOR ANY
28 RELATED CALCULATIONS REQUIRED BY THIS SECTION.

29 9-1004. Taxpayer standing

30 NOTWITHSTANDING ANY LAW TO THE CONTRARY, TAXPAYERS RESIDING IN THE CITY
31 MAY BRING A SPECIAL ACTION IN ANY COURT OF COMPETENT JURISDICTION TO ENFORCE
32 THE MUNICIPAL EMPLOYMENT LIMIT AND MUNICIPAL EMPLOYEE COMPENSATION LIMIT
33 PRESCRIBED BY THIS CHAPTER. THE CITY, BY CLEAR AND CONVINCING EVIDENCE,
34 BEARS THE BURDEN OF PROOF IN ANY SUCH PROCEEDING TO DEMONSTRATE COMPLIANCE
35 WITH THE REQUIREMENTS OF THIS CHAPTER. DATA ON EMPLOYMENT NUMBERS,
36 COMPENSATION AND BENEFITS THAT IS OBTAINED FROM THE UNITED STATES CENSUS
37 BUREAU AND THE UNITED STATES BUREAU OF LABOR STATISTICS, OR AN EQUIVALENT
38 RELIABLE STATISTICAL AGENCY SHALL BE DEEMED ADMISSIBLE IN ANY PROCEEDING.

39 Sec. 2. Existing contracts

40 This act does not apply to existing vested contractual or
41 intergovernmental agreements for the furnishing of municipal services that
42 have been entered into before the effective date of this act. When the
43 vested contractual or intergovernmental agreements expire, the agreements may
44 only be continued if they are continued or renegotiated pursuant to this act.