

## EXHIBIT C

### SENATE INTERIM COMMITTEE ON CITY, COUNTY, & LOCAL AFFAIRS HOUSE INTERIM COMMITTEE ON CITY, COUNTY, & LOCAL AFFAIRS

#### MEETING JOINTLY

WEDNESDAY, AUGUST 24, 2016

#### MINUTES

The Senate and House Interim Committees on City, County, and Local Affairs, met Wednesday, August 24, 2015 at the Hot Springs Convention Center, Hot Springs, Arkansas. The meeting was held during the Annual Conference of the Association of Arkansas Counties (AAC).

Committee members present were Senators Missy Irvin, Senate Chair, Scott Flippo, Stephanie Flowers, and Linda Collins-Smith. Representatives Betty Overbey, House Chair, Mary Bentley, Charles Blake, Jana Della Rosa, Lance Eads, Kenneth Ferguson, David Fielding, Justin Gonzales, and Kim Hammer.

Other legislators present were Senators Larry Teague and Eddie Joe Williams. Representatives Scott Baltz, Charlotte Douglas, Lanny Fite, Vivian Flowers, Douglas House, Fredrick Love, Mathew Pitsch, and Jeff Wardlaw.

#### **Call to Order**

Senator Irvin called the meeting to order.

#### **Opening Remarks**

Senator Irvin asked legislators to introduce themselves.

#### **Approval of Minutes – June 15-16, 2016 [Exhibit C]**

Without objection the minutes of the June 15 and June 16, 2016 committee meetings were approved by acclamation.

#### **Welcome to the Annual AAC Conference and Update on Projects and Activities of the Association of Arkansas Counties (AAC)**

Senator Irvin recognized Chris Villines, Executive Director, AAC. Mr. Villines welcomed legislators to the conference and reviewed the workshops being held throughout the conference:

- Wednesday, August 24, 2016, during the afternoon, nine separate AAC association meetings will review and discuss legislation proposed by the AAC for the 2017 legislative session.
- Thursday, August 25, 2016 at 11:00 a.m., a legislative panel will discuss various issues facing county elected officials.
- Thursday, August 25, 2016 at 2:15 p.m., the Criminal Justice Task Force will participate in the Senate and House Judiciary Committees meeting. Findings from

research regarding the criminal justice system which was performed by the AAC and the Council of State Governments during the past nine months will be presented.

Mr. Villines said the focus of the conference is on policy, education, and training. But, there is also a strong focus on workers compensation coverage and general liability coverage for auto, property, and risk management for county government pools. The administration of the county pools' coverage for county employees provides a funding mechanism for the AAC. Also, the completed 2017 AAC legislative packet will be presented to the House and Senate Committees on City, County, and Local Affairs Committees before the end of 2016.

### **Overview of the History of the County Turnback Funding [Exhibit E]**

Senator Irvin recognized Chris Villines, Executive Director, AAC, and County Judge Robert Griffin, Independence County. Mr. Villines referenced the loss of county Turnback funds when the legislature cut the funding by 1% in the 2015 legislative session. In the 2017 legislative session, the AAC will ask the legislature to restore the funding. He then referenced an article written by Eddie Jones, consultant, AAC, that contains a review of the history of what Turnback funds mean to counties.

County Judge Robert Griffin, Independence County, read a portion of a letter from the Arkansas Highway Transportation Department concerning a mandate to his county to close a bridge. Judge Griffin said this and other mandates contain unfunded obligations levied on county governments. He said Independence County is facing deficit funding:

- A \$1.3 million funding deficit in basic county office operations
- A \$2.2 million funding deficit in the county jail and sheriff's office
- A total combined funding deficit of \$3.5 million

Judge Griffin said the majority of county funding comes from property taxes, which totals \$2.7 million. He believes there should be additional funding sources, instead of relying so heavily on property taxes.

### **Review of Draft Legislation Proposed by the County Assessors Association: Clarifying Exemption Status on Title Transfers – Sponsored by State Representative Justin Boyd, House District 7 [Exhibit F]**

Senator Irvin recognized Trina Jones, Assessor, Van Buren County, and Lindsey Bailey, Legal Counsel, AAC. Ms. Jones discussed an issue involving a Property Owners Association, the Fairfield Bay Community Club, regarding the assessment and collection of taxes for the Association's wastewater facilities. She gave a detailed account of changes made to deeds of ownership of the wastewater facilities from the original Property Owners Association to the county, followed by a deed to a corporation. Van Buren County assessed the facilities and collected taxes from 2002 until 2007. She said that for five years, while taxes were collected, the Property Owners Association did not advise the Assessor's office that it was the owner of the facilities, nor were the tax collections ever questioned. In 2007, the Property Owners Association appealed the assessment and collection of taxes. The Association asserted that its status should have been classified as exempt. The

issue was routed through the court system beginning in 2007; with the Arkansas Court of Appeals ruling in favor of the Association in 2011. Van Buren County was forced to refund the taxes collected for three years, 2005, 2006, and 2007. Ms. Jones said their proposed legislation will clarify tax exempt status issues and situations similar to what Van Buren County experienced. She said the purpose of the proposed legislation is to make clear that those entities must file for an exemption with their county assessor and will be prohibited from making claims for prior years.

**Review of Draft Legislation Proposed by the Quorum Court Association: Justice of the Peace Holding Court on Injuries to Domesticated Animals [Exhibit G]**

Senator Irvin recognized David Thompson, Justice of the Peace, Boone County. Mr. Thompson referenced Exhibit G, legislation proposed by the Quorum Court Association to make clarifications to Amendment 55. The legislation will strike language regarding the authority of a Justice of the Peace in deciding issues and setting damages for injuries in matters involving domestic animals. Mr. Thompson said the Quorum Court Association believes the Circuit Court is the appropriate authority to decide these issues.

**Review of Draft Legislation Proposed by the County Clerks Association: Limiting the Candidacy for Two Offices in One Election-Sponsored by State Representative Jeff Wardlaw, House District 8 [Exhibit H]**

Senator Irvin recognized Representative Wardlaw, and also Doug Curtis, County Clerk, Saline County, and Scott Perkins, Communications Director, AAC. Mr. Curtis presented legislation proposed by the County Clerks Association. He said there are counties where individuals file to be elected in more than one office, such as a municipal office, a district office, and/or a countywide office. In the event the person is elected in two or more offices, then that person is allowed to choose which office he or she wishes to serve in. This situation creates a vacancy, which then requires the county to hold a special election, which is very costly. The proposed legislation would prohibit an individual from seeking more than one office in an election.

**Review of Draft Legislation Proposed by AAC: Amending the Retention Schedule for Various County Records [Exhibit I]**

Senator Irvin recognized Terry McNatt, Treasurer, Craighead County, County Sheriff Marty Boyd, Craighead County, and Josh Curtis, Governmental Affairs Director, AAC. Mr. Curtis referenced Exhibit I and said the proposed legislation would add electronic reproduction authority to current statutes governing record retention. The change is an effort to streamline record retention. Treasurer McNatt said that his office is overloaded with paper files. He has stockpiles of paper files being housed in leaking buildings. He believes the electronic retention of records will help reduce the large amounts of paper files being stored. He also suggests that when data has been converted, a review of the data should be performed every four years. Craighead County Sheriff Marty Boyd said the proposed legislation has been a joint collaboration by all counties as an effort to save manpower and reduce the need for storage. His department has three trailers used to store records, which are basically sitting there rotting. Sheriff Boyd said his office has been electronically storing booking records for his jail for fifteen years and has plans to begin electronically storing dispatch records. Sheriff Boyd said the current retention statutes require dispatch

records to be stored for seven years. He suggested this be reduced to three years because the majority of dispatch centers operate from a Computer-Aided Design and Draft system (CADD), which automatically creates an electronic record. Any handwritten information from the dispatch records could be destroyed following an audit after three years. Mr. Curtis discussed one aspect of the proposed legislation which resulted from meetings between the Circuit Clerks Association and the Administrative Office of the Courts (AOC). Conflicts were found in the Juvenile Code regarding the retention of juvenile records listed in §9-27-09. It was learned that the statute was also listed in another section of the juvenile code, which is more clearly defined. Mr. Curtis said this issue has been addressed in the proposed legislation and has the approval of the AOC. He said one final part of the proposed legislation will allow county clerks to destroy unused ballots when an election has been certified.

Senator Irvin announced that a joint meeting of the Senate and House City, County, and Local Affairs Committees is scheduled for 11:00 a.m. Thursday, August 25, 2016, in Rooms 102 and 103, in the Hot Springs Convention Center, Hot Springs, Arkansas.

There being no more business, the meeting adjourned at 5:25 p.m.