

ARIZONA SECRETARY OF STATE'S OFFICE

2012 TOWN HALL

PROPOSITIONS 114, 115, 116, 117, 118,  
119, 120, 121, and 204

Phoenix, Arizona

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SECRETARY OF STATE'S 2012 TOWN HALL MEETING,  
 REGARDING PROPOSITIONS 114, 115, 116, 117, 118, 119,  
 120, 121, and 204, held on September 12, 2012, at the  
 Cox Communications' Television Studios, 17602 North  
 Black Canyon Highway, Phoenix, Arizona, in the presence  
 of the following:

Mr. Ken Bennett, Secretary of State  
 Mr. Rich Dubek, Moderator  
 Mr. Jim Drake, Assistant Secretary of State  
 Mr. Mike Braun, Executive Director, Arizona  
 Legislative Council

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P R O C E E D I N G S

MODERATOR RICH DUBEK: Good evening, everybody, and welcome to Cox Communications' television studios in Phoenix, Arizona, for Secretary of State Ken Bennett's third Ballot Measure Town Hall.

I'd like to thank all of you here in the audience, and for those of you tuning in to learn more about the ballot measures we'll see in the upcoming November 6th election.

My name is Rich Dubek and I will act as Moderator for this evening. It should be a great night, both insightful and educational. As we review the nine propositions on the ballot for this November's election, we hope that everyone learns a little something about each one of these ballot measures, to feel more knowledgeable about casting his or her vote.

With that in mind, we do want to get started. We would like to introduce Arizona's Secretary of State, Ken Bennett. Secretary Bennett was appointed by Governor Jan Brewer to serve as Secretary of State in 2009, when she became Governor. Since then, the Secretary was elected in 2010 and has taken significant steps to modernize the Secretary of State's office while providing unprecedented transparency.

SECRETARY OF STATE KEN BENNETT: Thank you, Rich. I also want to thank Cox Communications for being our partner this evening.

You know, elections are a cornerstone of our Democratic Republic [sic]. So I'd like to thank everyone in attendance, and those of you tuning in through *Cox on Demand*, thank for you taking the time to become better informed about the critical issues that we'll be voting on November 6th.

There are nine propositions on the ballot this fall, and I know it can be difficult for voters to keep up with everything that's being proposed. To help in that regard, our office is sponsoring 25 Town Halls, similar to this one, in communities all over the state.

Voters will have the opportunity to hear representatives for and against each of the ballot measures, and to ask questions of the knowledgeable staff from the Secretary of State's office.

For more information on the ballot measures, as well as tips for Election Day, we've also mailed more than two million Arizona General Election Guides, or Publicity Pamphlets, which should be arriving soon, or perhaps have already arrived in your mailbox. As always, you can check our Website, [www.azsos.gov](http://www.azsos.gov) for election information, any time, day or night.

Most important, of course, is to remember to cast your vote this general election. People can register to vote until October 9th, and early voting begins on October 11th. All ballots must be returned to a polling place by 7:00 p.m. Mountain Standard Time on November 6th.

Now, before we get to the ballot propositions, I would like to further introduce our Moderator tonight, Rich Dubek. Rich has spent 20 years in the local television news media, most recently as a two-time Emmy-award-winning reporter at Channel 12. He now owns and operates AZ Freelance TV, where he continues to work in the media on a national stage, for clients like NBC News and the *Today Show*. Rich also provides private sector and government media training and coaching, strategic messaging, as well as web and corporate video production.

So back to you, Rich.

MODERATOR RICH DUBEK: Thank you very much, Mr. Secretary. I appreciate that.

We do have some ground rules tonight, and we want to make sure you are aware of these rules before we begin. Both proponents and opponents who come up to speak on each of these ballot measures will get two minutes each. And we do have a clock. We have to stay

on time. And we will move people along if we go over that two-minute mark.

Speakers are asked to keep their remarks to the issues and avoid any personal attacks. Let's follow the Golden Rule and treat others how we would like to be treated.

Also, a question-and-answer section will follow the program. We do ask that you stay in your seats for that portion; it will be broadcast and available on *Cox on Demand* at a later date.

With that, Secretary Bennett will introduce and describe each ballot proposition, beginning first with Proposition 114.

SECRETARY OF STATE KEN BENNETT: Thank you, Rich.

Before I begin, I would like to note that our office was only able to contact formally-organized ballot measures committees, for and against, to speak on these measures. In the event that we do not have a speaker, we will simply move on to the next initiative.

###

PROPOSITION 114

SECRETARY OF STATE KEN BENNETT: And now starting with Proposition 114. A "yes" vote shall have the effect of protecting crime victims from having to pay damages to a person who is injured while that person committed or attempted to commit a felony against the victim.

A "no" vote shall have the effect of keeping our current constitutional laws related to liability for damages.

MODERATOR RICH DUBEK: Thank you,  
Mr. Secretary.

This particular legislative referenda is a prime example, no one was available to speak in favor or against Prop 114, so we will direct voters to read the arguments submitted to your office by supporters and opponents in the Publicity Pamphlet.

###

PROPOSITION 115

MODERATOR RICH DUBEK: Moving on to the next ballot measure, I'll ask Secretary Bennett to describe Prop 115.

SECRETARY OF STATE KEN BENNETT: Thank you, Rich.

A "yes" vote on Proposition 115 shall have the effect of: First, increasing the terms of Arizona Supreme Court justices and Appellate and Superior Court judges to eight years; two, it would raise the retirement age for justices and judges from 70 to 75; third, it would change the membership of commissions on appellate and trial court appointments and some of the procedures for appointing judges and justices; fourth, it would require the Supreme, Appellate, and Superior Courts to publish their decisions online; fifth, it would require the Supreme Court to send a copy of the judicial performance review on each justice or judge who is up for retention to the Legislature; and sixth, it would allow a joint legislative committee to meet and take testimony on justices and judges that are up for retention that year.

A "no" vote will basically keep our current constitutional law related to the courts and the

selection of judges.

MODERATOR RICH DUBEK: Thank you,  
Mr. Secretary.

And our first speaker on the pro side of 115 is Peter Gentala representing Making Merit Selection Stronger, Yes on Prop 115.

Peter, you have two minutes.

MR. PETER GENTALA: Thank you.

Proposition 115 is a consensus measure that improves and strengthens the way we select our judges. The measure is a result of a collaborative effort between the State Bar of Arizona, the Arizona Judicial Council, the Arizona Judges Association, the Legislature, and Governor Brewer. As a result, Proposition 115 passed the Legislature with strong bipartisan support.

Proposition 115 improves the way judges are selected by creating more transparency and accountability. Right now, powerful insiders have too much control over who becomes a judge in Arizona. An unelected commission can effectively dictate the Governor's choice for the bench. Instead of decisions being made by an unelected commission, Prop 115 makes it clear that it is the Governor who is responsible and accountable for the appointments to the bench.

Prop 115 also helps voters cast informed decisions on the judges they see on the ballot. The lack of information on judges is an ongoing frustration for voters. If we want retention elections to be meaningful, voters must be empowered with the facts on the judges they see on their ballot.

Finally, Prop 115 enables qualified judges to serve longer. Right now, good judges are being forced off the bench when they reach the age of 70. This is a problem. Good judgment is often the result of experience. Arizona will be well-served by allowing judges to serve with excellence beyond the age of 70.

I hope you will join the State Bar of Arizona, the Arizona Judicial Council, the Arizona Judges Association, the Legislature, and Governor Brewer in supporting Prop 115. Please visit [YesOnProp115.com](http://YesOnProp115.com) for more information. That Website, again, is [YesOnProp115.com](http://YesOnProp115.com). Thank you.

MODERATOR RICH DUBEK: Right on time. Thank you very much, Peter. Appreciate your comments.

We do have a speaker in opposition to Prop 115 and she is JoJene Mills, a Tucson lawyer and Chair of the No on Prop 115 Committee.

JoJene, two minutes, please.

MS. JOJENE MILLS: Thanks, Rich.

Secretary Bennett, I would respectfully disagree with how you characterize Proposition 115. Because the real point of Proposition 115 is to allow the Governor almost complete power over how our most important judges are selected in this state.

Now, I think we all remember from civics class, that a separate, independent court system is one of the most important parts of American government. And in Arizona, 40 years ago, our citizens changed our Constitution to have a form of what's called "merit selection of judges." And that's how we elect -- that's how we select Supreme Court justices, Appellant justices, and some trial court justices.

Now, in the 40 years since we made that change, we have been held up as a model across the country for being one of the best systems for appointing judges. In fact, I was really interested that the U.S. Chamber of Commerce said: That Arizona leads the Nation with the procedures it's put in place to fulfill the promise of true non-partisan merit selection. And there are plenty of other praises for what are called best practices in the Nation, so why would we want to change that?

Well, politicians have always wanted to take control of the courts and that's what Proposition 115 does. What it does is it removes some of the

non-politicians, non-partisan people who are involved in the selection process and gives almost complete control to the Governor.

And why would we hear that the State Bar and the judges would agree to this? Well, as their lobbyist, the lobbyist for the judges said: That was a compromise that was extorted by our Legislature in threatening our courts with other different measures that would have been bad, too. And as a result of that, these organizations agreed to go along with this.

The organizations that oppose this include the League of Women Voters, business groups, the Phoenix -- or, the Phoenix Police and a whole bunch of other lawyers.

MODERATOR RICH DUBEK: And your time is up.

MS. JOJENE MILLS: So look at StopProp115, for the answer. Thanks.

MODERATOR RICH DUBEK: Thank you very much. Appreciate that.

###

PROPOSITION 116

MODERATOR RICH DUBEK: Up next, Secretary Bennett will describe Proposition 116.

SECRETARY OF STATE KEN BENNETT: Thank you, Rich.

A "yes" vote on Proposition 116 will have the effect of setting the amount exempt from annual taxes on business equipment and machinery purchased after 2012, to an amount equal to the combined earnings of 50 Arizona workers.

A "no" vote will have the effect of keeping our current constitutional law related to the annual taxes on business equipment and machinery.

MODERATOR RICH DUBEK: Thank you very much, Mr. Secretary.

And our first speaker on the pro side of 116 is Mr. Farrell Quinlan, the State Director for the National Federation of Independent Business in Arizona.

Mr. Quinlan, two minutes.

MR. FARRELL QUINLAN: Arizona's economy is mired in recession. One in five is either unemployed, underemployed, or has given up trying to find a job in this economy. Arizona needs jobs. Fortunately, Arizona voters have a unique opportunity this election to remove

one of the heaviest drags on new job creation.

Proposition 116, the Small Business Job Creation Act, unleashes our small business job creators to do what they do best, putting Arizonans back to work.

More than two-thirds of new jobs are created by small business. And it's small businessmen and women who will lead us out of this recession. Unlike homeowners and individual taxpayers, Arizona small businesses are saddled with an annual property tax on everything they own. Their desks, chairs, computers, machinery, everything, every year. Adding insult to injury, this annual tax is due before they hire their first worker, make their first sale, or even turn a profit. That's unfair, it's self-defeating, it discourages investment in Arizona and it kills jobs.

Passage of Proposition 116 will make it cheaper to invest in new equipment and machinery, which directly leads to hiring new employees.

So much -- so much of what ails our economy today -- the foreclosures, reduced support for our kid's schools, empty store fronts -- can all be traced back to the lack of new job creation. Proposition 116 removes a huge impediment blocking that job creation for thousands of small businesses, the engines of economic growth and recovery.

Proposition 116 delivers exactly what Arizona needs, more jobs. Visit [www.VoteYesOn116.com](http://www.VoteYesOn116.com) to learn more about the Small Business Job Creation Act, and remember to vote "yes" on 116. Thank you.

MODERATOR RICH DUBEK: And thank you very much.

There was no organized opposition to this legislative referenda, so we will direct voters to read the arguments submitted to your office by both supporters and opponents in the Publicity Pamphlet.

###

PROPOSITION 117

MODERATOR RICH DUBEK: Now, a description of Proposition 117 by Secretary Bennett.

SECRETARY OF STATE KEN BENNETT: Thank you, Rich.

A "yes" vote on Proposition 117 will set a limit on the annual percentage increase in property values used to determine property taxes to no more than 5 percent above the previous year, and establish a single limited property value as the basis for determining all property taxes on real property, beginning in 2014.

A "no" vote will have the effect of keeping current constitutional law related to calculating property taxes and values.

MODERATOR RICH DUBEK: Thank you, Mr. Secretary.

And our first speaker on the pro side of 117 is Kevin McCarthy, president of the Arizona Tax Research Association.

Mr. McCarthy, you also have two minutes.

MR. KEVIN MCCARTHY: The Arizona Tax Research Association is a statewide taxpayer organization that has represented and protected Arizona property taxpayers

for 72 years. We are grateful for the bipartisan support that we've received in the Legislature to refer Prop 117 to the ballot.

Arizona is infamous for having one of the most complicated property tax systems in the country. Outside of those who are paid to administer that system or those who profit from its complexity, very few Arizonans understand our complex system. From predictability to stability to transparency, it fails almost every criteria for judging a tax system.

Prop 117 will simplify this system, as well as protect Arizona taxpayers from unlimited tax increases associated with rapid growth in the real estate market.

One unique and unnecessary feature of our tax system is that we have two taxable values that even the most sophisticated taxpayers can't understand. Prop 117 will simplify this system by reducing the taxable values from two to one simply understood value.

Another particularly negative feature of our system is it lacks any annual limit in the growth of property values. Prop 117 addresses this problem by putting a 5 percent annual cap on the growth of taxable values. The lack of any current limit on taxable values unfairly exposes taxpayers to significant tax increases when the real estate market surges.

In fact, in the middle part of the last decade, many Arizonans saw significant tax increases when they received a 60 percent increase in their taxable value from the County Assessor in one single year. Prop 117's 5 percent limit will protect taxpayers from those local governments that ride the natural growth in the real estate market to major tax increases.

A 5 percent limit on one taxable property is good --

MODERATOR RICH DUBEK: Time is up.

MR. KEVIN MCCARTHY: -- policy for Arizona taxpayers, and I strongly support -- encourage your support for Prop 117. Thank you.

MODERATOR RICH DUBEK: Thank you very much.

There was no organized opposition to this legislative referenda, but there was both pro and con arguments submitted to your office that will be printed in the Publicity Pamphlet.

###

PROPOSITION 118

MODERATOR RICH DUBEK: Next up, we'll ask, once again, Secretary Bennett to describe Proposition 118.

SECRETARY OF STATE KEN BENNETT: Thank you, Rich.

A "yes" vote on Proposition 118 will have the effect of changing the distribution formula for the State Land Trust Permanent Endowment Fund, which funds various public institutions, including schools. This new formula will be 2.5 percent of the average monthly market values of the Fund for the immediate preceding five years. That change would affect fiscal years 2013 through 2021.

A "no" vote shall have the effect of keeping our current constitutional law related to the distribution formula for the State Land Trust Permanent Endowment Fund.

MODERATOR RICH DUBEK: Thank you, Mr. Secretary.

And our first speaker is on the pro side of 118, and he is Harry Papp, member of Arizona Board of Investment and the managing partner and portfolio manager of L. Roy Papp & Associates.

You have two minutes.

MR. HARRY PAPP: Thank you. And thank you folks for having me here this evening.

I'm Harry Papp, and I'm a member of the Arizona Board of Investment and managing partner of L. Roy Papp & Associates.

When Arizona became a state, the federal government granted about 10 million acres of land to the State. 8.4 million acres of that land was dedicated to Arizona's public education. Today 8.1 million acres remain, and K-12 schools are the primary beneficiary of about 87 percent of those assets.

As the State sells land, proceeds are deposited at the State Treasurer's office and managed into perpetuity. The market value today is over \$3.5 billion. The Treasurer's office recently completed the first ever allocation study. The most glaring takeaway from the study was that the current constitutional formula that determines how the funds are distributed to public education and the 12 other beneficiaries is flawed.

It is overly complex and resulted in uneven and unpredictable and even zero dollar distributions in 2010. The current formula likely will result in several additional years in the next decade of zero dollar distributions. With an endowment this large, there was

no reason that for years with zero dollars, from a \$3.5 billion fund going to benefit Arizona's children and teachers.

Proposition 118 simplifies the formula and ensures consistent, reliable earnings distributions that will protect the principal of the fund.

There's widespread bipartisan support. Proposition 118 includes -- supporters include Arizona Department of Education and all leading education groups and the business community.

This is a common-sense solution to an inconsistent funding formula. Proposition 118 stabilizes the distributions and would provide approximately \$10 million more to K-12 education in 2013, compared to the current formula, without raising taxes.

Please join me in supporting Proposition 118. Thank you.

MODERATOR RICH DUBEK: And right on time. Thank you very much.

Now, we do want to make one clarification. In this program we have mentioned ballot arguments being submitted to your office. What we really mean to say is those ballot arguments have been submitted to the Secretary of State's office. So, we do want to clarify

that.

Now, there was no organized opposition to this legislative referenda.

So, we will once again ask Secretary Bennett to describe our next measure, Proposition 119.

SECRETARY OF STATE KEN BENNETT: Thank you, Rich.

And to clarify that point a little further, every ballot argument, whether for or against, is required by state law for us to print in that Publicity Pamphlet that I mentioned earlier. So every home in -- every residence in Arizona that has a registered voter, should receive this pamphlet that has all of those pro and con arguments.

###

PROPOSITION 119

SECRETARY OF STATE KEN BENNETT: Okay.

Proposition 119 will have the effect of authorizing the exchange of state trust lands if the exchange is related either to the protecting of military facilities in our state or improving the management of state trust lands and it also prescribes the process for such exchanges. That process includes two independent appraisals and analysis, public hearings, and approval by a public vote.

A "no" vote shall have the effect of keeping our current constitutional law related to state trust lands.

MODERATOR RICH DUBEK: Thank you, sir.

Our next -- or, I should say our first speaker on the pro side of 119 is Dave Richins, Policy Director of the Sonoran Institute.

Once again, you have two minutes.

MR. DAVE RICHINS: Proposition 119 is a constitutional amendment for the ballot on this November 2012. It would authorize the trade of state trust lands for federally-owned lands to preserve and protect military facilities in Arizona, as well as improving the management of state trust lands.

Really, the best way to understand, exchanges are like trades. And everybody understands baseball. So, you understand when a baseball team wants to make a trade for your favorite player, a lot of times your -- your coaches, they're going to evaluate it, the Board of Directors, everybody involved in the baseball team, and even the Commissioners, are going to evaluate that trade.

And -- but -- but the fans, they don't get to support that trade when it occurs, and when you lose your favorite player it hurts.

But with 119, it's like trading those players, but you're trading state lands with federal lands, and this gives us the opportunity to preserve one of our favorite teams in Arizona, our military facilities. They provide 96,000 jobs in Arizona and \$9.1 billion to our local economy. It's an industry that is worth preserving in Arizona.

But like trades, we get the opportunity to evaluate each of these trades between the state and the federal government. These trades require two independent appraisals; they require two independent analysis about their fiscal impact on local communities; and it also has an extensive public notice and public comment period. But best of all, you, the fans, get to

decide the trades, whether they're worth it or not.

So, please join me in supporting Proposition 119 by voting "yes." You can go to our Website, [YesOn119.com](http://YesOn119.com). Thank you.

MODERATOR RICH DUBEK: Under the time limit. We appreciate those added seconds.

Once again, there was no opposition -- organized opposition to this referenda.

So, we will once again turn it over to Secretary Bennett for the description on Prop 120.

SECRETARY OF STATE KEN BENNETT: I think that's the first time I've heard state trust land exchanges compared to baseball, but being a big baseball fan, I kind of liked it.

###

PROPOSITION 120

SECRETARY OF STATE KEN BENNETT: Okay. A "yes" vote on Proposition 120 shall have the effect of repealing Arizona's disclaimer in our constitution of all right and title to federal public lands within the state and declaring Arizona's sovereignty over public lands and all natural resources within our boundaries. This excludes Indian reservations, lands of the United States, and lands over which jurisdiction has been ceded by the State of Arizona.

A "no" vote will have the effect of keeping our current constitutional law related to public lands and natural resources within Arizona's boundaries.

MODERATOR RICH DUBEK: Thank you, again, Mr. Secretary.

No one was available to speak in favor of this legislative referenda, but there's certainly somebody who doesn't like it at all. She is Sandy Bahr, Director of the Sierra Club's Grand Canyon chapter, and she will speak in opposition to Prop 120.

Sandy, two minutes.

MS. SANDY BAHR: Thank you.

We urge all Arizonans to vote "no" on Proposition 120. Make no mistake, Prop 120 is a

legislative land grab. It was referred to the ballot by the Arizona Legislature to change Arizona's Constitution and to assert state sovereignty over federal public lands in Arizona. It also seeks exclusive authority over air, water, wildlife, and other natural resources.

So, what does that mean? It means that the Arizona legislature wants control of national parks, forests, monuments, and wildlife refuges, and also seeks to undermine protections provided by federal law, such as the Clean Air Act, the Endangered Species Act, and the Clean Water Act.

Prop 120 is both unconstitutional and extreme. The Legislature's attempt to grab these public lands violates the Arizona Constitution and U.S. Constitution, and it even violates the law that granted Arizona statehood.

Prop 120 is irresponsible. The State cannot properly fund and manage its own state park system. Several parks have closed in recent years because the Legislature swept the funds to keep those parks running.

If implemented, Prop 120 would have an enormous tax burden on the state, and it would have a huge fiscal impact. And besides, how could we trust the Arizona Legislature with Grand Canyon National Park?

Our public lands are of national importance,

supported strongly by Arizonans and belong to all Americans, including future generations. They fuel our economy; they support wildlife; our wildlife heritage; provide an abundance of recreational opportunities; and sustain our quality of life.

Please vote "no" on Proposition 120. You can find out more at [NoOnProp120.com](http://NoOnProp120.com). Thank you.

MODERATOR RICH DUBEK: Thank you, Sandy.

###

PROPOSITION 121

MODERATOR RICH DUBEK: Our next Proposition is Prop 121.

SECRETARY OF STATE KEN BENNETT: Thank you, Rich.

A "yes" vote on Proposition 121 will have the effect of replacing the current party primary elections with a top-two primary election in which all voters, regardless of party affiliation, vote in a single, combined primary, and the top two vote-getters for each seat advance to the general election ballot. This top-two primary will not apply to the election of the U.S. President or to the elections in which no party affiliation appears on the ballot.

A "no" vote will have the effect of keeping the current party primary elections in which each recognized political party selects a candidate to appear on the general election ballot.

MODERATOR RICH DUBEK: Thank you, Mr. Secretary.

And this Proposition is getting a lot of attention. On the pro side of 121 is Mr. Paul Johnson, former Mayor of Phoenix, CEO of Southwest Next Investments, and Chairman of the Open Elections/Open

Government Committee.

Mr. Johnson, two minutes.

MR. PAUL JOHNSON: Thank you.

You don't have to run a poll to know that large segments of the public are giving up on the two-party system. Through no organized effort whatsoever, we have over a third of the public in Arizona and across the United States that have given up on the two parties and have registered as Independents.

What our proposal does, Proposition 121, the top-two vote-getters, is it simply eliminates the partisan primary, and it replaces it with an open election, where all candidates run, where every candidate -- where every voter can vote for them, and the top two vote-getters go to the next level. It is simple in that it lets every voter vote in every election.

But what it also does is it helps us create real competition. What's happened through political gerrymandering, is our political system today in Arizona, we have over 26 districts out of 30 that have been gerrymandered to the point where they are considered to be safe districts. That means the voters have no real choice in four -- in any more than four or five of those legislative districts.

What this proposal does is it not only creates competition at the first level, in the primary, but also in the run-off by having the top-two vote-getters always face one another. Most importantly, though, today those candidates who are elected in those partisan primaries and then have no general election, end up having to face only a very narrow ideologic group of people. People who are ideological purists.

What that's done is it's created an incentive for candidates to not cross the aisle, to not work with people on the other side. What this measure does is by forcing them to talk to candidates -- or, talk to voters, who are both Independents and members of the other party, is it creates an incentive for them to do just exactly that, to cross the aisle and look for compromise.

I would encourage you to go to [www.azopengov.org](http://www.azopengov.org), take a look at the proposal. We hope you'll vote for it. Thank you very much.

MODERATOR RICH DUBEK: Thank you. Appreciate it.

And we do have somebody speaking against 121, Maricopa County Attorney Bill Montgomery.

Two minutes, sir.

MR. BILL MONTGOMERY: As an incumbent, I should

like this initiative because it would make reelection easier. But Prop 121 is just the latest set of empty promises seeking to change how we conduct elections in Arizona, falsely claiming this would increase voter participation, result in better candidates, eliminate costs, and make for nicer elections.

Only four states have a system similar to the top-two free-for-all, and none of these promises have come true for them, including California, the latest to try this expensive scheme ripe for exploiting and confusing voters.

To put this initiative on the ballot, supporters had to spend over \$1 million to pay for signatures, and in that process convicted felons fraudulently circulated petitions and misled voters about what they were signing, telling some people that the petition would save animals from being killed in shelters, or that by signing they would increase jail time for child molesters.

The reality is that this initiative will double the amount of money spent in primaries. California saw the amount spent double from \$24 million to \$46 million.

This initiative will eliminate diversity of candidates and choices for voters in general elections when it matters most. Because, regardless of how many

candidates qualify for a primary from a party or as an Independent, you can only choose from two in the general election, even if the candidates are both from the same party. That is not how our democracy works. We need the diversity of opinions and voices to choose from in a general election, as we do now.

We will not see more voters participating. No state with this system or one like it has seen an increase in voter participation.

There is no guarantee of better candidates. No system can deliver on that promise, because it is up to voters to decide what kind of candidate they want, not a system trying to rig outcomes.

There is no cost savings. We will still pay for primaries under a top-two free-for-all.

Lastly, a top-two free-for-all will not be like non-partisan city elections, because candidates in city elections do not have their party listed on the ballot. But the top-two free-for-all goes so far as to allow candidates to list themselves as members of the Mickey Mouse, Donald Duck, or Pluto party. Likewise, this initiative is goofy.

Save our right to choose from more than just two candidates from the same party when it matters most, in the general election. Save our vote. Vote "no" on

Prop 121.

MODERATOR RICH DUBEK: Thank you very much.

###

PROPOSITION 204

MODERATOR RICH DUBEK: We are down to our final and last ballot measure, and I'd now like to ask Secretary Bennett to describe Prop 204.

SECRETARY OF STATE KEN BENNETT: Thank you, Rich.

A "yes" vote on Proposition 204 will permanently increase the state sales tax by one cent per dollar, effective June 1st, 2013, for the purpose of funding educational programs, public transportation infrastructure projects, and human services. It forbids reductions to the current K-12 and university funding levels and forbids reductions to the current state sales tax base.

A "no" vote shall have the effect of not increasing the state sales tax by one cent per dollar beginning June 1st of 2013.

MODERATOR RICH DUBEK: Thanks, again, Mr. Secretary.

And our first speaker is on the pro side of 204, Ann Eve Pederson, Chair of the Prop 204-Quality Education and Jobs Committee, and President of the Arizona Education Parent Network.

Once again, two minutes.

MS. ANN EVE PEDERSON: Thank you. Thank you.

Arizona led the nation in the depth of cuts to education, and this is hurting not just our school children, but also our state's economy. If Arizona wants to recruit good jobs that pay well, we must have quality and strong schools in Arizona. That's why Arizona's top CEO organizations support Prop 204, the Quality Education and Jobs Initiative.

Prop 204 will provide a permanent, dedicated revenue source for education. It will benefit K-12, district and charter schools, vocational education, community colleges, universities, and GED programs, and it prevents the Legislature from making any more cuts to our K-12 district and charter schools in Arizona.

Prop 204 will renew the one cent sales tax that voters overwhelmingly passed in 2010, and it will not increase your taxes. I repeat, you will pay the same amount in taxes that you are paying now, but those funds will be better protected from legislative raids, and they will more directly benefit our children and their classrooms.

This investment comes at a critical time for education in Arizona. Our -- our schools are about to implement a sweeping set of reforms and new accountability measures, but we must ensure that there

are resources there so that our students can achieve at these much higher levels of expectations. We have to have funding for basics, like books and classrooms. That's something the Legislature refuses to fund.

The Legislature cut \$1 billion from K-12 education over the past four years. And when they were asked this past session, as revenues were increasing, to make a modest investment in education, they initially refused to provide one more dime.

We cannot rely on the Legislature. We must rely on the voters of Arizona to pass Prop 204 to protect our students and their classrooms from any further cuts and to invest in our state's education system. Thank you.

MODERATOR RICH DUBEK: Thank you very much. Right on time.

Speaking against Proposition 204 is Erik Twist, Headmaster of Archway Classical Academy.

Once again, two minutes. Thank you.

MR. ERIK TWIST: Thank you.

Like all public educators, I want Arizona to serve its children in the best way possible, from that first day of kindergarten to the last day of senior year, and this is exactly why I oppose Proposition 204.

While we can all agree that our state is in

need of education reform, and while we can all agree that the proper funding of our schools is a key component of this reform, Prop 204 goes about it exactly the wrong way. A permanent, unexamined sequestering of revenue that ultimately throws \$1 billion indiscriminately into an education system that we all know is broken, without tying those funds to what is actually working, to what is really serving our children, is as foolish as it is harmful. We need real education reform.

Prop 204 treats poorly-performing schools the same as successful schools by rewarding equal dollars to both. Less than 10 cents per dollar is tied directly to performance measures. Our children deserve better. Arizona needs a great school in every neighborhood, not more tax dollars thrown at the status quo.

And we all know that working families are still feeling the effects of the recession. We need relief, not further taxation. We need to encourage business growth and expansion in Arizona so that our economy continues to recover.

Prop 204 would lock Arizona in the second highest sales tax in the nation, leaving us nothing to show for it but a weaker economy and the same education woes.

Let's grow success. Let's grow the promise that every Arizonan has access to a great education. Let's fund the schools and the teachers that make that promise a reality day in and day out. Let's do all of this not with progressive tax hikes and failed solutions, but by rewarding entrepreneurship and academic excellence. Let's give something better to our kids. Please, vote "no" on Proposition 204. Thank you.

MODERATOR RICH DUBEK: Thank you very much and appreciate that.

That wraps up our presentation on the propositions, the nine propositions, for this evening. Now, we would like to invite the Assistant Secretary of State, Jim Drake, along with Mike Braun, Executive Director of the Arizona Legislative Council to answer questions from our studio audience.

We'll ask Trustee Matt Roberts here to deliver the index cards.

Thank you very much, and we will go ahead and get started. Gentlemen, come up to the podium, please.

And our first question is from Gus in Glendale and it's on Proposition 114, and it reads: Aren't crime victims currently protected under the law?

MR. JIM DRAKE: Thank you, Rich.

That is a good question, and when the staff at

the Secretary of State's office was engaged in putting together the Publicity Pamphlets, that also came up. And one of the dialogues we had up in our office was, I think it's important to realize what these two constitutional propositions that we're amending this time around, how they got there and the history, because they are very broad.

The first one says that you can't limit the amount of damages; and then the second one says that a cause of action can never be abrogated or eliminated. So, today such a lawsuit would be possible.

But the text is broad for, I think, two reasons. When you go back to 1910 and you look at the constitutional convention, there were two primary themes there. The first group was the Progressives, and they were trying to make sure that the referendum and initiative process made it into the Constitution. And the second group was the Labor group, and they were very much engaged in trying to protect workers and establish workers' rights. In fact, the Arizona Constitution has an entire section, Article 18, dedicated to worker rights and limited work days and things like that, and workman's comp.

So, I think when you look back at that history, you can see the rationale and see why these two

provisions were crafted so broadly so as to not allow for any loopholes.

MODERATOR RICH DUBEK: Very good. Thank you for that.

Our next question is for Mike Braun and it's from Andrea on Proposition 115, Mike. And the question is: What are the current terms of judges and justices?

MR. BRAUN: Well, Rich, that's a straightforward question and I will give you a straightforward answer. Arizona Supreme Court justices and judges of the Court of Appeals in Arizona currently serve a six-year term. All Superior Court judges in this state serve a four-year term. And Proposition 115 would extend all of those terms to eight years.

MODERATOR RICH DUBEK: Straightforward, you were correct. Pretty simple.

Next question is from, I believe it's Amelia, on Proposition 116 for Jim Drake. And the question, Jim, is -- another sort of simple question, but we'll see if the answer is simple: What does this Proposition really mean?

MR. JIM DRAKE: Thank you, Rich.

I hope we have a clear and concise answer for this. In Arizona business and agriculture agencies, they pay tax on equipment like machinery and store

fixtures and things like that. Right now, the first \$68,000 of that is exempt from tax.

So, what this Proposition does is in tax year 2013, there will be a new exemption for machinery or equipment required for an agricultural or business purposes. But rather than be based on \$68,000, there will be based on earnings of 50 Arizona workers. And according to the JLBC, which is the Joint Legislators Budget Committee, which is the financial projecting and research arm for the Legislature, they estimated using the Federal Bureau of Economic Analysis statistics that an average worker would be paid, in Arizona, \$47,000. So times 50 workers, that exemption would be \$2.4 million.

MODERATOR RICH DUBEK: A lot of numbers. Okay. Hopefully that satisfies the answer to that question.

MR. JIM DRAKE: Not as straightforward as Mike's.

MODERATOR RICH DUBEK: Very good. We'll bring Mike back up for the next question from Kevin on Prop 117: Does the 5 percent limit and annual growth apply equally to homeowners and businesses?

MR. MIKE BRAUN: Rich, the 5 percent cap that's contained in Prop 117 does apply equally to individuals and to business owners. And I should probably also

mention, what it applies to is the real property and the improvements that are on the real property. A different measure that will be on the ballot addresses the personal property issue, but this measure does apply equally to businesses and individuals for their real property and the improvements that are on their real property.

MODERATOR RICH DUBEK: Very good. Thank you. Next question, again, is for Jim, and it's from Hank on Proposition 118. Another broad-based question: What does Prop 118 really mean?

As he scrolls through a big, dictionary-size booklet.

MR. JIM DRAKE: All the answers are in here, though.

Rich, as I spoke earlier, that 118 provides a more stable and guaranteed return to be distributed to the 13 beneficiaries. It does do 2.5 percent of the average market value for the previous five years and it will eliminate some of those fluctuations.

MODERATOR RICH DUBEK: Very good. Thank you. Play musical chairs again with Mike. And the question is from William on Prop 119. And the question is: How does Prop 119 change the way things are now?

MR. MIKE BRAUN: Rich, I think the best way for

me to answer that question is to just turn back briefly to the history of our state.

When Arizona became a state, it was at first pursuant to a federal law, the Enabling Act. And the Enabling Act, as Jim has already mentioned, did grant trust land to the state to be held in trust for the purposes of funding various public institutions. The federal law that created the state of Arizona provided that the trust land could be sold, could be leased, but the federal law in 1910 did not allow for the transfer or exchange of that trust land. Of course, Arizona Constitution was then required to mimic the requirements of the federal law, and so both the federal law and the state Constitution matched up in 1910.

In the mid-1930s, the federal government amended the federal law that granted more flexibility to the State of New Mexico and to the State of Arizona to manage their trust lands, including allowing those states to exchange land, but at that time the Arizona Constitution was not amended to also allow for that land exchange.

This measure, Proposition 119, would amend the Arizona Constitution to allow for the exchange of land, in addition to the sale and transfer of land.

MODERATOR RICH DUBEK: Everybody get that in

our studio audience? There will be a quiz at the end of this. Thank you for that.

Next up is a question for Jim on Prop 120, Jim. And it's from Antonio and it reads: What does it mean to be on equal footing with other states in relationship to Proposition 120?

MR. JIM DRAKE: Thank you, Rich.

That's another very good question. The Equal Footing Doctrine provides -- it's actually based on the U.S. Constitution. It's not expressly delineated there, but it is based on the U.S. Constitution, and it talks about when new states are admitted by the Congress into the Union: No new state shall be formed or erected within the jurisdiction of any other state, nor shall any state be formed in the jurisdiction of two or more states, and these states cannot be formed without the consent of all the legislators of the states as well as Congress.

Since 1796, all of the states that have been formed have had these -- this Equal Footing Doctrine put in there so that these new states gain access to the Union on equal terms with all the other existing states, and originally back to the 13 colonies. It's primarily been used in determining navigable streams and water right cases.

MODERATOR RICH DUBEK: Very good. Thank you so much for that context.

We've got time for one more question, and the question, again, is for Mike, and the question is on Proposition 121. And it reads: Is it possible that you could have two people on a general election ballot from the same party?

MR. MIKE BRAUN: Rich, under -- under Proposition 121, the two candidates who receive the most votes in the primary election would go on to the general election ballot. So, it would be absolutely possible for both of those candidates to be of the same political party; or, for that matter, to have no political affiliation at all, but both be on the general election ballot.

MODERATOR RICH DUBEK: Excellent. Thank you very much and should be very interesting to see where that vote goes on that particular proposition.

We have another question for you, Jim, this one is on Proposition 204 and the question is: What are the implications for future tax reform if Proposition 204 passes?

MR. JIM DRAKE: Thank you, Rich. Another good question. I -- I think it's safe and fair to say that there are some constraints within the text of the

proposed measure itself. In fact, it can be found on page 99 of your Publicity Pamphlet. There is an entire subsection that talks about what happens if the Legislature chooses to change things in the tax base and the hold harmless provision and some analysis to be done, and that's right in the text of the measure itself.

Additionally, since this is a proposition that would be voted on by the voters, it is subject to the Voter Protection Act, or Proposition 105. So, any future amendments would require a three-quarter vote and the amendment would have to further the purpose of this measure itself.

MODERATOR RICH DUBEK: Thank you. And thank you to both of you for putting some context on all of these propositions.

We would thank all of you for being a part of this 2012 Arizona Ballot Measure Town Hall. And a special "thank you" to all our participants and Secretary Bennett for putting this program together.

We also want to thank Cox viewers for watching. Of course, we encourage all of you to learn as much as possible about what's on the ballot before this November's election. And whatever you do, don't forget to vote.

I'm Rich Dubek, for Secretary of State Ken  
Bennett. Good night.

(Whereupon the Secretary of State's 2012 Town  
Hall concludes.)

C E R T I F I C A T E

I, Angela Furniss Miller, Certified Reporter, do hereby certify that the foregoing pages numbered 1 through 49, inclusive, constitute a full and accurate printed record of my stenographic notes taken at said time and place, all done to the best of my skill and ability.

DATED, at Phoenix, this 25th day of September, 2012.

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Angela Furniss Miller, RPR  
Certified Reporter (AZ50127)