



# Legislative Update

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## General Issues

March 18<sup>th</sup> is the 65<sup>th</sup> day of the 51st Legislature, Second Regular Session. 1186 bills have been introduced. Seven bills have passed and one bill has been vetoed.

## Scottsdale Legislation

**SB 1152 – Transportation Safety Zones; Passenger Areas** – SB 1152 will allow a city or town to establish two Transportation Safety Zones for the purpose of relieving traffic congestion. Inside a Transportation Safety Zone, a city or town council may establish dedicated traffic lanes for use by taxis, limousines, passenger carts, and other for-hire vehicles for the express purpose of picking up and dropping off passengers. Additionally, a city or town council may establish Passenger Convenience Areas where for-hire vehicles may temporarily park to wait for passengers. The Chairman of the Senate Public Safety Committee, Senator Chester Crandell (Heber) has agreed to be the sponsor of the bill. Provisions were added to satisfy requests from the Arizona Department of Transportation and Department of Weights and Measures.

**Status:** *SB 1152 was introduced by Senator Chester Crandell and passed the Senate with a vote of 27-0 on March 3<sup>rd</sup>. The bill is awaiting a hearing in the House Government Committee.*

**HB 2387 - Street Light Improvement Districts** – This legislation will allow for the transfer of jurisdiction of county operated Street Light Improvement Districts (SLIDs) to a municipal SLID by a public vote of a city or town council. This will facilitate the transfer of approximately 40 SLIDs that are in Scottsdale's boundaries but are still being operated and maintained by Maricopa County. Representative Michelle Ugenti has agreed to sponsor the bill.

**Status:** *HB 2387 was introduced by Representative Ugenti and passed unanimously out of the House of Representatives on February 24<sup>th</sup> with a vote of 59-0. The bill has not been assigned in the Senate.*

# Legislative Update

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## Economic Vitality

**HB 2220 – Improvement Districts; Municipal Services** – HB 2220 would remove the stipulation that Improvement Districts may only be formed *within a designated area* when providing public service in a district at a higher level or greater degree than provided in the remainder of the community.

**Status:** *HB 2220 was introduced by Representative Karen Fann (Prescott) and passed the House March 5<sup>th</sup> with a vote of 41-17. The bill has been assigned to the Senate Gov-Env and Public Safety Committees.*

**Recommended Action:** *Support*

**HB 2288 - Sales Tax; Reduced Reporting Requirements** – HB 2288 would allow taxpayers with annual transaction privilege tax liability between \$2,000 and \$8,000 are required to pay TPT on a quarterly basis (instead of a monthly basis), and taxpayers with annual TPT liability of less than \$2,000 are required to pay on an annual basis. Previously, taxpayers with less than \$500 annual TPT liability were permitted to pay annually, and taxpayers with between \$500 and \$1,250 annual TPT liability were permitted to pay quarterly.

**Status:** *HB 2288 was introduced by Representative Debbie Lesko. HB 2288 passed the House February 25<sup>th</sup> with a vote of 58-0. The bill has been referred to the Senate Finance Committee.*

**Recommended Action:** *Support*

**HB 2547- Major Event Public Safety Reimbursement** – HB 2547 would establish the *Major Event Public Safety Reimbursement Fund* to reimburse the host community for the extra expense of providing public safety personnel and equipment that is directly attributable to a major Arizona event such as the Super Bowl. The bill was amended to reduce transfer from the State General Fund to the Public Safety Reimbursement Fund from \$4 million to \$2 million. In addition, the amendment adds a one-year sunset provision and creates a study committee to examine the effects of the bill's provisions after the Super Bowl event. Only public safety personnel and equipment costs directly associated with the major event are eligible for reimbursement. The bill provides a narrow definition of "major event" that states the event must exceed 14,000 attendees and must be bid upon and awarded through a formalized competitive process.

**Status:** *HB 2547 was introduced by Majority Leader David Gowan (Sierra Vista) and passed the House on March 5 with a vote of 33-25.*

**Recommended Action:** *Neutral*

**SB 1174 – Strike-everything: Aviation Registration; Taxation** – The strike-everything to SB 1174 makes numerous changes to aircraft registration and taxes. Advocates of the bill see it as a mechanism to boost economic activities for the aviation industry and related businesses.

# Legislative Update

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**Status:** *The strike-everything to SB 1174 was proposed by Senator Al Melvin (Tucson) and passed the Senate Appropriations Committee on February 26<sup>th</sup> with a vote of 8-1.*

**Recommended Action:** *Watch.*

**SB 1413 – Taxes; Manufacturers’ Electricity Sales; Exemption** – SB 1413 will expand the deductions from the tax base for the utilities classification to include gross proceeds of sales or gross income derived from sales of electricity to a business that is “principally engaged” in “manufacturing” or “smelting” (all defined) operations that uses at least 51 percent of the electricity in the manufacturing or smelting operations. Use taxes do not apply to the purchase price of electricity by a business that is principally engaged in manufacturing or smelting operations that uses at least 51 percent of the electricity in the manufacturing or smelting operations. Under a proposed amendment, municipalities have the option to eliminate the transaction privilege or other similar tax or fee on the business in involved in manufacturing. However, if a municipality chooses to forego the collection of the TPT, it must apply to all manufacturers and is irrevocable once initiated..

**Status:** *SB 1413 was introduced by Senator Steve Yarbrough (Chandler) and passed the Senate with floor amendment No. 4577 on Thursday, March 6<sup>th</sup> with a vote of 25-0. The bill will be heard in the House Ways and Means Committee.*

**Recommended Action:** *Neutral with agreed-upon amendment.*

## **Local Governance**

**SB 1227 – Municipalities; Counties; Energy Efficient Codes** – SB 1227 would prohibit Municipalities and counties from adopting as mandatory any building code, ordinance or other legal requirement that is related to energy efficiency, energy conservation or green construction in new construction, and from denying any license or building permit or imposing any fine on a person for failure to comply with such a requirement. Does not apply to any legal requirement that was adopted and effective before the effective date of this legislation.

**Status:** *SB 1227 was introduced by Senator Chester Crandell. SB 1227 passed the Committee of the Whole on March 3<sup>rd</sup> and is awaiting a final vote in the Senate.*

**Recommended Action:** *Oppose*

**HB 2528 – Municipalities; Regulations; Sign Walkers** – HB 2528 would prohibit a municipality from adopting any regulation that would restrict a sign walker from using public sidewalks, walkways, or pedestrian thoroughfares. The bill also provides for enforcement by private civil action against a municipality that violates these provisions.

# Legislative Update

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**Status:** *HB 2528 was introduced by Representative Warren Petersen (Gilbert) and is cosponsored by Representative Bob Robson (Chandler). HB 2528 passed the House of Representatives on March 10<sup>th</sup> with a vote of 57-0.*

**Recommended Action:** *Pending*

**HB 2692 – DPS; Operating Expenses; Approp; Intent** – HB 2692 replaces Highway User Revenue Fund (HURF) monies in FYs 2015 and 2016 with state General Fund (GF) monies for the Arizona Department of Public Safety (DPS) operating expenses. The bill would transfer \$119 million in FY 2015 and again in FY 2016 from the DPS to the HURF account. The annual increase to the HURF from these transfers would be as follows:

- Cities \$36.4 M
- Counties \$22.7 M
- Controlled Access (Freeways) \$9.2 M
- State Highway Construction \$51.1 M

**Status:** *HB 2692 was introduced by Speaker Andy Tobin. HB 2692 passed the House on March 6<sup>th</sup> with a vote of 49-9 and has been assigned to the Senate Appropriations Committee.*

**Recommended Action:** *Support*

**HB 2152 – Fire District Annexations** – HB 2152 specifies required actions for changing fire district, community park maintenance district, and sanitary district boundaries that may affect or include a portion of a municipality. In addition, the bill requires a fire district to provide notice to the clerk of any municipality included in a mandatory impact statement accompanying a boundary proposal and allows such municipality to return comments to the district governing body within 20 days, instead of 10 days, of receiving notice. It also prohibits a fire district from annexing an area within the boundaries of a planning area of a municipality who has adopted a resolution disapproving the annexation.

**Status:** *HB 2152 was introduced by Representative Eddie Farnsworth (Gilbert) and passed the House Rules Committee on March 4<sup>th</sup> and is awaiting a hearing in Committee of the Whole.*

**Recommended Action:** *Support*

## Public Safety

**SB 1158 – Strike-everything: Fireworks; Permissible Use** – The strike-everything amendment to SB 1158 will require cities and towns in Maricopa and Pima counties to allow for the sale and use of consumer fireworks during the periods of the Fourth of July and New Year's. The bill makes these provisions optional for the remaining 13 counties.

**Status:** *SB 1158 was introduced by Senator Chester Crandell (Heber) and the strike-everything amended bill passed the Senate on March 3*

# Legislative Update

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*with a vote of 22-5. It has been assigned to the House Public Safety, Military, and Public Affairs Committee.*

**Recommended Action:** *Oppose*

## Water Resources

**HB 2117- Strike-everything: Water Softeners; Salinity** – The strike-everything amendment to HB 2117 would place new standards on the sale and installation of water softeners. More specifically the bill stipulates that all regenerated ion exchange water softeners installed in this state must be installed to operate at maximum levels of efficiency for their design and prohibits the sale or installation of time-clock regenerated ion exchange water softeners. The bill also prohibits a person from installing an ion exchange water softener that is connected to a water supply that has total dissolved solids of 750 milligrams per liter or less unless the softener meets specified salinity performance standards.

**Status:** *The Strike-everything amendment to HB 2117 was introduced by Representative Karen Fann (Prescott) and passed the House on March 4<sup>th</sup> with a vote of 32-24.*

**Recommended Action:** *Neutral.*

## Forest Health

**HB 2343 – Strike-everything: Forest Health Management** – The strike-everything amendment to HB 2343 will require the State Land Commissioner in coordination with the State Forester to develop and adopt best land management practices to decrease the severity of wildfires through forest health management on state lands. The bill stipulates the management criteria which includes climate conditions, pest infestations, forest overgrowth, and federal land management policies. The bill will also appropriate \$1.8 million from the state general fund for forest thinning activities.

**Status:** *The strike-everything was proposed by Representative John Kavanagh (Fountain Hills.) The underlying bill was introduced by Representative Brenda Barton (Payson). HB 2342 as amended passed the House on March 6<sup>th</sup> with a vote of 54-3.*

**Recommended Action:** *Support. The provisions of the strike-everything amendment are consistent with the City of Scottsdale's 2014 State Legislative Agenda on Forest Health.*