

Week of March 14 -18, 2016



Legislative Update

General Issues

March 18th is the 68th day of the 52st Legislature, Second Regular Session. Of the 1219 bills that have been introduced, 50 bills have passed and 30 of those have been signed by the Governor.

This was the last week to hear bills in the standard committees in both houses. Each house will allow their respective Appropriations Committees to hold a hearing next week for bills with fiscal impacts or that have received creative lobbying efforts.

Budget negotiations are occurring between the Senate, House and Governor's Office, but there have been no formal announcements of when a budget deal is expected.

Key Bill Updates

SB 1487 – State Law; Local Violations; Penalties; Shared Revenues – SB 1487 will allow any member of the Legislature to require the Arizona Attorney General to investigate any official action taken by the governing body of a county or municipality that the member alleges violates state law or the state Constitution.

If the Attorney General concludes that there is a violation, the Attorney General is required to notify the county or municipality of the violation and provide 30 days to resolve the violation. If the county or municipality fails to resolve the violation, the Attorney General is required to notify the State Treasurer, who must **withhold and redistribute state shared monies from the county or municipality.**

The Attorney General is required to continue to monitor the response of the governing body, and when the violation is resolved, is required to notify the Governor and the Legislature and notify the State Treasurer to restore the distribution of state shared revenues.

If the Attorney General concludes that there may be a violation, the Attorney General is required to file a special action in Supreme Court to resolve the issue, and the Supreme Court is required to give the action precedence over all other cases. The Court must require the county or municipality to post a bond equal to the amount of state shared revenue paid to the county or municipality in the preceding six months.

Status: *Signed by Governor 3/17/16. SB 1487 was introduced by Senate President Andy Biggs (Gilbert) and passed the Senate February 24th with a vote of 17-12 and the House on March 16th with a vote of 32-28*

Position: *OPPOSE*

Legislative Update

Scottsdale Legislator Votes: *Senate: Driggs Yes; Hobbs No; Kavanagh Yes
House: Alston No; Brophy McGee No; Clark No; Lawrence Yes;
Meyer No; Ugenti-Rita Yes*

HB 2398 – Fireworks – HB 2398 will make firecrackers and specific types of aerial fireworks legal for the sale and use in Pima and Maricopa Counties during periods before and during the Fourth of July and New Year’s celebrations. Scottsdale staff testified in opposition in both House and Senate committees.

Status: *HB 2398 was introduced by Speaker of the House, David Gowan (Sierra Vista). The bill passed the House on March 8th with a vote of 31-27 and passed the Senate Government Committee on March 16th with vote of 4-3.*

Position: *OPPOSE*

Scottsdale Legislator Votes: *Senate: Kavanagh Yes in Committee
House: Alston No; Brophy McGee No; Clark No; Lawrence Yes;
Meyer No; Ugenti-Rita Yes*

SB 1350 – Online Lodging Marketplaces; Taxation – SB 1350, commonly referred to as the “Airbnb bill”, will set procedures for online lodging companies to register with the Arizona Department of Revenue (ADOR) and pay applicable taxes for the online transactions. It also establishes audit procedures between the online hosts and the ADOR. However, the bill stipulates that a city, town or county cannot prohibit, restrict the use of or regulate vacation rentals or short-term rentals based solely on their classification, use or occupancy. **The City of Scottsdale has been participating in stakeholder meetings and has requested that any city with a current short-term rental ban ordinance be grandfathered.**

Status: *SB 1350 was introduced as a strike-everything amendment by Senator Debbie Lesko (Peoria) and passed the Senate on March 8th with a vote of 27-1. It passed the House Ways & Means Committee on March 14th with a vote of 8-1.*

Position: *OPPOSE (opposed until acceptable amendments are adopted)*

Scottsdale Legislator Votes: *Senate: Driggs Yes, Hobbs Yes; Kavanagh No
House: Ugenti-Rita Yes in Committee*

HB 2517 – Business Professionals; Regulation Restrictions – HB 2517 would require state agencies, counties and municipalities to limit all "entry regulations" and "public service restrictions" (both defined) applicable to businesses and professions to those that are demonstrably necessary and carefully tailored to fulfill legitimate public health, safety or welfare objectives.

Legislative Update

Within one year after the effective date of this legislation, each agency, county and municipality is required to conduct a comprehensive review of all entry regulations, and if any regulation conflicts with this requirement the agency, county or municipality must either repeal or modify it, or recommend legislation actions to repeal or amend it.

Any person is authorized to petition an agency, county or municipality to repeal or modify any entry regulation or public service restriction within their jurisdiction. The bill establishes procedures for enforcement.

Status: *HB 2517 was introduced by Representative Warren Petersen (Gilbert) and passed the House on February 24th with a vote of 33-24. The bill passed the Senate Government Committee on March 16th with a vote of 4-3.*

Position: *OPPOSE*

Scottsdale Legislator Votes: *Senate: Kavanagh Yes in Committee
House: Alston No; Brophy McGee Yes; Clark No; Lawrence Yes;
Meyer No; Ugenti-Rita Yes*

HB 2536 – Fine Art; TPT Exemption – HB 2536 will exempt, from retail TPT and use tax, sales of works of fine art at an auction or gallery in this state to nonresidents of this state for use outside this state if the vendor ships or delivers the work of fine art to a destination outside of this state.

Status: *HB 2536 was introduced by Representative Michelle Ugenti-Rita (Scottsdale) and passed the House on March 2nd with a vote of 42-17. The bill passed the Senate Finance Committee on March 16th with vote of 4-1.*

Position: *SUPPORT*

Scottsdale Legislator Votes: *Senate: No votes yet
House: Alston Yes; Brophy McGee Not Voting; Clark No;
Lawrence Yes; Meyer Yes; Ugenti-Rita Yes*

HB 2107 – Substance Abuse Recovery Homes – HB 2107 permits a city, town or county to adopt ordinances regulating health and safety standards and enforcement mechanisms for a structured sober living home. The bill provides specified provisions, including mandatory registration, supervision requirements, and qualifications of the house manager.

Status: *HB 2107 was introduced by Representative Noel Campbell (Prescott) and passed the House Monday February 29th with a vote of 49-9. The bill passed the Senate Health and Human Services Committee with a 7-0 vote.*

Recommendation: *SUPPORT. The bill does not contain mandatory provisions and provides municipalities with an option to create an ordinance related to recovery homes.*

Scottsdale Legislator Votes: *Senate: Hobbs Yes in Committee
House: Alston Yes; Brophy McGee Not Voting; Clark Yes;
Lawrence Yes; Meyer Yes; Ugenti-Rita No*

Legislative Update

HB 2568 – Community Facilities Districts; Governance – HB 2568 will require the creation of a community facilities district (CFD) if the proposed land totals more than 600 acres and every land owner has signed the petition. The bill will allow the CFD's landowners to decide who will comprise the governing district board (board) and the board is comprised of the following:

The board to consist of five members:

- a) two members selected by the city or county governing body;
- b) two members selected by district property owners who own more than 25 acres; and
- c) one member, from a list of at least four, that is submitted by the district property owners who own more than 25 acres and then selected by the governing body.

HB 2568 is a deviation from the current CFD formation and governance process. Under this legislation, **the CFD governing board would be made up of a majority of private landowners and a minority of city or county elected officials.** A CFD has various powers including taxation and eminent domain authority.

Status: *HB 2568 was introduced by Speaker David Gowan (Sierra Vista) and passed the House with a vote of 60-0. The bill passed the Senate Government Committee on March 16th with a vote of 4-3.*

Position: *OPPOSE*

Scottsdale Legislator Votes: *Senate: Kavanagh Yes in Committee
House: Alston Yes; Brophy McGee Not Voting; Clark Yes;
Lawrence Yes; Meyer Yes; Ugenti-Rita Yes*