



City of Scottsdale
2017 State Legislative Agenda

53rd Arizona Legislature
First Regular Session
2017

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The Scottsdale City Council



**Mayor
W.J. "Jim" Lane**



**Councilwoman
Suzanne Klapp**



**Councilmember
Virginia Korte**



**Vice Mayor
Kathy Littlefield**



**Councilwoman
Linda Milhaven**



**Councilman
Guy Phillips**



**Councilman
David N. Smith**

City of Scottsdale 2017 State Legislative Agenda



MISSION

“Simply Better Service for a World-Class Community”

SCOTTSDALE CITY COUNCIL PRIORITIES

- Revitalize McDowell Road corridor through ongoing work with residents, businesses & SkySong
- Provide strategic support of tourism and visitor events
- Carry out the comprehensive economic development strategy
- Anticipate and plan for future transportation needs
- Prepare and adopt fiscally sustainable operating and capital budgets
- Reinvest in a high performance organization and work culture

Adopted September 20, 2016

CORE PRINCIPLES

Value Scottsdale’s Unique Lifestyle and Character

Protect those attributes that make Scottsdale unique and desirable. These may include: safe neighborhoods; a Sonoran Desert lifestyle; arts and culture; land preservation and open space; a vibrant and diverse economy; efficient transportation; and high standards of aesthetics, public amenities and levels of service.

Preserve Local Funding

Protect existing funding and authorities that bring revenue to the City of Scottsdale, which support the quality of life for its residents. Such areas may include: the protection of state-shared revenues; the ability to collect compensation for the use of a public right-of-way; and opposition to the imposition of new fees by other levels of government that would increase costs to the City.

State-Shared Revenues – Arizona voters chose, through a series of initiatives, to return a portion of tax revenues back to local communities through revenue sharing. This was provided to municipalities in exchange for losses in local taxing authority such as income and luxury taxes. The City Council adopted FY 2016/17 General Fund revenues that include \$60.5 million in state-shared revenues (\$22.3 million sales tax, \$29.0 million income tax and \$9.2 million auto lieu tax) or 22 percent of General Fund revenues and transfers in. These state-shared revenues represent 23 percent of the city’s General Fund operating budget of approximately \$259.9 million.

Oppose Preemption of Local Authority

Support the retention of local decision-making authority. Scottsdale was voluntarily created by the residents of this community to provide local self-government and to allow the Scottsdale City Council to make decisions at a local level that best meet the needs of the community. Scottsdale has unique needs and characteristics that are best met by policies set by its own local governing body. Unfunded mandates and preemptive efforts to remove the ability to set policy at the local level should be opposed.

2017 Key Positions

- 🔑 ***OPPOSE changes to the Construction Sales Tax statutes that would transform the location and method of collecting and distributing construction-based taxes from where the construction occurs to where construction materials are purchased (point-of-sale).***
- 🔑 ***OPPOSE legislation that would prohibit or eliminate the transaction privilege tax on the renting or leasing real property for residential purposes. The negative impact to the City of Scottsdale from the loss of these funds would be in excess of \$5M annually.***
- 🔑 ***SUPPORT the repeal of SB 1487 (state law; local violations; penalties) that threatens state shared revenues.***
- 🔑 ***OPPOSE legislation that would negatively alter or remove the City of Scottsdale’s important and long-established ordinances regarding native plants and how development occurs in the natural Sonoran desert environment.***

LEGISLATIVE POLICY STATEMENTS

ECONOMIC VITALITY

A strong and vibrant economy is essential to Arizona and to the quality of life for the city's residents, businesses, and visitors. Proper and sustainable economic vitality is one of the primary goals of the City of Scottsdale.

- ***SUPPORT increased state funding for a favorable tourism and associated job creation environment.***
- ***SUPPORT small business by reducing unnecessary obstacles to small business that are inconsistent with the values of the community.***
- ***SUPPORT legislation or actions that embrace emerging technology in Arizona.***
- ***SUPPORT state efforts for a nationwide outreach campaign in support of Arizona being a medical tourism destination.***

LOCAL GOVERNMENT FINANCE

- ***OPPOSE legislation that would prohibit or eliminate the transaction privilege tax on the renting or leasing real property for residential purposes. The negative impact to the City of Scottsdale from the loss of these funds would be in excess of \$5M annually.***
- ***OPPOSE changes to the Construction Sales Tax statutes that would transform the location and method of collecting and distributing construction-based taxes from where the construction occurs to where construction materials are purchased (point-of-sale).***
- ***SUPPORT efforts to enhance the applicability of the Construction Sales Tax that do not reduce the existing and planned revenue stream to local governments.***
- ***SUPPORT efforts to offset the potential loss of rental-car surcharge revenues that may result from the rulings on Saban v. Arizona. These revenues are collected by the Arizona Department of Revenue and managed by the Arizona Sports and Tourism Authority for debt service on the Cardinals stadium and Cactus League facilities as well as tourism promotion.***

TRANSPORTATION

HURF – The Highway User Revenue Fund (HURF) is comprised of motor fuel taxes, vehicle license taxes, and other fees. It is designated for highway construction and transportation infrastructure improvements at the state and local level. Since 2001, approximately \$347 million of HURF has been revenues have been diverted from cities and towns to fund operations of the Arizona Department of Public Safety. The City of Scottsdale uses its HURF allocation for street maintenance and planning of future transportation infrastructure projects.

- ***SUPPORT the continued viability of HURF funding to cities and towns and support phasing down the percentage of HURF revenues being used to fund the Arizona Department of Public Safety.***

Airport Funding – The Scottsdale Airport has been a fixture in the physical and economic landscape of the City of Scottsdale and the greater Phoenix area since 1942. The Airport and its surrounding Commerce Airpark is a major economic asset for the City of Scottsdale. Centrally located in Scottsdale's only industrial-zoned area, the Airport and Commerce Airpark are primary sources of employment. The Commerce Airpark area is headquarters to over 30 national/regional corporations and home to nearly 2,500 small and medium-sized businesses with over 48,000 jobs.

- ***SUPPORT the continued viability of the State Aviation Fund including assurances that fuel taxes will be placed in the Fund or returned to the airport where the fuel sales occur.***

TOURISM

Tourism – Tourism is one of Scottsdale's largest and most vibrant industries, and is a significant contributor to the City's economy. With a variety of lodging properties in the area, including several world-class resorts and "boutique" hotels, along with spectacular spas, trend-setting dining and one-of-a kind Sonoran desert golf courses, Scottsdale is one of the most popular tourist destinations in Arizona. Tourism is also one of the State's largest industries and job creators. Each year, Scottsdale hosts an estimated 9 million visitors with a statewide economic impact of approximately \$4.0 billion.

- ***SUPPORT the Arizona Office of Tourism budget request of an additional \$3 million to ramp up efforts to market Arizona as a vacation destination.***
- ***SUPPORT a sustainable, long-term funding mechanism for state tourism promotion. Increase awareness of the positive economic impact of Arizona tourism to business and community leaders. Position Arizona to be able to consistently attract and host major events in the state. In particular, support policies that enhance Arizona's reputation as a world-class destination for cutting-edge health care facilities and services.***

- ***SUPPORT efforts to increase the visibility of Arizona, Scottsdale and other Arizona cities and towns as being tourism destinations.***

NEIGHBORHOODS AND PUBLIC SAFETY

Fire Code – The primary purpose of a fire code is the prevention of fires, reducing the impact of fire incidents that do occur, ensuring that necessary training and equipment will be on hand and that the original design basis of a home or building does not compromise the safety of its occupants.

- ***OPPOSE legalizing additional fireworks or other changes that would increase the risk of fires to residents and the McDowell Sonoran Preserve.***
- ***OPPOSE legislation that negatively impacts the city’s fire code or its ability to enforce its fire code provisions.***
- ***OPPOSE legislation that will restrict the city’s ability to pass or enact local community risk reduction measures.***

PRESERVATION AND ENVIRONMENTAL PLANNING

Native Plants Ordinance – The City of Scottsdale adopted its Native Plant ordinance in 1981. Its purpose was to protect the slow-growing cactus and native trees that make the Sonoran Desert a special place.

- ***OPPOSE legislation that would negatively alter or remove the City of Scottsdale’s important and long-established ordinances regarding native plants and how development occurs in the natural Sonoran desert environment.***

Salinity – Water is a scarce resource in the arid Southwest and the availability of good quality water resources is approaching full utilization in many Arizona communities. Rising levels of salinity in Arizona’s water systems, if left unchecked, will lead to increased treatment costs and possible shortages of usable water. Salinity is the total amount of minerals (also known as salts) that are dissolved in water. Salts can be made of sodium chloride (regular table salt) or other minerals such as potassium, calcium, or magnesium.

- ***SUPPORT efforts to mitigate salinity accumulation, including collaborative measures to minimize or eliminate sodium chloride from water softeners.***

Forest Restoration/Watershed Management – There are millions of acres of diseased, dying, and overgrown forests that have created a widespread forest health problem. The poor condition of these forests has dramatically increased the effects of insect infestation, understory overgrowth, and unnatural fire

conditions. The forest health problem is widespread and is affecting wildlife habitat, watershed management, and increasing the dangers to human life and property.

- ***SUPPORT legislative efforts to bring about changes in forest management with the goal of enacting effective and large-scale forest restoration projects to improve forest health, increase water yield, and reduce the risks and costs of catastrophic wildfires.***

PUBLIC SERVICES AND FACILITIES

Water Service – It is essential to ensure the protection and enhancement of the city’s ability to provide safe, sustainable, and reliable water and wastewater services to the citizens of Scottsdale at a reasonable cost.

- ***SUPPORT legislation to protect and maintain the city’s established surface and ground water supplies.***
- ***SUPPORT legislation to ensure the city’s role in the management and continued use of reclaimed and remediated waters.***
- ***SUPPORT increased funding for the Arizona Department of Water Resources including funds to assist the Department with their responsibilities with general stream adjudications and a digital multimedia marketing specialist to focus on countering the narrative that Arizona is running out of water.***

Solid Waste – Scottsdale’s Solid Waste Department provides weekly refuse and recycling collection and monthly brush and bulk item pick-up for over 80,000 single family residential customers. The Department also provides service to about 1,400 commercial accounts, including multi-family housing.

- ***OPPOSE legislation that would eliminate the City of Scottsdale’s ability to make decisions on what items are to be recycled or sent to a landfill.***

PROPOSED LEGISLATION

Mobile Home Park Legislation

SEEK legislation that would increase the amount of relocation funding a mobile home tenant can receive from the Arizona Mobile Home Relocation Fund when they are displaced due to a change in use for the land on which the mobile home is located.

Approved by the Scottsdale City Council on December 2nd, 2016