

Week of January 21st to 25th, 2019



Legislative Update

Friday, January 25th is the 12th day of the legislative session. 737 bills have been introduced at this point. The City of Scottsdale is currently tracking 87 bills that have potential impact to municipal functions.

There was not a lot of action on bills in committees this week. This is due mostly to the focus on completing legislation and garnering support for the Drought Contingency Plan.

Legislative Calendar:

- **February 8** – Last day for House members to submit bill requests to Legislative Counsel.
- **February 11** – Last day for Senate members to submit bill requests to Legislative Counsel.

Key Topics

Drought Contingency Plan (DCP)

The Legislature appears to be closer to giving approval for the State to enter into the multi-state Drought Contingency Plan. A legislative resolution ([SJR 1001](#)) was introduced by Senate President Karen Fann on Thursday. The bill has bipartisan sponsorship, which is important as the legislation will need a two-thirds vote from both houses to pass in this case. A hearing on the bill and the DCP issue is scheduled for early next week.

Arizona must approve the Resolution prior to the January 31 deadline that was established by the Bureau of Reclamation. In addition to the Resolution, there will be several pieces of legislation that will be introduced later next week which are needed to implement the provisions of the DCP.

It is important to note that passage of the DCP is a top priority for the City of Scottsdale and staff will continue to convey its importance to the legislative body.

Legislative Update

New Legislation

SB 1165 – Prohibition; Texting While Driving – SB 1165 would make it illegal to use a hand-held portable wireless communication device when operating a vehicle on public roads. There are exceptions for public safety personnel and person reporting an emergency. There are also exceptions for dash/window mounted devices. Penalties include a petty offense and a fine of up to \$149 for the first offense and a fine of up to \$250 for subsequent offenses.

Status: *Introduced by Senator Kate Brophy McGee (Paradise Valley, Scottsdale) and has been assigned to the Transportation & Public Safety Committee.*

Recommendation: *Support*

HB 2533 - Municipal Tax Exemption; Speculative Builders – In computing the tax base for TPT and other use taxes for a speculative builder, municipalities would be required to exclude from the gross proceeds of sales or gross income the price of any lease on real property or other intangible or personal property included in determining the total selling price of the improved real property to the extent allocated in the affidavit of legal value for the sale. The resulting tax may not be less than the tax that would have been paid under the prime contracting classification for the improvements that were constructed or reconstructed. The provisions of HB 2533 would be retroactive to February 1, 2019.

Status: *Introduced by Representative Tony Rivero (Peoria) and is awaiting assignment to a committee.*

Recommendation: *Scottsdale staff is evaluating the impact of this legislation.*

Updates on Previous Legislation

E-Scooters

Scottsdale staff attended a stakeholder meeting to relay our concerns with the draft legislation being proposed by the e-scooter companies. Lobbyists for the e-scooter companies agreed to most of our recommendations. A new draft should be available early next week prior to the bill being introduced. The bill's advocates continue to state that they do not want to preempt local authority in the regulation of the e-scooters, however there are still some minor details to work out with them. It is confirmed that freshman Senator Tyler Pace (Mesa) will be the bill sponsor.

HB 2158 – Food; Municipal Tax Exemption – HB 2158 would prohibit municipalities from levying a transaction privilege, sales, use or other similar tax or fee on the sale of food items intended for human consumption in the home as defined by Department of Revenue rules.

Legislative Update

Status: *Introduced by freshman Representative Shawwna Bolick (Phoenix), and is waiting to be assigned to a committee.*

Position: *Oppose*

Short Term Rentals

Representative John Kavanagh is preparing to release his legislation this coming week to address the negative impacts of short-term rental properties in residential areas. He has already released two bills (HB 2027 and HB 2087) that provide taxing clarity and oversight of investor-owned properties. Staff will report on the legislation as soon as it is available.

HB 2069 – Text Messaging While Driving; Prohibition – HB 2069 would make it a nonmoving civil traffic violation to use a wireless communication device to manually write or send a written message while operating a motor vehicle on a highway. Person violating the law would be subject to a civil penalty of \$100 for a first violation and \$300 for a second or subsequent violation. If a person in violation is involved in a motor vehicle accident, the person is subject to a civil penalty of \$500, except that if the accident results in the death of another person, the civil penalty is \$10,000.

Status: *Introduced by Representative John Kavanagh. HB 2019 is awaiting assignment to a committee.*

Recommendation: *Support*

HB 2165 – Distracted Driving; Reckless Driving – HB 2165 states that a person who drives a vehicle while participating in an activity that willfully distracts the person from safely operating the vehicle is guilty of reckless driving, a class 2 misdemeanor.

Status: *Introduced by Representative Kelly Townsend (Mesa). HB 2165 is waiting to be assigned to a committee.*

Recommendation: *Support (preference given to the Kavanagh bill).*

HB 2108 – Real Estate Signs; Cities; Counties – HB 2108 would prohibit municipalities and counties from placing restrictions on real estate signs in the public right-of-way. The bill provides further description of the size and types of signs realtors may use.

Status: *Introduced by Representative Travis Grantham (Gilbert). HB 2108 is waiting to be assigned to a committee.*

Recommendation: *Oppose. A similar bill was introduced last year which the City opposed. That bill died in the Senate.*