

Week of February 9 - 13, 2015



Legislative Update

General Issues

February 9th is the 33rd day of the 52st Legislature, First Regular Session. To date, 1138 bills have been introduced and one bill has been signed by the Governor. The deadline to introduce bills has passed in both the Senate and the House. Last year, a total of 1205 bills were introduced, with 278 becoming new law by signature of the Governor.

This week marks the last week to hear bills in the house of origin. With the exception of bills on calendars in the Appropriations and Rules committees, bills not receiving a hearing this week are essentially dead. However, a “dead bill” can reappear through a strike-everything amendment or by special permission of Leadership.

Residential Rental

There was significant headway made this week to defeat HB 2254. House leadership has indicated that the sponsor of HB 2254 will need to provide evidence of strong majority support of HB 2254 before the bill will be release for further consideration. While not a guarantee of its demise, this is a significant hurdle for the sponsor to overcome. Much thanks to Scottsdale’s legislators for holding to their commitments to vote no on this bill: Representative Michelle Ugenti, Representative Jay Lawrence, Representative Eric Meyer, and Representative Ken Clark.

Key Legislation

HB 2254 – Municipal Tax Exemption; Residential Rental – HB 2254 would prohibit municipalities from levying a TPT on businesses who rent or lease real property for residential purposes. The bill would require municipalities to completely phase-out their residential rental tax over a four-year period. **This legislation has an estimated \$87 million impact to all cities and towns. Scottsdale collected \$5.1 million in residential rental tax (December 2013 to November 2014).**

Status:

HB 2245 was introduced by Representative Darin Mitchell (R-Litchfield Park) and passed the House Ways & Means Committee on Monday, February 2nd with a vote of 5-4.

Recommended Action:

OPPOSE

Scottsdale Votes:

Representative Michelle Ugenti, NO

Legislative Update

SB 1069 – Ordinances; Businesses; Prohibited Security Requirements – SB 1069 would prohibit municipalities and counties from adopting an ordinance requiring a retail business to comply with specified security requirements. Provisions of the bill exempt bars and restaurants from the security measure prohibition. An amendment to the bill would further exempt businesses which provide live entertainment from the security measure prohibition. The amendment also adds preemptive language prohibiting municipalities from regulating businesses for security purposes.

Status: *SB 1069 was introduced by Senator Steve Smith (R-Maricopa) and passed the Public Safety, Military and Technology committee with a vote of 6-0. The amendment was offered by Senator John Kavanagh (R-Fountain Hills). **SB 1069 passed the Senate on Monday February 9th, with a vote of 21, 8, 1.***

Recommended Action: **OPPOSE**

Scottsdale Votes: *Senator John Kavanagh, Yes*

SB 1433 – Utilities; Facilities Relocation; Cost Reimbursement – SB 1433 would require municipalities to reimburse “impacted utilities” (defined in bill) costs (capped at 2% of total cost of project) to relocate utility lines incurred as a result of a public works project.

Status: *SB 1433 was introduced by Senator Debbie Lesko (R-Peoria) and will be heard in the Senate Finance Committee on Wednesday, February 18th.*

Recommended Action: **OPPOSE.** *Scottsdale staff has indicated this would be very problematic, costly, and in conflict with the city’s current franchise agreements.*

HB 2212 – Licensing; Accountability; Enforcement; Exceeding Regulation – HB 2212 would prohibit municipalities, counties, and state agencies from basing licensing decisions on requirements or conditions that are not specifically authorized by statute, rule, ordinance, or code. Enforcement is provided by a private right of action and relief may be awarded against a municipality, county, or state agency. The court is required to award attorney fees, costs, damages and license application fees to a party that prevails in an action. The bill also requires that the language of these statutes must be prominently printed on all license applications. A similar bill was vetoed last year by Governor Brewer. **Scottsdale and other cities have been successful in working with the bill sponsor to tone down the more egregious portions of the bill. The bill sponsor agreed to change the bill to address our concerns and the bill was amended on the House floor to reflect those concerns.**

Status: *HB 2212 was introduced by Representative Warren Petersen (R-Gilbert) and passed to the House Committee of the Whole on February 12 with a voice vote.*

Recommended Action: **Neutral (with amendments).**

Scottsdale Votes: *Scottsdale legislators have yet to take a recorded vote on this bill.*

Legislative Update

SB 1446/HB 2590 – TPT Reform; Contractors – These identical bills are “clean up” bills to fix problems created by the TPT simplification legislation from 2013 and 2014. The bills will clarify the tax liability of contractors and subcontractors when working under the prime contracting category or the service repair category. The bills also will put into place a procedure for determining when a construction project can be considered a repair vs. a major remodel. Additionally the bills clarify the tax liability for construction materials purchased during the tax simplification implementation timeframe. These bills are the result of months of stakeholder review and negotiations.

Status:

*SB 1446 was introduced by Senator Debbie Lesko (R-Peoria).
HB 2590 was introduced by Representative Karen Fann (R-
Prescott). SB 1446 will be heard in the Senate Finance Committee
on Wednesday, February 11th.*

Recommended Action:

Support