

Week of March 16 - 20, 2015



Legislative Update

General Issues

March 20, 2015 is the 68th day of the 52st Legislature, First Regular Session. To date, 1163 bills have been introduced, 66 bills have passed and 28 bills have been signed by the Governor.

State Budget

The Legislature introduced and passed 12 bills which constituted the \$9.1 billion FY 15-16 state budget. Under provisions in the budget, cities/towns and counties will be assessed \$20.8 million to fund administrative services of the Department of Revenue (DOR). The legislation directed the DOR to develop a mechanism to split the assessment between cities and counties. We expect that this arrangement will be finalized and executed through an MOU between the city and the DOR.

The End is Near!

With the budget complete, it is expected that the Legislature will be adjourning in the very near future. Both chambers and the Governor's office have let it be known that they intend to adjourn Sine Die before the Easter holiday.

New Issues

SB 1344 (Strike-Everything) – Municipal Lobbyists; Fiduciary Duty; Disclosure – The strike-everything amendment to SB 1344 would require municipal lobbyists and contract municipal lobbyists to disclose to the legislature during their public testimony about whether any members of the city council they represent opposes the stated position of the lobbyist. The bill also requires the municipal lobbyist to have a fiduciary duty to the city council that they represent.

Status:

The strike-everything to SB 1344 was introduced by Representative Warren Petersen (R-Gilbert) and passed the House Commerce Committee on March 18th, with a vote of 5-3.

Recommended Action:

Oppose. *While I am not opposed to offering information to a legislator or legislative committee, I believe the provisions of the bill would make it difficult if not impossible to take positions on some bills in a timely manner (which may be the intent of the bill).*

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HB 2069 – Online TPT; Income Tax Reduction – HB 2069 would require the Department of Revenue to reduce the amount that individual income taxes to offset increased revenues from online sales tax resulting from the enactment of a federal law, such as the Marketplace Fairness Act, which allows for the collection of sales tax for online purchases from retailers without a physical presence in their state

Status: *HB 2069 passed the House with a vote of 31-28. The bill passed the Senate Finance Committee on February 12 with a vote of 3-1-1, and is awaiting a hearing in the Senate Rules Committee.*

Position: *Monitor*

Key Legislation

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. **Scottsdale was successful in working with the bill sponsor to draft new language that would alleviate Scottsdale's concerns.**

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. It passed the House County and Municipal Government Committee on Monday March 2nd, and was amended with the City of Scottsdale's amendment on the House Floor on March 18th. The bill is scheduled for a final vote in the House on Monday, March 23rd.*

Action Taken: *NEUTRAL (agreement has been reached with bill sponsor).*

SB 1120 – Fine Art; TPT Exemption – SB 1120 would exempt the sales of work of fine art shipped out of state to nonresidents from retail transaction privilege tax (TPT). Fine art is defined as original or multiple original art work which is: (a) a visual rendition, including a painting, drawing, sculpture, mosaic or photograph; (b) a work of calligraphy; (c) a work of graphic art, including an etching, lithograph, offset print or silk screen; (d) a craft work in materials, including clay, textile, fiber, wood, metal, plastic or glass; (e) a work in mixed media, including a collage or work consisting of any combination of subdivisions.

Status: *The strike-everything amendment to SB 1120 and the underlying bill were introduced by Senator Debbie Lesko (R-Peoria). SB 1120 passed the Senate on February 26th with a vote of 19-9. **The***

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bill passed the House Ways & Means Committee on March 13 with a vote of 8-0.

Action Taken:

SUPPORT

HB 2008 – Fireworks – HB 2008 makes technical changes to the current fireworks statutes but also includes a provision that would mandate the City of Scottsdale reduce its one-mile fireworks prohibition buffer zone around the McDowell Sonoran Preserve to 100 feet. Representative Michelle Ugenti was successful in adopting an amendment on the House floor that restored the one-mile buffer around the Preserve.

Status:

*The strike-everything amendment to HB 2008 was introduced by Representative Bob Thorpe (R-Flagstaff). The underlying bill was introduced by Representative TJ Shope (R-Coolidge). **HB 2008 passed the Senate Public Safety, Military and Technology Committee on March 18th with a vote of 6-0.***

Action Taken:

***NEUTRAL with Ugenti amendment.** Council approved the 2015 State Legislative Agenda which provides direction to oppose legislation that would preempt local control of fireworks and that would diminish the protection of the McDowell Sonoran Preserve.*

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 on February 17th with a vote of 42-16. The bill passed the Senate Government Committee on Wednesday February 25 with a vote of 4-3. **HB 2212 passed the Senate on March 13th with a vote of 21-8. It will now return to the House for a final vote.***

Recommended Action:

Neutral

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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 was Retained on the House Committee of the Whole Calendar on Thursday, February 26. **HB 2254 appears to be DEAD for this year.***

Action Taken: ***OPPOSE***

HB 2563 – Health Facilities; Substance Abuse Recovery – HB 2563 addresses substance abuse recovery and support residences and a residence’s qualification for licensure or exemption under the health care institution licensure statutes. The bill was introduced to better align state statutes and requirements for licensure with the actual practices of the residential recovery industry. More specifically, HB 2563 redefines terms related to health care institutions that are subject to licensure by the Arizona Department of Health Services (ADHS). The bill redefines facilities to include any residential property that is owned or operated by, or affiliated with, a health care institution even if services are not offered at those locations. In addition, HB 2563 expands the definitions of inpatient or resident beds, and personal care services to include substance abuse recovery support. Many of the bill’s provisions were to be removed in the Senate, however the bill was held in the Health and Human Services Committee.

Status: *HB 2563 was introduced by Representative Noel Campbell (R-Prescott) and passed the House with a vote of 40-20. **HB 2563 was HELD in the Senate Health and Human Services Committee. Bill is DEAD at this time.***

Action Taken: ***SUPPORT***

HB 2570 – Municipalities; Vegetation Requirements; Prohibition – HB 2570 would prohibit a municipality from requiring a property owner to install specific plants, trees or vegetation species. It would also prevent a property owner from clearing all vegetation from their property. Municipalities would also be prohibited from requiring landscape densities beyond what the property owner’s landscape architect has recommended.

Status: *HB 2570 was introduced by Representative Darrin Mitchell (Litchfield Park) and passed the House Committee of the Whole Calendar on Thursday, February 26 by a voice vote. **The bill has not been scheduled for additional action and MAY BE DEAD for this year.***

Action Taken: ***OPPOSE.***