
CITY COUNCIL REPORT

TO: Frank Fairbanks
City Manager

FROM: Karen Peters
Intergovernmental Affairs
Coordinator

SUBJECT: 2007 STATE LEGISLATIVE WRAP-UP

The First Regular Session of the 48th Legislature lasted 164 days. 1523 bills were introduced, 295 were signed into law, 22 bills were vetoed, one measure became law without the Governor's signature, and no measures were referred to the 2008 general election ballot. This report describes selected bills of interest to the City.

Bills enabled without an emergency clause or special effective date will take effect on September 19, 2007.

STATE BUDGET

After a lengthy negotiation process between House and Senate leadership, the legislature adopted a \$10.6 billion state budget that included both corporate income tax cuts as well as modest spending increases in the areas of education, health care, and other areas. The following highlights some items of interest:

- Acceleration of business property tax reduction from ten to six years;
- \$7 million additional reduction in business property taxes;
- \$25 million for expansion of the University of Arizona College of Medicine in downtown Phoenix;
- Authority to extend highway bond repayment schedules from 20 to 30 years, increasing potential borrowing capacity an estimated \$500 million over three years which could be applied for additional transportation projects;
- Transfer of \$62 million from the State Highway Fund to the State Transportation Acceleration Needs (STAN) account for acceleration of highway projects, reimbursement of interest costs associated with project acceleration and construction of roads of regional significance;
- \$3 million to increase the number of beds in domestic violence shelters;
- \$1 million for emergency homelessness services;
- \$10 million towards the state's rainy day fund, bringing its balance to \$705 million; and
- A sales tax exemption on ticket sales related to the 2009 NBA All-Star Game.

REVENUE AND TAXES

New Laws

HB 2322 (Chapter 225, Laws 2007) Income Tax Credits; Movies, TV, Ads & Videos (Rep. Michelle Reagan, R – D. 8) expands the current motion picture tax credit program to include video ads and music video productions. The bill was signed into law by the Governor on May 24, 2007.

Bills Not Enacted

SB 1028: Accelerate Class One Tax Reduction (Sen. Jim Waring, R – D. 7) accelerated the reduction of the commercial property tax assessment ratio to 20 percent from the current 24 percent over six years. Although the bill never received a hearing in the House after passing the Senate by a unanimous vote, the measure was included in the final budget.

SB 1246: Urban Revenue Sharing; Tax Credit (Sen. Robert Burns, R – D. 9) authorized persons living outside city and town boundaries to receive an income tax credit for monies collected and distributed via the urban revenue sharing program, thereby reducing state shared revenues municipalities currently receive. SB 1246 failed by a vote of 5 – 6 in the Senate Appropriations Committee.

SB 1260: Restructuring Motion Picture Production Incentive (Sen. Robert Blendu, R – D. 12) allowed for various changes to motion picture production tax credits, including: eliminating the credits' sunset date of 2010; raising the maximum total amount of credits beginning in 2008; increasing the eligible threshold the motion picture company must incur in Arizona from \$250,000 to \$1 million for each motion picture during a year; and requiring companies receiving the credit to submit to audits. The bill never received a hearing in the Senate Finance Committee.

SB 1545: Sales Tax; Contractors; Owner Builders (Sen. Ken Chevront, D – D. 15) exempted owner builders from the prime contracting classification and the transaction privilege tax (TPT). The measure changed the way prime contracting sales tax statutes govern certain types of construction projects in which an owner of a building hired contractors to modify the building prior to sale. The current statute defining owner builder sales would have been repealed. SB 1545 would have been retroactive to January 8, 1991. This bill passed the Senate Finance Committee 8 – 1, but was held in the House Rules Committee.

SB 1611: Postsecondary Institution Loan Commission (Sen. Thayer Verschoor, R – D. 22) mandated that bonds issued by an Industrial Development Authority (IDA) have an AAA rating. In addition, all bonds issued by an IDA would have to carry bond insurance from a AAA-rated insurer or other credit enhancement such as a letter of credit. Due to significant costs associated with this proposal, staff recommended opposing this requirement and supported maintaining the current standards. SB 1611 failed on the Senate floor by a vote of 14 – 14.

HB 2126: Sales Tax Exemption; Fire Apparatus (Rep. Adam Driggs, R – D. 11) exempted the sale of fire vehicles weighing more than 17,000 from sales tax. This measure passed the House Appropriations Committee by a vote of 17 – 0, but was held in the House Rules Committee.

HB 2307: Sales Tax; University Construction Infrastructure (Rep. Jennifer Burns, R – D. 25) provided that sales tax revenue from the prime contracting classification derived from constructing buildings built "for the benefit" of a state university would be distributed to the municipality in which the building is located. Municipalities would be required to use the monies to partially defray costs associated with infrastructure improvements related to the university construction. The bill was held in the House Rules Committee.

PUBLIC SAFETY

New Laws

SB 1029 (Chapter 219, Laws 2007) DUI; 0.20 Concentration Enhancement (Sen. Jim Waring, R – D. 7) increases jail time for those convicted of extreme DUI (blood alcohol content of more than 0.20) from 30 days to 45 days for a first offense and from 120 days to 180 days for a second violation. In addition, the court's current authority to suspend 60 days of the sentence is removed and a requirement for ignition interlocking devices for first time DUI offenders is added. This bill was signed into law by the Governor on May 18, 2007.

SB 1076 (Chapter 29, Laws 2007) Pedestrian Control Signs (Sen. Linda Gray, R – D. 10) clarifies that symbols representing "walk" or "don't walk" can be used on pedestrian control signals. This bill was signed by the Governor on April 10, 2007.

SB 1229 (Chapter 159, Laws 2007) Aggravated DUI; Probation; Incarceration (Sen. Jim Waring, R – D. 7) removes the court's ability to suspend 20 days of the mandated 30 day jail sentence for Extreme DUI. This measure was signed by the Governor on May 1, 2007.

SB 1549 (Chapter 172, Laws 2007) Public Safety Radio Communications; Liability (Sen. Tom O'Halleran, R – D. 1) establishes liability protection for communication failures related to the municipal public safety radio system. This bill was signed by the Governor on May 1, 2007.

HB 2125 (Chapter 213, Laws 2007) County Medical Examiners (Rep. Bob Stump, R - D.9) allows a county board of supervisors to appoint a forensic pathologist as a medical examiner. The Phoenix Police Department was concerned with a portion of the measure that required law enforcement to obtain permission of the medical examiner before removing a weapon from the place of death. This provision was removed as the bill advanced. The bill was signed by the Governor on May 16, 2007.

HB 2342 (Chapter 248, Laws 2007) Unlawful Sexual Conduct Involving Prisoners (Rep. Jennifer Burns, R – D. 25) was amended to include the language from SB 1268 (Sex Trafficking; Child Prostitution) that removes the impediments to effective prosecution of these crimes, as well as enhance the penalties on those convicted of facilitating child prostitution. This bill also includes language from SB 1346 (Sexual Exploitation; Luring a Minor) that clarifies existing law regarding luring a minor for sexual exploitation, so that prosecution of this crime is more effective. By adding the language, it revived two

City-sponsored bills that failed to advance in the House. Sen. Linda Gray (R – D. 10) sponsored and championed the amendment language on the Senate Floor. HB 2342 passed the Senate by a vote of 24 – 6 and was signed by the Governor on June 13, 2007.

HB 2780 (Chapter 242, Laws 2007) Noncontiguous County Fire Districts (Rep. John McComish, R – D. 20) mandates that municipalities provide fire protection to county islands within their planning boundary if an intergovernmental agreement or private service provider option is not accepted by those county residents. The bill passed into law without the Governor's signature on June 4, 2007.

Bills Not Enacted

SB 1026: Extreme DUI; Sentence (Sen. Jim Waring, R – D. 7) removed the court's ability to suspend 20 days of the mandated 30 day jail sentence for Extreme DUI. A controversial amendment was approved in the Senate Committee of the Whole, permitting judges to reduce jail time in lieu of time spent in a residential treatment facility, prompting the bill sponsor to have this specific bill permanently held for the session.

SB 1251: Deadly Weapons; Storage (Sen. Chuck Gray, R – D. 19) required government agencies that prohibit deadly weapons in their buildings or at public events to locate gun lockers within 200 feet of the facility's entrance, to provide individual keys for the lockers and prohibited staff from collecting any identification from those checking in their weapons. Last year, similar legislation required public buildings to provide gun lockers and post signs. Staff opposed this bill due to the recent expenditures to comply with last session's legislation. Additionally, staff was concerned that we would not be able to verify that the weapon is being collected by its rightful owner. SB 1251 was vetoed by the Governor on July 2, 2007.

SB 1265: VOIP Service; Emergency Telecommunication Services (Sen. Linda Gray, R – D. 10) added Voice-Over-Internet Protocol (VOIP) to the list of telecommunication services that must collect user fees for the state's emergency 911 fund. This bill was used for a "strike-everything" amendment for another, unrelated issue.

HB 2609: Firearms; Airport Designated Security Area provided that persons carrying, possessing or exercising control over a deadly weapon in an airport designated security area can be charged with a class 6 felony. Although HB 2609 passed its initial House committee, it was never given a hearing in the House Judiciary Committee.

TRANSPORTATION

New Laws

SB 1161 (Chapter 32, Laws 2007) HOV Lanes; Motorcycles; Buses (Sen. Jay Tibshraeny, R – D. 21) clarifies existing state law to allow unoccupied public transportation buses and motorcycles to use the High Occupancy Vehicle (HOV) lanes at all times. This measure is consistent with federal law that governs the construction

and use of federally-funded HOV lanes. SB 1161 was signed by the Governor on April 10, 2007.

Bills Not Enacted

SB 1049: Appropriation; Highway Construction (Sen. Robert Burns, R – D. 9) proposed an emergency measure to appropriate \$450 million in FY 2006-2007 from the Budget Stabilization Fund to the State Transportation Board for the Statewide Transportation Acceleration Needs (STAN) account. Monies in the STAN account are used exclusively to accelerate construction of freeways, state highways, bridges and interchanges included in the regional transportation plan of a county or the Arizona Department of Transportation's (ADOT) long-range statewide transportation plan. This bill failed in the Senate Committee of the Whole by a vote of 13 – 16.

SB 1576: Public Highway Authority (Sen. Jay Tibshraeny, R – D. 21) repealed a portion of the transportation code pertaining to private transportation projects and replaces the section with a new chapter authorizing formation of transportation authorities by combinations of local governmental entities with or without State participation. This measure would have allowed the new highway authorities to construct, finance and operate public highways including toll roads. This bill failed in the Senate Transportation Committee by a vote of 2 – 2.

SB 1585: HOV Lane Conversions; Toll Road (Sen. Ron Gould, R – D. 3) required ADOT to issue a request for proposal (RFP) to convert the HOV lane on I-17 between Loop 101 and I-10 to a HOT lane and allows ADOT to issue additional RFPs to convert HOV lanes to HOT lanes on any other highway in Arizona. This bill never received a hearing in the Senate Rules Committee.

SB 1591: Performance Audits; Light Rail (Sen. Ron Gould, R – D. 3) added a new provision to Title 28 requiring a separate performance audit for light rail twelve months after the minimum operating system is open if the light rail system is not open on or before January 1, 2009. Current law requires a performance audit in 2010 and every fifth year thereafter. This bill failed in the House Committee of the Whole by a vote of 27 – 27.

SB 1610: Highway Expansion; Extension Loan Program (Sen. Jay Tibshraeny, R – D. 21) defined the new term of "transit capital purposes" as eligible land, buildings and rolling stock that is part of the Federal Transit Administration's rural public transportation program for cities with populations of less than fifty thousand persons. Additionally, the measure would have expanded the use of the Highway Expansion and Extension Loan Program (HELP) to transit capital projects. SB 1610 never received a hearing in the Senate Transportation Committee.

SB 1635: FAST Lanes (Rep. Pamela Gorman, R – D. 6) required ADOT to issue a RFP by July 1, 2008, for the conversion of a high occupancy vehicle (HOV) lane to a freeway acceleration and sensible transportation (FAST) lane and for the construction of new FAST lanes. Permits ADOT to perform conversions of HOV lanes to FAST lanes and to construct new FAST lanes if responses to the RFP are unacceptable. This measure never received a hearing in the Senate Rules Committee.

HB 2074: Schools; Pupil Pedestrian Safety Zones (Rep. John Nelson, R – D. 12) added to state statute a definition of “pupil pedestrian safety zone” which referred to any portion of a roadway within 300 feet of the outer boundary of a school’s property. A speed limit of 25 mph would have been established within the zone if active traffic control devices are in place. This bill failed in House Appropriations Committee by a vote of 8 – 9.

HB 2152: Roads of Regional Significance; Congestion Mitigation Fund (Rep. Andy Biggs, R – D. 22) created a roads of regional significance congestion mitigation fund as a separate subaccount of the state highway fund. To be eligible to receive monies from the fund, the regional transportation authority or the council of governments in the county would have been required to identify the participating jurisdictions. Those jurisdictions would include at least one of the following: 1) A county with an average growth rate that exceeds the average county growth rate in this state by at least fifty per cent in the last five years or have more population in the unincorporated areas of the county than in the incorporated areas of the county. 2) A city or town with an average growth rate that exceeds the average city or town growth rate in this state by at least fifty per cent in the last five years. This bill never received a hearing in the House Rules Committee.

HB 2442: Photo Enforcement; Law Enforcement Exception (Rep. Kirk Adams, R – D. 19) allowed that if a person is found guilty of a moving violation by means of a photo enforcement system and pays the fine within 60 days of conviction the infraction shall not count towards license revocation or suspension. The measure allowed persons convicted based on photo enforcement to attend a defensive driving school up to three times in a two year period. Currently, persons convicted of moving violations can only attend a defensive driving school once in a two year period. Lastly, this legislation included sections that would give immunity to peace officers from photo enforcement citations while they are on duty. This bill was held in House Transportation Committee.

HB 2562: STAN Account; Interest Payments (Rep. John Nelson, R – D. 12) allowed the State Transportation Board to use Statewide Transportation Acceleration Needs (STAN) account funds to reimburse interest costs incurred by local governments for acceleration of a transportation project. This bill never received a hearing in the Senate Rules Committee, but a similar provision was included in the state budget.

HB 2569: Highway Expansion Fund; Growth Cities (Rep. Andy Biggs, R – D. 22) proposed dedicating twenty million dollars of the Highway Expansion and Extension Loan Program (HELP) Fund to be used for street improvements in cities with a population growth of at least 50% in the preceding 5 years. This measure never received a hearing in its Senate Committees.

HB 2570: Railroad Right-of-Way Acquisition (Rep. Andy Biggs, R – D. 22) proposed that upon approval of the State Transportation Board, the Arizona Department of Transportation (ADOT) shall use the monies from a designated fund to acquire a railroad right-of-way to accommodate future freight or passenger rail service. The bill allowed for \$650,000 from the ADOT budget to be available for the purchase of such right-of-way. HB 2570 never received a hearing in the Senate Rules Committee.

HB 2571: Highway Construction; Appropriation (Rep. Andy Biggs, R – D. 22) authorized two transfers to the STAN account in fiscal year 2007-08: \$62.5 million from the Highway User Revenue Fund (HURF) and \$35.1 million from the State highway Fund. This bill never received a hearing in the Senate Rules Committee.

HB 2612: Transportation Districts (Rep. Pete Rios, D – D. 23) set guidelines for the creation of single-county transportation districts, establishing membership and population standards. HB 2612 was used for a “strike-everything” amendment for another issue.

HB 2682: Blue Ribbon Transportation Committee (Rep. Andy Biggs, R – D. 22) created a six-person legislative committee to review transportation issues and craft possible solutions that include road planning, highway construction fund sources and road safety. The bill failed in the Senate by a vote of 13 – 16, but was revived in the state budget.

HCR 2036: Highway User Revenue Fund (HURF) Uses (Rep. Chad Campbell, D – D. 14) referred to the 2008 general election ballot the question of whether to amend Article IX of the State constitution to change the permitted uses of monies in the HURF to a more general use of “transportation purposes” from the existing language of “highway and street purposes.” This measure never received a hearing in the House Transportation Committee.

NEIGHBORHOODS

New Laws

HB 2328 (Chapter 273, Laws 2007) County Graffiti Abatement (Rep. Jennifer Burns, R-D. 25) provides counties the right to enforce ordinances for the prevention, abatement and elimination of graffiti. Under current law, only municipalities have this authority. The bill was signed by the Governor on July 2, 2007.

HB 2344 (Chapter 124, Laws 2007) Increased Penalties for Juveniles Convicted of Graffiti Vandalism (Reps. Adam Driggs, R – D.11 and Chad Campbell, D – D. 14) establishes a mandatory minimum fine of \$300, upwards to \$1000 for juveniles convicted of property damage in the form of graffiti. Juveniles unable to pay the fine would be allowed to perform community service at a rate of one hour of community service per \$10.00 fined. The bill was signed by the Governor on April 24, 2007.

HB 2391 (Chapter 187, Laws 2007) Spirituous Liquor; Omnibus (Rep. Rich Crandall, R – D. 19) makes numerous changes to Title 4 (Liquor) of the Arizona Revised Statutes. Previous concerns have been addressed by The Arizona Department of Liquor License Control Department with stakeholders and neutral amendment language has been drafted. HB 2391 was signed into law by the Governor on May 8, 2007.

Bills Not Enacted

SB 1360: Planned Communities; Authority Over Roadways (Sen. Chuck Gray, R – D. 19) clarified that Homeowner Associations have no authority over streets and other easements under the jurisdiction of a governmental entity. This bill failed in the House Homeland Security and Property Rights Committee by a vote of 4 – 5.

HB 2172: Continuation of Summer Youth Work Experience Program (SYWEP) Funding (Rep. Ben Miranda, D – D. 16) continued state funding for the SYWEP program. In 2006, SYWEP employed more than 900 youth, many of which worked at City jobsites, community and faith-based organizations, and private sector businesses. Although the measure never received a committee hearing, monies were included in the final state budget.

HB 2369: Temporary Signage; Preemption; Abatement (Bob Robson, R – D. 20) would have required cities to allow and regulate commercial sign walkers within the public right-of-way. Regulations could be adopted, placing restrictions on where and how these sign walkers can advertise. Permit fees collected for this practice were to be placed in a local beautification enhancement fund to pay for litter clean-up or the planting of flora. Phoenix does not currently regulate this practice, but would have been required to under this bill. HB 2369 was vetoed by the Governor on April 16, 2007.

HB 2499: New Requirements for Liquor License Applicants (Rep. John Nelson, R – D. 12) required the re-submittal of a liquor license application in the event that the information provided is found to be inaccurate. Applicants found to have knowingly submitted false information would have been prohibited from applying again for a minimum of two years. The bill never received hearing in its assigned House Committees.

IMMIGRATION

New Laws

HB 2779 (Chapter 279, Laws 2007) Fair and Legal Employment Act (Rep. Russell Pearce, R – D. 18) prohibits employers and their subcontractors from hiring undocumented persons. Employers that “knowingly” hire these persons would face the following penalties:

- First Violation: A business license would be suspended until the employer submits a signed sworn affidavit verifying that all undocumented workers have been terminated
- Second Violation: A business license would be revoked

The legislation also requires employers to verify the citizenship status of potential workers via a state employment verification system beginning after March 1, 2008. HB 2779 was signed by the Governor on July 2, 2007.

Bills Not Enacted

HB 2461: Law Enforcement Cooperation; Immigration (Rep. Russell Pearce, R – D.18) authorized all law enforcement agencies within the state to execute federal immigration laws. This bill held in the House Homeland Security and Property Rights Committee.

HB 2467: Licensing Eligibility; Lawful Presence; Verification (Rep. Russell Pearce, R – D. 18) required any government agency that issues business licenses to verify that the applicant is lawfully present in the United States. Staff recommended opposition to this bill as it would be costly to implement, dramatically slow down the current licensing process, and was silent on due process measures for applicants. HB 2467 was used for a “strike-everything” amendment on another item.

HB 2589: Criminal Trespassing; Day Labor (Rep. John Kavanagh, R – D. 8) increased the penalties for criminal trespassing in the first degree for those standing in specific places for the purpose of soliciting work for money. This bill was vetoed by the Governor on May 1, 2007.

HB 2751: Immigration Law; Appropriation (Rep. Russell Pearce, R – D. 18) mandated that all officials, agencies, and personnel of counties and municipalities support the enforcement of federal immigration laws to the full extent permitted by law. The bill also appropriates \$25 million from the general fund to the Arizona Border Security Fund. HB 2751 never received action by the House Committee of the Whole.

HB 2752: Illegal Aliens; Domestic Terrorism (Rep. Russell Pearce, R – D. 18) made it illegal for undocumented persons to protest against a US citizen by an act that threatens, intimidates or results in physical injury to the citizen, to commit a crime against a citizen, or belong to a criminal street gang that protests against citizens. This crime was labeled domestic terrorism and a violation would be a class 5 felony, except that belonging to a criminal street gang would be a class 3 felony, with a minimum jail sentence of 6 months. HB 2752 never received action by the House Committee of the Whole.

HCR 2049: Immigration Enforcement (Rep. Russell Pearce, R – D. 18) amended statute to require the state and all local governments to support the enforcement of federal immigration law. This bill never received a hearing in the House Rules Committee.

COMMUNITY DEVELOPMENT

Bills Not Enacted

SB 1004: Vested Subdivision Plat; Plan Requirements (Senate President Tim Bee, R – D. 30) attempted to lock-in residential development impact fees at the moment a plat is submitted to a municipality, claiming vested right protections. SB 1004 was held in the House Rules Committee.

SB 1558: Appropriations; University Medical Programs (Sen. Carolyn Allen, R – D. 8) appropriated \$25 million from the state’s general fund for medical, biomedical, and other health related programs within the state’s university system. The University of Arizona’s Medical School in downtown Phoenix would greatly benefit from this appropriation.

Although SB 1558 never advanced beyond the Senate, monies were approved in the final state budget.

HB 2525: Tax Credit; Qualified Equity Investments (Rep. Rich Crandall, R – D. 19) encouraged private sector and community-oriented entities to invest in economically-challenged areas by providing an offset in income taxes for businesses in redevelopment areas. This bill never received a hearing in the House Ways and Means Committee.

WATER AND ENVIRONMENT

New Laws

SB 1083 (Chapter 31, Laws 2007) Waste Tire Disposal (Sen. Jake Flake, R – D. 5) extends the waste tire fund program, which is scheduled to sunset at the end of this year, for an additional ten years. Most of this fund is distributed to counties to establish and maintain waste tire collection/disposal programs. The measure was signed by the Governor on April 10, 2007.

SB 1552 (Chapter 292, Laws 2007) Air Quality Program (Sen. Carolyn Allen, R – D. 8) establishes procedures that the public and private sectors must undertake to help mitigate dust and other particulates in the air within the Maricopa County region. Some municipal obligations may include: paving or stabilizing shoulders, roads, and parking lots; regulating vehicles on unpaved or unstabilized vacant lots; requiring cities and their contractors to only use PM -10 efficient street sweepers; and prohibiting cities and their contractors from using leaf blowers on high pollution advisory days. SB 1552 was signed by the Governor on July 2, 2007.

SB 1570 (Chapter 249, Laws 2007) Arizona Water Settlement Act (Sen. Marsha Arzberger, D – D. 25) modifies 2005 session law (Laws 2005, Chapter 143) to allow the Gila River Indian Water Settlement and the Tohono O'Odham Water Settlement Program to become effective independently of each other. This measure retains the deadline of December 31, 2010 and the requirement for the US Secretary of Interior to publish in the Federal Register the statements of findings described in the Arizona Water Settlements Act and corrects a cross reference to the 2004 federal law. This bill was signed by the Governor on June 13, 2007.

SB 1575 (Chapter 240, Laws 2007) Water Adequacy Amendments (Sen. Marsha Arzberger, D – D. 25) allows counties, cities and towns to require new subdivisions that are located outside an Active Management Area (AMA) to have an adequate water supply in order for the proposed development to be approved. This measure was substituted in the House for an identical bill (HB 2693) and signed by the Governor on June 4, 2007.

HB 2692 (Chapter 226, Laws 2007) Water Supply Development Revolving Fund (Rep. Lucy Mason, R – D. 1) authorizes the Water Infrastructure Finance Authority to provide financial assistance for water supply development projects, creates a Water Supply Development Revolving Fund and establishes the Water Supply Development Fund Committee. This measure contains a conditional enactment, which links HB 2692 to

passage of legislation that establishes water adequacy provisions. This bill was signed by the Governor on May 24, 2007.

Bills Not Enacted

SB 1119: Water; Overlapping Service Area Providers (Sen. Chuck Gray, R – D. 19) prohibited water service providers from imposing regulations on users located in overlapping service areas. Staff recommended opposition to this legislation that creates a situation in which our water customers outside the City are treated differently than our Phoenix residents. This bill was vetoed by the Governor on May 1, 2007.

SB 1311: Channelization Districts; Formation (Senate Jake Flake, R – D. 5) established a timeframe in which cities and towns would be required to weigh in on the formation of channelization districts within municipal boundaries. This bill failed in the Senate by a vote of 15 – 14.

HB 2492: Local Energy Fees; Energy Credit (Rep. Lucy Mason, R – D. 1) mandated municipalities and counties to provide developers a 15% discount in impact fees for building homes that qualify under the federal tax credit for energy efficient homes. While energy efficiency is a laudable goal, cities need these fees to build the infrastructure necessary to serve new developments. This bill never received a hearing in the House Water and Agriculture Committee.

MISCELLANEOUS

New Bills

SB 1112 (Chapter 153, Laws 2007) Toxic Fire Response (Sen. Leah Landrum-Taylor, D – D. 16) establishes a Maricopa County planning committee, consisting of fire chiefs from municipalities with populations greater than 70,000, to establish training and coordination guidelines for major fire events involving hazardous materials. This bill was signed by the Governor May 1, 2007.

SB 1127 (Chapter 230, Laws 2007) Workers' Compensation; Infectious Diseases; Exposure (Sen. Thayer Verschoor, R – D. 22) adds tuberculosis, spinal meningitis, and methicillin-resistant staphylococcus aureus to the list of recognized diseases that can be considered for workers' compensation claims. This bill was signed into law by the Governor on May 24, 2007.

SB 1423 (Chapter 136, Laws 2007) Municipal Development Fees; Procedures (Senate President Tim Bee, R – D. 30) establishes criteria that municipalities must adhere to in assessing and administration of impact fees. This bill is the result of positive negotiations between the League of Arizona Cities and Towns and homebuilding industry. SB 1423 was signed by the Governor April 24, 2007.

HB 2065 (Chapter 40, Laws 2007) Construction Contract Bids; Civil Penalty (Rep. John Nelson, R – D. 12) increases the penalties for agents that knowingly violate current statutes relating to the procurement of street construction and maintenance contracts until July 1, 2009. The City of Phoenix has been selected to participate in a road

maintenance study along with 14 other cities and towns as a part of this legislation. The bill was signed by the Governor on April 11, 2007.

HB 2208 (Chapter 71, Laws 2007) Clarification of Web Posting Requirements for Municipal Boards and Commissions (Rep. Kirk Adams, R – D. 19) provides additional time for legal actions by municipal boards and commissions to be posted on a city's website from 3 days to 10 days. This measure was signed by the Governor on April 16, 2007.

HB 2252 (Chapter 15, Laws 2007) State Plumbing Code (Rep. John McComish, R – D. 20) permits municipalities to adopt plumbing codes other than the State code. The bill was signed by the Governor on April 10, 2007.

HB 2314 (Chapter 186E, Laws 2007) Scrap Metal Dealers; Records (Rep. Jerry Weiers, R – D. 12) expands the definition of aggravated criminal damage and makes numerous changes to regulations relating to the sale of scrap metal. This measure specifically addresses defacing, damaging or tampering with any utility or agricultural infrastructure or property, construction site or existing structure for the purpose of obtaining nonferrous metals. This bill was signed by the Governor on May 8, 2007.

HB 2407 (Chapter 78E, Laws 2007) Centennial; Administrative Costs; Appropriation (Rep. Rich Crandall, R – D. 19) dedicates \$50,000 to the Arizona Historical Advisory Commission for the purposes of coordinating efforts associated with the State's upcoming centennial celebration. HB 2407 was signed by the Governor on April 16, 2007.

HB 2563 (Chapter 92, Laws 2007) State Ombudsman; Access to Records (Rep. John Nelson, R – D. 12) prevents review by the State's ombudsman of local government documents deemed confidential under federal law. This bill was signed by the Governor on April 18, 2007.

Bills Not Enacted

SB 1065: Ballot Counting; Security Cameras (Sen. Jack Harper, R – D. 4) required a live video recording of the location(s) in which ballots are stored and tabulated from the time they are received and canvassed by the entity governmental entity conducting elections. This proposal would have placed a financial and administrative hardship on the ability of our City Clerk Department to conduct elections. This bill never received a vote on the Senate Floor.

SB 1359: Municipal Utilities; Tenant Nonpayment (Sen. Chuck Gray, R – D. 19) clarified that the customer of record is responsible for municipal utility payments. SB 1359 failed in the House Government Committee by a vote of 4 – 4.

SB 1602: City Permits; Waste Regulation (Sen. Ron Gould, R – D. 3) prevented municipalities with populations under 100,000 from regulating bulk trash and construction debris collection from construction sites. SB 1602 never received a vote on the House Floor.

SJR 1002: Williams Gateway Airport; Reuse Zone (Sen. Thayer Verschoor, R- D.22 and Sen. Chuck Gray, R – D.19) renewed Williams Gateway Airport as a Military Reuse Zone retroactive to July 23, 2006 terminating after ten years. SJR 1002 never received a hearing in the Senate Transportation Committee.

HB 2066: Blue Stake; Underground Markings (Rep. John Nelson, R – D. 12) mandated public sewer/water operators to locate and mark the private sewer laterals upon request from gas and electric utility companies. The costs and liability associated with this measure could be massive, meaning that the City's rate-payers would be asked to shoulder the costs. This measure never received action by the House Committee of the Whole.

HB 2224: Payday Loans; Extensions (Rep. Marian McClure, R – D. 30) eliminated extensions for existing payday loan agreements. Currently, payday loans can be extended up to three times. Additionally, transaction fees for payday loans would have been prohibited. This bill failed to pass the House Financial Institutions and Insurance Committee by a vote of 4 – 5.

HB 2477: Municipal Codes; Adoption (Rep. Kirk Adams, R – D. 19) mandated that all municipalities must adopt the 2006 edition of various building codes, including the International Building Code, the National Electrical Code, the Uniform Plumbing Code, the Uniform Mechanical Code and the International Residential Code. Current language permits municipalities to amend these codes only for reasons of life, safety, health or regional conditions or if amendment is more restrictive than the proposed provisions. Municipalities would have been subject to a civil cause of action for failing to comply. This measure never received a hearing in the House Government Committee.

HB 2519: Appropriation; Senior Olympics (Rep. Bob Stump, R – D. 9) appropriated \$100,000 to the Arizona Department of Health Services to assist with funding the Arizona Senior Olympics. The bill was discussed and then held in the House Health Committee.

HB 2608: Lottery Monies, Homeless Shelters Support Services (Rep. Robert Meza, D – D. 14) would have collected up to \$5 million in lottery monies, to be distributed via a competitive grant application process by the Department of Economic Security for homelessness support services. Although HB 2608 failed to advance, \$1 million was appropriated in the state budget for this measure.

HCM 2002: Community Development Block Grant; Funding (Rep. John Nelson, R – D. 12) requested that Congress fully fund the federal community Development Block Grant program. This measure failed to receive a hearing in the Senate.

HCR 2039: State Lands (Rep. John Nelson, R – D. 12) would have placed on the 2008 general election ballot a measure to make numerous changes to the state constitution regarding management and sale of state trust lands. Among the provisions, local governments would have the opportunity to purchase state trust lands at fair market value for conservation purposes without going to auction. HCR 2039 never received a hearing in the Senate Rules Committee.

RECOMMENDATION

This report is for information only. No City Council action is required.