



Issue 2 – January 22, 2021

Legislative Update

Today is the 12th day of session and so far 1,031 bills have been introduced, which include many from last year that never made it to the finish line before session was suspended. Some of these were introduced as mirror bills so each chamber will concurrently debate and vote to expedite the legislative process. The seven bill introduction limit, which was extended by one week, began yesterday at 5 p.m., meaning each House member may only introduce seven bills as a prime sponsor up until February 8. The Senate does not impose such a restriction, but senators must have their bills introduced by February 1.

Utility Condemnation

HB2049 eminent domain; existing contracts, sponsored by Representative Jeff Weninger (R-Chandler) passed the House Commerce Committee on Tuesday with a vote of 7-3. Representatives Espinoza (D-Tolleson), Powers Hannley (D-Tucson) and Fernandez (D-Yuma) voting no. The bill requires cities and towns exercising eminent domain on a public utility to assume all the assets and contractual obligations of the utility. This would require the assumption of private contracts under any circumstance, regardless of their provisions and whether it is legal for municipalities to assume under the state Constitution and laws. The League opposed the measure in committee due to the unintended consequences of assuming private liabilities in these transactions and the potential to negatively impact current and future condemnation processes.

Small Cell Fees

Also up in the Commerce Committee on Tuesday was HB2108 telecommunications; public highways; use; fees, sponsored by Representative Jeff Weninger (R-Chandler). It passed with a vote of 6-4 and will now proceed to the Rules Committee.

The bill as written provides an exemption from linear foot fees for fiber in the right of way used for small cell antennas. However, the current wording applies broadly to potentially exclude the entire network connected to the small cell from the fee calculation,

which would provide a substantial exemption solely for one industry that would be using this public space for free. This not only presents a revenue impact for cities and towns, it also creates Constitutional concerns as local governments are prohibited from allowing providers to use this space for free and would impair contracts in conflict. The League is working on an amendment to address these issues and will provide an update on our progress.

Short-Term Rentals

The League's resolution on short term rentals (STRs) was introduced this week by Representative Kavanagh (R-Scottsdale). The League has been involved in short term rentals discussions since the passage of 2016's SB1350 which preempted cities and towns from regulating STRs. This legislation has resulted in the proliferation of short-term rentals in communities in Arizona and has impacted housing availability and quality of life across the state, but especially in communities closest to tourism hubs. [HB2481](#) short-term rentals; enforcement; penalties (Kavanagh) would return some local control to municipalities by decoupling STRs from long term rentals and giving cities and towns the ability to license or register STRs. Additionally, the legislation would allow local governments to establish zoning restrictions for short term rentals. The League will be following and supporting this legislation as it moves through the legislative process.

Legislative Bill Monitoring

All bills being actively monitored by the League can be found [here](#).