



Issue 10 – March 19, 2021

Legislative Update

Today is the 68th day of the legislative session. With the exception of the Appropriations committee, next week is the last week to hear bills in committee. Next week's committee agendas are lengthier and include a number of strike-everything amendments.

Marijuana Legislation

On Thursday, the Senate adopted a [floor amendment](#) to SB 1121 marijuana; security. As [introduced](#), the legislation would have required cities and towns to allow at least one marijuana establishment whose license is a part of DHS' social equity ownership program. This specific provision was concerning for cities and towns because it contradicts authority granted to municipalities to prohibit marijuana establishments and marijuana testing facilities. The adopted floor amendment removed these problematic provisions of the bill. As amended, the legislation lays out requirements for marijuana product tracking and labeling in addition to outlining new requirements for the Department of Health Services. The measure passed the Senate 26-2 and will be heard in the House Government & Elections committee next week.

Annexation

On Wednesday, the House Government & Elections committee adopted a strike-everything amendment to [SB1336](#). As amended, the bill addresses an unintended consequence stemming from legislation passed in 2020 that closed a loophole in the annexation process that had the effect of creating county islands surrounded by cities & towns. This legislation, unintentionally so, disrupts ongoing plans between the City of Apache Junction and the State Land Department (SLD) for the city to annex a portion of state trust land. The city and SLD have been in discussions over this matter for over a decade and the State Selection Board approved the annexation in July 2019. While the annexation was approved nearly two years ago, the process has not been finalized. The legislation from 2020 would prohibit this already approved annexation to continue

because it would result in a small county island within Pinal county. The striker on SB1336 addresses this unintended consequence by stipulating that annexations approved by the State Selection Board prior to August 2020 would not be subject to the statutory provisions adopted in 2020. The measure passed committee 13-0 and is scheduled to be considered in House Rules on Monday. Supporters of the measure include the League, SLD, and Pinal County.

Weapons in Public Buildings

The Senate Judiciary committee considered and passed [HB2551 misconduct involving weapons; public places](#) with a 5-2-1 vote. The bill prohibits cities and towns from banning individuals with a CCW permit from carrying a firearms in a public building, unless the city or town provides a security guard and electronic weapon screening device. The measure makes exceptions for universities, community colleges, the Arizona state hospital and other public entities. The League has opposed the measure and expressed opposition in committee, citing preemption of local decision-making power in addition to concerns over the cost of purchasing screening devices and the ongoing personnel expenses. A [fiscal note](#) provided by the Joint Legislative Budget Committee provided estimates for the cost of implementing this measure in state buildings, noting a single entrance would require \$130,000 annually for staffing in addition to one-time equipment costs. In 2014, Governor Brewer vetoed similar legislation and specifically referenced concerns over costs to local governments in her veto letter.

Building Permits

[HB2716 licensing; building permits; temporary permits](#) passed House third read with a 33-26 vote this week. The measure raises a number of significant concerns for cities and towns as it requires that municipalities approve single-family residential building permits within 7 days of receiving a completed permit application. If the municipality does not issue the permit in that timeframe, the permit applicant would be allowed to commence construction with a temporary permit. The League opposed the measure as it moved through the House as it disregards existing processes municipalities have in place to ensure the health and safety of residents prior to issuing building permits. Additionally, the measure does not consider staffing challenges for both rural and urban communities. If passed, cities would be forced to hire additional staff in order to meet this timeframe and potentially have to increase permitting fees. Additionally, the measure makes stipulations about how cities and towns may prioritize permit applications – opening the door for complaints from other permit applicants.

The bill is scheduled for a hearing in the Senate Commerce committee on Wednesday. The League will continue to be in strong opposition to the measure.

Vehicle Sales to Non-Residents

[SB1146 motor vehicle dealers; TPT exemption](#) is a strike everything bill that passed through the House Transportation Committee last week. Sponsored by Senator TJ Shope (R-Coolidge) this bill would expand the TPT exemption for vehicles purchased by non-residents. Currently, in order to receive the exemption a non-resident must receive delivery of the vehicle out of state in order to take advantage of the exemption. The proposal no longer requires the vehicle to be delivered outside this state and consequently would result in substantial lost revenue to the state, city and towns, and counties.

Interestingly, all vehicle purchases are ultimately taxed regardless of the receipt of an exemption. However, the taxes are often paid in the state where the non-resident is registering their vehicle. Consequently, this is not actually a tax savings for the purchaser but would instead allow tax dollars from Arizona to be collected in states like California and Nevada. The League firmly believes this is bad policy and state statute already provides for a 90-day drive out exemption for non-residents.

The League opposed the bill on the floor of the House, but the bill made it out on a party-line vote, 31-28-1. The bill will now move to the Senate for a final vote, and we will be active in conveying the negative impacts of the bill.

Legislative Bill Monitoring

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