



LEGISLATIVE BULLETIN

Issue 10 – March 17, 2017

Legislative Overview

Today is the 68th day of session and the legislature is one week away from wrapping up committee hearings. Next week is the last opportunity for committees to take action on bills from the opposite chamber to keep them moving through the process. This is the time of session when we see agendas containing 10 or more bills, new proposals and defeated bills introduced in the form of strike-everything amendments and committee hearings that last for many hours. The Appropriations Committees in both chambers will have until the following week to take action on assigned bills.

To date, 47 bills have passed the legislature. The governor has signed 19 of those bills into law and the remaining 28 bills are pending action by the governor.

State Budget

This is the time of year when budget discussions begin in earnest. While the House has reestablished the use of Appropriations subcommittees, the Senate continues to do most of the work on the budget through small group meetings of members only. Even though the House subcommittees are meeting in public sessions, much of the actual negotiating occurs out of the public's view.

Therefore, it is critical that you continue to communicate our serious concerns with the Arizona Board of Regents' proposal to allow the three state universities to keep the transaction privilege taxes they currently pay, including the shared portion that goes to local governments. This is a dangerous precedent for a variety of reasons. First, it will undoubtedly lead other state-funded entities (school districts, community colleges, etc.) to seek the same opportunity to keep the taxes they pay. This will undermine the integrity of the shared revenue system. The erosion of the tax base, the violation of the shared revenue formula and the continuation of the shift of state responsibility to local governments are all legitimate reasons to oppose this proposal.

It is important to contact your delegation members soon to tell them to **reject** the taking of local revenue for the university system.

Small Cell Bills

Last week both small cell bills were held from consideration pending an agreement with the cable and wireless providers to merge most of the provisions of SB 1214 small cell equipment; local governments, sponsored by Sen. Karen Fann R-Prescott, LD 1 into HB 2365 wireless providers; use of rights-of-way, sponsored by Rep. Jeff Weninger R-Chandler, LD 17. A strike-everything amendment will be offered on Monday in the Senate Commerce and Public Safety Committee that contains language agreed to by the League, Cox Communications, Comcast, Verizon and the other major wireless carriers. The amendment contains provisions providing cities and towns more authority over rights-of-way in regard to small cell deployment and reconciles industry-specific issues between wireless and cable providers.

SB 1214 will be heard on Tuesday in the House Commerce Committee. A strike-everything amendment will be offered in committee that will align small cells deployed on cable-owned aerial strand with the microcell regulatory regime prescribed in state statute. In addition, the amendment will clarify that licensed cable and telecommunications operators are permitted to provide front and backhaul support on their network infrastructure using their existing right-of-way agreements with cities and towns.

GOOD NEWS

HB 2212 federal financial assistance; reports, sponsored by Rep. Vince Leach R-Tucson, LD 11, would have required all state agencies and political subdivisions to prepare an annual report detailing the federal funds they receive and to submit that information to the Arizona Department of Administration (ADOA). Additionally, each agency or political subdivision would have been required to have a plan in the event these funds are reduced.

Fortunately, we were able to work with the sponsor to amend cities and towns out of the bill. Sen. John Kavanagh R-Fountain Hills, LD 23, ran the floor amendment so we no longer need to worry about this legislation.

We want to thank all of you for helping to communicate our concern about this bill. Please take a moment to pass your appreciation onto Rep. Leach and Sen. Kavanagh for their cooperative work with cities and towns.

We also want to pass along good news about HB 2495 consolidated election dates; tax authorization, sponsored by Rep. Kevin Payne R-Peoria, LD 21. As you will recall, the bill was intended to require a county, city or town to take any new or increased

assessment of Transaction Privilege Tax to an election and further dictated when that election was to be held.

The bill failed this week in the Senate Judiciary Committee when Sen. Bob Worsley R-Mesa, LD 25, voted with the Democrats against the bill. Sen. Worsley has proven again and again that he is willing to vote on the merits of policy issues rather than simply along party lines. This takes a great deal of courage.

It is possible this bill will come back in one form or another yet this year. However, we are appreciative that this legislation has been stopped for now.

Fire Safety

This week the House Land, Agriculture and Rural Affairs Committee held SB 1329 fire flow requirements; rural applicability sponsored by Sen. Sylvia Allen R-Snowflake, LD 6, but has rescheduled to hear it Thursday, March 23. The bill, as passed by the Senate, would allow developers to seek a complete waiver of the water supply requirements in the fire code. The sponsor stated the intent is to make development easier in rural areas where access to traditional water lines is limited. However, by allowing developers to build entire subdivisions without adequate water flow for fighting fires, the state would be putting homeowners, firefighters and entire neighborhoods in grave danger. In addition to the human tragedy that could result from a fire, there would be an enormous liability for any city, town or county that granted a waiver. We encourage you to contact the committee members to ask they protect homebuyers and firefighters by voting **NO** on the bill.

Directed Care

On Monday SB 1407 workers' compensation; employee definition; notice, sponsored by Sen. Karen Fann R-Prescott, LD 1, was approved by the House Banking and Insurance Committee. The League thanks Sen. Fann for all her hard work on this issue and our members for their efforts in support of the bill. As noted previously, public employers cannot direct workers' compensation care currently but private employers have successfully used directed care for many years to control costs while maintaining, and in some cases increasing, the quality of care. The bill must still go through the House Committee of the Whole and Third Reading and we ask that you continue to reach out to legislators to support public employers having access to this tool.

Full and Final Settlements

This session the League has been working with our workers' compensation stakeholder partners on legislation allowing the full and final settlement of workers' compensation

claims. SB 1332 workers' compensation; settlement; travel expenses, sponsored by Sen. Karen Fann R-Prescott, LD 1, would allow the settlement of certain claims and has been successfully shepherded through the legislative process in both chambers. It will be debated and potentially amended on the House floor to address some remaining concerns expressed during the House Banking and Insurance Committee. The bill, however, is the product of an agreement reached by the stakeholder groups and we are hopeful it will pass the House and proceed to the Senate for a final vote.

Legislative Bill Monitoring

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