



**Issue 15 - April 21, 2017**

## Legislative Overview

Today is the 103rd day of session and both chambers this week continued at a moderate pace processing and taking final action on bills and transmitting them to the governor for signature. Another week has gone by with no official action taken on the FY '18 budget. Rumor at the Capitol is both chambers are getting closer to striking a deal but one of the last remaining items of discussion is still the Arizona Board of Regents' TPT recapture proposal. We have heard the legislature could take action on the budget next week and, if the budget is adopted, the legislature will be positioned to quickly wrap up on the last remaining bills and sine die.

## Occupational Licensing Preemption

Last week we included a Call to Action in the Bulletin urging you to contact your legislators regarding HB 2419 NOW: occupational regulation; municipalities; counties. As you will recall, this bill would have limited a city's or town's ability to license occupations. Additionally, it would have capped fees for existing licenses indefinitely at their current level.

The bill was scheduled for a floor vote in the Senate on Wednesday but was pulled from the calendar at the last minute. Unfortunately, it has turned up on the Senate's calendar again for a vote on Monday.

Oftentimes, there is an anecdote about one city or town that gives our opponents an opportunity to say there is a need for legislation. That is not the case with this bill. The bill's advocate—an out-of-state think tank—has not been able to point to one example of over regulation by a city or town. This is bad public policy making and we should not stand by and be preempted without putting up a fight.

Please reach out to your Senators and let them know you want them to **OPPOSE** this bill.

## State Budget

We have heard there is agreement between the House, Senate and governor's office on most of the budget items. The sticking point remains the Arizona Board of Regents' bonding proposal. It has been reported to us that this issue was the only topic in this week's round of small group budget meetings.

There is still very little support at the legislature for using the Transaction Privilege Tax (TPT) diversion as the mechanism for funding the proposal but the governor and universities have not yet been willing to publicly support any alternative revenue sources for the bonding program. So the stalemate on the budget continues.

While individual cities and towns have provided considerable financial support for the universities' capital programs within their communities, it is not the role or responsibility of local government to fund operations for higher education. We would typically be an ally for the universities, so it is even more unfortunate that this proposal forces us into a position of opposing them.

Please express your appreciation to your legislators for holding strong on this issue. It is critical that the TPT and revenue sharing system are not compromised.

## GOOD NEWS – Wastewater Fees

This week the House Committee of the Whole (COW) took action on SB 1430 municipalities; wastewater fees; vacant land, sponsored by Senator David Farnsworth, R-Mesa, LD 16. As mentioned in previous Bulletin articles, a strike-everything amendment was adopted in the Senate, sponsored by Senator Warren Petersen, R-Gilbert, LD 12, that would have prohibited cities and towns from charging vacant land owners a standby fee to recover the cost of maintaining and repairing sewer infrastructure available to the property and repaying outstanding bonds. As a result, this bill would have required cities and towns to restructure existing debt obligations incurred to construct wastewater facilities and force some property owners to pay for sewer capacity and infrastructure available to and on behalf of undeveloped property owners that are receiving benefits from its availability.

Representatives Brenda Barton, R-Payson, LD 6; Isela Blanc, D-Tempe, LD 26; and Regina Cobb, R-Kingman, LD 5, provided explanations during COW that highlighted the negative impacts the bill would have, predominantly in the cities of Sedona, Lake Havasu City and Sierra Vista. Their effort led to the House defeating the measure with a

vote of 17-37. Please reach out to and thank Representatives Barton, Blanc and Cobb and the other House members that voted to defeat this measure.

## Legislative Bill Monitoring

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