



LEGISLATIVE BULLETIN

Issue 9 – March 10, 2017

Legislative Overview

Today marks the 61st day of session and this week League staff have been engaged in a number of stakeholder meetings, testifying in committees and meeting with legislators on bills impacting city and town government. Legislative action this week was at a moderate pace with most of the activity occurring in standing committees. Floor and committee activity will increase in the coming weeks as the legislature works to take action on bills before deadlines pass.

To date, the introduction of a budget package has yet to occur. The Senate is still meeting in small groups to discuss budget priorities while the House is piloting a subcommittee process where priorities are discussed and vetted in an open meeting prior to submitting recommendations to the Appropriations Committee. The budget process, however, appears to be delayed pending ongoing discussions regarding priorities put forth by the governor that may not have enough support of leadership and rank and file legislators.

ABOR Budget Proposal

There have been several news stories about this proposal this week with Governor Ducey's spokesman saying this portion of the state budget is a "high priority" for the governor. As proposed, this would allow universities to avoid paying their share of state TPT—including local shared revenue—and keep it to use for bonding, general operations and student aid. We are strongly opposed to this idea as it would open the door for other public entities to ask to keep their TPT and it breaches the historic shared revenue formula. The proposal would cost cities and towns millions of dollars annually; money that is already budgeted to go to local services. As budget negotiations begin to heat up, we request that you ask legislators to oppose the use of local revenue for university funding.

Bonding Legislation

A League-supported bill was heard in the Senate Finance Committee on Wednesday. HB 2452 bonding; amortized premium; segregated fund, sponsored by Rep. Jill Norgaard R-Phoenix, LD 18 makes clarifying changes to the general obligation bonds statutes for cities and towns and other political subdivisions. It clarifies that the secondary property tax levy for general obligation bonds that voters approve may only be used for paying principal and interest on the bonds and not for any other purpose. The second change defines how bond premium is amortized for purposes of the constitutional and statutory debt limitations. The legislation unanimously passed out of committee and will proceed to the Rules Committee.

We thank Rep. Norgaard for drafting and sponsoring this legislation and for all of her hard work to support local government.

Small Cell Bills

The stakeholder process with the wireless carriers concluded after an agreement was reached to modify the provisions of HB 2365 wireless providers; use of rights-of-way to address our concerns with the bill. League staff and attorneys spent many hours in negotiations to ensure the deployment of this technology will not impede our ability to manage the right-of-way on behalf of our citizens.

The agreed-upon changes to the bill will be offered in a strike-everything amendment in the Senate Commerce and Public Safety Committee on Monday. Among other things, the changes limit deployment of wireless infrastructure to the right-of-way only; require all monopole structures regardless of height to go through a zoning review process and allow for cities and towns to deny these applications; reduce the number of small cell collocation applications carriers may submit in a batch from 30 to 25; limit the size of equipment to 28 cubic feet; allow cities and towns to deny applications for small cell deployment that do not meet objective design standards or ground-mounted equipment spacing requirements; increase the time frame for cities and towns to take action on applications for small cells and related equipment; and increase the prescribed fee caps for certain applications.

We are beginning discussions with the cable companies, Cox Communications and Comcast, regarding their intent to merge the provisions of SB 1214 small cell equipment; local governments, sponsored by Sen. Karen Fann R-Prescott, LD 1 into HB 2365. In addition, the cable providers have raised concerns regarding the provisions of HB 2365 and are engaging in discussions with the wireless carriers to reconcile the industry-specific issues in the bill. Cox and Comcast have committed to work with the League to keep us up-to-date on these discussions and will provide amendment language before it is adopted in the bill.

CALL TO ACTION

HB 2212 federal financial assistance; reports, sponsored by Rep. Vince Leach R-Tucson, LD 11 passed out of the Senate Appropriations Committee this week on a party line vote.

As you will recall, it would require 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 be required to have a plan in the event these funds are reduced. This information would be summarized by ADOA in a report that would be shared with the chairs of the House and Senate Appropriations Committees. These committees could use this information in future funding decisions.

We have worked very well with the sponsor, Rep. Vince Leach, on a number of other issues this year. Unfortunately, he has not agreed to amend cities and towns out of the bill so we are going to have to try to defeat this legislation. Since it has not been amended, it will not need to go back to the House for a final vote. Therefore, this will be our last opportunity to stop it.

Cities and towns receive most of their share of revenues based on revenue formulas rather than direct appropriation. Local elected officials are in the best position to determine whether to seek federal funding and how to manage their own budgets. This bill unnecessarily intrudes into local decision making and is burdensome in its reporting requirements.

Please contact your senator soon to express your opposition to this bill and to ask them to vote **NO on HB 2212**.

HB 2495 consolidated election dates; tax authorization, sponsored by Rep. Kevin Payne R-Peoria, LD 21 will be heard on Thursday morning in the Senate Judiciary Committee. The bill would require any approval or authorization of a TPT assessment by a county, city or town to be held during the fall cycle of even numbered years.

This is problematic for a number of reasons. For general law cities and towns, the council is currently authorized to make these decisions. The intent of the bill is to impose a whole new requirement for elections that have not been necessary in the past. Additionally, there may be circumstances when a city or town would not be able to wait two years to go to their electorate on a tax question. The timing of elections is best made at the local level.

Additionally, when the legislature tried to dictate when candidate elections would be held, the law was challenged and the authority of charter cities to determine when these elections would occur was upheld. We believe it is likely the Court that would

again rule this is a matter of local concern.

The following are the members of the Senate Judiciary committee:

Senator Judy Burges (Chair)

Senator Nancy Barto (Vice Chair)

Senator Bob Worsley

Senator Frank Pratt

Senator Lupe Contreras

Senator Andrea Dalessandro

Senator Martin Quezada

Please contact these members and ask them to **OPPOSE** HB 2495.

Cardiac Presumption

This session the League has been working extensively on both of the workers' compensation "presumption" bills brought forward by the firefighters' association. The "cardiac" presumption, HB 2410 workers' compensation; firefighters; heart-related cases, sponsored by Rep. T. J. Shope R-Casa Grande, LD 8, expands the list of conditions presumed to be the result of working in the fire service to include all heart, perivascular and pulmonary disease. As drafted the bill would have allowed the dependents of any firefighter that passed away from heart, pulmonary or vascular disease, regardless of the firefighter's length of service, age at death, or when the last time the firefighter was assigned to hazardous duty, to file for worker's compensation death benefits.

The bill was amended on the House floor to limit the presumption to incidences that occur within 24 hours of a known work-related event. This substantial revision is a major change from the bill as drafted and significantly limits its potential liability relative to the original bill. The League will continue to work on the measure with the firefighters' associations as the bill moves forward to craft a policy that protects the workers' compensation system, local taxpayers and our public safety employees' health.

Directed Workers' Comp Care

Based on input from our members, the League is supporting SB 1407 workers' compensation; employee definition; notice, sponsored by Sen. Karen Fann R-Prescott, LD 1. The bill would allow public employers to direct the care of their employees in workers' compensation cases. Under current law a private employer may direct the care of their employees in workers' compensation cases but a public employer may not. In the private sector directing workers' compensation care has been an effective way to control costs while maintaining the quality of care and the integrity of the system. Providing public employers access to this tool could prove highly beneficial to both public employees and employers and the League is working to make this option available to our members. The bill will be heard in the House Banking and Insurance Committee on Monday and we encourage you to reach out to your state representatives to ask them to vote **YES** on the bill.

Legislative Bill Monitoring

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