

LEGISLATIVE UPDATE– March 1, 2010

The first week of March is intended to begin (and hopefully complete) work on next years budget. Of course, there is a little matter of still having to balance the current year budget as well. Also, the deadline for committees hearing bills in the House in which they were introduced has passed, effectively killing many bills. The following is an update on the status of the bills ACEC is tracking this year.

House Bills:

HB 2001 Taxpayer Voluntary contribution; fund. Same bill was introduced two years ago, and did not pass. Would add a line to the state income tax form for those persons who feel they didn't pay their fair share of state taxes, and would like to contribute more. Passed the House by a vote of 44 ayes and 13 nays. Awaiting consideration in the Senate.

HB 2063 Solar energy; permit fees. Same as HB 2329 last year that did not pass. Sets maximum fees that municipalities can charge for building permits for construction of solar energy systems. Bill was held in the House Water and Energy committee without a vote, effectively killing it.

HB 2145. County planning and zoning. Amends the monthly meeting requirements of county planning and zoning commissions, and temporarily suspends until July 1, 2015, the requirement in state statute that counties adopt new comprehensive plans. Estimated to save each county \$100,000. Passed House Government and Rules committees, awaiting full vote in House.

HB 2153 Homeowners Associations; public roadways. Another failed bill from last year. Prohibits HOA's from having any control over usage of streets that have been dedicated to a municipality. Passed the House 43 ayes and 14 nays. Awaiting consideration by Senate.

HB 2199 State contracts; participation goal; veterans. Same bill as last year. Would require the state DOA to establish a goal of awarding three per cent of all state contracts to Veteran-owned businesses. Has passed Military Affairs and Public Safety committee in House, awaiting full consideration by House.

HB 2215 Tax Assessment of retention basins. Same bill as previous years that did not pass. Would reduce to \$500 the property tax on retention basins. Passed Committees in House, awaiting consideration by full House, before going to Senate.

HB 2218 Irrigation districts; contracts; certification board. Raises the threshold from \$10,000 to \$30,000 that irrigation districts can contract for goods or services without seeking competitive bids. Passed House by a vote of 58 ayes to a nays, awaiting committee consideration in Senate.

HB 2249 Municipal development fees; refunds. Requires cities and towns to refund development fees if the project for which fees have been collected has not been built within 7 years. Refunds would go to the "original" owner of the property or to the current owner if the "original" owner is not known. Has passed the House Government and Rules committees, awaiting consideration by full House.

HB 2259 Development fees; proportional share. Requires that cities and towns that collect development impact fees charge no more for the new development than what existing residents pay. Has passed committees in House, awaiting vote by full House before going on to Senate.

HB 2267 Phoenix airport; study committee. Same bill as last year. Introduced by Tempe representatives. Would create a legislative study committee to study the feasibility of continued operation of Sky Harbor airport. Died without a hearing by any of the committees it was assigned to.

HB 2285 City building permit fee. Requires municipalities to itemize the charges for permit fees. Passed the House Government committee, awaiting Rules committee vote.

HB 2300 Driving on Highways; lane regulations. Same as HB 2193 from last year that did not pass. On highways with three lanes in one direction, requires semi-trucks to drive in right-hand lane. Amended to require signs be posted of where the lane restrictions are applicable. Has passed the House Transportation and Infrastructure committee, awaiting vote by full House.

HB 2310 Contracts; Construction; architect-engineer; proportional liability. Same bill as last year. Would strengthen existing indemnity laws regarding engineering contracts with government agencies, and would add clarifying language regarding those instances where the indemnification prohibition statute does not apply. Bill has ACEC support. Failed by a vote of 2 ayes and 2 nays in House Commerce committee.

HB 2314 Energy policy study committee. Would establish a 21-member study committee, to examine all aspects of energy policy, and to develop and recommend state energy policies to promote and achieve a reliable, economical, and environmentally safe supply of energy for the state. Died without a hearing.

HB 2324 Grand Canyon airport special district. Would separate the Grand Canyon airport from ADOT's control, and allow it to operate as a special district, able to fund itself, including establishing fees, and selling bonds, etc. Died without a hearing by the committees it was assigned to in the House.

HB 2338 Yellow lights; duration; photo enforcement. Would require that each leg of an intersection that has photo enforcement cameras have the same time duration for the yellow light. Amended to require yellow light duration of minimum of 3 seconds. Has passed committees, awaiting full vote in House.

HB 2355 Planned communities; energy savings devices. Bill sponsored Representative Sinema, the assistant minority leader in the House. Would prohibit HOA's from not allowing homeowners to install energy savings devices, including "coiled" fluorescent light bulbs, garage fans, vents, solar recharging devices, or clotheslines. Died without a hearing by the committees it was assigned to in the House.

HB 2356 Green Buildings; recovery funding. Also sponsored by Rep. Sinema. Has been introduced for several years now. Would require all new state buildings, and reconstruction over a certain percentage, to comply with LEED green building certification. Died without a hearing in the House.

HB 2371 Home Inspections. Adds swimming pools and spas to the list of items that must be inspected by home inspectors. Passed the House by a vote of 52 ayes, 6 nays. Awaiting consideration by Senate.

HB 2381 Renewable energy; legislative authority. Somewhat of a "turf battle" between the Legislature and the Arizona Corporation Commission, would establish the responsibility for establishing statewide energy policy at the Legislature, not with the Corporation Commission. Would also prohibit the state from establishing a specific percentage of power that utility companies must provide from renewable energy. In effect overturning the Corporation Commission renewable energy portfolio standard. Died without a hearing by the committees it was assigned to in the House.

HB 2397 Development fees; codes; moratorium; repeal. Would repeal last years prohibition on cities and towns raising impact fees and/or changing or revising building codes through 2011. Died without a hearing by the committees it was assigned to in the House.

HB 2422 Primitive roads. Introduced again this year. Would prohibit cities and counties from designating any roads as primitive roads if the road was opened after 1975. Passed the House by a vote of 57 ayes and 3 nays. Awaiting consideration by the Senate.

HB 2451 Line extensions; utility infrastructure; charges. Similar to HB2381 in that it is apparently part of a turf battle between the Legislature and the Corporation Commission. Prohibits utility companies from charging customers for installing services up to 1000 feet in length, if the cost is less than \$10,000. Amended to require the utility company to provide the owner a written itemized cost estimate of the extension. Passed the House Government committee, awaiting Rules committee consideration in House.

HB 2455 State Buildings; energy conservation standards. Would require all state buildings to reduce their energy use by 20% on or before July 1, 2016. Died without a hearing by the committees it was assigned to in the House.

HB 2458 Home sales; water supply disclosure. Requires a "subdivider" who sells one or more lots in an area outside of an AMA to record a statement of water adequacy or inadequacy with the county recorder, and furnish this statement to all prospective buyers. "Subdivider" as defined in ARS 32-2101 does not appear to include professional registrants. Died without a hearing by the committees it was assigned to in the House.

HB 2574 Renewable energy districts. Would allow the formation of improvement districts for the purpose of acquisition, installation and improvement of energy efficiency and renewable energy improvements and water conservation improvements, including solar energy systems. Passed the House Water and Energy committee 7 ayes and 0 nays. Awaiting Rules committee action.

HB 2605 Subdivisions; acting in concert. Changes the definition in state statute of "acting in concert", having to do with relatives, friends and/or business associates working in collusion to circumvent subdivision regulations. Also would eliminate preliminary plat requirement for Counties for splits less than 10 lots. Exempts lots that are older than five years from being counted as a part of the overall number of splits that trigger the subdivision requirements. Passed House Government committee, awaiting Rules.

HB 2625 STAN sub-account; city reimbursement. Provides that repayment for loans from the Statewide Transportation Acceleration Needs (STAN) fund that occurred before July 1, 2012 will not be required to be repaid if state revenues exceed state expenditures in FY 2015-2016. Amended to clarify that repayments not required only "if state is fiscally solvent" in 2015-2016 FY. Passed the House Transportation and Infrastructure committee by a 6-1 vote, awaiting Rules committee consideration.

HB 2627 County transportation excise tax; transit. Deletes prohibition of double taxation for transportation and transit, for counties larger than 200,000 but smaller than 1,000,000 in population. Passed committee in House, awaiting Rules committee consideration.

HB 2631 State Capitol Restoration recapture district. Creates a special State Capitol Restoration trust fund with creation of a special taxing district and additional sales tax revenues. Passed House Government committee, but was not heard in House Ways and Means committee, effectively killing the bill.

HB 2635 Procurement Services; Outsourcing prohibited. Similar to unsuccessful bills introduced the previous two years. This bill prohibits any department of the state from outsourcing work to any location outside of the United States, including any contract work for the state. Died without a hearing by the committees it was assigned to in the House.

HB 2642 Payments; contractors. Would require, among other things, that contractors pay their subcontractors within seven days. Same as SB 1375. Apparently bill was Dead on Arrival, since it was never assigned to committees for consideration.

HB 2657 Solar school grant programs. Would create a new tax on electricity in the state, and with that money, provide funding and grants to school districts to construct solar electric panels. Died without a hearing by the committees it was assigned to in the House.

HB 2661 Statewide Water Augmentation authority; study. Would create a 15-member study committee to study water resources in the state and make recommendations to the Director of the Department of Water Resources, and to the Legislature. Passed the House Water and Energy committee, awaiting consideration by the House Rules committee.

HB 2700 Solar Energy tax incentives; extension. Extends from 2011 to 2017 the deadline for solar energy tax incentives currently available. Passed the House Ways and Means committee by a narrow 5-3 vote. Awaiting consideration by House Rules committee.

HB 2701 Electric utilities; renewable energy standards. Somewhat similar to HB 2381, addresses a "turf battle" between the Legislature and the Arizona Corporation Commission, would establish the responsibility for determining statewide energy policy at the Legislature, not with the Corporation Commission. Would also include "nuclear power" in the definition of renewable energy. While this bill passed the House Government committee by a vote of 5 ayes and 2 nays, the testimony by solar firms and the business community was so strong against this bill that the sponsor has unilaterally killed it.

HB 2702 Department of Administration; solar panels. Would allow the DOA Director to install solar panels on the roof of the capitol, and in the state capitol parking lots. Died without a hearing by the committees it was assigned to in the House.

HB 2711 Energy conservation; public buildings. Similar to HB 2455, would require all state buildings to use 10% "green energy" by 2015. Died without a hearing by the committees in the House.

HB 2757 Vehicle and use fuel taxes. Similar to an unsuccessful bill last year, would increase the taxes on gasoline (and other fuels) by six cents per gallon, when cost is less than \$2.75 per gallon. Died without a hearing by the committees it was assigned to in the House.

HB 2758 Comprehensive transaction privilege tax. Same as bills from previous two years (that did not pass). Would eliminate many of the exemptions that the Democrats don't like from having to collect and pay state sales tax, and would include tax on all services (including engineering and architectural services). Would lower the state sales tax rate from the current 5% to 3.5%. ACEC is adamantly opposed. Died without a hearing by the committees it was assigned to in the House.

HB 2778 Homeowners associations; rainwater systems. Same as unsuccessful bill from last year, would keep HOA's from prohibiting installation of rain "catchment" devices to conserve rainwater. Died without a hearing by the committees it was assigned to in the House.

Senate Bills:

SB 1020 Government Service contracts; Arizona preference. Similar to bills from the last two years, this bill applies to cities, counties and the state, would require a government owner to award a contract for services to an Arizona entity if the bid price is within 5% of the out-of-state low bidder. Died without a hearing.

SB 1064 Construction sales tax; design-build. Introduced by Senator John Nelson, PE, this bill clarifies that design services are not subject to state taxes as part of a design-build project. Bill was held without a vote in the Senate Finance committee, and is effectively dead for the year.

SB 1137 Department of transportation; vehicle right-of-way. Bill amends statutes having to do with taxes and the motor vehicle division. One provision allows the ADOT Director to create new divisions within ADOT, to reorganize ADOT, and to consolidate the Department. It was amended in the Senate to allow ADOT to spend up to \$10 million per year to apply for federal monies for transportation projects. Bill has passed the Senate 21 ayes to 9 nays. Now goes to the House for consideration.

SB 1141 CAGR; revenue bonding; sustainability policies. The Central Arizona Groundwater Replenishment District was created in 1993 as part of the Central Arizona Water Conservation District, which operates the CAP Canal. The CAGR is responsible for groundwater recharge and replenishment. This bill increases the revenue bonding authority of the CAWCD, authorizes the CAWCD to establish annual member dues to repay the revenue bonds, and makes other statutory changes. Passed the Senate 24 ayes to 6 nays. Now goes to the House for consideration.

SB 1142 Renewable energy production tax credit. Provides for significant tax credits for utility level producers of renewable energy from wind, solar or biomass. Tax credits last ten years. Passed the Senate Finance Committee by a narrow 5-3 vote. Awaiting consideration by the Senate as a whole.

SB 1189 Admissibility of expert opinion testimony. Introduced by Senator Barbara Leff, bill attempts to define who is qualified as an expert in civil court cases, and those factors to be considered by a court on whether or not the testimony is admissible. ACEC is reviewing to see if any impact to members of our industry. Appears to be the same as SB 1312 and 3 house bills, HB 2062, 2240 and 2492. Has passed committee in the Senate. Awaiting final vote in Senate.

SB 1355 Water Use Assessment. Bill is apparently a companion to SB 1359. This bill would place assessments on municipal water systems, agricultural irrigated acreage, and industrial uses. The assessments would be deposited in a fund to be administered by the ADWR Director, who would be able to establish the assessment rates. The fund would be used to support ADWR, instead of through the State General Fund. Bill died without a hearing in committee.

SB 1356 Water bank; excess CAP Water. An emergency measure that authorizes the Arizona Water Banking Authority to obtain and store excess CAP water that is made available to the Water Banking Authority. Has passed committee in Senate, awaiting full Senate passage.

SB 1359 Department of Water Resources; fund. An emergency measure, which would create the Water Resources Fund (see SB 1355). Appears to be a method to fund ADWR from water users rather through the state general fund. Passed Natural Resources committee in Senate, awaiting consideration by the Senate Appropriations committee.

SB 1372 Sales Tax; broaden the base. Would apply sales tax to many services, such as barbers, nail salons, pet groomers, private educational institutes, household maintenance, etc. Does not apply to professional services such as engineering and architecture. Failed in Senate Finance committee by a vote of 1 aye and 6 nays.

SB 1379 County Water Authority; industrial use. Revises the definition of industrial use, to delete the words "not supplied by a city, town or private water company" in A.R.S. 45-2201. Died without hearing.

SB 1406 Procurement; construction; specialized services. Revisions to the Alternative Procurement statutes developed by stakeholder group over the past few years, but which have failed to get passed. ACEC is supportive. Has to do with Design-Build, Job Order Contracting, and Construction Manager at Risk procurement. Has passed the Natural Resources committee, awaiting full Senate vote.

SB 1416 Regional Public Transportation Authority. Requires the Maricopa County RPTA to cooperate with state and local cities to develop a comprehensive regional transportation plan. Removes significant authority from the RPTA to change the adopted plan, and makes other changes. Died without a hearing.

SB 1421 and 1423 Prioritize repairs; state highways and county roads. Notwithstanding other priorities, requires roads that cross into Indian reservations be first on the list of required road repairs. Both bills died without being heard in Senate committee.