

LEGISLATIVE UPDATE– FEBRUARY 17, 2011

The deadline for introduction of new bills has passed. This year there have been 608 bills introduced in the Senate, and 726 in the House, not counting bills known as "memorials" or "resolutions". A couple bills have already passed through the process and been signed by the Governor, and as in past years, strike everything amendments have already begun to hit bills, sometimes springing surprises. Also, the Legislature is hoping to get a budget passed in the next three weeks, to deal with a projected \$1 billion deficit for next year.

The following is an update on the status of the bills ACEC is tracking this year. Unless noted otherwise, bills have not been heard in committee. For the full text of the bills, or their status, go to www.azleg.gov.

House Bills:

HB 2005 Subdivisions; acting in concert. Same bill as the past few years. 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 the Government committee 7 ayes and 2 nays. Awaiting final vote on third reading in the House.

HB 2009 Disclaimer of Federal Patent Easements. GLO Patent Easements were created in 1938 by Congress, and amended in 1959 to authorize the patent to include an easement not exceeding 33 feet in width for roadway and public utility purposes. In 2005, the Legislature enacted a statute that allows a municipality to abandon a federal patent easement in the same manner that other easements are abandoned. This bill allows a municipality to disclaim its interest in, rather than abandon the federal patent easement. The bill also prohibits construction of any permanent structure on a patent easement. Held in Government committee. Might be dead.

HB 2108 Development fees; codes; moratorium; repeal. Would repeal legislation from 2009 that prohibited cities and towns from raising impact fees and/or changing or revising building codes through 2011. Last year died without a hearing by the committees it was assigned to in the House.

HB 2122 Energy policy study committee. Same bill as last year. 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. Held in Energy and Natural Resources committee. Might be dead.

HB 2126 Rest area maintenance; ADOT agreements. Would allow ADOT to enter into IGA's with local governments to improve or provide maintenance for rest areas.

HB 2130 Bicycles; yield at stop signs. Would require bicycles to stop at stop signs, but only if the bicycle rider is over 16 years old!

HB 2131 Regional transportation authority; voting. Would apply only to Pima and Pinal Counties, and would change the voting by the members of the COG's to allow for weighted voting. Currently it is one vote for each COG member.

HB 2138 Department of Administration; solar panels. Would allow the DOA Director to install solar panels on the roof of various state buildings, and in the state capitol parking lots. Last year died without a hearing by the committees it was assigned to in the House.

HB 2153 Municipalities; counties; fire sprinklers; codes. Prohibits counties and municipalities from adopting an ordinance requiring fire sprinklers be installed in new home construction. Apparently is not retroactive for those agencies that adopted said ordinances prior to December 31, 2009. Passed the House 38 ayes to 21 nays. Moves over to the Senate for consideration.

HB 2175 Bank created monies; transportation infrastructure. Changes the way infrastructure is paid for. Apparently prohibits funding of infrastructure from taxes or bonding.

HB 2195 Renewable energy; legislative authority. Continuing a "turf battle" from last year 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. Last year died without a hearing by the committees it was assigned to in the House.

HB 2210 Safety standards; light rail systems. Currently, ARS 29-9201 requires ADOT to follow minimum safety standards for light rail in Maricopa County. This bill would expand these provisions to also apply to street car systems, and have the provisions apply to Pima and Pinal Counties.

HB 2216 State agency standards; federal requirements. Prohibits any state agency from adopting a standard or requirement that is more stringent than the corresponding federal statute.

HB 2257 energy conservation; state buildings. Would require all state buildings to obtain at least 10% of their energy requirements from "Green" sources. Would further require that by July 1, 2016 all state buildings greater than 50,000 SF conform to LEED Green Building rating system for existing buildings, and all new or leased buildings conform to the LEED Green Building standards.

HB 2264 Home sales; water supply disclosure. Same bill as last year. 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. Passed Agriculture and Water committee 9 ayes to 0 nays. Awaiting consideration by the House Rules committee.

HB 2270 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 last year without a hearing by any of the committees it was assigned to.

HB2278 and SB 1569 Contractors; Complaints by homebuyers. Changes when the clock starts ticking for the time that a new home buyer has to file a complaint with the Registrar of Contractors. Instead of two years after close of escrow, it would be two years after "substantial completion".

HB 2282 Lobbyists; prohibited acts. Would penalize a lobbyist who is caught lying. Penalties include three year prohibition against lobbying, a Class 1 misdemeanor, and a civil penalty equal to the amount paid to the lobbyist.

HB 2295 Net-metering; renewable energy sources. A public power entity serving an annual retail load of greater than 300,000 MW-HR shall offer net-metering to eligible customers.

HB 2309 Interior Designer registration. Would add interior designers to the list of registrants licensed by the SBTR, and would add an interior designer as a Board Member. Opposed by ACEC. Held in the Employment and Regulatory Affairs committee. Likely dead.

HB 2318 Regional and public transportation authorities. Would allow a county of four hundred thousand and fewer population to establish a regional transportation authority, which is currently allowed only for larger counties. Passed Transportation committee 8 ayes, 0 nays. Awaiting Rules committee.

HB 2319 Primitive roads; county maintenance. Would allow counties to maintain primitive roads if the road was opened before June 13, 1975.

HB 2362 Drug lab remediation; investigators. Adds a fine of \$100 for meth lab convictions, and the fine will go to the SBTR. Also adds a "criminal investigations unit" inside the SBTR, and provides for the director to "investigate any criminal act prohibited by this chapter or A.R.S. Titles 12 and 13". Passed Military Affairs and Public Safety committee 9 ayes to 0 nays, Awaiting Committee of the Whole vote.

HB 2388 Certified mold assessors and remediators. Would add a new category of registrants to the SBTR. ACEC is opposed.

HB 2427 State highway fund; transportation subaccount. Would set aside \$10 million annually for the ADOT Director to use to apply for Federal transportation monies for statewide transportation projects.

HB 2457 Groundwater savings facilities; landscape use. Adds facilities that use treated effluent for landscape or turf irrigation to the definitions of "groundwater savings facilities".

HB 2458 County infill; Renewable energy districts. Bill deletes some of the steps a county board of supervisors must take in order to designate an area as an infill incentive district or a renewable energy incentive district. Passed Energy and Natural Resources committee 9 ayes to 0 nays. Awaiting Rules.

HB 2473 State contracts; participation goals; veterans. Similar to bill from last year. Would require the state DOA to establish a goal of awarding up to three per cent of all state contracts to Veteran-owned businesses. Defines what qualifies as a veteran-owned business. Passed Military Affairs and Public Safety committee 8 ayes to 0 nays.

HB 2509 Transaction privilege tax; services; food. 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 1%. ACEC is adamantly opposed. Held in Ways and Means committee. Probably Dead.

HB 2527 Well ownership; sale; registration. Upon sale of a property with a well, requires the new owner of a well to file information with the Director of the DWR and to record a document at the county recorders office of the information regarding the well. Passed Agriculture and Water committee 9 ayes to 0 nays. Awaiting Rules committee consideration.

HB 2549 State nickname; grand canyon state. Designates an official state nickname. Has passed both Houses, and was signed into law by the Governor on February 14 (Statehood Day).

HB 2567 State transportation board; tribal representation. Adds a "representative of tribal government" to the State transportation Board, and in fact adds language that allows the tribal representative board member to be a non-resident of Arizona.

HB 2569 Prioritize repairs; state highways. Above all other priorities, requires that any state highway that crosses into Indian reservations be first on the list of required road repairs.

HB 2578 development agreements; fees; county moratorium. Prohibits counties from amending any development agreements after the initial approval of a development agreement, and prohibits charging of any additional fees. Also imposes a moratorium on any new county development fees until September 30, 2016.

HB 2593 Water salinity study committee. Creates a twenty-person joint legislative study committee to study and report on water salinity problems, its affect on water conservation, groundwater quality, suitability for use on golf courses, the financial impact and necessity of water treatment for salinity issues, and an examination of sources of excess salinity and responses from other states. Passed the house Environment committee 6 ayes to 0 nays. Awaiting consideration by Rules committee.

HB 2597 Corporate income tax; repeal credits. Would repeal all tax credits for business in current statutes, and would impose a uniform 5.4 per cent tax rate on the net income of all corporations. Sponsored by Democrats, likely not going anywhere this year. Held in Ways and Means committee.

HB 2600 Water conservation; cities; towns. Would require cities and towns to enact an ordinance regulating the watering of landscape.

HB 2603 vehicle mileage tax; electric vehicles. Would impose a 1-cent per mile tax on electric vehicles.

HB 2611 Tax audits; statute of limitations. Would limit additional state taxes that could be collected based on a federal tax audit, to only those items changed as a result of the federal audit.

HB 2612 urban trust land; sale. Would require state trust land be offered for sale within one year of its annexation by any city or town.

HB 2639 state contracts; preference; Arizona businesses. Bill would require the director of the Arizona Department of Administration to develop and adopt rules in the state procurement code to "grant preference in awarding state contracts...to businesses that are headquartered in this state." ACEC is opposed to any type of procurement rules that are not qualifications based.

HB 2712 municipal tax increment financing; infrastructure. Bill would allow cities to designate "municipal improvement areas" and to develop plans for development within those area, and to use tax increment financing to pay for those improvements.

Senate Bills:

SB 1034 Private easements; maintenance. Bill requires proportional responsibility for maintenance of private roadway easements that are held by more than one party, e.g. snow plowing or road grading.

SB 1110 Navigable Stream Adjudication Commission; extension. Bill would extend the life of this existing state commission from 2012 to 2014. Passed the Senate by a vote of 29 ayes to 0 nays. Moves to the House for consideration.

SB 1131 Tribal Airports; state aviation fund. Bill would add airports located on tribal reservations to the list of airports currently eligible to receive monies distributed by ADOT under the State Aviation Fund. Bill was held in the Senate Natural Resources and Transportation committee, and is likely dead.

SB 1133 Approaching Stationary Vehicles; Yield right-of-way. Bill would require drivers to make a lane change to avoid vehicles stopped on the highway shoulder. Passed the Senate by a vote of 28 ayes and 1 nay. Now moves to the House for consideration.

SB1136 and HB 2534 City or Town; Annexation. Bill would allow a city or town to annex property surrounded by or adjacent to least on three sides. Is an attempt by Glendale to head off a proposed Casino near the Westgate area of 91st Avenue and Glendale Avenues. Land owned by Indian tribe is currently a County Island. Has passed both Houses, and was signed by the Governor into law on February 1, 2011.

SB 1162 Corporate Income Tax Rate; Reduction. Would reduce the corporate income tax rate in 0.5% increments over five years, from the current 7.0% to 5.0%. Passed Finance committee 5 ayes to 2 nays. Awaiting Rules committee consideration.

SB 1163 Business Property Tax Assessment percentage. Would reduce the current tax assessment ratio by 1% for two additional years. Passed Finance by a vote of 5 ayes to 2 nays. Awaiting Rules committee.

SB 1170 Homeowners Associations; public roadways. Another failed bill from the past several years. Prohibits HOA's from having any control over usage of streets that have been dedicated to a municipality. Held in Government Reform committee, likely dead (again).

SB 1171 Cities; Acquisition of Wastewater utility. Establishes a process for a city or town to acquire all or part of a sanitary sewer system owned by a County, and sets up specific requirements on how to do so. Currently, Pima County is the only county that owns and operates a wastewater system. Passed the Senate by a vote of 23 ayes and 6 nays. Moves to House for consideration.

SB 1172 Energy and Water savings accounts. Allows the State or political subdivision of the state such as a City, County, or municipal district to create a fund for use in developing energy or water savings.

SB 1237 Energy Authority of Arizona. Bill would create a new "Authority" with a sixteen-member Board of Directors representing various government agencies. The purpose of the Authority would be to "support, diversify, and expand the Arizona Energy economy through the development of electric generation facilities and the improvement and expansion of transmission facilities and related supporting infrastructure." The bill would grant the authority broad powers to issue bonds, grants and revenue anticipation notes, and enter into public-private partnerships.

SB 1277 Alarm businesses; alarm agents. Bill would add alarm companies and alarm installers to the registrants overseen by the State Board of Technical Registration. Bill has been drafted to fit into the Board without any dramatic changes to Board operations. Would **not** add an alarm installer as an additional Board member. Passed EDJC committee by a vote of 5 ayes and 1 nay. Awaiting Committee of the Whole consideration

SB 1293 Dams; Affidavit; recording. Requires that an affidavit be recorded at the County Recorder, by the owner, when a new dam is completed. Currently, the affidavit is submitted to the ADWR Director. Has passed the Water, Land Use and Rural Development committee 6 ayes to 0 nays. Awaiting COW.

SB 1362 Flood Control Structures. For Counties under three million in population, adds "bridges over watercourses that are impassable to emergency vehicles for fourteen or more days a year" to the list of things that County Flood Control Districts can construct. Passed the WLRD committee 6 ayes to 0 nays.

SB 1403 and HB 2007/2538 Certificates; line siting committee. Prohibits the Corporation Commission from adding as a condition to a Certificate of Environmental Compatibility the requirement for applicants to negotiate with a labor union. Passed the Commerce and Energy committee 7 ayes to 0 nays.

SB 1427 Flood Control districts; construction projects. All county flood control districts are currently prohibited from constructing projects utilizing county employees, for projects with an estimated cost of \$5000 or more. This bill would create a higher limit of \$250,000 for counties with populations of 250,000 or less.

SB 1428 Counties; employment of contractors; bids. Similar to SB 1427, this bill would raise the limit of the cost of construction work that can be done by county employee to \$250,000 for counties with a population of less than 250,000.

SB 1432 State trust land exchanges. This is similar to a bill from previous years. Would allow the state to exchange state trust land, particularly in order to preserve military installations, if the state constitution is changed by the voters, and the specific land exchange is also approved by a vote of the people. Passed the Natural Resources and Transportation committee by a vote of 5 ayes and 0 nays.

SB 1458 Professional licensure; out-of-state residents. This bill would allow reciprocity for out-of-state licensees, without having to take a separate in-state exam. Opposed by ACEC. Passed the Commerce and Energy committee by a vote of 6 ayes and 0 nays. Awaiting vote in Committee of the Whole.

SB 1468 Homeowners associations; design guidelines; rules. Prohibits an HOA from requiring payment of any monies for complying with the HOA design guidelines. Passed Judiciary committee 8 ayes to 0 nays. Awaiting consideration in Committee of the Whole.

SB 1470 County water authority; repeal. Repeals the existing statutes allowing formation of a county water authority for counties with a population of between 90,000 and 120,000 population. Passed the WLRD committee, awaiting Committee of the Whole consideration.

SB 1483 Off-highway vehicles; tax stamps. Would allow users of ATV's and other off-highway vehicles to obtain a \$2 "tax stamp" in lieu of paying license registration fees.

SB1522 Harvested water; recharge. Would allow the recovery of harvested water as determined by ADWR. Harvested water is defined as rainfall that is captured before reaching a natural channel.

SB 1525 City; Town; development fees. Revises the ways that development fees are calculated and what they can be used for. Passed the Government Reform committee by a vote of 6 ayes to 1 nay. Awaiting COW consideration.

SB 1533 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.

SB 1547 Line siting; interstate transmission lines. Would allow companies to bypass the current statutory process for gaining approval by the Arizona Corporation Commission, by avoiding hearings and

approvals in front of the Power plant and transmission line siting committee. Would require the ACC to approve Certificates of environmental compatibility for no less than fifteen years. Passed the Commerce and Energy committee by a vote of 5 ayes to 1 nay. Awaiting Rules committee consideration.

SB 1566 Exempt wells; emergency use. Allows ranchers to have wells to be used only in cases of emergency, to water their herds.

SB 1605 RFP; advertising in newspapers; repeal. Eliminates the current statute that requires RFP's to be advertised in newspapers. Allows the advertisement to be done on the internet.

SB 1606 HOV lanes; annual fee. Allows a person who pays an annual fee of \$2500 to drive in the HOV lane with less than two persons in the vehicle at any time.