

## LEGISLATIVE UPDATE– MARCH 2009

As we all know by now, the biggest issue facing the legislature this year will be to find ways to develop and pass a balanced budget for next year. Last month they balanced the current year budget, but steep cuts were required, and the budget assumptions included reliance on an assumed \$ 500 million cash infusion from the federal stimulus package. Some layoffs have been made in those departments that rely on the state general fund. Included have been the attorney generals office, and the department of revenue.

A forecasted revenue shortfall of around \$3 billion makes next years budget even harder to balance. The governors office has even floated a trial balloon to see if there is public support for a "temporary" tax increase, to go away after the economy has returned to health. There is a bill, HB 2092, sponsored by a Democrat to place a tax on services. ACEC will adamantly oppose any bills that seek to tax our industry.

The House of Representatives is actively holding committee hearings on bills, however the State Senate is not hearing bills until the budget for Fiscal Year 2010 is passed.

The deadline for introduction of new bills has (mercifully) passed. This year 629 bills have been introduced in the House, and 469 bills in the Senate, not including resolutions. A few of the bills affecting the Engineering Industry that been introduced this month include:

### **House Bills:**

**HB 2468 Contracts; construction; architect-engineer; proportional liability.** Bill would add "insure" to the list of things a public agency cannot require an engineer, architect or contractor to do as part of its indemnity agreement. Adds land surveying to the list of professional services covered by the statute.

**HB 2477 Phoenix airport; study committee.** Creates a 7-member committee to study the future of Sky Harbor, and evaluate if reliever passenger airports are needed. Report by committee due 11/01/2011.

**HB 2480 and SB 1416 Regional transportation authorities; qualifying counties.** Changes the population threshold from the current 400,000 down to 200,000 for counties that want to create a regional transportation authority.

**HB 2481 Joint legislative committee; transportation; Mexico.** Creates a 13-member committee to study and make recommendations on how to improve commercial travel between Sonora and Arizona.

**HB 2502 Mine Reclamation; plan review; costs.** Allows the State Mine inspector to hire consultants to review mining reclamation plans if unable to perform the work in-house in a timely manner. Plan review fees must cost less than \$ 25,000.

**HB 2518 Homeowners associations; rainwater systems.** Prohibits HOA's from prohibiting installation of rain "catchment" devices to conserve rainwater.

**HB 2529 Energy policy study committee.** Creates a 14-member committee to study, develop and recommend state energy policies, including reliable supply, resource conservation, and environmental protection. Report is due by September 30, 2011.

**HB 2540 Tax assessment of retention basins.** Creates a special tax category for commercial and industrial retention basins. Basins must be recorded to a non-profit group specifically for the use only as a storm water retention basin. Tax on retention basins would be \$500 per year, no matter the size.

**HB 2594 Water import board; projects.** Creates a 15-member board to seek out sources of water for importation and create infrastructure to transmit the water. One of the stated goals is to obtain 10 million acre-feet of ocean water, to be used exclusively for drinking and environmental maintenance.

**HB 2623 Legislative authority; renewable energy.** Reserves exclusive authority to the Legislature to set statewide renewable energy policy (taking it away from the Corporation Commission). Also adopts the renewable energy standard set by the Corporation commission in 2007, but includes nuclear power, hydro generation, and energy saved through conservation and energy efficiency as applicable under the renewable energy standards.

#### **Senate Bills:**

**SB 1318 Geospatial data; geographic information council.** Creates a "geographic information council of 35 members, who oversee gathering and use of GIS data on a statewide basis.

**SB 1342 Continuation; department of environmental quality.** Continues ADEQ for 2 more years. Normal continuation of a state agency up for sunset review is ten years.

**SB 1359 Toll Road authority; cities; towns.** Would allow a city or town to construct, operate and finance toll roads located within city limits.

**SB 1361 Tax deduction; sewer expenses.** Would allow homeowners to deduct the sewer use fees from state income taxes.

**SB 1430 Water desalination study committee.** 14 person committee organized to examine the need for and feasibility of increasing state water supplies through the use of water desalinization.

**SB 1431 Nuclear power study committee.** 11 member committee to examine the use of nuclear power in Arizona and other states, and identify any impediments to increased use of nuclear power in Arizona.

**SB 1451 Prioritize repairs; county roads.** Silly bill that requires ADOT to ignore all other priorities throughout the state, and repair and maintain "a county road" that extends into or through tribal lands, "above all others".

**SB 1452 Prioritize repairs; state highways.** Same as above, except that ADOT must repair and maintain "above all others" "a state highway" that extends into or through tribal lands.

**SB 1456 State transportation board; tribal representative.** Would add a tribal representative to the ADOT Board. However, this tribal representative does not have to meet the same criteria as other ADOT Board members. The tribal representative apparently does not have to be a resident of Arizona or pay taxes in Arizona.

**SB 1458 Procurement; construction; specialized services.** Sponsored by Senator Huppenthal, this is the stakeholder Alternative Procurement Delivery bill supported by ACEC, some 120 pages in length.

**SB 1463 Public infrastructure; public-private partnerships.** Sponsored by Senator Gorman, is an alternative bill to the stakeholder PPP bill, SB 1261 sponsored by Senator John Nelson.