

LEGISLATIVE UPDATE– APRIL 2009

As we hear every day on the news, the state budget deficit continues to grow. Back in January, the Legislature convened in Special Session to make about \$1.6 billion adjustments to the current fiscal year budget. That apparently was not enough. Projections now forecast the need to cut another \$500 million from the **current year** budget, which has only 3 months remaining! In addition, projections for the next year budget are for a deficit of around \$ 3.6 billion. On a per capita income level, Arizona ranks second only to Nevada as the worst of the 50 states for state budget problems.

Governor Brewer has come out with a multi-pronged plan to address the issue, and has put the Legislature on notice that draconian cuts to the K-12 education budget and other critical areas that are funded by the state general fund will not be acceptable, and will promptly be vetoed. Remember that Governor Brewer is renowned as a strong fiscally conservative Republican, so the next month or so should be interesting.

Governor Brewer's 5-Point Plan for Rebuilding Arizona and planning for our future can be found on the web at the following link: <http://azgovernor.gov/BetterAZ.asp>.

So that they can focus on resolving the state budget crisis, the State Senate has not yet assigned any bills to committees, which means that they have not heard any new bills so far this year, and probably won't until the budget for Fiscal Year 2010 is passed.

Meanwhile, the State House has completed committee hearings on its bills, and are beginning to hold floor votes on some bills. Those bills that were introduced in the House, but did not get heard in committee are dead, so most of the House bills we described previously are dead for the year. The status of a few of the bills affecting the Engineering Industry considered in the House include:

House Bills:

HB 2129 State Aviation Fund; grants. Changes the maximum grant monies that any one airport may receive in any one fiscal year, from the current ten per cent of the total state aviation fund, to ten per cent of "the average annual revenue that the fund received over the past three years." ***Has passed committees in the House. Awaiting Rules Committee consideration.***

HB 2165 Vehicle and use fuel taxes. This bill would increase the state tax on fuel by 6 cents per gallon, the increase kicking in only if/when the price of fuel exceeds \$2.75 per gallon. ***Died without a Hearing.***

HB 2167 Transportation district working group. Establishes a committee (called a working group) consisting of the ADOT Director and the heads of each of the state's various Councils of governments (COGS) to study the issue of dividing the state into six transportation districts. ***Has passed committees in the House. Awaiting Rules Committee consideration.***

HB 2192 Development Fees; Public transportation. Same bill as HB 2665 which did not pass last year. Adds 'public transportation' to the list of items for which cities and towns may collect development fees from new developments. ***The bill is dead for this year also.***

HB 2193 Driving on Highways; lane regulations. Same as HB 2702 from last year that did not pass. On highways with three lanes in one direction, requires semi-trucks to drive in right-hand lane. ***The bill is dead for this year also.***

HB 2252 International ports development. Adding a new section of law in title 28 (ADOT) to engage in activities to facilitate the development of international trade between Arizona and other countries. Requires ADOT to establish in each border county an advisory council for international trade, and delegating the powers and duties to a "Border Regional Port Authority". Allows bonding by ADOT for the purpose of acquiring projects to facilitate international trade or commerce. ***Has passed committees in the House. Awaiting Rules Committee consideration.***

HB 2259 Local development fees; procedures. This bill amends the current procedures for implementation of municipal and county development fees, prohibits new development fees for 24 months after final approval of a development, and prohibits counties from assessing development fees to schools, except for street, water, and sewer utility improvements. ***Passed committee, ready for floor vote.***

HB 2266 State highways; traffic; study committee. Establishes a legislative study committee on state highway operations and traffic incident management. Will identify those highways most important for statewide commerce and public use, review current traffic incident procedures and issue a report to make improvements to incident management procedures. ***Died without a hearing.***

HB 2267 municipalities; counties; fire sprinklers; codes. Prohibits a city, town or county from adopting an ordinance that mandates the installation of fire sprinklers in homes. ***Passed committee, ready for floor vote.***

HB 2329 Solar energy; permit fees. Sets maximum fees that municipalities can charge for building permits for construction of solar energy systems. ***Passed committee, ready for floor vote.***

HB 2396 ADOT; transportation facility pilot projects. Adds a requirement to the existing ADOT statutes regarding privatization projects, that any foreign private entity must be licensed to do business in the state of Arizona. ***Has passed committees in the House. Awaiting Rules Committee consideration.***

HB 2440 Drought emergency; groundwater transfers. Adds a new law allowing but regulating the transfer of groundwater in non-AMA areas of the state in a declared "drought emergency". ***Has passed committees in the House. Awaiting Rules Committee consideration.***

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. ***Died due to lack of Committee hearing in the House.***

HB 2480 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. ***Passed committee, awaiting floor vote in House.***

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. ***Passed committee in House, awaiting floor vote in House.***

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. ***Passed committee in House, awaiting Rules Committee consideration.***