



ISSUE 8 - FEBRUARY 25, 2011

## Legislative Overview

Today is the 47th day of the first regular session of Arizona's 50th Legislature. During the past week, the principal arenas of legislative action moved from standing committees of the House and Senate to the floors of those bodies, where a number of bills affecting cities and towns were considered. Also, and largely behind the scenes, working groups of senators and representatives have been meeting to cobble together a state budget for the coming fiscal year. In addition, the Senate undertook high-profile and fast-track consideration of legislation intended to address the issue of illegal immigration.

Capitol insiders agree that the prospects are good for conclusion of the session within the 100-day limit established by House and Senate rule. Those prospects will improve only to the extent that the Legislature chooses to focus more narrowly on the budget crisis facing the state and less expansively on the imposition of new mandates on cities and towns.

## Impact Fee Bill Advances

A bill that rewrites most key provisions of the development impact fee statutes received a do-pass recommendation from the Senate Committee of the Whole on Thursday. SB 1525 (city; town development fees) makes many substantial changes to sections of law that have been negotiated between cities and the homebuilders over the last six years. This year's bill was written entirely from the homebuilders' perspective with no discussion or input from cities. A document challenging many assertions in the homebuilders "Understanding Impact Fees" handout [can be found here](#). While not banning impact fees outright, the bill creates so many hurdles and regulations that it will effectively end the ability of cities to impose impact fees to pay for infrastructure to serve new development.

## Apartment Trash Collection

SB 1204 (trash collection; multifamily housing), sponsored by Senator Gail Griffin (R-Hereford), mandates that private waste haulers be given the opportunity to contract for the removal of trash from apartment complexes. This is a right the Legislature previously conferred upon waste haulers with respect to commercial enterprises. Since the measure was approved by committee, Sen. Griffin, the League and other stakeholders have been discussing possible solutions to their differences. The bill passed the Rules Committee and Caucus but was retained after its initial placement on the calendar of the Committee of the Whole.

## Fire Sprinklers

The Senate Committee of the Whole passed SB 1374 (strike-everything amendment: municipalities; counties; fire sprinklers; code) late Thursday. The League, fire chiefs and a number of cities have been united in their opposition to the measure, which prohibits municipalities from mandating the installation of fire sprinklers in new single family homes. Cities with fire sprinkler ordinances adopted by December 31, 2009 are exempt from the bill's proscription. Companion legislation (HB 2153) passed the House on February 10. The next step is Third Read in the Senate.

## Consumer Fireworks

SB 1388 (consumer fireworks; regulation) passed the Committee of the Whole without any discussion on February 24. The League supports this bill, because it authorizes local governing bodies to regulate the use and sale of permissible consumer fireworks within their corporate limits. Competing legislation, SB 1379 (relating to consumer fireworks), limits the extent to which cities and towns may regulate the sale and use of fireworks. That bill permits a municipality or county to charge an annual fee for each fireworks store and provides that cities and towns may not ban the use of consumer fireworks during the periods of June 15 to July 5 and December 12 to January 2. There has been no action on SB 1379 since it passed the Committee on Government Reform on February 16.

## Municipal Salary Limits and Managed Competition

On February 22, Senate Caucus passed SB 1347 (cities; compensation baseline), legislation to roll back municipal pay grades to the Fiscal Year 2007 level. By limiting the bill's application to cities with a population of at least 500,000, it affects only Tucson and Phoenix. SB 1345 (cities; number of employees; compensation), limiting the number and compensation of municipal personnel in the state's two largest cities, was approved by Senate Caucus on February 17. There has been no action on SB 1322 (cities; services; managed competition), a bill mandating comprehensive private competition for city services, since it passed the Government Reform Committee on February 9.

## Regulatory Reform Update

The League continues to work on two bills affecting municipalities sponsored by Senator Lori Klein (R-Anthem). SB 1286 (counties; cities; permits; time limit) requires counties and municipalities to approve or deny any permit application within 60 days; failure to notify the applicant of the decision within that time period results in automatic approval. The bill was approved by the Rules Committee on Monday and both party caucuses on Tuesday. The League opposes the bill but is willing to discuss alternatives. SB 1598 (cities; counties; regulatory review) would apply the Regulatory Bill of Rights (currently governing state agencies) to units of local government; it would also revise the general plan statutes regarding aggregate resources. The bill was passed by the Rules Committee on Wednesday and was heard in both Senate Caucuses on Thursday. It is likely to be considered by the Committee of the Whole early next week. The League remains opposed to the bill but is working with the counties and bill proponents to develop compromise language.

## Third Party Collection of Taxes

SB 1165 (municipalities; auditors and collectors), which prohibits municipalities from contracting with third parties for the collection, processing or administration of transaction privilege taxes, was voted out of the Senate Committee of the Whole on Thursday. An amendment was offered by Senator Ron Gould (R-Lake Havasu City) to prohibit contingency fee auditing but permit third party tax collection. Unfortunately, that amendment failed on a division vote of 12-15.

An alternate bill, HB 2618 (municipal taxes and auditors), like Senator Gould's amendment, prohibits contingency fee auditing by municipalities but permits third-party collection, processing and administration of local taxes. The League supports the bill, introduced by Representative Nancy McLain (R-Bullhead City), as an acceptable alternative to SB 1165. There has been no movement on the measure, however, since it was approved by the House Ways and Means Committee last week.

## Utility Charges

Bills imposing mandates regarding municipal treatment of utility accounts progressed in each chamber of the Legislature this week. HB 2193 (municipal water charges; responsibility), sponsored by Representative Jim Weiers (R-Phoenix), was approved by House Caucus. SB 1157 (sewer and wastewater charges), sponsored by Senator Gail Griffin (R-Hereford), passed the Senate Committee of the Whole. These bills prescribe methods for the collection and payment of delinquent utility charges. The League continues to oppose both bills, as we have been actively engaged in numerous productive stakeholder meetings and believe that differences among interested parties could be resolved without legislation.

## Emergency Response Fees

HB 2003 (emergency response services fee; prohibition) precludes municipalities from imposing fees to recover costs for emergency response services, except under extraordinary circumstances. The bill passed the House Committee on the Whole

on February 24.

## Photo Radar

SB 1352 (photo radar prohibition), legislation to impose a statewide ban on the use of photo radar for traffic enforcement purposes, passed the Committee of the Whole on February 24. Two other measures imposing limitations on the use of photo radar were approved by Caucus during the week. SCR 1029 would subject the proposition of a statewide photo radar ban to a vote of the people. SB 1354 (photo enforcement; violator identification response) provides that the subject of a photo radar ticket need not identify the photographed driver or respond to the notice or complaint. The League opposes these bills and will continue to pursue their amendment or defeat in the Senate, and if necessary, in the House.

## Pension Reform

On Wednesday, the Senate Finance Committee held a special meeting to hear Senator Yarbrough's (R-Chandler) comprehensive pension reform bill, SB 1609 (retirement systems; plan; plan design). Unlike HB 2726 (public retirement systems; plan design), this bill only addresses the plans managed by the board of the Public Safety Personnel Retirement System. The League supports the effort to enact meaningful reforms reducing the costs of the system and improving the fiscal solvency of the plans. We are concerned, however, that the proposal may result in employer contribution rates that are higher than current projections. The data generating this concern are available for your review [here](#). We thank Sen. Yarbrough and Senate staff for their willingness to bring interested parties together to discuss this issue and potential solutions.

## Spice

HB 2167 (definition of dangerous drugs; synthetic), which outlaws a synthetic type of marijuana known as "spice," was signed into law by the Governor last Friday. The bill passed both chambers with an emergency clause; this resulted in the new law becoming effective immediately upon the signature of the Governor. The League would like to thank Representative Amanda Reeve (R-Phoenix), Senator Linda Gray (R-Glendale) and Representative Matt Heinz (D-Tucson) for their leadership on this issue.

## Address Confidentiality Program

On February 8, the House Government Committee adopted a strike-everything amendment to HB 2302. The amendment requires the Secretary of State to establish an Address Confidentiality Program (ACP) to protect the residential addresses of victims of domestic violence, sexual offenses, stalking and harassment. Under the ACP, the Secretary of State will set up a substitute address that a victim may provide to an employer, school or local government agency. Language in the bill requires any state or local government agency to accept the substitute address at the victim's request. Interested parties have expressed concerns regarding: disclosure of actual residential addresses to third party contractors; the continued use of actual service addresses for municipal services accounts; and the likely extension of billing cycles associated with the legislation.

The League participated in a stakeholder meeting on Tuesday with the Secretary of State to address some of these concerns. Secretary Ken Bennett expressed that he does not want the legislation to have any negative impacts on cities. The bill swept through the House Government and Rules Committees with unanimous support earlier this month. It was scheduled for consideration in the House Committee of the Whole on Monday, but was retained on the calendar. The League will continue to work with the Secretary of State to address our concerns.

## Legislator Profile - Representative David Stevens

Rep. David Stevens pulls from his pocket a veritable funhouse of wallets, the contents of which mark a rich, eclectic and interesting life. A tour of his personal articles begins with a (still valid) Kuwaiti driver's license, which Rep. Stevens acquired as a defense contractor living in the badly damaged Arab country. It continues with his Eagle Scout card, awarded just days before he reported for basic training at Fort Leonard Wood, Missouri. It winds past his Fry Fire District photo identification card (featuring the requisite bushy moustache of a reserve firehouse superhero) and concludes with a wafer-sized gizmo that functions as a computerized antenna for mobile phones.

Boredom is a word unknown to Rep. Stevens. One needn't look further than his exhaustive rotation of cartoon character neckwear to know that this is an unusually fun legislator. Today he is sporting a festive and busy Fred Flintstone number. Tomorrow he might accessorize with Marvin the Martian, Sylvester and Tweety, or perhaps Tigger and his pals from the Hundred Acre Wood. He quips that humdrum, run-of-the-mill neckties are worn by men who are, "angry on the inside."



One might guess that it is something of a challenge to match these colorful and somewhat outlandish novelty ties with the rest of Rep. Stevens' legislative wardrobe. But the color-blind representative from Arizona's 25th district has devised an elegant solution: "All of my shirts are white and all of my suits are dark." And as far as he's concerned, *everything* goes with his signature black cowboy boots.

Lanky with swept-back hair and a country-bred mischievous grin, Rep. Stevens is a cross between Judge Reinhold and Larry Bird with voting privileges. At six-foot-five, he is one of the tallest members of Arizona's 50th Legislature. Despite his height, however, he is not a natural hoopster - though he did excel at other sports as a youth and still plays softball when he can. Affable and good-humored, Rep. Stevens freely admits to possession of quirky tastes - like his affinity for the notorious MREs (military meals, ready-to-eat). He actually *likes* powdered eggs and dehydrated pork patties.

Rep. Stevens, a native of Illinois, is an Army veteran whose active military service included a tour of duty at Fort Huachuca. After settling as a civilian just outside of Sierra Vista, his interest in politics was enflamed by the watershed election of 1994, when Republicans wrested control of Congress after a generation of Democratic rule. The real catalyst to his personal involvement in the political process, however, was the tragic loss of an older brother who died at the age of 38. This was a wake-up call to the truth that life is short and that there is no percentage in deferring one's dreams.

Originally attracted to the notion of serving in Congress, Rep. Stevens was persuaded that he could make a more immediate difference as a member of the Arizona Legislature. Accordingly, he first ran for the Arizona House in 2002. He lost and ran again in 2004. Defeated a second time, his spirit remained indomitable and he tried yet again in 2008. This time, however, his work as a defense contractor required his full-time presence in Kuwait, where he lived the entire year. The third time was a charm, and his remote campaign for the House was victorious. "I had to leave the country to win," he is quick to joke.

The district served by Rep. Stevens includes parts of five different counties and eleven municipalities. He appreciates the amenities offered by his jurisdictional cities and towns, and he respects the role of local government. As a state legislator, his preference is to avoid interference with local authority altogether.

Rep. Stevens serves as the chairman of the Committee on Technology and Infrastructure and as a member of the Committee on Military Affairs and Public Safety. His aspiration is to serve out eight years as a legislator and then move on to new challenges. Six months shy of his fiftieth birthday, he still has a lot of gas in his tank and rascality in his heart. By the time it's all said and done, he will doubtless require a bigger billfold to accommodate the mementos and souvenirs of a joyful and rewarding journey.