



LEGISLATIVE BULLETIN

Issue No. 10 – March 16th, 2018

Legislative Overview

Today marks the 68th day of the legislative session. Next week will be the final opportunity for committees to take action on bills originating from the opposite chamber. This is the point in the session where we see agendas containing 10 or more bills, as well as a myriad of strike-everything amendments that introduce new proposals or reintroduce previously defeated bills. The appropriations committees in both chambers will have the following week to take action on their assigned bills.

To date, 1165 bills have been posted, 44 have been passed, and 26 have been signed into law.

Cox Statewide Cable License

The stakeholder process for HB 2579 video service; certificates of authority, with Cox Communications has stalled and we have not been contacted by Cox regarding how they will address the concerns we have brought forth. The bill is sponsored by Rep. Jill Norgaard (R-Phoenix).

The League and our membership have made good-faith efforts to find a compromise and have offered alternatives; however, Cox has rejected those and continues to push forward HB 2579 in its current form with so many provisions that are unrelated to the concept of statewide licensing and that will have a negative impact on neighborhoods, consumers who subscribe to cable services and taxpayers who do not.

The bill in its current form allows cable TV and Internet providers, such as Cox, Comcast and CenturyLink, to obtain a more corporate-friendly statewide license agreement from the Secretary of State and completely abandon their existing agreements with cities and towns that were negotiated in good faith to protect rights-of-way, consumers and taxpayers. We have repeatedly voiced our concerns to Cox regarding this legislation, including that it does not delegate any authority to local or state government to enforce regulations on cable companies, as is the practice with the Corporation Commission that oversees other utilities.

The experience in other states that have adopted statewide franchise/license laws that are similar to HB 2579 is very significant and it is clear that it did not live up to expectations. The proponents of these measures claimed that more competition, lower prices, and increased customer satisfaction would be achieved by deregulating the cable TV market, much like what HB 2579 seeks to do. However, it is abundantly clear that this was a failed experiment and, in states that have adopted similar legislation, customer satisfaction is at all-time lows, prices increased substantially soon after legislation was adopted and customer complaints have increased considerably.

Please contact your Senators to explain the expected damaging impacts of this legislation and request a more thorough stakeholder process be conducted in the interim to ensure this legislation will not negatively impact consumers and taxpayers.

Digital goods and services

SB 1392 and HB 2479, TPT; digital goods and services, sponsored by Sen. David Farnsworth (R-Mesa) and Rep. Michelle Ugenti-Rita (R-Scottsdale) respectively, are the companion bills that emerged from the interim committee on Digital Goods and Services.

The bill is meant to address gaps in existing the proponents believe should prevent the state and cities from imposing tax on goods and services delivered over the Internet. In reality, all of the items proponents have identified have been consistently taxed at least since the DOR issued a ruling on this in 1993 (TPR 93-48). Originally envisioned as merely codifying existing practice, the truth is this bill creates at least eight new exemptions for transactions that have been held taxable for decades.

SB 1392 remains on hold in the Senate awaiting floor action by the Committee of the Whole. No movement is expected until the Joint Legislative Budget Committee issues a revised fiscal note. The JLBC was asked to review the League's methodology and revenue estimates. League staff members spoke with them and feel they are comfortable with the answers and explanations provided. Additionally, the Department of Revenue is said to now be providing their own financial impact analysis to the JLBC for incorporation in the note.

The current analysis by League staff on the fiscal impact to cities and towns shows an estimated loss of approximately \$48 million in the first year along with a State loss of \$120 million and a loss to Prop 301 for schools of at least \$14.5 million. This will certainly lead to increasing losses every year thereafter as more and more products are delivered digitally.

It is imperative that we keep up our efforts to educate legislators about the true negative impacts of this dramatic policy change.

Post-Traumatic Stress Disorders; Presumption

Last week HB 2501; PTSD; workers' compensation; presumption sponsored by Representative Boyer (R-Phoenix) was dual assigned to the Senate Finance and Commerce and Public Safety committees. The amended language in HB2501: 1) extends the time to file a workers' compensation claim by tolling the deadline to one year after the last counseling session, 2) creates a presumption of PTSD for the public safety employee unless the employer can prove through a preponderance of evidence the employee's job did not create the PTSD, 3) prohibits the employer from requesting an Independent Medical Exam (IME), 4) increases the number of visits from a minimum of 12 to a total of 48 visits (an additional 36), 5) and requires the employer to pay 100% of the employee's salary during the period of visits if the counselor says the employee is unfit for duty.

Independent consultants who have reviewed HB 2501 have identified this bill as the most expansive PTSD language, either proposed or passed, in the whole country. Additionally, the legislature just approved a law during the 2016 legislative session (HB 2350) requiring employers to provide immediate visits with a mental health professional to those first responders who indicate they might have PTSD. That bill has only been in effect for just over eight months and there has been no indication the program is ineffective. Based on these facts many legislators have significant concerns with approving new legislation, particularly something so expansive.

Despite those concerns, HB 2501 is scheduled for a hearing in the Senate Commerce and Public Safety Monday, March 19. The bill is not scheduled for a hearing in Senate Finance this week. The League expects to see amendments to the current language of the bill. However, the League maintains that strong public policy should be substantiated by evidence and such evidence is has yet to be provided on this issue.

The League cannot stress enough the importance of our first responders to our communities. We also acknowledge that mental health issues must be addressed within the first responder community and we believe HB 2350 is currently addressing those issues. We continue to engage with stakeholders on this topic but we strongly believe it is most prudent to have a robust stakeholder process in the interim where we discuss the effectiveness of the current process and, where there are opportunities for improvement, they are addressed in an evidence-based manner.

Legislative Bill Monitoring

Our Legislative Bill Monitoring system has been upgraded! The issue with linking directly to a specific bill's information page on the Arizona Legislature website has been resolved. We have also implemented a self-updating list through Arizona Capitol Reports, providing you with the most up-to-date information possible! [Click here to browse through our Legislative Bill Monitoring page!](#)