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Legislative Overview

Today is the 82nd day of the first session of Arizona's 50th Legislature. Outside of appropriations, legislative activity nearly ground to a halt this past week as high-level negotiations proceeded on the budget for fiscal years 2011-12. By the end of the week, a budget deal had been reached between the House, Senate and Governor.

Now that a budget deal has been consummated, the pace of legislative activity is expected to accelerate next week, as the House and Senate work to wrap up the session. The League is optimistic that, barring special sessions, the Legislature is entering its final weeks of business for the year.

Budget Bills Approved in House; No Changes to Urban Revenue Sharing

After an all-night session, the House passed its version of the state budget shortly after sunrise Friday morning. The House budget more closely resembles the Senate budget than Governor Brewer's original proposal. The final package, however, was the result of negotiations among the Governor's office and legislative leadership in both chambers.

The House adopted those provisions of the Senate bill with direct fiscal impacts on cities and towns. Accordingly, cities and towns face a total impact of \$46.1 million. The House budget (like the Senate's budget and Governor's proposal) imposes a fee of \$7 million on municipalities to help fund the Arizona Department of Water Resources. It also diverts \$39 million from the Highway User Revenue Fund (HURF) that would otherwise go to cities and towns. Of this amount, \$12.8 million is shifted to Department of Public Safety and \$26.3 million is transferred to the Arizona Department of Transportation for Motor Vehicle Division operations. [Click here for details](#). There is no change to any of the other formula-distributed shared revenue funds.

The House budget also changes the Arizona State Retirement System (ASRS) contribution rates for employees and employers, transitioning from the current 50-50 split to a formula under which employees pay 53% of the costs and employers pay 47%. The State's 3% savings under this formula will benefit the General Fund. Cities and towns in the ASRS system could also realize a 3% savings from their current contribution rates.

The Senate is expected to agree to the House changes, and the Governor is expected to sign the budget bills.

Impact Fee Talks Continue

Lengthy discussions regarding impact fee legislation continued this week among the League and the homebuilding industry. Representatives of the Governor, the House Speaker and the Senate President also participated in the discussions. Negotiators addressed the specific language of SB 1525 (city; town, development fees), the bill authored by the homebuilders that fundamentally changes Arizona's development fee statutes and jeopardizes the ability of cities and towns to administer them. While there were some points of agreement, a significant number of issues remain unresolved. Talks will continue next week, when participants will review a new amendment to be presented by the homebuilders. House Speaker

Kirk Adams (R-Mesa) admonished the group to find "compromise" and said he did not want this issue to come up yet again next year. Once we receive new language from the homebuilders, we will distribute it to municipalities for review and comment.

Managed Competition

The House Rules Committee has yet to approve SB 1322 (managed competition; city services). The League continues to strongly oppose this legislation, which mandates comprehensive private competition for city services. The bill provides that, with certain exceptions, all city services valued in excess of \$75,000 must be subject to private sector competition. By establishing a population threshold of 500,000, the measure currently applies only to Tucson and Phoenix. The sponsor of the measure, however, has signaled his intention to expand its application to all Arizona cities and towns in the future. All municipalities, regardless of size, are encouraged to ask their Representatives to oppose SB 1322 as a massive and improper interference in matters of purely local concern.

Apartment Trash Collection

Early this week, Senator Gail Griffin (R-Hereford) accepted an amendment to her bill, SB 1204 (trash collection; multifamily housing). The legislation mandates that private waste haulers be given the opportunity to contract for the removal of trash from apartment complexes. The amendment, negotiated by stakeholders, excludes mobile home parks from the mandate and extends the effective date of the legislation to the end of 2016. The League thanks Senator Griffin for her cooperation. The bill now proceeds to the House Committee of the Whole.

Regulatory Reform

HB 2501 (rules; laws; ordinances; interpretation) was approved by the Senate Rules Committee on Monday and caucused on Tuesday. The bill establishes that any ambiguous rule, ordinance or law related to permitting, licensing or zoning must be interpreted in favor of the party challenging its clarity. The League continues to oppose the measure.

Photo Radar

An adopted strike-everything amendment to SB 1398 (now: moving violations; assessment; equipment; enforcement) eliminates the state photo radar enforcement system and imposes a supplemental \$13 assessment on fines for criminal offenses and traffic violations. The amendment was approved by the House Appropriations Committee with the understanding that certain elements of SB 1354 (photo enforcement; violator identification; response) regarding notices of violation would be reworked to address the concerns of stakeholders and later reincorporated into the legislation. On Tuesday, the League participated in a stakeholder meeting with legislators, law enforcement representatives and photo radar vendors to draft compromise language. The League will remain neutral on SB 1398, provided there are no changes to the bill other than the compromise language produced by stakeholders.

Utility Charges

The League has been working to amend HB 2193 (municipal water charges; responsibility). This bill prevents municipalities from seeking recovery of utility charges from anyone (e.g. a property owner) other than an individual who has contracted for the service (e.g. a tenant) and has resided at the service address. The League proposed an amendment to remove wastewater charges from the bill, because termination of sewer service is far more difficult and costly than that of water service. Unfortunately, the bill sponsor, Representative Jim Weiers (R-Phoenix), would not entertain our overture. The bill was approved by the Senate Rules Committee on March 28.

Recovery of Attorney Fees

On Wednesday, the House Appropriations Committee approved an amended version of SB 1404 (now: civil actions; attorney fees; recovery). The adopted strike-everything amendment mirrors HB 2409 (attorney fees; recovery; civil actions), sponsored by Representative Ted Vogt (R-Tucson). The legislation generally moves Arizona towards a "loser pays" regime with respect to costs incurred for civil litigation. The League opposes the measure because it provides that state and local governments may not be awarded attorney fees even when victorious. Among other things, the measure would promote the filing of frivolous lawsuits, as plaintiffs would bear no financial risks for doing so. Rep. Vogt has committed to work with stakeholders to address their concerns with the measure.

Legislator Profile - Representative Katie Hobbs

On primary election night, 2010, Representative Katie Hobbs was late for her own party.

Because it was the first night of the class she teaches as an adjunct professor at Paradise Valley Community College, the excited first-time candidate rushed to distribute the syllabus, orient the students, and get out the door. By the time she arrived at the victory celebration in central Phoenix, the results were already in, and she had been declared the winner of an open House seat in District 15. Unable to contain her excitement, she reacted with overt and gleeful exhilaration. Her colleague and sometime-advisor, the ever-composed Senator Kyrsten Sinema (D-Phoenix), advised her to keep cool. "There are reporters here," she admonished.

The newly elected legislator heeded the advice, regained her composure and walked calmly to the elevator. She entered the empty car, pushed a button and waited for the door to close. When it did, she resumed her expressions of excitement and nearly jumped with joy - away from the public eye. It was, she recalls, an irrepressibly happy moment.

Exuberant, intelligent and eager to learn, Rep. Hobbs has commenced her duties as a legislator with the same zeal she demonstrated on election night. She also brings to the job the keen perspective of a mother, scholar and professional social worker.

The native Arizonan grew up in the East Valley and attended a series of private Catholic schools. Although she wasn't crazy about wearing the dresses required of distaff students, she later came to appreciate what a great gift her education was, as well as the sacrifices her parents made to provide her with scholastic opportunity. When her father, a salesman of plumbing supplies, found himself out of work, her mother entered the workforce to ensure that Rep. Hobbs could continue her education at a quality school.

Neither of Rep. Hobbs' parents had a college degree, so it was a great point of pride when Rep. Hobbs entered Northern Arizona University along with her identical twin sister following graduation from Seton Catholic High School in Chandler. Ever the competitive twin, Rep. Hobbs is quick to note that *she* was the first person from her family to earn a college degree (her sister's graduation was deferred due to participation in a foreign immersion program). Rep. Hobbs also claims bragging rights as the family's eldest child - by a full eleven minutes.

Armed with a bachelor's degree in social work, Rep. Hobbs went on to earn a master's in that same field at Arizona State University. Her gravitation toward social work derived from her native sense of justice and equality. She remembers learning that one of her high school classmates had been arbitrarily selected to represent their school at Arizona Girls State. Rep. Hobbs complained to school administrators that the selection wasn't fair and insisted on a competitive process. The officials agreed, and Rep. Hobbs was ultimately awarded the opportunity to attend the highly regarded citizenship training program. She may not have endeared herself to the classmate who was displaced, but she was effective in instituting a positive change in the school's order of doing things.

Safe and secure in her own life, Rep. Hobbs committed herself to helping and protecting those living in less fortunate circumstances. Out of school, she first worked with homeless, runaway and at-risk youth at the Tumbleweed Center for Youth Development. She later brought her considerable talents to bear at EMPACT, an organization providing counseling, psychiatry, substance abuse, prevention and trauma services to individuals and families. Ultimately, she found her professional home at the Sojourner Center, which has provided shelter and support services to thousands of individuals affected by domestic violence since its establishment in 1977. Sojourner Center is the nation's largest domestic violence shelter. Though Rep. Hobbs had to resign her post as director of government relations upon assumption of her legislative duties, she remains a valued member of the Sojourner family and continues to work on grant applications for the Center.

Ever interested in politics (even before her service on the dorm council at NAU), Rep. Hobbs observed that elected officials always seem to have fabulous interpersonal connections and exhaustive social networks. She, however, lacked such connections and did not know how to acquire them. Fortunately, a mentor of Rep. Hobbs insisted that she apply for



participation in Emerge Arizona, a political leadership training program for Democratic women in the state. At Emerge Arizona, she met a host of politically involved and successful women who inspired her to seek elective office in her own right. The rest, as they say, is history.

Fortuitously, District 15 had two open House seats that needed to be filled in the 2010 election. Rep. Hobbs expected a very competitive primary in the highly Democratic district, but only four individuals filed petitions for the race - and then one of those dropped out. Universally regarded as the underdog, Rep. Hobbs got an early start on the campaign and initiated an intense door-to-door electioneering effort. She loved the process and immersed herself in the challenge. Moreover, she learned that she is awfully good at it. A natural campaigner, she found that, if she was ever feeling frustrated or discouraged, all she had to do to break out of a negative mindset was to go out and knock on doors. Drawing positive energy from the citizenry, she worked harder than her competitors and went on to earn the most votes in the primary contest.

A member of the House Government Committee, Rep. Hobbs has been somewhat confused by the movement of so many bills that wrest control away from local government. Sitting through a recent and extended hearing during which a number of such bills were considered, she had an epiphany of sorts: "I figured it out. The people who use sovereignty as an argument to fight federal control use that very same claim of state sovereignty to establish control over cities and towns. They are using the concept of sovereignty to argue both sides of the control issue."

When she is not legislating, learning, grant-writing or teaching, Rep. Hobbs most enjoys spending her time with her family: her husband of 15 years, Pat Goodman (whom she met through church-related activity); Sam, her 12-year-old football playing cellist; and Hannah, her artistically inclined 9-year-old Girl Scout. She has also taken on a new physical challenge, having successfully completed a couple of half-marathons.

Even with so much happening in her professional and personal life, Rep. Hobbs has been able to keep grounded and organized. She entertains the idea of one day running for statewide office, but she's presently focused on doing the best job she can as a state legislator. Because her best is quite excellent, there is little doubt that she'll be earning many more uninhibited elevator dances in the future.

Legislative Bulletin is published by the League of Arizona Cities and Towns.

Forward your comments or suggestions to league@azleague.org.