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Legislative overview

Today is the 89th day of the first regular session of Arizona's 50th Legislature. On Thursday, April 7, Governor Jan Brewer announced that she had, the previous evening, signed the budget bills passed by the Legislature. With the budget battles concluded for the year, attention has turned to pending legislation of high importance to members of the House and Senate. In an effort to finish the session with dispatch, the House and Senate have picked up the pace of legislative activity. The League is optimistic that the Legislature will adjourn *sine die* by the end of the month, if not by the 100-day deadline established by rule.

Impact fee discussions continue

Negotiations between homebuilders and cities and towns continue on SB 1525 (cities; towns; development fees). Representatives of the homebuilding industry and municipalities are attempting to reach some consensus on the many detailed issues contained in the bill. Part of the League's goal is to remove this perennial issue from future legislative agendas. As of today's *Bulletin* deadline, there is no new proposed language to discuss, but we will have an update next Tuesday morning in connection with the League's "lobby day" at the Legislature. The bill, as introduced, would virtually eliminate municipal impact fees. It is awaiting action on the House floor.

Managed competition

On Wednesday, the House Committee on Rules approved SB 1322 (managed competition; city services), legislation to impose a comprehensive, unworkable and expensive mandate on Phoenix and Tucson to privately bid out city services. On Thursday, the bill was caucused by the House majority and minority parties. During the Republican caucus meeting, multiple members expressed their concerns with, and opposition to, the bill. No member spoke in support. Likewise with the Democratic caucus.

The League continues to vigorously oppose this bill. Because the Arizona chapter of Americans for Prosperity has initiated a massive email campaign in support of the legislation, it is critical that municipalities continue to contact their legislators to express opposition to SB 1322. As a reminder, the bill's sponsors and supporters have publicly and repeatedly announced their intention to expand the measure's application to other cities and towns in the future.

Commercial lease tax exemption

Legislation to exempt taxes on certain commercial lease transactions between related corporations (SB 1166: municipal tax exemption; commercial lease) was approved by the House Rules Committee on Monday and caucused on Tuesday. The League opposes the bill on the basis that it could be abused by large corporations as a tax avoidance device. The bill previously passed the Senate by a vote of 21-8.

Apartment trash collection

The League has been working with other stakeholders throughout the session to modify SB 1204 (trash collection; multifamily housing), legislation mandating that private trash haulers be allowed to compete for the collection of apartment garbage. The League had negotiated an amendment that would delay the bill's effectiveness date to 2016 and clarify that the legislation did not include a right to compete for the collection of trash from mobile home parks. In an unexpected turn of events, the bill's sponsor, Senator Gail Griffin (R-Hereford), rejected the mobile home portion of the League amendment. The bill has been retained on the Committee of the Whole Calendar as interested parties attempt to work out their differences.

Consumer fireworks

SB 1379 (now: consumer fireworks; regulation) was approved by the House Rules Committee on Monday and caucused on Wednesday. This bill limits the extent to which cities and towns may regulate the use of fireworks. Among other things, it mandates that cities may not prohibit the use of consumer fireworks during the periods of June 15 to July 5, and December 12 to January 2. The bill, however, does prohibit the sale of fireworks in Yavapai County and Coconino County. Additionally, it prohibits the sale of consumer fireworks in areas zoned for residential use. SB 1379 has not been scheduled for further floor action.

Regulatory reform

SB 1598 (cities; counties; regulatory review) was approved by the House Rules Committee on Monday and caucused on Wednesday. The measure applies the Regulatory Bill of Rights (currently governing state agencies) to local government; it also makes changes to the general plan statutes regarding aggregate resources. A floor amendment negotiated by stakeholders, including the League, will be offered to the bill in the Committee of the Whole. A collateral benefit of the amendment is that its passage will likely terminate further consideration of SB 1286 (counties, cities, permits, time limit) and HB 2501 (rules, laws, ordinances, interpretation). With adoption of the stakeholder amendment to SB 1598, the League will be neutral on the bill.

Utility charges

HB 2193 (municipal water charges; responsibility) passed the Senate Committee of the Whole this week. This bill prevents municipalities from seeking recovery of utility charges from anyone other than an individual who has contracted for the service and has resided at the service address.

Because municipalities would be further handcuffed in their efforts to collect on delinquent utility accounts, the legislation could result in significant costs to cities and towns. Strategies available to cities to mitigate such costs include the collection of larger utility deposits and quicker termination of service for non-payment.

As it is far more difficult to terminate wastewater service, the League proposed an amendment to exclude such service from the bill's scope. (The service termination situation is even more complicated for municipalities that have private water systems and public wastewater systems.)

Unfortunately, the sponsor has never agreed to meet with the League to discuss our proposed amendment. Accordingly, we continue to oppose the legislation.

Firearms

Following approval by the House Judiciary Committee two weeks ago and the Rules Committee early this week, HB 1201 (firearms omnibus) has not seen any further action. The League continues to oppose a provision of the bill requiring those cities prohibiting guns from public buildings to employ armed guards and to install metal detectors and lock boxes.

Recovery of attorney fees

SB 1404 (now: civil actions; attorney fees; recovery) was approved by the House Rules Committee on Monday and caucused on Tuesday. 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 specifically provides that state and local governments may not be awarded attorney fees, even when victorious. The League will participate in a stakeholder meeting regarding the legislation

on Monday, April 11.

Pension reform

SB 1609 (retirement systems; plans; plan design), which represents a pension reform compromise between Speaker of the House Kirk Adams (R-Mesa) and Senator Steve Yarbrough (R-Chandler), passed out of the Rules Committee on Monday. The League supports this comprehensive pension reform bill and is committed to helping enact the meaningful and necessary initiatives embodied in the legislation.

Residential rental tax

On April 5, the House passed SB 1160 (city sales tax; residential rental) by a vote of 37-22. The League opposes this bill, which requires that the imposition of any tax increase on residential landlords be approved by a vote of the people. On April 6, the bill was transmitted to the Governor for her approval or veto. The League will formally request a veto of the bill on the bases that it: reduces local control, creates special tax treatment for one industry, and diminishes the ability of mayors and councils to approach budgeting in a comprehensive way.

Legislator Profile - Representative Ruben Gallego

When Representative Ruben Gallego was but four years old, his grandmother died in Mexico. His father inherited her farm, located in a remote spot deep in the heart of the State of Chihuahua. The elder Mr. Gallego uprooted the family from its Chicago home and relocated the clan to Mexico so he could try his hand at farming. Ruben went to work on the farm and began his formal education at a rural elementary school.

Unsuccessful as a farmer, young Ruben's father folded his hand after about two years and brought his family back to the States. Every summer, however, Ruben would return to Mexico to work on a bean farm, taking the long hot car ride from Illinois to Chihuahua. His job on the farm was to create holes in the field with a long tapered stick and then seed the holes. It was hard work, close to the ground.

From these inauspicious beginnings, few may have guessed that this child of poverty would grow into a young man who, at age 31, has graduated from Harvard College, served with distinction in the United States Marine Corps, and succeeded as an entrepreneur with his own property acquisition and management company. He has also mastered complex public policy issues as a city council aide, campaign strategist and government relations professional. When he was sworn in as a member of the Arizona House of Representatives in January 2011, he added the notch of elected official to his belt of accomplishments.



As a youth, Rep. Gallego was driven by a determination to succeed and escape the clutches of financial need. When he entered high school, he set his sights high and established a personal goal of attending Harvard College, arguably the best school in the country, if not the world. He realized that if he fell just short of his goal, he would still be admitted to an outstanding college. He developed a written plan. Demonstrating unusual initiative for a high school freshman, he then identified and contacted the president of a Hispanic student organization at Harvard and sought his advice with respect to gaining admission to the Ivy League powerhouse.

Rep. Gallego's goal was reinforced when he was selected as a delegate to the Illinois state conference of the Hugh O'Brian Youth Foundation, an international program designed to encourage and inspire young people with great leadership potential. Mixing with the state's best and brightest high school sophomores, Rep. Gallego knew at once that he possessed the necessary tools to succeed. With drive and dedication, he could make something great of his life.

One day while he was at work as a short order cook, he fielded a telephone call from his sisters at home. They explained that he had received a letter in the mail from Harvard. "Is the envelope fat or thin?" he asked. It was fat. His adolescent goal had been realized. As the first member of his family to attend college, he inspired his youngest sister to follow in his footsteps straight to Harvard.

Rep. Gallego has a work ethic to match his razor-sharp intellect. He worked throughout school at a variety of odd and difficult jobs. Among other things, he shoveled snow, cleaned dormitory toilets and stacked books in the library. He worked in a meat-packing factory in Chicago during the summer. He even donned a dragonfly costume to pamphleteer and promote a local business.

The civic-minded student undertook one of his most important jobs when he enlisted as a reservist in the United States Marine Corps. As a Marine, he served in an active combat role in Iraq. Rep. Gallego is somber when reflecting on his military service. Though he recognizes the importance of his duty, he does not relish the brutal memories of war. His unit saw so much action that one in three of its members were killed or wounded.

Following his service in Iraq, Rep. Gallego moved to Arizona to be with someone special. When he was at Harvard, he had received more than a quality education. He also found a wife. Kate Gallego, his charming better half who works as an analyst at Salt River Project, must have recognized something exceptional about Ruben from the start: they met as a consequence of her high bid for the future Representative at a bachelor auction for charity.

Finding that Arizona is a great place to live, Rep. Gallego quickly learned that the state is also a place of abundant opportunity. "If you work hard here, you can make it," he says. That formula presents little challenge to Rep. Gallego, whose work ethic is hard-wired into his DNA. Among other things, he has worked as a project manager for Riester Public Affairs, the chief of staff to a Phoenix City Councilman, and a public affairs professional at Southwest Ambulance. He is also the owner of the Group and Taylor Street Group, a Phoenix-based property management company.

Rep. Gallego represents Legislative District 16 in the House of Representatives. The district includes a broad swath of Phoenix and the Town of Guadalupe. Rep. Gallego serves on the Committee on Agriculture and Water, the Committee on Military Affairs and Public Safety, and the Committee on Ways and Means.

Rep. Gallego observes with apparent concern that some of his House colleagues seem to be more connected to their political party than to their community. Such members may be more inclined to cast votes on the basis of leadership pronouncements than according to their independent research of policy considerations and implications. Though Rep. Gallego is a faithful adherent of his party, he prides himself on his deep and enduring community connection. He has also embraced the role of legislative educator, as an informed, vocal and active participant of his committees and caucus. Recognizing that education can be a two-way street, he serves as a dedicated boots-on-the-ground policymaker, constantly seeking the input of his constituents.

It was, in fact, Rep. Gallego's close identification with his community that led to his pursuit of public office. Specifically, Rep. Gallego recognized the criticality of the state shared revenue system to prosperous and well-managed communities. "When state shared revenue was going to be cut," recalls Rep. Gallego, "I spoke to a couple of legislators, both Democrat and Republican, and they just did not understand what they were about to do. That really angered me." With the ability and desire to serve, and determined to make a difference, he sought a seat in the Arizona House and won on his first attempt. Now that he's a member, prevention of cuts to the state shared revenue program remains one of his top legislative priorities.

Rep. Gallego has come an extremely long way since his days as a juvenile bean farmer in Mexico. But he's still planting seeds, and he continues to work very, very close to the ground.