



LEGISLATIVE BULLETIN

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Legislative Update

Today is the 54th day of the legislative session. Most standing committees in both chambers returned to regular order to begin hearing bills that have crossed over. House and Senate floor sessions focused on debates and votes on bills to send to the opposite chamber before the last committee hearing deadline. Budget-related small group meetings have begun in the Senate; however, no definitive details have been discussed. The highway safety fee and tax conformity will continue to be sticking points in budget negotiations. The narrow margins in the House will likely complicate the budget process more than we have seen in previous years.

The highway safety fee remains an unsettled issue. As reported in previous bulletins, lawmakers have introduced bills to either cap the highway safety fee or repeal it. While the governor hasn't formally indicated how he will address either measure if they reach his desk, it has been noted that any reduction or repeal of the fee will jeopardize budget priorities to improve key commerce corridors, such as the expansions of I-17 and I-10. HB2320 highway safety fee; reduction, sponsored by Representative Noel Campbell (R-Prescott) and SB1001 highway safety fee; repeal; VLT, sponsored by Senator Michelle Ugenti-Rita (R-Scottsdale) are the measures targeting the fee. HB2320, that caps the fee at \$18, failed to pass the House, but the bill has been revived and is expected to be further amended on Monday before proceeding for another vote of the full House. SB1001, that completely repeals the fee, was scheduled to be heard in the House Transportation Committee this week but was held from consideration by Chairman Campbell.

Peer-to-peer Car Rental Bills

The Senate on Thursday approved SB1305 peer-to-peer car sharing; taxation, sponsored by Representative David Livingston (R-Peoria). The bill establishes

regulations for the P2P car sharing industry and applies the same state and local TPT and surcharges the rental car industry must pay to car sharing transactions conducted on P2P platforms. The bill passed 27-3 and now proceeds to the House for committee assignment. The competing measure, HB2559 peer-to-peer car sharing, sponsored by Representative Travis Grantham (R-Gilbert) has not been scheduled for a vote in the House. This measure exempts car sharing transactions from state TPT and surcharges and, if enacted, would create a competitive advantage over the conventional car rental industry.

HURF Distribution

On Thursday afternoon in the House Committee of the Whole, Representative David Cook (R-Globe) offered an amendment to HB2047; HURF distribution; cities, towns, counties. The original version of the bill directs an initial \$18 million from HURF to rural counties, towns and cities before calculating the additional funds based on the traditional formula.

The amended version of the bill does not sweep any money from the HURF distribution, but instead calls for an appropriation of \$30M combined to all counties and another \$30M combined to all cities and towns. The county formula allocates \$1.5M to each county with the remaining monies distributed to counties based on population. The city and town formula allocates \$150k to each city or town with the remaining monies distributed based on population.

Mr. Cook's amendment was accepted, allowing the League to move from a position of opposition to a position of support. HB2047 is on a third read calendar on Monday, March 11 where we hope it will receive wide support.

Legislative Bill Monitoring

All bills being actively monitored by the League [can be found here](#).