



LEGISLATIVE BULLETIN

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Legislative Update

Today is the 124th day of session and next week we expect to see movement on the budget as the House and Senate are planning to introduce bills on Monday. Key details on the package have not been provided publicly, including details regarding tax conformity, the highway safety fee and the Rainy-Day Fund. If the proposals introduced miss the mark on any of these items, it will make securing support of the rank and file and governor very difficult for House and Senate leadership. Adding to the complexity of the budget process is two Republican senators withholding their vote until legislation is passed increasing the statute of limitations for victims of childhood sexual assault to file a civil action against their assailants. A bill introduced on the subject this year did not receive a vote and was blocked from a public hearing in the Senate. The House moved forward with introducing a bill on Thursday to increase the statute of limitations, however, the it does not accomplish the intent of the senator that sponsored the original measure and will likely continue to withhold vote on the budget until a law is passed.

Big Tobacco's Preemption of Public Health, Safety and Welfare Regulations

SB1147 tobacco products, vapor products, sponsored by Rep. John Allen (R-Phoenix) was amended and approved in House Committee of the Whole on Wednesday by a voice vote and with no debate. The amendment, which was not provided to or discussed the League appears to grandfather existing ordinances, such as local tobacco shop licensing and zoning requirements, but cities would be barred from adopting new or amending existing requirements to be more restrictive if this bill is signed into law. The amendment also confuses and seems to limit the enforcement of smoke-free ordinances to only on public property. If cities have ordinances prohibiting smoking in

public areas that are not on public property or prohibiting smoking in cars with children, among others, it is unclear if these are still enforceable or are void with this legislation.

The bill awaits a final vote in the House before it will be transmitted back to the Senate for final action. The League continues to oppose the tobacco industry's legislation and requests that you reach out to your delegation to express concerns with this bill.

State Liquor Board

Last week, HB2473 state liquor board; membership, sponsored by Representative Anthony Kern (R–Glendale), passed out of the legislature unanimously. But, despite having such robust support, the bill was vetoed by Governor Ducey on Wednesday. It would have required one of the governor's appointees to the State Liquor Board to be selected from a list of three candidates, provided by the League, who are current or former municipal elected officials. The bill was a League Resolution, proposed by Glendale, and came in response to several cities raising serious concerns about liquor licenses being granted to individuals who were not qualified or who presented a public safety concern, or for locations that did not serve the public interest. The governor's veto letter stated that it would have added an unnecessary extra step ("red tape") to the selection/appointment process. However, the bill was modeled on legislation that had been approved in previous sessions that used the same process.

The board has not had a full membership since April of 2015 and has had as few as 3 members at times since then. Previous discussions with staff had indicated that it was difficult to find qualified candidates for the board. This led the League last year to put out a call for candidates, identify candidates that met all the qualifications, help them apply, and then follow through with legislation to codify this practice. Since then, no new board members have been appointed to the board and our proposed candidates have had no follow-up from the Office of Boards and Commissions.

The bill would have given municipalities a stronger voice in discussions at the State Liquor Board and established a process that would have facilitated the search for and appointment of qualified candidates. Legislators agreed with the need for more local input on the board and the bill did not receive a single "no" vote through the entire legislative process. Regardless of this setback, the League will continue to work with our members, the State Liquor Board and the Governor's staff to address our ongoing concerns with the board and try to ensure Arizona's liquor licensing system is working as it should.

Short-Term/Vacation Rentals

On Wednesday, HB2672 vacation rentals; short-term rentals; regulation, sponsored by Rep. John Kavanagh (R-Fountain Hills), passed out of the legislature and was transmitted to the Governor for final approval. The League, along with over a dozen Mayors from popular tourist communities that have had issues with problematic short-term rentals, sent a letter to the governor asking that it be signed to provide a modicum of oversight for these businesses operating in residential neighborhoods.

If approved, the bill will provide cities, towns, and counties with the ability to use information the state collects on short-term rentals, through the Transaction Privilege Tax license application, to enforce local ordinances. It would also provide a mechanism to penalize “party houses” that have created significant neighborhood nuisance issues through an escalating fine that would make such disruptive activity unsustainable. While not resolving all the issues with short-term rentals, the bill would be an important first step toward addressing unintended consequences that have resulted from the original “Airbnb” bill (SB 1350) that passed in 2016.

The League thanks you for your support of HB 2672 throughout the legislative process.

Legislative Bill Monitoring

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