



LEGISLATIVE BULLETIN

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Legislative Overview

Today marks the 75th day of session and the legislature this week completed standing committee action on bills from the opposite chamber. The House and Senate Appropriations Committees will convene next week with lengthy agendas and we expect those committees to last for several hours as lawmakers debate and take action on assigned bills and strike-everything amendments.

There has been increased floor activity to take final action on bills before transmitting to the governor and we expect this pace to continue in the coming weeks. April 18 is the 100th day of session but the prospect of closing out session by this deadline will depend on the progress of the FY 18 budget package that has yet to be introduced and voted on.

To date, the legislature has passed 120 bills; 52 have been signed into law and 68 bills are awaiting action by the governor. So far, no bills this session have been vetoed.

Arizona Board of Regents Budget Proposal

Members of the legislature continue to work on the budget but are still in the early stages of negotiation with the Executive branch. The Arizona Board of Regents proposal to take cities and counties shared revenues for bonding and general operations has been included in the Executive budget.

We have told legislators that we will strongly oppose this proposal as long as it takes these shared revenues. According to our calculations, the loss of revenues would be approximately \$143 million to cities and towns and approximately \$230 million for counties, over the life of the original bonds.

Allowing this mechanism to be used creates many concerns. It undermines our transaction privilege tax system by allowing one entity to escape paying taxes that other like organizations are required to pay. This will undoubtedly lead other groups to try to get this same treatment and that will only further erode both our tax and shared

revenue systems. It also undercuts the appropriations process by allowing the universities to receive their funding without regard to other pressing state needs. Finally, this is yet another attempt to shift the burden of state government onto the backs of local governments.

We have heard that there are lobbying attempts aimed at both our rural members and rural legislators asking them to agree to this proposal in exchange for the restoration of more HURF funds. We hope you will resist these efforts and encourage your legislators to do so as well. The restoration of HURF should not come at the expense of our shared revenues.

We will be sending out more detailed talking points on this proposal next week. Please continue to contact your legislators to express your concerns about this issue.

EcoATMs

This week the Senate Health and Human Services committee unanimously approved a strike-everything amendment to HB 2030 S/E: automated kiosks, sponsored by Sen. Nancy Barto, R-Phoenix, LD 15, regarding licensing and requirements for EcoATMs. These automated kiosks are being deployed in grocery stores and retail establishments nationwide and allow consumers to exchange used cellphones and tablet computers for cash using patented software that tracks and reports the transaction to local law enforcement.

The bill requires the kiosks to verify a seller's identity with the assistance of a live representative and each transaction must be completed with the seller presenting government-issued identification, a thumbprint and an electronic signature. The kiosk operator must report all transactions to local law enforcement including the description of the seller and the manufacturer, model and serial numbers of the device sold. The kiosk operator must also retain the item for a 20-day period.

The League registered in opposition to the bill as it preempts cities and towns from treating transactions at these kiosks in the same manner as similar transactions conducted at pawnshops and secondhand dealers. In addition, the bill does not provide the resources needed by police departments to track down and return stolen property sold at the kiosks to the rightful owner. Law enforcement testified in committee sharing these concerns and raised questions regarding the potential for increased theft and sale of stolen mobile devices at these kiosks as they provide the opportunity for criminals to obtain quick cash.

Cities and towns across the nation have reported seeing an increase in cell phone thefts associated with these machines and some have banned them from their communities. Currently, the bill will not allow for locally elected officials to make decisions based on

the needs of their community and constituents regarding the deployment and use of these EcoATMs.

Local Occupational Licensing

On Monday the League testified in opposition to the strike-everything amendment adopted by the Senate Commerce and Public Safety Committee to HB 2419 S/E: municipal and county occupational licenses, sponsored by Sen. Steve Smith, R-Maricopa, LD 11. The striker locks in all existing occupational licensing and fees at the local level but preempts local bodies from occupational licensing going forward.

One result would be that if a community currently licenses a specific occupation it can continue to do so but if a neighboring community has yet to license that occupation the non-licensing community would be preempted from ever doing so. Additionally, the bill would prevent communities from licensing new occupations that emerge from developments in the economy that pose new risks to the public. Local licensing has served the public well by regulating occupations that impact health, safety, and welfare but which are not regulated by the state, such as street vending, secondhand dealing and adult-oriented businesses. The current system allows communities to protect their residents by providing some oversight over these professions to minimize illegal/dangerous activities. The bill as amended passed by a vote of 6-1-1.

Fire Safety

Last week the House Land, Agriculture and Rural Affairs Committee held from consideration SB 1329 fire flow requirements; rural applicability, sponsored by Sen. Sylvia Allen, R-Snowflake, LD 6, but moved forward with the bill this week. The bill allows developers to seek a complete waiver of the water supply requirements in the fire code by appealing any denial for a waiver by a fire district to the city or town in which the property is located. Allowing developers to build entire subdivisions without adequate water flow for fighting fires would put home owners, firefighters, and whole neighborhoods in danger. In addition to the human tragedy that could result from a fire, there could be significant liability for any city, town or county that granted a waiver. The League testified in opposition along with the County Supervisors Association but the bill passed by a vote of 5-2.

Legislative Bill Monitoring

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