

TOWN OF
QUEEN CREEK
ARIZONA

2011 End of Legislative Session Report

Town Council Meeting

June 15, 2011



Background

- In the fall, the Town's Intergovernmental Liaison works with the Town Manager and Department Directors to develop a draft state legislative agenda.
- The draft agenda is presented to Town Council for adoption.
- Once the agenda is adopted and the Legislative session begins, staff works with the Town's contract lobbyist, Williams and Associates, to develop, track, and take action on legislation that pertains to the Town's adopted objectives.



1st session, 50th Legislature

- Session began on January 10, 2011
- Adjourned *sine die* on April 20, 2011
- Approved 352 of the 1350 bills introduced.
- Legislation will become effective on the general effective date of July 20, 2011, unless otherwise specified within the language of the bill.






2011 State Legislative Agenda and Progress Toward Reaching Objectives

Legislative Goal: Work to protect state shared revenues.

- Prior to and throughout the session Williams and Associates and staff worked diligently to educate legislators and the Governor's Office about the Town's budget and strides we've taken to close budget gaps.
- Senator Steve Pierce (R-Prescott) introduced SB1221 which would have frozen revenue sharing distributions at FY10 levels for 20 years. The bill was never heard in committee.



Town Objective: Work to maintain local control and oppose unfunded mandates.

SB1220 sales tax base; uniform

Sponsor: Senator Steve Pierce

- This bill would have eliminated the Model City Tax Code (MCTC), forcing cities and towns to use the State Tax Code.
- The MCTC has been in place since the early 1980s and was designed to create uniformity between the tax codes of cities and towns.
- It allows cities the flexibility to tax items that wouldn't be permitted if a state tax code was enacted.
- SB1220 failed to receive a Committee hearing.



Town Objective: Work to maintain local control and oppose unfunded mandates.

SB1165 municipal taxes; auditors and collectors

Sponsor: Senator Steve Yarbrough

- The bill prohibits municipalities from entering into contracts with a third party for collection of a transaction privilege tax.
- Currently, the Arizona State Department of Revenue (DOR) collects local sales tax for Queen Creek and then DOR remits the tax revenue back to the community.
- There are a few municipalities that have hired “third-party” collectors to collect their respective sales tax. Those municipalities have found that the private collection industry has been able to more effectively and efficiently collect those revenues.
- SB1165 was signed by the Governor.

Town Objective: Work to preserve the Town's ability to collect development fees and require growth to pay for itself.

SB1525 city; town; development fees

Sponsor: President Russell Pearce

- The bill makes significant changes to the development fee statutes.
- The Town and other stakeholders worked feverishly throughout the session to mitigate the impacts of SB1525. In its original form it would have essentially eliminated development fees as an option for financing infrastructure demanded by new growth.
- After multiple stakeholder meetings a compromise amendment was developed. The compromise amendment still significantly changes the development fee statutes.
- SB1525 was signed by the Governor, and in her signing message she stated that an informal moratorium on additional legislation on this topic until the 2015 legislative session - as agreed to by both parties - will allow the compromises contained in this act time to be fully implemented. She said that aside from mutually agreeable changes in development fee statutes, this is the last piece of legislation she intends to sign regarding that matter.





Town Objective: Work to maintain local control and oppose unfunded mandates.

HB 2289/SB1160 municipal sales tax; residential rentals

Sponsor: Senator John McComish

- The bill prohibits municipalities from imposing or increasing transaction privilege taxes on renting residential property unless the increase is approved by the voters at a regular, municipal election.
- Though sales tax from residential rentals does not represent a significant amount of revenue for the Town, SB1160 eliminates the Town Council's authority to determine how it chooses to raise revenue, and also sets a precedent for other special interest groups.
- SB1165 was signed by the Governor and is retroactive to January 1, 2011.

Town Objective: Work to maintain local control and oppose unfunded mandates.

SB1286 **counties; cities; permits; time limits**

Sponsor: Senator Lori Klein

- This bill would have required that counties and municipalities approve or deny an application for any permit within 60 days after receipt. A failure to respond within 60 days would have constituted approval of the permit application.
- SB1286 did not differentiate among the different types of permits that cities and towns issue. In some cases, certain types of permits can be issued over the counter in a matter of days. Other more complicated permits, such as a conditional use permit, have a much longer process.
- SB1286 failed to be calendared for the House Committee of the Whole.



Town Objective: Work to maintain local control and oppose unfunded mandates.

SB1598 cities; counties; regulatory review

Sponsor: Senator Lori Klein

- The bill establishes a “regulatory bill of rights” related to municipal and county regulations and requires municipalities to develop and publish timelines for various components of the development process.
- The League and the bill sponsor negotiated the final language in SB1598. The final language does include provisions related to establishing, publishing and adhering to timelines for licensing, permitting, plan reviews and inspections. This bill has a delayed effective date, though could still present challenges with existing staffing levels.
- In addition to mitigating impacts to the Town, Senator Klein also agreed to no longer push for SB1286, which she also sponsored, and which was much more restrictive.





Town Objective: Work to maintain local control and oppose unfunded mandates.

SB1333 municipalities; deannexation; incorporation

Sponsor: Senator Frank Antenori

- SB 1333 modifies the statutes governing municipal incorporation and establishes time frames within which a prescribed distance of an incorporated city or town is declared an urbanized area.
- SB1333, in its final form, is only applicable to certain counties. Maricopa and Pinal counties are not impacted.
- SB1333 was signed by the Governor.

Town Objective: Work to maintain local control and oppose unfunded mandates.

SB1041 Arizona quality jobs incentive

Sponsor: Senator Michelle Reagan

- The bill would have allowed a qualifying business with property, subject to construction or a major renovation, be assessed under a class six property classification.
- The Governor vetoed SB1041. In her veto message she stated that the bill's lack of clarity in tax policy was a concern. She specifically criticized the bill's potential negative impact on local government revenue streams. The rule-making authority given to the Commerce Authority also unacceptably confers upon it "kingmaker" status.



Town Objective: Work to maintain local control and oppose unfunded mandates.

SB1322 managed competition; city services

Sponsor: Senator Frank Antenori

- The bill would have required municipalities over a certain population threshold to bid out services in excess of \$500,000.
- SB1322 would have only applied to the cities of Phoenix and Tucson. The Town actively opposed the bill as it would have likely opened the door to future legislation applying the same requirement to all cities and towns in Arizona.
- SB1322 was vetoed by the Governor. In her veto message, the Governor stated that the bill was riddled with shortcomings, including the omission of necessary definitions and the parameters by which anticipated costs are to be determined. She also wrote that she was resistant to attempts to micromanage decisions best made at the local level. These and other shortcomings in the bill would have "surely resulted" in unintended consequences.



Independent Redistricting Commission

Timeline

- *Fall 2010*

The Appellate Commission received approval of the “Procedures for Nominations for the IRC” and began working to accept applications for the IRC, conducted reviews of the applications and nominated a pool of applicants.

- *January 8, 2011*

The IRC pool of applicants established.

- *January 31, 2011*

The IRC appointments made from the pool of applicants.

- *February 28, 2011*

The IRC established.



Independent Redistricting Commission

Timeline

- *April 1, 2011*

The U.S. Census Bureau delivered the redistricting data to all states.

- *Spring/Summer 2011*

The IRC began Arizona's redistricting process

- *August 1, 2011*

IRC must submit redistricting maps to the Department of Justice for evaluation and approval. The DOJ has 60 days to reply.

- *October 1, 2011*

Deadline set by the Maricopa County Elections Director Karen Osborne.



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Thank You

Questions?

