

City Council Meeting: February 1, 2016



Legislative Update

General Issues

January 26, 2016 is the 16th day of the 52st Legislature, Second Regular Session. To date, 857 bills have been introduced.

Scottsdale Legislation

HB 2028 – Taxes; Payment; Condemned Property – HB 2028 states that if a municipality acquires real or personal property by condemnation, that entity is not required to pay unpaid taxes, penalties and interest in an amount that exceeds the fair market value of the property interest acquired. **The City of Scottsdale has requested that this bill be HELD in committee due to an inability to reach consensus on language between various county treasurers and the City. We are working with the counties to develop consensus language and will reassess when or if that language will be introduced.**

Status: HB 2026 was introduced by Representative Darin Mitchell (Litchfield Park) and was HELD in the House Ways and Means Committee.

Recommendation: HOLD

New Legislation

HB 2115 – Public Employees; Misappropriation; Penalty – Provides that if any public officer or employee of a public agency is found to have misappropriated public monies, that person is not eligible to receive any severance pay, annuity payments, pension benefits or any other benefit that would otherwise be provided by the public agency. Requires these provisions to be included in any employment contract entered into by a public agency after the effective date of this legislation.

Status: HB 2115 was introduced by Representative Warren Petersen (Gilbert) and will be heard in the House Government and Higher Education Committee on Thursday, January 28th.

Legislative Update

HB 2200 – Mobile Home Parks; Use Exchange – HB 2200 will do as follows:

- Requires that if a mobile home park “change-in-use” requires approval by a municipal governing body, the 180 day notice that the landlord is required to provide to the tenant who is being relocated, is to be provided 180 days after final action by the council.
- Increases the maximum payment amount a tenant may collect from the Mobile Home Relocation Fund (Fund) by \$2500 (\$7,500 for a single section mobile home and to \$12,500 for a multi-section mobile home), and provides an increase of 3% each calendar year to these amounts.
- Reduces the size of the relocation area where a tenant can seek reimbursable moving expenses from a 50 mile radius to 25 miles radius.
- Prohibits landlords from increasing rent within a 180 day notice period (currently 90 days) before giving notice of a change-in-use.
- Expands the list of moving expenses for which the relocation payment may be used.
- Increases the amount the landlord is required to pay to the Fund for each tenant filing for relocation assistance from \$500 to \$1,000 for each single section mobile home, and from \$800 to \$1,200 for a multi-section mobile home. The dollar amounts must be increased each calendar year by 3%.
- Prohibits landlords from accepting or soliciting any new contracts for mobile homes or recreational vehicles on the property that is the subject of the proposed change-in-use, beginning with the initiation of change-in-use proceedings with the municipality.
- Requires landlords to maintain the grounds and services on the property until all tenants have vacated.
- Provides that a landlord who by “intimidation or subterfuge” (defined in the bill) knowingly causes the tenant to vacate the property before or during the change in use process is guilty of a class 6 felony.

Status: *HB 2200 was introduced by Representative Jay Lawrence (Scottsdale) but has not been assigned to a committee for a hearing.*

HB 2536 – Fine Art; TPT Exemption – HB 2536 will exempt specified sales of “works of fine art” (defined) from the state retail transaction privilege tax if the art is purchased by a nonresident at an art auction or gallery and delivered to an out-of-state destination. The provisions of HB 2536 are retroactive to January 1, 2016.

Status: *HB 2536 was introduced by Representative Michelle Ugenti-Rita (Scottsdale) but has not yet been assigned to a committee for a hearing.*

Legislative Update

SB 1199 - Employment; Housing; Public Accommodations; Antidiscrimination – SB 1199 expands the list of attributes for which a person cannot be discriminated against in employment practices, various housing related statutes, and in places of public accommodation to include "sexual orientation," "gender identity," and "veteran status" (definitions are provided in the bill).

Status: *SB 1199 was introduced by Senator Andrew Sherwood (Tempe) but has not been yet assigned to a committee for a hearing.*

Updates on Introduced Legislation

SB 1118 – Office of Tourism Continuation – SB 1118 will extend the statutory life of the Arizona Office of Tourism for eight years, ending on July 1, 2024. The Office is currently set to sunset on July 1, 2016.

Status: *SB 1118 was introduced by Senator Kimberly Yee (Phoenix) and passed unanimously on Monday, January 25th in the Senate Commerce and Workforce Development Committee. The City of Scottsdale registered support for the bill.*

Recommendation: *SUPPORT*

HB 2026 – Municipal Tax Exemption; Residential Lease – HB 2026 will prohibit municipalities with a population of more than 100,000 persons located in Maricopa and Pima counties from levying a transaction privilege tax on the business of renting or leasing real property for residential purposes. The bill provides a schedule to phase out existing residential rental tax levies by 25% each year over a four year period. The bill is retroactive to January 1, 2016. **This legislation is estimated to have a \$6.2 million negative impact to Scottsdale.**

Status: *HB 2026 was introduced by Representative Darin Mitchell (Litchfield Park) and is assigned to the House Ways and Means Committee. **This bill is not on an agenda to be heard next week.***

Recommendation: *OPPOSE*

State Legislative Update

**Scottsdale City Council
February 1, 2016**

Legislative Update

- Today is the 16th day of the First Regular Session of the 52nd Legislature.
- 857 bills have been introduced.

HB 2115 – Public Employees; Misappropriation; Penalty

- Provides that if any public officer or employee of a public agency is found to have misappropriated public monies, that person is not eligible to receive any severance pay, annuity payments, pension benefits or any other benefit that would otherwise be provided by the public agency.
- Requires these provisions to be included in any employment contract entered into by a public agency after the effective date of this legislation.
- Introduced by Representative Warren Petersen (Gilbert) and will be heard in the Government & Higher Education Committee on Thursday, January 28th.

HB 2028 – Taxes; Payment; Condemned Property

- City of Scottsdale bill.
- States that if a municipality acquires real or personal property by condemnation, that entity is not required to pay unpaid taxes, penalties and interest in an amount that exceeds the fair market value of the property interest acquired.
- Introduced by Representative Darin Mitchell (Litchfield Park).
- HELD in Ways & Means Committee

HB 2200 – Mobile Home Parks; Use Exchange

- Makes various changes to landlord/tenant statutes for instances when there is a “change-in-use for a mobile home park.
- Requires that if a mobile home park change-in-use requires approval by a municipal governing body, the 180 day notice that the landlord is required to provide to the tenant who is being relocated, is to be provided 180 days after final action by the council.
- Increases the maximum payment amount a tenant may collect from the Mobile Home Relocation Fund (Fund) by \$2500 and provides an increase of 3% each calendar year.

HB 2200 – Mobile Home Parks; Use Exchange

- Reduces the size of the relocation area where a tenant can seek reimbursable moving expenses from a 50 mile radius to 25 miles radius.
- Prohibits landlords from increasing rent within a 180 day notice period (currently 90 days) before giving notice of a change-in-use.
- Expands the list of moving expenses for which the relocation payment may be used.

HB 2200 – Mobile Home Parks; Use Exchange

- Increases the amount the landlord is required to pay to the Fund for each tenant filing for relocation assistance from \$500 to \$1,000 for each single section mobile home, and from \$800 to \$1,200 for a multi-section mobile home. The dollar amounts must be increased each calendar year by 3%.
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- Prohibits landlords from accepting or soliciting any new contracts for mobile homes or recreational vehicles on the property that is the subject of the proposed change-in-use, beginning with the initiation of change-in-use proceedings with the municipality.

HB 2200 – Mobile Home Parks; Use Exchange

- Requires landlords to maintain the grounds and services on the property until all tenants have vacated.
- Provides that a landlord who by “intimidation or subterfuge” (defined in the bill) knowingly causes the tenant to vacate the property before or during the change in use process is guilty of a class 6 felony.
- Introduced by Representative Jay Lawrence (Scottsdale) and has not yet been assigned to a committee.

HB 2536 – Fine Art; Facilities Relocation; Cost Reimbursement

- Would exempt specified sales of a “work of fine art” (defined) from the state retail transaction privilege tax.
- Provisions are limited to art that is purchased by a nonresident at an *art auction* or *gallery* and delivered to an out-of-state destination.

HB 2536 – Fine Art; Facilities Relocation; Cost Reimbursement

Definition ARS 44-1771

"Work of fine art" means an original or multiple original art work which is:

- (a) A visual rendition, including a painting, drawing, sculpture, mosaic or photograph.
- (b) A work of calligraphy.
- (c) A work of graphic art, including an etching, lithograph, offset print or silk screen.
- (d) A craft work in materials, including clay, textile, fiber, wood, metal, plastic or glass.
- (e) A work in mixed media, including a collage or a work consisting of any combination of subdivisions (a) through (d).

SB 1199 – Employment; Housing; Public Accommodations; Antidiscrimination

- Expands the list of attributes for which a person cannot be discriminated against in employment practices, various housing related statutes, and in places of public accommodation.
- List now includes "sexual orientation," "gender identity," and "veteran status."
- Introduced by Senator Andrew Sherwood (Tempe) but has not been yet assigned to a committee for a hearing

SB 1118 – Office of Tourism Continuation

- HB 2590 would extend the statutory life of the Arizona Office of Tourism for eight years, ending on to July 1, 2024.
- The Office of Tourism is currently set to sunset on July 1, 2016.
- SB 1118 was introduced by Senator Kimberly Yee (Phoenix) and passed unanimously from the Senate Commerce and Workforce Development Committee.
- City of Scottsdale registered support.

HB 2026 – Municipal Tax Exemption; Residential Rental

- Will prohibit municipalities with a population of more than 100,000 persons located in Maricopa and Pima counties from levying a transaction privilege tax on the business of renting or leasing real property for residential purposes.
- The bill provides a schedule to phase out existing residential rental tax levies by 25% each year over a four year period.
- The bill is retroactive to January 1, 2016.

HB 2026 – Municipal Tax Exemption; Residential Rental

- In full effect, this legislation is estimated to have a >\$6.2 million negative impact to Scottsdale.
- HB 2020 was introduced by Representative Darin Mitchell (Litchfield Park) and has been assigned to the House Ways & Means Committee.

Any Questions?

Item 3

State Legislative Update

**Scottsdale City Council
February 1, 2016**

Legislative Update

- Today is the 22nd day of the First Regular Session of the 52nd Legislature.
- 1015 bills have been introduced.
- 914 bills were introduced last year by this date.

***HB 2115 – Public Employees; Misappropriation;
Penalty***

- Provides that if any public officer or employee of a public agency is found to have misappropriated public monies, that person is not eligible to receive any severance pay, annuity payments, pension benefits or any other benefit that would otherwise be provided by the public agency.
- Requires these provisions to be included in any employment contract entered into by a public agency after the effective date of this legislation.
- Introduced by Representative Warren Petersen (Gilbert) and passed the Government & Higher Education Committee on Thursday, January 28th (vote 6-2)

HB 2028 – Taxes; Payment; Condemned Property

- City of Scottsdale bill.
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- HELD in Ways & Means Committee

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- Introduced by Representative Michelle Ugenti-Rita. Assigned to Ways & Means and Appropriations.

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