

166234

CITY CLERK DEPT.

CITY COUNCIL REPORT

2009 DEC -8 AM 7: 58

POLICY AGENDA

TO: David Cavazos
City Manager

AGENDA DATE: December 8, 2009

FROM: Karen Peters
Government Relations Director

ITEM: 6b

SUBJECT: 2010 STATE LEGISLATIVE AGENDA

This report describes the City's proposed state legislative agenda for the Second Regular Session of the 49th Arizona State Legislature. Once reviewed and approved by the Mayor and Council, the agenda will define the City's state legislative priorities and guide the City's lobbying activities at the State Capitol. As bills are introduced and debated, the agenda will evolve with input from the Mayor and Council. The session will commence on Monday, January 11, 2010.

GUIDING PRINCIPLES AND KEY PRIORITIES

Each year the State Legislature considers thousands of bills and amendments, many of which impact municipal operations. Staff will brief the Mayor and Council throughout the session and seek direction regarding important bills and amendments; however, in order to prioritize and guide staff's lobbying efforts, we recommend that the Mayor and Council endorse familiar, but critical, guiding principles as our highest priorities – maintaining and protecting **local authority**, enhancing **fiscal sustainability** and opposing **unfunded mandates**.

Local Authority – Cities and towns are established voluntarily by people living in communities in order to foster economic activity and deliver services that protect public health, safety, and quality of life. Phoenix was incorporated in 1881, thirty-one years prior to Arizona statehood, and has enjoyed 128 years of uninterrupted growth and community involvement. The City's Charter, adopted in 1913, empowers Phoenix residents to determine the structure and authority of city government in our unique community. Staff recommends that the City work to protect the ability to set policy at the local level and oppose legislation that preempts local authority.

Fiscal Sustainability – The City's budget includes revenues from a number of State sources, most importantly "shared revenues" from state income, sales, and vehicle license taxes. Shared revenues makes up close to 40 percent of the City's general fund, helping to pay for police, fire, streets, parks, and other critical City services. Staff recommends that the City oppose any reduction of shared revenues.

Oppose Unfunded Mandates – Given our fiscal predicament, new unfunded mandates could make the City's budget worse. Staff recommends approval to oppose state

legislative efforts that shift new programmatic duties to the City without accompanying funds.

OTHER LEGISLATIVE ISSUES

In addition to the guiding principles and priorities described above, staff recommends that the City include a limited number of specific issues in its agenda for 2010. These issues have been identified by staff as well as the Mayor and Council over the last several months to respond to specific community needs.

Public Safety:

Update the Non-Injury Vehicle Collision Reports Threshold – State law requires that an accident report be prepared for non-injury accidents where the damage to the vehicle is deemed to be in excess of \$1000. In fiscal year 2008, Phoenix Police responded to 24,366 collisions, of which 14,396 were non-injury related. A study performed by Police determined that 43 percent of the total non-injury accidents in 2008 were under \$2500 in damages. In an effort to improve efficiency with fewer resources, staff requests approval to increase the dollar amount from \$1000 to \$2500.

Increase the Penalties for Assaulting Park Rangers – The City's park rangers perform a number of tasks including the enforcement of park rules and regulations. In recent years, park rangers have experienced an increase in attacks. In fact, one park ranger was shot while on duty. Staff seeks approval to amend the aggravated assault list in state law by adding park rangers.

Revise Drug Impairment Statutes – Police and City prosecutors are experiencing an increase in drug DUI cases. In order to effectively protect the public from these violators, staff requests the authority to update the list of drugs and toxic substances that, when abused, lead to impairment, and clarify when a driver's license can be revoked for a drug DUI.

Neighborhoods:

Elevate Penalties on Graffiti Crimes – Graffiti vandals spread their blighting impact throughout communities and cost local government and private property owners millions of dollars each year for removal. With the goal of deterring these vandals, staff requests approval to pursue legislation that would increase the penalty for damaging property to a class 1 misdemeanor.

Tenant Notification on Foreclosure Sales – Phoenix continues to have an increasing number of properties in foreclosure, including many multi-family properties. Tenants of these properties are often the last to know and have few rights when a foreclosure sale happens, forcing them to vacate with little or no notice. Staff requests approval to seek a change in state law to add tenants to the list of interested parties that must be contacted before a trustee sale, thereby providing impacted residents additional time to seek alternative housing.

Reporting Requirements for Entities Taking Possession of a Property with a Trustee's Deed, Sheriff's Deed or Foreclosure Action – Staff is still experiencing difficulty in contacting the appropriate owners of foreclosed properties that are in violation of city codes (i.e. weeds, trash, stagnant pools, broken windows, graffiti). To assist neighborhoods that want these issues addressed in a reasonable time frame, staff seeks approval to amend state law to require that the Trustee deed in a foreclosure sale set forth contact information for the successful bidder/purchaser of the property for both in-state and out-of-state purchasers. In addition, the trustee should be the one to record the Trustee deed within seven days rather than the purchaser.

Economic Development:

Support Phoenix Biomedical Campus Expansion Efforts – The City – in partnership with the Translational Genomics Research Institute, the University of Arizona, Arizona State University, and Northern Arizona University – is dedicated to this endeavor in which medical research and training will converge with the goal of improving health care within Arizona. Another benefit for the state would be its estimated \$34.3 billion economic impact by 2020. Much of what has been accomplished would not have become reality without support and resources approved by the Governor and state legislature. Staff requests the authority to advocate for continued funding and investment for the biomedical campus.

Support Extension of the Motion Picture Production Tax Incentives Program – The tax credit program that is available to qualified motion picture projects in Arizona is scheduled to expire next year. An economic impact study published by the Phoenix Film Office reports that from July 2005 through June 2009 the film industry contributed more than \$147 million to the Greater Phoenix area. The tax program is believed to have played a vital role in attracting these film projects to the area. Staff seeks approval to support the extension of the Motion Picture Production Tax Incentives Program.

Other Issues:

Oppose Efforts to Extend the Sunset on the Payday Loan Industry Within the State – The state's licensing program for payday lending institutions is set to expire on July 1, 2010. The City has historically opposed legislation that either enhanced the industry or extended the licensing program because of the impacts to our residents who apply for and receive loans that could accrue interest at rates as high as 390 percent. Staff recommends approval to oppose any efforts that will extend this industry.

Representation Modification to the Local Public Safety Retirement Board – State law establishes the makeup of a local government's public safety retirement board. To ensure that the board can address its business in a timely manner, staff requests approval to pursue legislation that would allow board members to assign designees when they are not able to attend scheduled meetings.

Simplification of the Public Construction Procurement Process – Current state law permits public agencies to self-perform work without going out to bid. Current provisions have dollar thresholds associated with different types of construction work that can be done by an agency with its own construction resources. The dollar

thresholds and associated cost elements for each threshold vary greatly depending on the types of work being done. Staff requests approval to work on legislation that would simplify the dollar thresholds and cost allocation.

Illegal Dumping Penalties – To assist property owners that are victims of illegal dumping on their land, staff requests the authority to establish penalties on violators. Staff has worked with the last year's bill sponsor to ensure that the City's Neighborhood Preservation Ordinance was not impacted.

CONCLUSION

Government Relations staff requests approval of the City of Phoenix's 2010 State Legislative Agenda.