



Thursday, June 17, 2021

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Equity and Affordability - Status of City Services Bill Delinquencies and Assistance Programs

This report provides information regarding delinquencies for City Services bills (water, sewer, solid waste and miscellaneous taxes and fees) as well as information regarding various Customer Assistance Programs that have been deployed by the City of Phoenix. Delinquency recovery is a component of the Water Services Department's integrated equity and affordability planning. It is one element of a multi-faceted strategy to balance water affordability for residents and the need for stable revenues to assure funding for water quality and system reliability, the foundation of public health and economic vitality.

Summary

The attached infographic (**Attachment A**) and memo (**Attachment B**) provide an update on delinquencies for City Services bills (water, sewer, solid waste and miscellaneous taxes and fees) and information regarding various Customer Assistance Programs that have been deployed by the Water Services Department.

Responsible Department

This item is submitted by Deputy City Manager Karen Peters and the Water Services Department.

Attachment A



City of Phoenix

Weekly Update: City Services Bill Delinquencies & Assistance Programs By the Numbers

Total Customer Assistance Provided



\$3,610,779 Disbursed to 8,308 Accounts

Customer Assistance Program Type	# of Accounts	Total Funding*
C.A.R.E.S. Act Funded Commercial Grants	277	\$226,145
C.A.R.E.S. Act Funded Residential Grants	1,899	\$569,700
Council Funded Project Assist COVID-19 Credits	3,657	\$2,000,000
Emergency Rental Assistance	145	\$114,934
Ongoing (Traditional) Project Assist	2,330	\$700,000
Total	8,308	\$3,610,779

*Data gathered on 6/14/2021 and is subject to change as customers make payments or billed.

Average Residential Outstanding Balance: \$315



Average Deferred Payment Arrangement (DPA) Balance: \$520

Customer Assistance Program: Return to Delinquency (Residential)	Totals*
# of Residential Customers Provided Assistance**	8,031
# of Residential Customers that Returned to Delinquency After Receiving Assistance	2,161
Total dollars in Delinquency Greater than 60 Days	\$52,951
Average dollars in Delinquency Greater than 60 Days	\$154

*Data gathered on 6/14/2021 and is subject to change as customers make payments or billed.

**Customers were provided assistance through the residential programs listed in Table #1.

Total dollars in Delinquency



\$9,073,944 Across 18,603 Accounts

Customer Type	# of Accounts	Total Delinquency*
Residential Theft	708	\$1,037,853
Residential DPAs	8,696	\$4,524,429
Residential without DPAs	8,822	\$2,777,177
Commercial	377	\$734,485
Total	18,603	\$9,073,944

*Data gathered on 6/14/2021 and is subject to change as customers make payments or billed.

Attachment B



City of Phoenix

To: Ed Zuercher
City Manager

Date: June 14, 2021

Through: Karen Peters
Deputy City Manager

From: Troy Hayes
Water Services Director

Subject: Weekly Update: Equity and Affordability – Status of City Services Bill Delinquencies and Assistance Programs

This report provides information regarding delinquencies for City Services bills (water, sewer, solid waste and miscellaneous taxes and fees) as well as the various customer assistance programs that have been implemented by the City of Phoenix. In coordination with the Finance, Public Works, and Human Services departments, the Water Services Department employs a multi-faceted equity and affordability strategy to balance water affordability for residents with the need for stable revenues to assure funding for water quality and system reliability as well as solid waste programs, which together form the foundation of public health and economic vitality.

BACKGROUND: EQUITY AND AFFORDABILITY INITIATIVES

The Water Services Department regularly conducts affordability analyses that compare Phoenix's water rates with those of peer United States cities in addition to Valley cities. These studies indicate that Phoenix continues to have the most affordable water rates of the national cities to which it is compared and is at about the midpoint compared to Valley cities. To maintain and enhance affordability and equity for Phoenix residents, the Water Services Department's strategy includes the actions described in **Table A** below.

Table A:

Completed:
<ul style="list-style-type: none"> • Test and pilot low-flow devices in lieu of service disconnections for Single-Family Residential (SFR) customers. • Discontinue accrual of late fees for SFR customers after severance of City Services account. • Hire additional Spanish-speaking customer representatives in the Utility Billing and Contact centers.
In Progress:
<ul style="list-style-type: none"> • Employ customer data analytics to identify valid means to predict and prevent disconnections through tailored, proactive communication. • Gather data regarding customer use of languages other than English and Spanish and explore offering additional language services. • Deploying federal assistance programs (C.A.R.E.S., ERA, ARPA, LIHWAP). • Modify local assistance programs, including Project Assist. • Monthly econometric review of revenue impacts and forecasts. • Evaluate rate values and signals such as allowance assessment and consolidation of tampering fees.
Future:
<ul style="list-style-type: none"> • Expand customer outreach to inform and guide customer behavior (enhanced conservation programs). • Improve consumption awareness and leak mitigation via enhanced metering data pilots. • Investigate a potential partnership with a third-party payment plan web portal to assist customers with managing their City Services bill payment plans.

DELINQUENCY STATUS

As of June 14, 2021, the total City Services delinquency amount was \$9,073,944 for 18,603 accounts, including uncollected Deferred Payment Arrangements (DPAs). As displayed in **Figures A and B** below, there are 8,822 Residential accounts in delinquency but not enrolled in a DPA for a total of \$2,777,177 in outstanding payments, and 708 instances of water theft totaling \$1,037,853.

To aid Single-Family Residential (SFR) customers experiencing financial hardship, a Deferred Payment Arrangement (DPA) program was launched in March 2020 that allows SFR customers to self-identify and enroll in a DPA. The arrangement protects the customer from delinquency action and assures no financial penalty, such as late fees, will be charged. Customers enrolled in a DPA are not required to make a payment on current and accumulating billing, or initiate installment payments. Activation of these deferred arrangements has been ongoing as residents experience financial hardship during the pandemic. The DPA total as of June 14, 2021 was \$4,524,429 for 8,696 accounts.

Also, as a result of the COVID-19 pandemic, the City is not shutting customers off or installing low-flow devices for delinquent accounts.

Figure A

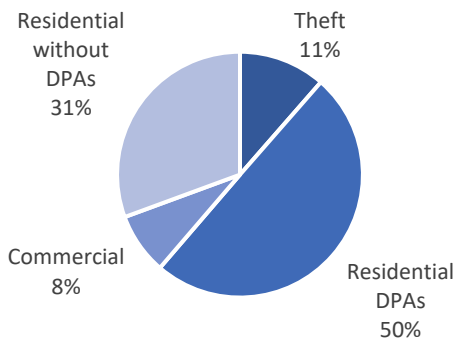


Figure B

Customer Type	# of Accounts	Total Delinquency
Residential Theft	708	\$1,037,853
Residential DPAs	8,696	\$4,524,429
Residential without DPAs	8,822	\$2,777,177
Commercial	377	\$734,485
Total	18,603	\$9,073,944

**Data gathered on 6/14/21 and is subject to change as customers make payments or billed.*

ASSISTANCE PROGRAMS

More than 8,000 City Services customers have received over \$3.5 million in assistance. The assistance programs have provided relief to customers and favorably impacted delinquency balances.

A. Deferred Payment Arrangements (DPAs)

DPAs have allowed enrolled SFR customers to spread their outstanding balance over the course of three, six, nine or 12 months into equal installments. Currently, payments toward the DPAs are not required.

DPAs have resulted in some accounts accumulating a high balance. These customers may have difficulty paying the monthly installment financial obligation and monthly bill. Additionally, there has been misuse of the program. For example, in several cases a customer has activated new service and established a DPA, but eventually closed the account without ever making a payment. These situations result in delinquent amounts that are referred to external collection agencies. As of June 14, 2021, a total of 8,696 customers had enrolled into a DPA and the highest balance on a single DPA was \$6,871.

B. C.A.R.E.S. Act

C.A.R.E.S. Act funding began in July 2020. Funds were applied to eligible customer accounts and notification was received from City-contracted third-party administrators or, in the case of commercial assistance, the Community and Economic Development Department. Funding covered past due balances incurred between March 1, 2020 to Dec. 30, 2020. Qualified residential customers received \$300 toward their City Services bill and commercial customers received up to three months of their City Services bill. A total of \$795,845 in C.A.R.E.S assistance was disbursed to 2,176 City Services customers, with SFR customers receiving \$569,700 and commercial customers receiving \$226,145. These numbers are included in customer assistance reporting from City contractor Wildfire.

Residential Account Eligibility Criteria (Verified by Wildfire partner agencies):

- *City of Phoenix resident.*
- *Adversely impacted by the COVID-19 pandemic.*

Commercial Eligibility Criteria (Verified by Arizona Community Foundation and Community and Economic Development):

- Business has been operating in the City of Phoenix since Jan. 1, 2019;
- The commercial City Services account was current prior to March 1, 2020;
- Gross sales declined by at least 25 percent as a result of COVID-19 in March 2020 and April 2020 compared to March 2019 and April 2019; and
- Applicant agreed to provide financial data verifying the economic hardship suffered as a result of COVID-19.

C. Ongoing (Traditional) Project Assist Program Partnership

The Water Services, Public Works and Human Services departments partner to provide City Services bill assistance to low-income SFR residents. The Project Assist program allocated \$700,000 in assistance in fiscal year 2020-21 to aid eligible customers by providing financial assistance in an amount up to \$400 within a 12-month period. This program is funded annually by the Water Services and Public Works departments. Fiscal Year to date, 2,330 customers have been approved for assistance with their City Services bill for a total of \$700,000.

D. Council-Funded Project Assist

City Council allocated an additional \$2 million to the Project Assist program for residential customers. Distribution of funds began Dec. 17, 2020 and concluded on March 2, 2021 when funds were exhausted. The 10-week initiative assisted 3,657 customers.

Council-Funded Project Assist Criteria:

- *City of Phoenix SFR customer;*
- *Residential property is located within Phoenix taxable boundaries;*
- *A minimum of 18 months of consecutive service;*
- *Active account with an outstanding balance;*
- *No water theft or tampering;*
- *No fees, such as returned check or tampering fees;*
- *Payments must have been made on the account;*
- *High water use accounts (average 50 CCFs or greater) were ineligible;*
- *Multiple SFR accounts were ineligible; and*
- *Property management and commercial accounts were ineligible.*

E. Emergency Rental Assistance (ERA) Program

The Emergency Rental Assistance (ERA) program is an active and ongoing customer assistance program. ERA, which began on March 15, 2021, will allocate \$51.1 million in assistance. This program aids low-income renters impacted by the COVID-19 pandemic with up to 15 months of outstanding balance and prospective rent and utility assistance. The assistance covers the City Services bill as well as other utilities. Since initiated, 145 customers have been approved for assistance with their City Services bill for a total of \$114,934.

ERA Program Criteria:

- *Must be a Phoenix resident;*
- *Must be a renter;*
- *Income at or below 80 percent of Area Median Income, or \$63,200 for a family of four;*
- *Qualified for unemployment benefits or experienced a reduction in income or other financial hardship due to COVID-19;*
- *Demonstrating risk of homelessness or housing instability; and*
- *Applies to rent and utility bills incurred between March 13, 2020 and Dec. 31, 2021.*

F. Low Income Household Water Assistance Program (LIHWAP)

Incorporated in the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act (ARPA), the Low-Income Household Water Assistance Program (LIHWAP) will provide emergency water and wastewater billing assistance to low-income households. LIHWAP funds will be distributed through the Arizona Department of Economic Security for statewide distribution no sooner than June 1, 2021. The amount of funds to be allocated to the City of Phoenix is not yet known. The program is intended to follow procedures established by the Low-Income Household Home Energy Assistance Program (LIHEAP) to expedite distribution of funds.

ASSISTANCE PROGRAM IMPACTS AND OBSERVATIONS

- Some customers were delinquent and months behind on their bill but have been making payments after receiving funding so that their account does not fall behind again.
- Some customers have not made a payment toward subsequent bills following receipt of assistance.
- Many customers have not made any payments in more than 12 months.

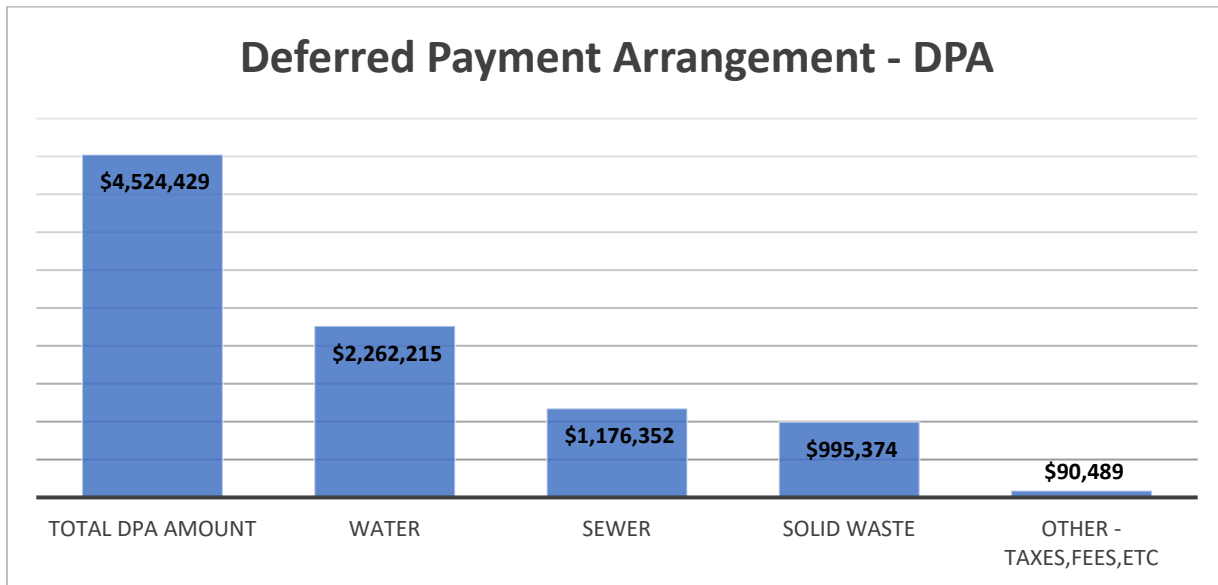
NEXT STEPS

- i. The Water Services Department will communicate with all residential customers currently behind on payments on the status of their accounts and provide additional information regarding available customer assistance funds; and
- ii. The Water Services Department began enforcement on all identified water-theft accounts on June 4, 2020.

The Water Services Department is closely monitoring deployment of available customer assistance funds. Staff is evaluating ending the DPA program at a later date and returning to the Payment Arrangement (PA) policy previously offered to customers with an outstanding balance. The option for customers to establish a payment arrangement requires payment to begin on the next regular bill cycle and provides relief to customers without continuing to build a large outstanding balance. Additional efforts would be made to connect customers with other current assistance programs in advance of establishing PAs. At the appropriate time, staff recommends transition back to modified revenue enforcement for SFR accounts. An additional letter would be sent to all residential customers in advance of implementation of enforcement. In this future phase, the department would again install low-flow devices associated with delinquent

accounts in lieu of shutoff. At no time would a low-flow device be installed when the National Weather Service issues an extreme heat advisory.

APPENDIX: SUPPORTING DATA



Customer Type	Number of Accounts	Delinquency	Percentage of Total
Residential Theft	708	\$1,037,853	11%
Residential DPAs	8,696	\$4,524,429	50%
Residential without DPAs	8,822	\$2,777,177	31%
Commercial	377	\$734,485	8%
Total	18,603	\$9,073,944	100%

Customer Assistance Program Type	Number of Accounts	Funding Amount
C.A.R.E.S. Act Funded Residential Grants (NSD/HSD/Wildfire)	1,899	\$569,700
C.A.R.E.S. Act Funded Commercial Grants (CED/AFS)	277	\$226,145
Council Funded Project Assist COVID Credits	3,657	\$2,000,000
Emergency Rental Assistance (ERA)	145	\$114,934
Ongoing (Traditional) Project Assist	2,330	\$700,000
Total	8,308	\$3,610,779

Revenue Budget vs Delinquency	Estimated
Total Projected Revenues for City Services Bill	\$850,000,000
Delinquency	\$9,073,944
Delinquency percentage	1.07%

Disconnection Recommencement Status		
City	Collections and turn offs recommence	Resume Date
Az Water Co.*	Yes	Jan. 2021
Buckeye	Yes	Feb. 2, 2021
Carefree	Yes	May 3, 2021
Cave Creek	Yes	Feb. 1, 2021
Chandler	Yes	May 3, 2021
El Mirage	No	Sept. 2021
Gilbert	Yes	Jan. 2021
Glendale	Yes	April 30, 2021
Goodyear	Yes	Jan. 2021
Marana	Yes	Feb. 1, 2021
Mesa	Yes	Nov. 30, 2020
Peoria	Yes	May 3, 2021
Phoenix	No	Undecided
Scottsdale	Yes	Feb. 1, 2021
Surprise	Yes	May 2021
Tempe	No	Undecided (Earliest would be Sept. 2021)
Yuma	Yes	April 20, 2021

*Private utility



Strategies to Address Homelessness Plan Task Force Update and American Rescue Plan Act Input

This report provides the City Council with an update regarding the City Manager’s Strategies to Address Homelessness Plan Task Force. This information represents an overview of the formation and progress the Task Force has made since it was assembled. At the request of the Task Force, it also includes input on the implementation of the American Rescue Plan Act (ARPA) programs.

Summary

In March 2020, the Mayor and City Council directed staff to develop a comprehensive Strategies to Address Homelessness Plan (Plan) to approach the complex issues of homelessness in the City of Phoenix and propose strategies to mitigate the effects on those experiencing homelessness as well as the neighborhoods affected by it.

In June 2020, staff presented the Plan to the Mayor and City Council. This initial draft served as an outline for strategies and goals for City efforts moving forward. During the presentation, Council directed staff to gather community input on the Plan. Due to the COVID-19 pandemic, staff conducted all community meetings virtually. Between July and September 2020, staff conducted 22 meetings attended by more than 700 members of the public, also during the public meetings, staff conducted a survey of the Plan receiving more than 2,200 comments on all areas of the Plan.

At the Oct. 27, 2020, City Council Policy Session, the City Council adopted the recommendation of staff for the incorporation of several recommendations gathered during the public meetings. Among them was the creation of a City Manager’s appointed task force (Task Force) to prioritize and provide ongoing feedback on the City’s efforts to deploy the Plan.

In late 2020, with recommendations from the Mayor and City Council, staff invited 18 community members to join the Task Force, in January 2021 the Task Force began meeting. During the monthly meetings the Task Force has primarily been involved with evaluating and prioritizing the diverse set of goals put forward in the Plan. The primary goal thus far has been to prioritize and add additional goals to the Plan. Their review of the plan has taken place in meetings of the whole as well as in smaller work groups.

In April 2021, staff notified the Mayor and City Council the City of Phoenix would be the recipient of an estimated \$416 million over the next two years through the American Rescue Plan Act (ARPA). Staff recommended a portion of the funds be dedicated to the care of vulnerable populations, including those experiencing homelessness.

To date, the Task Force has been engaged in evaluation, prioritization and adding new items to the strategies as outlined in the Plan. This includes several recommendations for inclusion on the Outreach and Resources, Mental Health, and Workforce sections of the Plan. Recommendations include:

- Reducing barriers to contract with non-profits and businesses
- Creation of resource specialists for specific populations within the homeless community
- Create geographic based outreach teams to provide services to where people are, not bring them to a centralized location
- Creating telehubs for individuals to access resources directly and remotely

The Task Force requested the opportunity to provide input on the use of ARPA funding in addition to additional HOME Investment Partnership Program funds. The Task Force provided feedback on the ARPA Fund Strategic Plan during the June 3, 2021, Task Force meeting. During the meeting, the Task Force requested that the following input be provided to the Mayor and City Council:

- The City Manager work with the City Council to adopt a resolution committing each of the eight city council districts to the usage of ARPA funding in their respective districts for the purposes of Mitigation and Care for Vulnerable Populations
- The City Manager recommend to the City Council a policy that would, through the General Plan process or other planning processes, designate areas throughout the city for shelter or affordable housing sites
- The City Manager work with the City Council to adopt a resolution endorsing the regional plan approach towards the development of shelter/housing sites for individuals experiencing homelessness, and when available, to utilize Bureau of Land Management land in Phoenix and in cities throughout the region

Moving forward, the Task Force will continue to evaluate and prioritize goals and strategies in the current Plan and to incorporate input and feedback. Staff will continue to work with the Task Force and provide a report in Fall 2021.

Responsible Department

This item is submitted by Deputy City Manager Gina Montes and the City Manager's Office.



Emergency Rental Assistance Program Weekly Update

This report provides information on the current status of the Emergency Rental Assistance Program.

Summary

The attached memo (**Attachment A**) provides current updates of the Emergency Rental Assistance Program.

Responsible Department

This item is submitted by Deputy City Manager Gina Montes and the Human Services Department.



City of Phoenix

To: Ed Zuercher
City Manager

Date: June 17, 2021

Through: Gina Montes
Deputy City Manager

From: Marchelle Franklin
Human Services Director

Subject: WEEKLY EMERGENCY RENTAL ASSISTANCE PROGRAM REPORT

This memo outlines current updates of the Emergency Rental Assistance (ERA) Program. Program expenditures total \$12,880,707. The average financial assistance per household is currently at \$7,460 and 28% of program funds have been disbursed.

ERA Program Updates

City ERA Program data is detailed below.

City ERA Program Data					
Time Period	Appointments Scheduled	Households Served	Residents Served	Ineligible Applications	Total Expenditures
March 8 – 12	247	1	-	0	\$2,957
March 15 – 19	247	28	85	0	\$210,425
March 22 - 26	285	57	148	0	\$436,348
March 29 – April 2	244	53	107	1	\$329,986
April 5 – April 9	280	80	206	0	\$702,760
April 12 – April 16	301	81	202	0	\$655,370
April 19 – April 23	308	70	165	0	\$533,724
April 26 – April 30	307	71	161	0	\$541,248
May 3 – May 7	346	78	190	0	\$587,224
May 10 – May 14	276	78	234	0	\$507,530
May 17 – May 21	308	72	188	0	\$499,715
May 24 – May 28	268	83	204	0	\$579,306
May 31 – June 4	288	71	171	0	\$554,246
June 7 – June 11	304	107	268	0	\$796,428
TOTAL	3,705	823	2,329	1	\$6,937,266

Wildfire's program data is detailed below.

Wildfire ERA Program Data					
Time Period	Applications Received	Households Served	Residents Served	Ineligible Applications	Total Expenditures
March 22 - 26	-	20	-	-	\$131,047
March 29 – April 2	2,438*	40	-	-	\$274,221
April 5 – April 9	470	49	-	-	\$341,783
April 12 – April 16	1,008	71	407*	45*	\$507,363
April 19 – April 23	872	92	226	32	\$592,793
April 26 – April 30	510	69	76	18	\$470,383
May 3 – May 7	648	72	128	31	\$578,602
May 10 – May 14	629	60	132	31	\$498,744
May 17 – May 21	549	60	170	39	\$423,205
May 24 – May 28	512	73	201	39	\$579,277
May 31 – June 4	717	79	239	31	\$555,981
June 7 – June 11	403	112	257	39	\$990,042
TOTAL	8,756	797	1,836	305	\$5,943,441

*Total up to this date



Weekly Community Spread Benchmark Report

This report provides City Council with an update regarding the status of the current community spread benchmark indicators tracked by the City of Phoenix related to COVID-19 as requested at the Dec. 2, 2020 Formal Meeting. This information represents the latest data released by the Maricopa County Department of Health Services on June 17, 2021.

Summary

On March 3, 2021 the Arizona Department of Health Services (ADHS) revised the Community Transmission indicators and Community Risk Levels based on CDC guidance, establishing a new Current Overall Risk level to their reporting charts. ADHS and Maricopa County are now only reporting on two benchmarks to reflect community spread, past reports included three benchmarks.

The attached memo (**Attachment A**) provides an indicator dashboard as well as a comparison between the two benchmark statistics tracked by ADHS, Maricopa County and the City: percent positivity rate of COVID-19 cases each week, and new cases per 100,000 individuals. Both the positivity rate and new cases per 100,000 categories remain in the moderate category. Over the past week, new cases per 100,000 has slightly increased, and the positivity rate has continued to decrease.

Responsible Department

This item is submitted by Assistant City Manager Jeffrey Barton.

To: Ed Zuercher
City Manager

Date: June 17, 2021

From: Jeffrey Barton
Assistant City Manager

Subject: WEEKLY COMMUNITY SPREAD BENCHMARK REPORT

This memo communicates the community spread benchmarks within the City of Phoenix.

Indicator	Low Transmission	Moderate Transmission	Substantial Transmission	High Transmission
	Blue	Yellow	Orange	Red
Total new cases per 100,000 persons in the past 7 days	0-9	10-49	50-99	≥100
Percentage of NAATs (PCR) that are positive during the past 7 days	<5.0%	5.0%-7.9%	8.0%-9.9%	≥10.0%

City staff has evaluated key metrics comparing the current weekly benchmarks to that of the previous week, as well as the benchmark status as reported on Sept. 6, 2020. The chart below provides metrics as reported by Arizona Department of Health Services and Maricopa County:

Current Overall Risk Level:		Moderate Spread
Week of	Positivity Rate	New Cases/ 100,000
6-Sept	4.81%	29.27
23-May	6.77%	37.78
30-May	6.4%	38.31

Both the positivity rate and new cases per 100,000 categories, tracked by the Arizona Department of Health Services, remain in the moderate category. Over the past week new cases per 100,000 has slightly increased, and the positivity rate has continued to decrease.



2021 State Legislative Report

This report provides information regarding the status of current state legislative issues.

Summary

June 16, 2021 is the 156th day of the First Regular Session of the 55th legislature.

Attachment A provides current status of legislation as of June 15, 2021. To date, 1,708 bills have been introduced and staff continues to review these measures to identify potential impacts.

Responsible Department

This item is submitted by City Manager Ed Zuercher and the Office of Government Relations.

Attachment A
City Council Information
June 16, 2021



The Office of Government Relations is guided by the principles endorsed by the Mayor and Council. Our highest priorities are maintaining and preserving **shared revenues**, opposing **unfunded mandates**, protecting **local authority**, and involvement in **water resource** matters.

This Legislative Report provides information about bills that could impact the City. June 16, 2021 is the 156th day of the First Regular Session of the 55th Legislature. The information provided in this report regarding status of legislation is current as of June 15, 2021. To date, 1,708 bills have been introduced and staff continues to review these measures to identify potential impacts.

Please note the highlighted sections represent bills newly added to this report.

Bills that staff has identified as negatively impacting the City's core principles:

- **HB 2014: Strike Everything Amendment; Prevailing Wage (Sen. Pace; Mesa)**
This bill would prohibit agencies and political subdivisions from adopting their own prevailing wage ordinances. It also would limit the agencies' ability to require participation with labor unions and apprenticeship programs.

Staff is expressing opposition to this bill because it would result in preemption.

HB 2014 was passed by the Senate on May 17, 2021.

- **HB 2025: Delinquent Property Tax; Interest; Waiver (Rep. Kavanaugh; Fountain Hills)** This bill authorizes the county treasurer to waive the interest that accrues on delinquent property taxes, and any other penalties, for a delinquency that occurs during the one-year period after a mortgage or deed of trust is satisfied or otherwise released on the property. A taxpayer may receive this waiver only once per property.

Staff is expressing opposition to this bill because it would result in a reduction in revenue and waive the City's ability to impose penalties.

HB 2025 was signed by the Governor on March 26, 2021.

- **HB 2108: Telecommunications; Public Highways; Use Fees (Rep. Weninger; Chandler)** The bill requires that for any underground facility that is used for a "small wireless facility," a political subdivision is prohibited from requiring an annual telecommunications fee based on the number of linear feet of trench in the public highways in which the telecommunications corporation has placed facilities.

Staff is expressing opposition as it would reduce city revenue by eliminating the City's ability to charge these fees.

HB 2108 was retained on House COW calendar on March 3, 2021.

- **HB 2190: Striker: Vaccination Requirements (Rep. Townsend; Apache Junction)** The bill would ban any incentive program to encourage vaccine participation. The bill also bans private business in Arizona from requiring vaccination for use of their services.

Staff is expressing opposition to this bill as it would prohibit Phoenix's vaccination incentive program.

HB 2190 failed to pass the Senate on May 20, 2021.

- **HB 2211: TPT; Prime Contracting; Exemptions; Certificates (Rep. Cobb; Kingman)** The bill makes various changes to statutes relating to transaction privilege taxes (TPT) for prime contracting. The definitions of "modification" and "alteration" for the purpose of computing the tax base for the prime contracting classification of TPT are modified. A certificate that a contractor provides to a person stating that the contractor is liable for any amount of transaction privilege taxes due is valid for a period of up to one year. After the certificate expires, the contractor is allowed to execute and provide to the person a new certificate. The Department of Revenue (DOR) is required to prescribe a form for a certificate to be used by a prime contractor that is subject to TPT for purchasing tangible personal property, the purchase price of which was excluded from the tax base under the retail classification of TPT. The prime contractor is required to obtain the certificate from DOR, and the certificate is valid for up to one year. Applies to contracts entered into beginning January 1, 2022.

Staff is expressing opposition to this bill as it reduces City revenues.

HB 2211 was held in the House Ways and Means Committee on February 17, 2021.

- **HB 2310: Municipalities; Counties; Law Enforcement Budgets (Rep. Roberts; Maricopa)** The bill requires that, on the request of any member of the Legislature, the Attorney General (AG) must investigate any reduction of a "law enforcement agency's" budget by at least ten percent below the previous year's budget. If they determine such a cut was made, the AG will provide 30 days to restore the budget reduction. If the county or municipality fails to restore the budget reduction, the AG is

required to notify the State Treasurer, who must withhold and redistribute state shared monies in an amount equal to the reduction of the law enforcement agency's budget. This bill does not apply if a county or municipality has reduced their overall budget by at least ten percent below the previous year's budget.

Staff is expressing opposition to this bill as it is a preemption of city power and will adversely affect city revenue.

HB 2310 was signed by the Governor on April 20, 2021.

- **HB 2420: Law Enforcement Budget; Reduction; Certification (Rep. Carroll; Sun City West)** The bill requires counties and cities to certify each year that there has been no disproportionate funding reduction to the county's or municipality's law enforcement agency. The certification must include a statement that any reduction in funding or proposed funding to the law enforcement agency is a result of reduced revenue collection and the reduction in law enforcement agency funding is proportionate to the reduction in revenue. A county or municipality that has disproportionately reduced its law enforcement agency funding is not eligible to receive state shared monies.

Staff is expressing opposition to this bill as it is a preemption of city power.

HB 2420 failed to pass the House on March 3, 2021.

- **HB 2462: Civilian Review Board Members; Training (Rep. Payne; Peoria)** This bill requires that before a person becomes a member of a "civilian review board" (defined) that reviews the actions of peace officers in Arizona, the person is required to satisfactorily complete a community college police academy and at least 20 hours of virtual law enforcement training.

Staff is expressing opposition because this bill is overbroad in that it applies to citizen boards that do not pertain to policing and it is not clear that the requirements would improve service on a board.

HB 2462 was signed by the Governor on May 7, 2021.

- **HB 2570: Licenses; Pandemics; Revocation; Prohibition (Rep. Hoffman; Queen Creek)** The bill requires that state agencies, counties, and municipalities are prohibited from revoking any license that is required to operate a business for not complying with an order issued by the Governor due to a state of emergency proclaimed by the Governor for an epidemic or pandemic disease, unless the agency, county or municipality can demonstrate by clear and convincing evidence that the business was the actual cause of transmission of the disease that is the subject of the order.

Staff is expressing opposition to this bill as it reduces local control.

HB 2570 was signed by the Governor on May 19, 2021.

- **HB 2668: Striker: Homelessness Grant Funding (Rep. Gowan; Sierra Vista)** The bill would redirect state-funded grants for police to be used for homelessness issues, would deny a city with above state average rates of homelessness from receiving grant funding, and imposes a statutory obligation on social services and mental health professionals to enforce state and local laws.

Staff is expressing opposition to this bill as it would reduce Phoenix's homelessness funding.

HB 2668 passed the Senate Appropriations Committee with amendment on April 1, 2021.

- **HB 2691: Striker: ADEQ; Water Quality Programs; WOTUSADEQ; Water Quality Programs; WOTUS (Rep. Griffin; Hereford)** The bill proposes a regulatory scheme for surface waters in Arizona, in the wake of the Federal Government rolling back its protections.

Staff is expressing opposition to this bill as it weakens water quality standards, limits regulatory oversight, and excludes important surface waters.

HB 2691 was signed by the Governor on May 5, 2021.

- **HB 2702: Federal Government; Land Acquisition; Consent (Rep. Griffin; Hereford)** The bill states that the consent of the state of Arizona to the acquisition, sale, gift or grant or any other transfer of an ownership interest in any privately owned real property within Arizona that is not in possession of any federal agency as of the effective date of this legislation, and that would remove the real property from state, county and municipal property tax rolls is prohibited from being given without the express, affirmative consent of the Legislature and the Governor through the signing of a joint resolution. On the opening of escrow for the sale of private real property to the federal government or a federal agency, the escrow agent or property owner is required to notify the Legislature and request approval of the sale. The state has the right of first refusal to purchase private real property that the federal government is contracting to acquire.

Staff is expressing opposition to this bill because it preempts City authority.

HB 2702 was approved by the House COW on February 24, 2021.

- **HB 2716: Licensing; Building Permits; Temporary Permits (Rep. Griffin; Hereford)** The bill states that in determining the order in which the municipality will review an application for a license, the municipality is prohibited from prioritizing applications for a license that is subject to licensing timeframe requirements over applications for a license that is not. If a municipality requires a building permit for the construction of any single-family dwelling, the municipality is required to issue the building permit within seven calendar days after the applicant submits an administratively complete application if the applicant has satisfied specified requirements. If the municipality fails to issue the building permit within seven

calendar days, the applicant must be granted a temporary building permit and is authorized to commence with construction.

Staff is expressing opposition to this bill because it will create an administrative burden on the city, and “temporary permits” could create dangerous situations if issued without proper plot plan review.

HB 2716 failed the Senate Commerce Committee on March 24, 2021.

- **HB 2804: Public Meetings; Executive Sessions (Rep. Pingerelli; Peoria)** The bill says that public body is authorized to hold an executive session for legal advice solely for advice in the other areas for which an executive session may be held. Discussion of the objectives on which an officer or employee of a public body will be evaluated must be conducted in a public meeting.

Staff is expressing opposition to this bill as it limits the City’s ability to control its public meetings and limit the ability of city attorneys to provide advice to Council.

HB 2804 passed the House on March 4, 2021 and was referred to the Senate Government Committee on March 8, 2021.

- **HB 2882 (Strike Everything Amendment): Mobile Food Vendors; Mobile Food Units; Operation (Rep. Parker; Mesa)** The bill eliminates the distance requirement for mobile food vendors for residential areas, prohibits the City from fingerprinting a mobile food vendor, and disallows licenses and fees for City operation of mobile food vendors.

Staff is expressing opposition to this bill as it preempts city authority.

HB 2882 was retained on House COW calendar on February 24, 2021.

SB 1116: State Permitting Dashboard (Sen. Gowan; Sierra Vista) This bill requires the Governor to appoint a State Permitting Director to establish and maintain an online database called the Permitting Dashboard that displays the progress to completion for state authorizations for participating projects. The Director is required to coordinate with a list of specified state agencies and any other agency that requires authorization for a participating project. A project sponsor of an “eligible project” (defined as an activity in Arizona that requires authorization by an agency, that is subject to applicable state environmental laws, that is likely to require a total construction investment of more than \$25 million, and that meet other specified requirements) is authorized to submit to the Director a notice that the project sponsor is initiating a proposed project, and information that must be included in the notice is established. No later than 30 days after receipt of the notice, the Director is required to determine whether the proposed project qualifies as an eligible project and whether to include it as a participating project in the Permitting Dashboard.

Staff is expressing opposition to this bill as these additional regulations preempt some municipal authority and will cause delays to projects that meet the bill’s requirements.

SB 1116 passed the House Appropriations Committee on March 31, 2021.

- **SB 1333: Law Enforcement; Budget Reduction; Prohibition (Sen. Gowan; Sierra Vista)** This bill prohibits municipalities from reducing the annual operating budget for a law enforcement agency by any amount below the previous year's budget. If a municipality reduces the annual operating budget for a law enforcement agency, the municipality is required to notify the State Treasurer of the reduction, and the State Treasurer is required to withhold any state shared monies from the municipality in an amount equal to the amount of the reduction of the annual operating budget for the law enforcement agency. The State Treasurer is required to deposit any amounts withheld in the newly established Law Enforcement Support Fund. If a municipality reduces the annual operating budget for a law enforcement agency by more than 25 percent, the State Treasurer is required to withhold state shared monies in an amount equal to the law enforcement agency's entire budget for the previous year. If a municipality reduces a law enforcement agency's budget by more than 25 percent, the municipality is required to notify the county sheriff, that sheriff is authorized to assume law enforcement functions for that municipality, and the State Treasurer is required to provide all state shared monies withheld from the municipality to the county sheriff's department. The State Treasurer is required to continue to withhold state shared monies until notification from the municipality that the reduction in the law enforcement agency's budget has been restored.

Staff is expressing opposition to this bill as it preempts municipal authority.

SB 1333 passed the Senate Rules Committee on February 16, 2021.

- **SB 1406: Aircraft Registration Fees; Taxation; Repeal (Sen. Petersen; Gilbert)** This bill repeals aircraft registration fees and license taxes.

Staff is expressing opposition to this bill as it reduces revenue for airport improvements and capital projects.

SB 1406 passed the Senate COW on March 10, 2021.

- **SB 1487: Private Attorney Retention; Municipalities; Counties (Sen. Leach; Tucson)** This bill states that counties and municipalities are prohibited from entering into a contingency fee contract with a private attorney unless the county or municipal attorney makes a written determination before entering into the contract that contingency fee representation is both cost effective and in the public interest. The written determination is required to include specific findings for a list of specified factors. Counties and municipalities are prohibited from entering into a contingency fee contract that provides for the county's or municipality's private attorney to receive a contingency fee from the county's or municipality's portion of the recovery in excess of an aggregate of a list of specified percentages based on the recovery amount. The contingency fee received by the county's or municipality's private attorney cannot exceed \$50 million. Establishes additional requirements for county or municipal contracts for contingency fee attorney services. Does not apply to any contingency fee contract in which a county or municipality hires a private attorney to

pursue debt collection cases. By February 1 of each year, the county attorney or municipal attorney is required to submit a report on the use of contingency fee contracts with private attorneys to the Governor and the Legislature. Information that must be included in the report is specified.

Staff is expressing opposition to this bill as it preempts municipal authority.

SB 1487 passed the Senate Rules Committee on March 2, 2021.

- **SB 1496: E-Liquids; Tobacco Products; Vapor Products (Sen. Leach; Tucson)**

This bill expands the powers and duties of the Department of Liquor Licenses and Control (DLLC) to include enforcing statute regulating tobacco sales, investigating the sales of "alternative nicotine products," "e-liquids," "tobacco products" or "vapor products" to persons under the "legal tobacco and vapor use age" (defined as 21 years of age or older), causing to be removed from the marketplace alternative nicotine products, e-liquids, tobacco products or vapor products that may be contaminated, illegal or adulterated, and taking other regulatory actions related to these products. A person is prohibited from selling alternative nicotine products, e-liquids, tobacco products or vapor products in Arizona or from outside Arizona without a license issued by DLLC. Establishes requirements for licensees to obtain identification from a person ordering or purchasing these products in order to determine that the person is not under the legal use age. Sales of these products cannot be made using a drive-through or other feature allowing the purchase without leaving a vehicle. A person under the legal drinking age or legal tobacco and vapor use age who misrepresents the person's age, solicits another person to purchase or furnish, or uses a fraudulent identification to obtain these products is guilty of a petty offense. A person who knowingly sells or furnishes these products or any instrument or paraphernalia used to smoke or ingest these products to a person under 21 years of age is guilty of a petty offense. Establishes civil penalties for violations and conditions under which a license may be suspended or revoked. Establishes appeal rights and procedures. Various regulations of tobacco products are expanded to include e-liquids, vapor products and alternative nicotine products.

Staff is expressing opposition to this bill as it preempts significant City authority for regulation.

SB 1496 was held in the Senate Commerce Committee on February 18, 2021.

- **SB 1687: Governmental Entities; Social Media; Prohibition (Sen. Ugenti-Rita; Scottsdale)** This bill says that a "governmental entity" (defined), at any level, is prohibited from using a social media platform for any official or governmental purpose. A governmental entity is prohibited from giving or controlling a social media account to or for an elected official. Does not apply to a personal social media account operated by an elected official.

SB 1687 passed the Senate Transportation and Technology Committee on February 16, 2021.

Bills that staff has identified as beneficial to the City:

- **HB 2027: Leaving Accident Scene; Private Property (Rep. Kavanaugh; Fountain Hills)** The bill designates that the requirements for the driver of a vehicle involved in an accident to stop, remain at the scene of the accident, give specified information to others, and give reasonable assistance to an injured person are applicable to accidents on public or private property. The criminal classification for violating these requirements and for violating the requirement to take reasonable steps to locate and notify the owner of an unattended vehicle or fixtures or other property adjacent to a highway that the driver struck are increased to a class 1 misdemeanor, from a class 3 misdemeanor.

HB 2027 was signed by the Governor on April 30, 2021.

- **HB 2034: Noxious Weeds; Government Projects (Rep. Griffin; Hereford)** This bill authorizes state, state agencies, political subdivisions, and any other governmental entity to remove "noxious weeds," including Russian olive and salt cedar trees, as part of routine maintenance operations and capital projects. The state, state agencies, political subdivisions, and any other governmental entity are prohibited from using noxious weeds, including Russian olive and salt cedar trees, in landscaping.

HB 2034 was signed by the Governor on February 12, 2021.

- **HB 2035: Appropriation; AZ Water Protection Fund (Rep. Griffin; Hereford)** This bill appropriates \$1 million from the general fund in FY2021-22 to the Arizona Water Protection Fund.

HB 2035 passed the Senate and returned to the House for concurrence in Senate amendments on May 17, 2021.

- **HB 2040: Dam Safety Study Committee (Rep. Griffin; Hereford)** This bill establishes a 7-member Dam Safety Study Committee to collect information on the status of dams in Arizona with respect to their safety, age and need for maintenance.

HB 2040 passed the Senate Rules Committee on April 6, 2021.

- **HB 2066: Arrest Procedures; Magistrates (Rep. Roberts; Maricopa)** The bill requires that if the offense a person is arrested for was committed in another county, the arrested person may be taken before either the nearest or most accessible magistrate in the county in which the arrest occurs or the county where the offense was committed.

HB 2066 was signed by the Governor on March 23, 2021.

- **HB 2074: Water Banking; Storage Credits; Subcontractors (Rep. Pratt; Casa Grande)** This bill asserts that the Arizona Water Banking Authority is authorized to distribute long-term water storage credits to Central Arizona Water Conservation

District's (CAWCD) municipal and industrial subcontractors. Long-term water storage credits that are distributed to a CAWCD municipal and industrial subcontractor cannot be sold, and the subcontractor is responsible for all fees assessed by the Authority or the Department of Water Resources for the distribution of the long-term storage credits and all costs of recovery of the long-term storage credits.

HB 2074 was referred to the House Natural Resources, Energy and Water Committee on January 14, 2021.

- **HB 2075: Sentencing; Judgment of Guilt; Fingerprints (Rep. Pratt; Casa Grande)** This bill articulates that the court must require either that a defendant's fingerprint be permanently affixed to a court document or order, or that the defendant's two fingerprint biometric-based identifier be obtained and recorded, and is no longer required to affix or obtain and record a defendant's fingerprint "at the time of sentencing and in open court."

HB 2075 was signed by the Governor on March 23, 2021.

- **HB 2078: Groundwater; Waterlogged Area Exempt (Rep. Dunn; Yuma)** This bill extends the exemption from irrigation water duties for persons entitled to use groundwater under an irrigation grandfathered right by ten years, to December 31, 2034. The exemption from any applicable conservation requirements for the distribution of groundwater for the Arlington Canal Company, the Buckeye Water Conservation and Drainage District and the St. John's Irrigation District is extended ten years, to December 31, 2034.

HB 2078 was signed by the Governor on February 5, 2021.

- **HB 2127: Appropriation; State Parks; Heritage Fund (Rep. Osborne; Goodyear)** This bill appropriates \$10 million from the general fund in FY2021-22 to the Arizona State Parks Heritage Fund.

HB 2127 passed the Senate Appropriations Committee on March 24, 2021.

- **HB 2205: Appropriation; WQARF (Rep. Cano; Tucson)** This bill appropriates \$15 million from the general fund in FY2021-22 to the Water Quality Assurance Revolving Fund.

HB 2205 was referred to the House Natural Resources, Energy and Water Committee on January 20, 2021.

- **HB 2285: Online Home Sharing; Repeal (Rep. Lieberman; Phoenix)** This bill repeals statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and limiting the restrictions that municipalities and counties may place on those rentals to a list of specified purposes. Repeals the online lodging marketplace transaction privilege tax classification, and the requirement for online lodging marketplaces to register with the Department of Revenue for payment of transaction privilege taxes on online lodging transactions. Repeals the requirement for online lodging operators to have a current transaction

privilege tax license and related civil penalties for noncompliance. Repeals the Joint Legislative Study Committee on Transient Lodging.

HB 2285 was referred to the House Commerce Committee on January 26, 2021.

- **HB 2321: Qualified Facility Income Tax Credits; Qualification; Definitions (Rep. Toma; Sun City West)** The Department of Revenue (DOR) is authorized to issue draft rulings, procedures and other administrative announcements that apply to tax laws and regulations either generally or for a specific set of facts. DOR is required to establish and maintain a publicly accessible record of all draft and final rulings, procedures and administrative announcements on the DOR website and is required to prominently announce additions, modifications and other changes to this record on the website's home page. Establishes requirements for draft rulings, procedures and other administrative announcements to become final, including a required period for public comment. Does not apply to private taxpayer rulings, tax forms and instructions, routine notices that remind taxpayers of normal filing obligations and other routine DOR communications that do not substantively apply to and interpret tax laws and regulations. The court is required to decide all questions of law without deference to any determination that is made by DOR.

HB 2321 was signed by the Governor on March 23, 2021.

- **HB 2407: Tax Credit; Affordable Housing (Rep. Toma; Surprise)** This bill establishes a credit against individual and corporate income taxes and insurance premium taxes for projects that qualify for the federal low-income housing tax credit and that are placed in service from and after June 30, 2022. The credit is equal to the amount of the federal low-income housing credit for the qualified project.

HB 2407 passed the Senate Appropriations Committee on March 3, 2021.

- **HB 2489: Appropriation; Affordable Housing (Rep. Chavez; Phoenix)** This bill appropriates \$25 million from the general fund in FY2021-22 to the Housing Trust Fund.

HB 2489 passed the House Rules Committee on February 23, 2021.

- **HB 2562: Tax Credit; Affordable Housing (Rep. A. Hernandez; Tucson)** This bill appropriates \$2.5 million from the general fund in FY2021-22 to the Department of Economic Security to distribute to area agencies on aging for home and community-based services. The Legislature intends that this appropriation be considered ongoing funding in future years.

HB 2562 was approved by the House COW on February 18, 2021.

- **HB 2565: Area Agencies on Aging; Appropriation (Rep. Cobb; Kingman)** This bill establishes a credit against individual and corporate income taxes and insurance premium taxes for projects that qualify for the federal low-income housing tax credit

and that are placed in service from and after June 30, 2022. The credit is equal to the amount of the federal low-income housing credit for the qualified project.

HB 2565 passed the Senate Appropriations Committee with amendment on April 1, 2021.

- **HB 2623: Fireworks; Use; Overnight Hours Prohibition (Rep. Shah; Phoenix)** The bill states that counties and municipalities are authorized to prohibit the use of permissible consumer fireworks between the hours of 10PM and 8AM.

HB 2623 passed the Senate Commerce Committee and was further referred to the Senate Appropriations Committee on March 11, 2021.

- **HB 2671: Underground Storage Tanks; Revisions (Rep. John; Yuma)** The city proposed an amendment to this bill, which was adopted. The bill makes numerous changes to the underground storage tank (UST) program, and with the City's amendment included provides possible additional funding to WQARF.

HB 2671 passed the Senate and returned to House for concurrence in Senate Amendments on May 26, 2021.

- **HB 2835: Theme Park Districts; Extension (Rep. Cobb; Kingman)** The bill states that the authority of the board of directors of a theme park district to issue bonds expires if the board fails to issue any bonds on or before December 31, 2031, extended 11 years from December 31, 2020. The chapter of statute establishing and regulating theme park districts is repealed on January 1, 2032, instead of January 1, 2021, if the board fails to issue bonds by that date.

HB 2835 was signed by the Governor on April 28, 2021.

- **SB 1056: Energy; Water; Savings Account (Sen. Gray; Sun City)** This bill extends the maximum length of a contract between a county or municipality and an energy or water services company to pay for the incremental cost of energy or water savings measures in facilities owned by the county or municipality to 25 years, from 15 years. Other costs and revenue are included in the estimated impact to be achieved by a county or municipality through energy or water savings measures or services. Reports on school district contracts for guaranteed energy cost savings must be filed with the Department of Administration, instead of the Governor's Office of Energy Policy.

SB 1056 was signed by the Governor on February 26, 2021.

- **SB 1327: Tax Credit; Affordable Housing (Sen. Gowan; Sierra Vista)** This bill establishes a credit against individual and corporate income taxes and insurance premium taxes for projects that qualify for the federal low-income housing tax credit and that are placed in service from and after June 30, 2022. The credit is equal to the amount of the federal low-income housing credit for the qualified project. To claim the credit, a taxpayer is required to apply to the Arizona Department of Housing and receive an eligibility statement. If the amount of the credit exceeds

taxes due, the taxpayer may carry the unused amount forward for up to five consecutive taxable years. The Department of Revenue is required to allocate a total of \$8 million of affordable housing tax credits in any calendar year. Establishes a 9-member Affordable Housing Tax Credit Review Committee to review the tax credits on the fifth year after the effective date of the credit and every five years thereafter and submit a report to the Governor and the Legislature.

SB 1327 was referred to the House Ways and Means Committee on March 1, 2021.

- **SB 1451: Workers' Compensation; Rates; Firefighters; Cancer (Sen. Boyer; Phoenix)** This bill adds Fire investigators to the presumption that specified types of cancer and related diseases that result in disability or death are an occupational disease and are deemed to arise out of employment if specified conditions are met. All insurance carriers, self-insuring employers and workers' compensation pools that secure workers' compensation for firefighters and fire investigators are required to compile and report to the Industrial Commission claim and claim reserve information for all cancer-related claims filed by or on behalf of firefighters and fire investigators. The Commission is required to compile and make available to insurance carriers, rating organizations, employers, public safety workers and workers' compensation pools the claim-related information collected to assist with the setting of workers' compensation insurance rates. In addition to the six uniform percentage deviations already authorized by statute, insurers covering firefighters and fire investigators are permitted to file one uniform percentage deviation that increases the statewide rates under the rating organization's rate filing for the class codes associated with firefighters and fire investigators to address the anticipated increase in losses and expenses for claims that are compensable due to the workers' compensation presumption. The deviation filing must be accompanied by analysis from an actuary that substantively illustrates the basis for the rate increase. Contains a legislative intent section.

SB 1451 was signed by the Governor on April 14, 2021.

- **SB 1514: Appropriation; Emergency Shelter Beds; Seniors (Sen. Boyer; Phoenix)** This bill appropriates \$5 million from the general fund in FY2021-22 to the Department of Economic Security (DES) for emergency shelter beds in western Maricopa County to shelter and serve homeless seniors who are at least 55 years of age. DES is required to distribute the monies to a single Arizona nonprofit provider that meets a list of specified requirements.

SB 1514 was Vetoed by the Governor on May 28, 2021.

- **SB 1720: Peer-to-Peer Car Sharing (Sen. Fann; Prescott)** This bill establishes a new chapter in Title 28 (Transportation) regulating "peer-to-peer car sharing," defined as the authorized use of a shared vehicle by an individual other than the shared vehicle owner through a "peer-to-peer car sharing program." A peer-to-peer car sharing program is required to assume the liability of a shared vehicle owner for bodily injury or property damage that occurs to a third party during the car sharing period in an amount that is stated in the car sharing program agreement and that is

at least the minimum amount of motor vehicle liability coverage required by statute. Some exceptions. A peer-to-peer car sharing program is required to ensure that during each car sharing period the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle liability insurance policy that recognizes that the vehicle insured under the policy is made available and used through a peer-to-peer car sharing program, and that does not exclude the use of a shared vehicle by a shared vehicle driver. A peer-to-peer car sharing program is required to register with the Department of Revenue (DOR) for a license for the payment of transaction privilege taxes levied by the state and one or more counties, municipalities, or special taxing districts for the taxes due from a shared vehicle owner for any vehicle sharing transaction facilitated by the peer-to-peer car sharing program.

SB 1720 was signed by the Governor on April 9, 2021.

- **SB 1721: TPT; Prime Contracting Classification (Sen. Fann; Prescott)** This bill states that the gross proceeds of sales or gross income derived from a construction contract with an owner of real property or the improvements to real property that does not exceed \$100,000 per unit for a "residential project" (defined) or \$1 million for a nonresidential project is not subject to tax under the prime contracting classification of transaction privilege taxes, and is required to be exempt from municipal transaction privilege and use taxes. Only the contract price is used to determine whether a contract exceeds the threshold amount described in this paragraph with no subtractions for amounts paid to subcontractors or any deductions or exemptions allowed. Project elements cannot be artificially separated from a contract to cause a project to qualify for this exemption. The Department of Revenue has the burden of proving that project elements have been artificially separated from a contract.

SB 1721 passed the Senate Rules Committee on March 2, 2021.

- **SB 1752: Community Facilities Districts (Sen. Leach; Tucson)** This bill makes various changes to statutes relating to community facilities districts, including setting a cap for the ad valorem tax. It says that if a district sells general obligation bonds above par, the amount of "net premium" (defined) associated with a general obligation bond issue may be used only to pay costs incurred in issuing the bonds or as a deposit in a debt service fund and used only to pay interest on the issue of general obligation bonds. If used for any other purpose, and if the district has general obligation bond voter authorization and available capacity under its debt limitations, both the available aggregate indebtedness capacity of the district and the principal amount authorized at the general obligation bond election for the district must be reduced by the amount of net premium used for that purpose.

SB 1752 was signed by the Governor on April 14, 2021.

Bills staff are monitoring:

- **HB 2049: Eminent Domain; Existing Contracts (Rep. Weninger; Chandler)** This bill requires that if a municipality exercises the right of eminent domain to acquire a public utility business or enterprise, the municipality is required to assume all

existing assets and contractual liabilities associated with providing current and future utility service in the certificate of convenience and necessity that is being condemned unless all parties to the contractual obligations agree otherwise.

HB 2049 failed to pass the Senate on May 24, 2021.

- **HB 2065: Medical Freedom; Parental Rights (Rep. Fillmore; Apache Junction)**
This bill articulates that students are no longer prohibited from attending school without submitting documentary proof of required immunizations to the school administrator. Schools are prohibited from requiring a student to receive the recommended immunizations and from refusing to admit or otherwise penalizing a student because that student has not received the recommended immunizations. If a parent chooses to have the student immunized, the parent is required to submit documentary proof to the school administrator to verify that the pupil has received the recommended immunizations if an outbreak occurs. A student who lacks documentary proof of immunization may be excluded from school only if the student lacks an immunization for which there is an active case of a disease that the immunization is intended to prevent in that student's school and if the Department of Health Services or a local health department has declared an outbreak of that disease for an area that includes the student's school.

HB 2065 was referred to the House Health and Human Services and House Education Committees on January 14, 2021.

- **HB 2118: Furnishing Tobacco; Minors; Enterprise Partners (Rep. Bolick; Phoenix)**
This bill makes it unlawful for a person to knowingly sell, give or furnish a tobacco product, vapor product or any instrument or paraphernalia solely designed for smoking or ingesting tobacco or shisha to a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act, instead of to minors. Establishes penalties the court must impose on an enterprise that violates this prohibition based on the number of violations. Penalties include mandatory attendance at a court-approved tobacco retailer educational course and graduated fines ranging from \$500 to \$5,000. For a second or subsequent violation, the court is required to prohibit the enterprise from selling, giving or furnishing tobacco products or vapor products for a specified time period. A violation of this restriction is a petty offense, subject to an additional fine and an extension of the prohibition.

HB 2118 was referred to the Senate Commerce Committee on February 23, 2021.

- **HB 2152: Police; Camera Recordings; Required Redactions (Rep. Kavanaugh; Fountain Hills)**
This bill requires that before a law enforcement agency releases a copy of a video recording from a law enforcement officer's body-worn camera to the public, the law enforcement agency must redact any portion of the video recording that shows the face or an identifiable body part of any person who appears in the video recording if the person is not the subject of a police investigation or enforcement action and the person was located in a private location or in a public location with an expectation of privacy, the person is a victim of or witness to a

crime, or the person was in a state of undress and specified areas of the person's body were not covered. Does not apply to a person who provides the law enforcement agency with a written waiver to release the video recording without any redactions.

HB 2152 was retained on Senate COW calendar on May 26, 2021.

- **HB 2161: Tourism Marketing Authorities (Rep. Kaiser; Phoenix)** This bill establishes a new chapter in Title 9 (Cities and Towns) and a new chapter in Title 11 (Counties) allowing the governing body of one or more municipalities and/or of a county with a population of less than 2 million persons (all but Maricopa County) to adopt a resolution, on presentation of a petition signed by the owners of at least 67 percent of the transient lodging rooms in the geographic area, forming a tourism marketing authority to promote and enhance tourism in that geographic area. Establishes powers and duties of a tourism marketing authority, including authorization to levy an assessment of up to \$5 per room on transient lodging rooms sold per night. A tourism marketing authority is governed by a board of directors, and budgeting, recordkeeping and reporting requirements for the board are specified. Establishes a process for termination of a tourism marketing authority. Emergency clause.

HB 2161 passed the House on March 3, 2021 and was referred to the Senate Commerce Committee on March 10, 2021.

- **HB 2293: Vehicle Impoundment; Exceptions; Storage Charges (Rep. Payne; Peoria)** This bill dictates that the list of reasons for which a peace officer is required to cause the removal and either immobilization or impoundment of a vehicle is expanded to include if the peace officer determines that the person's driving privilege is suspended for any reason except for failure to pay a civil penalty or failure to appear as directed for a scheduled court appearance. A peace officer who needs to be present at an emergency is not required to remove, immobilize or impound a vehicle. The minimum amount of time a vehicle must be immobilized or impounded is decreased to 20 days, from 30 days.

HB 2293 failed to pass the Senate on final reading on May 17, 2021.

- **HB 2294: Yielding to Emergency Vehicles; Penalties (Rep. Payne; Peoria)** This bill requires that a person who violates the requirement to move over or slow down when approaching a stationary vehicle displaying flashing lights or warning lights is subject to a civil penalty of \$275 for a first violation, \$500 for a second violation, and \$1,000 for a third or subsequent violation.

HB 2294 was signed by the Governor on April 28, 2021.

- **HB 2295: Law Enforcement Officers; Database; Rules (Rep. Payne; Peoria)** This bill dictates that "prosecuting agency" is prohibited from placing a law enforcement officer's name in a "rule 15.1 database," or Brady List, unless the officer is given at least 10 days prior written notice by mail or email to the officer's current or last known employment address. Information that must be included in the written

notice is listed, including information on the right to request reconsideration of the allegations and placement in the database. If an officer submits a request for reconsideration, and the reconsideration is approved on its merits, the officer's name must be removed from the database. A prosecuting agency that maintains a rule 15.1 database is required to adopt a policy that includes specified provisions, including the criteria used to place a law enforcement officer's name in the database and the notice requirements of this legislation. A law enforcement agency is prohibited from using the placement of an officer's name in a rule 15.1 database as the sole reason for taking a list of employment actions against the officer.

HB 2295 was signed by the Governor on May 7, 2021.

- **HB 2372: Agricultural Operations; Nuisance; Liability (Rep. Dunn; Yuma)** This bill repeals and replaces all statutes governing nuisance liability for agricultural operations. It articulates that a nuisance action cannot be filed against an agricultural operation conducted on farmland unless a list of specified conditions apply. Establishes a rebuttable presumption that an agricultural operation conducted on farmland is not a public or private nuisance, which may be overcome by a preponderance of the evidence that the operation is violating applicable federal, state or local laws and regulations. The circumstances under which agricultural operations conducted on farmland may be regulated or considered to be a nuisance are a matter of statewide concern and this legislation supersedes any municipal ordinance.

HB 2372 was retained on House COW calendar on February 23, 2021.

- **HB 2423: Immunizations; Exemption; Requirements (Rep. Carroll; Sun City West)** This bill mandates that a person who is required to receive an immunization for any purpose, including as a condition of employment, school attendance or obtaining any license, certification or degree, is allowed to claim an exemption from the immunization requirement if there is not a vaccine that has been approved by the U.S. Food and Drug Administration available to fulfill the requirement that also meets all of a list of specified criteria, including that the risk of permanent disability or death from the vaccine has been proven to be less than that caused by the infection it is intended to prevent. A person may claim the exemption on the person's own behalf or on behalf of the person's child or dependent.

HB 2423 was referred to the House Health and Human Services Committee on January 26, 2021.

- **HB 2481: Short-Term Rentals; Enforcement; Penalties (Rep. Kavanaugh; Fountain Hills)** This bill modifies the list of regulations that counties and municipalities are authorized to impose on vacation rentals or short-term rentals to include requiring the owner of a vacation rental or short-term rental to license or register with the county or municipality, and restricting the occupancy of a vacation rental or short-term rental to the lesser of the occupancy limit of the county or municipality or 2 adults per bedroom plus 2 additional adults. Vacation rentals and short-term rentals cannot advertise to exceed the occupancy limit of the dwelling or for any nonresidential use. Counties and municipalities are authorized to impose a

civil penalty for each day a property is in violation of this advertisement prohibition. An online lodging operator that falsifies information to an online lodging marketplace is guilty of a petty offense. A county or municipality cannot prohibit the operation of a vacation rental or short-term rental based solely on its status as a vacation rental or short-term rental if the owner of the vacation rental or short-term rental, as of May 1, 2021, has a valid transaction privilege tax license, and as of June 2, 2021, has provided the owner's or the owner's designee's contact information to the county or municipality in which the vacation rental or short-term rental is located, if required by ordinance.

HB 2481 passed the House Government and Elections Committee on February 11, 2021.

- **HB 2482: Regulation; Short-Term Rentals (Rep. Kavanaugh; Fountain Hills)**

This bill modifies the list of regulations that counties and municipalities are authorized to impose on vacation rentals or short-term rentals to include: requiring contact information for the owner of the rental to be posted on the front door or in another location on the property that is visible and accessible to the public; restricting the maximum number of adult occupants allowed on the property at one time to the lesser of the occupancy limit established by the county or municipality or no more than 2 adults per bedroom, up to 4 bedrooms, plus 2 additional adults per 1,000 square feet of livable space in excess of 3,000 square feet of livable space; requiring the installation of safety and monitoring equipment that monitors and detects noise and notifies the owner if noise is unreasonable or in violation of a noise ordinance; prohibiting smoking outside within 100 feet of a residential structure; restricting occupants from checking in without the presence of the owner or the owner's designee; and prohibiting occupants from parking on public or private streets if on-property parking is available. Vacation rentals and short-term rentals cannot advertise to exceed the occupancy limit of the dwelling or for any nonresidential use, and are required to display the transaction privilege tax license in any online advertisement for rental of the unit. Establishes penalties for violations.

HB 2482 was referred to the House Government and Elections Committee on January 27, 2021.

- **HB 2515: Electronic Smoking Devices; Tobacco Sales (Rep. Butler; Phoenix)**

This bill makes it unlawful for a person to sell, give or furnish a tobacco product to a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act, instead of for a person to sell or furnish tobacco products to minors. For the purposes this prohibition and statutes regulating tobacco sales, the definition of "tobacco products" is expanded to include any product containing, made of or derived from tobacco or nicotine and that is intended for human consumption, and to include an "electronic smoking device" (defined) and any substance that may be aerosolized or vaporized by the device, whether or not it contains nicotine, and any component, part, or accessory that is used in the consumption of these products. Before distributing any tobacco product, a retail tobacco vendor or the vendor's representative or employee is required to verify that the purchaser is at least the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act. Establishes civil penalties for violations. The Department of Health Services (DHS) is required to conduct at least two

unannounced compliance checks on a retail tobacco vendor annually. Beginning January 1, 2023, a retail tobacco vendor is prohibited from distributing tobacco products in Arizona without a valid tobacco retail sales license from DHS. DHS is required to establish fees for licenses.

HB 2515 was referred to the House Health and Human Services Committee on January 28, 2021.

- **HB 2524: Counties; Cities; Towns; COVID Expenditures (Rep. Kavanaugh; Sun City West)** This bill requires that by September 1, 2021, each county and municipality is required to submit a report to the Governor and the Legislature of all expenditures made in FY2019-20 and FY2020-21 from each "COVID-related federal or state fund source" (defined). Specific information that must be included in the report is listed.

HB 2524 was held in the House Government and Elections Committee on February 3, 2021.

- **HB 2602: Tobacco; Retail; Licensing (Rep. Blackman; Snowflake)** This bill prohibits a retail tobacco vendor from distributing "tobacco products" (defined to include "electronic smoking devices") in Arizona without a valid tobacco retail sales license issued by the Department of Liquor Licenses and Control (DLLC). DLLC is required to establish fees for a tobacco retail sales license and is prohibited from issuing a license until the vendor has obtained the required local license. It is unlawful for a retail tobacco vendor or a retail tobacco vendor's representative, agent or employee to sell, furnish, give or provide a tobacco product to a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act, and requirements for verifying photo identification are specified. Establishes penalties for violations, including attendance at an education class and graduated fines ranging from \$500 to \$3,000. For a second or subsequent violation, the court is required to prohibit the vendor from distributing tobacco products for a specified time period. DLLC is required to adopt rules to carry out retail tobacco vendor regulations and is authorized to delegate the enforcement and compliance inspections to any county that accepts the delegation. Establishes the Tobacco Retail Sales Licensing Fund, consisting of licensing fees collected, to be administered by DLLC.

HB 2602 was referred to the House Health and Human Services Committee on February 3, 2021.

- **HB 2770: Mask Mandates; Business Exception (Rep. Chaplik; Fountain Hills)** The bill states that a business in Arizona is not required to enforce on its premises a mask mandate that is established by the state, a city, town or county or any other jurisdiction of this state.

HB 2770 was signed by the Governor on April 9, 2021.

- **HB 2772/SB 1797: Fantasy Sports Betting; Event Wagering (Rep. Weninger; Chandler; Sen. Shope; Coolidge)** This bill makes numerous changes to statutes

relating to gaming, including establishing a new chapter in Title 5 regulating “fantasy sports contests,” conditionally enacted on each Indian Tribe with a gaming facility in Pima County and in the Phoenix metropolitan area entering into a 2021 Gaming Compact Amendment and publishing in the federal register notice of the U.S. Secretary of the Interior's approval or approval by operation of law. An individual who is licensed by the Arizona Department of Gaming (ADG) is authorized to offer one or more fantasy sports contests if specified conditions apply, including that the individual collects no more than \$10,000 in total entry fees for all fantasy sports contests offered in a calendar year, at least 95 percent of which are awarded to the fantasy sports contest players.

HB 2772 was substituted in Senate for identical bill 1797 on April 12, 2021 and was signed by the Governor on April 15, 2021. SB 1797 was approved by the Senate COW on April 12, 2021.

- **HB 2773: Spirituous Liquor; Delivery; Off-Sale Permits (Rep. Weninger; Chandler)** This bill states that bar liquor licensees are authorized to take orders for beer, wine or mixed cocktails by telephone, mail, catalog, or internet for delivery off the licensed premises. Restaurant liquor licensees that hold specified permits are authorized to take orders for beer or mixed cocktails by telephone, mail, catalog, or internet for delivery off the licensed premises. The liquor licensee is allowed to maintain a delivery service and to contract with one or more third-party licensed facilitators for delivery of spirituous liquor if the spirituous liquor is loaded for delivery at the premises of the restaurant or bar licensee in Arizona and delivered in Arizona. All containers of spirituous liquor that are delivered must be conspicuously labeled with the words "Contains alcohol, signature of person who is twenty-one years of age or older is required for delivery." Delivery must be made by an employee of the licensee or an employee of an authorized third-party facilitator who is at least 21 years of age and delivery must be made to a customer who is at least 21 years of age and who displays identification at the time of delivery. Establishes licensing requirements for third-party facilitators.

HB 2773 was signed by the Governor on May 21, 2021.

- **SB 1043: Public Safety; Cancer Insurance; Eligibility (Sen. Livingston; Peoria)** This bill requires that The Board of Trustees of the Public Safety Personnel Retirement System is required to annually review the premiums required under the Public Safety Cancer Insurance Policy Program to ensure the financial security of the Program. Persons eligible for coverage under the Program remain eligible upon retirement for the statutorily specified time periods, regardless of whether the person has a cancer diagnosis.

SB 1043 passed the Senate Rules Committee on January 26, 2021.

- **SB 1062: Engineering Definitions (Sen. Mesnard; Chandler)** This bill dictates that for the purpose of Board of Technical Registration statutes, the definition of "engineering practice" is modified, including specifying that the service or work must be to the extent that the engineering education, training and experience requirements for professional registration are necessary to protect the public health,

safety or welfare. Also modifies the definition of "engineer" and defines "professional engineer."

SB 1062 was signed by the Governor on March 18, 2021.

- **SB 1076: Low-Income Multifamily Housing; Valuation (Sen. Livingston; Peoria)** This bill requires that the owner of "low-income multifamily residential rental property" (defined) is authorized to elect a statutory income method for valuing the property. The calculation for this valuation method is established. Requirements for a property owner to elect this valuation method are specified, including documentation requirements. Low-income multifamily residential rental properties that are valued using this method are classified as class four property for property tax purposes.

SB 1076 was signed by the Governor on May 10, 2021.

- **SB 1103: Strike Everything Amendment (Sen. Mesnard; Chandler)** This bill makes significant changes to the regulatory scheme for tobacco and vaping products throughout the state, including implementing licensure for sales through the Department of Liquor Licensing and Control, changing the statutory age for tobacco purchase to 21, setting penalties for violations, and establishing a tobacco retail sales licensing fund.

SB 1103 passed the Senate Appropriations and Rules Committees on February 24, 2021.

- **SB 1257: State Liquor Board; Membership (Sen. Mesnard; Chandler)** This bill requires one of the five members of the State Liquor Board with no financial interest in business licensed to deal with spirituous liquors to be a current or former elected municipal official. Session law allows current Board members to continue to serve until the expiration of their normal terms.

SB 1257 was signed by the Governor on April 9, 2021.

- **SB 1334: Fireworks; Aerial Displays (Sen. Gowan; Sierra Vista)** This bill expands the definition of "permissible consumer fireworks" in a county with a population of more than 500,000 persons is expanded to include "multiple-tube aerial devices" (defined as specified mine and shell devices and multiple tube fireworks devices and pyrotechnic articles that are defined in an American Pyrotechnics Association rule, with some exclusions).

SB 1334 passed the Senate Commerce Committee on February 10, 2021.

- **SB 1377: Civil Liability; Public Health Pandemic (Sen. Leach; Tucson)** This bill states that if the Governor declares a state of emergency for a public health pandemic, a person or provider that acts in good faith to protect a person or the public from injury from the pandemic is not liable for damages in any civil action for any injury, death or loss to person or property that is based on a claim that the person or provider failed to protect the person or the public from the effects of the

pandemic, unless it is proven by clear and convincing evidence that the person or provider failed to act or acted with willful misconduct or gross negligence. A person or provider is presumed to have acted in good faith if the person or provider adopted and implemented reasonable policies related to the pandemic. If the Governor declares a state of emergency for a public health pandemic, a health professional or health care institution that acts in good faith is not liable for damages in any civil action for an injury or death that is alleged to be caused by the health professional's or health care institution's action or omission while providing health care services in support of Arizona's response to the state of emergency declared by the Governor, unless it is proven by clear and convincing evidence that the professional or institution failed to act or acted with willful misconduct or gross negligence. Applies to all claims filed before or after the effective date of this legislation for an act or omission that occurred on or after March 11, 2020 relating to a pandemic that is the subject of the state of emergency declared by the Governor. Does not apply to workers' compensation claims.

SB 1377 was signed by the Governor on April 5, 2021.

- **SB 1379: Vacation Rentals; Short-Term Rentals; Enforcement (Sen. Mesnard; Chandler)** This bill modifies the list of regulations that counties and municipalities are authorized to impose on vacation rentals or short-term rentals to include restricting the occupancy of a vacation rental or short-term rental to 2 adults per bedroom, up to 4 bedrooms, plus 2 additional adults per 1,000 square feet of livable space in excess of 3,000 square feet of livable space, and requiring the owner of a vacation rental or short-term rental to maintain liability insurance appropriate to cover the rental in the aggregate of at least \$500,000 or to advertise and offer each vacation rental or short-term rental through a hosting platform that provides equal or greater coverage. Counties and municipalities are authorized to impose civil penalties for each day a property is in violation of specified provisions. Modifies civil penalties for online lodging operators that fail to comply with applicable transaction privilege tax requirements.

SB 1379 failed to pass the House on April 1, 2021.

- **SB 1409: Zoning Ordinances; Property Rights; Costs (Sen. Petersen; Gilbert)** This bill allows that before adopting any zoning ordinance or zoning ordinance text amendment of general applicability, the legislative body of a municipality is required to consider and adopt an individual property rights cost of housing impact statement regarding the impact of the zoning ordinance, which must include a list of specified information. Municipalities are prohibited from adopting or enforcing a land use regulation that unreasonably increases the cost to construct housing for sale or rent.

SB 1409 was signed by the Governor on May 11, 2021.

- **SB 1514: Appropriation; Emergency Shelter Beds; Seniors (Sen. Livingston; Peoria)** This bill appropriates \$5 million from the general fund in FY2021-22 to the Department of Economic Security (DES) for emergency shelter beds in western Maricopa County to shelter and serve homeless seniors who are at least 55 years of

age. DES is required to distribute the monies to a single Arizona nonprofit provider that meets a list of specified requirements.

SB 1514 was Vetoed by the Governor on May 28, 2021.

- **SB 1533: Obstruction Highways; Racing; Assessment; Impoundment (Sen. Boyer; Glendale)** This bill levies a penalty assessment of \$1,000 on every fine, penalty and forfeiture imposed and collected by the courts for a violation of racing on highways. The assessments are deposited in the newly established Drag Racing Prevention Enforcement Fund, to be used to prevent racing on streets and highways in Arizona. Increases the criminal classification of obstructing a highway to a class 2 (mid-level) misdemeanor, from a class 3 (lowest) misdemeanor, except that a second or subsequent violation within 24 months is a class 1 (highest) misdemeanor. A person who knowingly aids and abets another person in the commission of a violation of reckless driving or racing on highways is guilty of a class 2 (mid-level) misdemeanor, except that a second or subsequent violation within 24 months is a class 1 (highest) misdemeanor. Also, a peace officer is required to cause the removal and either immobilization or impoundment of a vehicle if the peace officer determines that a person is driving a vehicle in violation of reckless driving or racing on highways.

SB 1533 passed the House Rules Committee on March 23, 2021.



For Transmittal, Minutes of the Policy Session Meeting on June 8, 2021

Summary

This item transmits the Minutes of the Policy Session on June 8, 2021.

The Minutes are attached for review as **Attachment A**.

Responsible Department

This item is submitted by the City Manager's Office.



City of Phoenix

Minutes

Meeting Location:
City Council Chambers
200 W. Jefferson St.
Phoenix, Arizona 85003

City Council Policy Session

Tuesday, June 8, 2021

2:30 PM

phoenix.gov

CALL TO ORDER

The Phoenix City Council convened in Policy Session on Tuesday, June 8, 2021 at 2:40 p.m. in the Council Chambers.

Present: 9 - Councilwoman Yassamin Ansari, Councilman Sal DiCiccio, Councilwoman Betty Guardado, Councilwoman Ann O'Brien, Councilwoman Laura Pastor, Councilwoman Debra Stark, Councilman Jim Waring, Vice Mayor Carlos Garcia and Mayor Kate Gallego

Councilman DiCiccio joined the meeting at 2:42 p.m. and left at 6:01 p.m. He returned at 8:02 p.m.

COUNCIL INFORMATION AND FOLLOW-UP REQUESTS

Councilwoman Guardado reminded residents about ongoing vaccine events around the City and encouraged residents to get vaccinated at John F. Long Community Center on June 12.

Councilwoman Ansari thanked everyone who responded to the recycling plant fire in Council District 7 and expressed concerns about air quality and future response plans. She encouraged everyone to volunteer at Andre House, thanked everyone for their efforts to get vaccinated, and announced upcoming vaccination events.

Councilwoman Stark thanked everyone for their efforts in getting vaccinated at NOAH Palomino Health Center and announced another vaccine opportunity on June 25.

Councilwoman O'Brien recognized the sacrifices made by first responders and expressed condolences to Officer Ginarro New's family and Black Mountain

Precinct. She thanked the fire responders for their efforts at the fire in Council District 7.

Councilwoman Pastor encouraged everyone to get vaccinated and reminded residents about the upcoming vaccination event at John F. Long Family Services Center on June 12. She encouraged everyone to practice safety around water and expressed condolences to Officer New's family.

Councilman Waring recognized Officer New's service. He expressed condolences to the New family and encouraged everyone to donate to the family's fundraiser.

Councilman DiCiccio expressed condolences to Officer New's family and expressed his support to public safety personnel.

Mayor Gallego expressed condolences to Officer New's family and thanked everyone involved in raising funds for the officer's family. She thanked everyone for their efforts in responding to the fire in Council District 7. She encouraged everyone to get the COVID-19 vaccine. Mayor Gallego congratulated Cynthia Aguilar as the new Parks and Recreation Director. She also highlighted ongoing efforts to address homelessness.

CONSENT ACTION

This item is scheduled to allow the City Council to act on the Mayor's recommendations on the Consent Agenda. There was no Consent Agenda for this meeting.

CALL FOR AN EXECUTIVE SESSION

A vote may be held to call an Executive Session for a future date.

REPORTS AND BUDGET UPDATES BY THE CITY MANAGER

This item is scheduled to allow the City Manager to provide brief informational reports on topics of interest to the City Council. The City Council may discuss these reports but no action will be taken.

INFORMATION AND DISCUSSION (ITEM 1)

1 Colorado River Update

Discussion

Mayor Gallego expressed the importance of water within the region and introduced Deputy City Manager Karen Peters.

Ms. Peters gave an overview of the current water supply of the Colorado River and introduced Arizona Department of Water Resources Director Tom Buschatzke and Water Resources Management Advisor Cynthia Campbell.

Mr. Buschatzke gave an overview of Arizona's water supply and usage by sector. He provided details on the Central Arizona Project's (CAP) usage and the 2021 water year snowpack inflow into Lake Powell. Mr. Buschatzke highlighted a model of projections for Lake Mead. He discussed CAP tier 1 shortage reductions and reductions in 2022 per sector. He highlighted the Drought Contingency Plan (DCP) and Arizona's estimate of reconsultation processes and timeline.

Ms. Campbell highlighted the Colorado River shortage impacts to the City of Phoenix and provided an overview of the water supply to Phoenix. She outlined the CAP priority system and tier 1 shortage impacts to Phoenix. Ms. Campbell highlighted efforts taken by Phoenix to be prepared for shortage, including the Colorado River Resiliency Fund, infrastructure investments, and conservation efforts.

Mayor Gallego thanked staff for their efforts and expressed the importance of securing water for the future.

Vice Mayor Garcia asked how water contamination was addressed.

Ms. Campbell replied that the Water Services Department monitors the water quality at the wastewater treatment plants and noted ongoing partnerships with the Salt River Project (SRP) to address water quality issues if they arise.

Councilwoman Pastor asked how water cuts from agriculture would impact the food supply in Arizona.

Mr. Buschatzke responded that the priority system was designed to cut agriculture first since food could be delivered from other places instead of displacing people from their homes. He highlighted the important balance between agriculture and production from policy decisions made by numerous stakeholders.

Mayor Gallego asked City Attorney Cris Meyer read the rules for public comment.

Mr. Meyer read the public comment rules.

Stacey Champion expressed concerns about water quality, quantity, and contamination in Phoenix and around Arizona.

Shana Cynamon suggested the City of Phoenix encourage to residents reduce water usage through incentives and green infrastructure.

Brenda Montoya advocated for more measures to be implemented to mitigate climate change and encouraged the City keep agricultural fields in lieu of new developments.

This item was discussed.

DISCUSSION AND POSSIBLE ACTION (ITEM 2)

2 American Rescue Plan Proposed Strategic Plan - June 8, 2021 Update Discussion

Mayor Gallego introduced Assistant City Manager Jeff Barton for the planned presentation.

Mr. Barton provided an overview of the American Rescue Plan Act (ARPA). He introduced Community and Economic Development Director Chris Mackay, Arts and Culture Director Mitch Menchaca, Human Services Director Marchelle Franklin, Acting Housing Director Titus Mathew, Parks and Recreation Director Cynthia Aguilar, Phoenix Public Library Director Rita Hamilton, and Office of Environmental Programs Coordinator Rosanne Albright. Mr. Barton highlighted eligible activities

and proposed allocations within two years through three initiatives including community investment, City operations investment, and contingency. He provided an overview of the community investment allocations including: Phoenix Arts, Business, and Employee Assistance, Mitigation and Care for Vulnerable Populations, Households and Rental Assistance, Youth Sports, Recreation, Education, and After-school, Phoenix Resilient Food System, and Better Health and Community Outcomes.

Ms. Mackay highlighted programs under the Phoenix Arts, Business, and Employee Assistance Program allocations, including Workforce Training and Facility and Training program, Workforce Wraparound Tuition/Apprenticeship Program, Micro and Small Business Assistance Program, and Small Business Workforce Program.

Mr. Menchaca detailed the Nonprofit Arts and Culture Stabilization Grants, Artists to Work, Arts Career Advancement Grants, Arts and Culture Internship Program, Arts Technical Assistance and Outreach.

Vice Mayor Garcia asked for more details on how barriers would be reduced for small businesses to participate in the Micro and Small Business Assistance Program. He asked if the City would still partner with the Phoenix Industrial Development Authority (IDA) and asked what would be done differently to connect with hard-to-reach businesses in the Small Business Workforce Program.

Ms. Mackay replied that small businesses would be engaged with team members directly in the field in both English and Spanish. She noted that partnerships with the IDA and others in the community would be consolidated into one program to reduce barriers and ensure efficiency.

Vice Mayor Garcia asked how funds for arts would be equitably distributed to the most impacted groups.

Mr. Menchaca highlighted strategies to engage with the community directly in-person through various outreach approaches.

Councilwoman Guardado expressed support for the K-mart

facility/Innovation 27 and asked for more details on the Workforce Wraparound Tuition/Apprenticeship Program.

Ms. Mackay replied Community and Economic Development and Human Services staff would work with the Council offices to build the Workforce Wraparound Tuition/Apprenticeship Program.

Councilwoman Guardado expressed support for the Phoenix Arts Programs and encouraged the programs be dispersed throughout the entire City.

Mayor Gallego expressed support for the workforce programs and encouraged staff to ensure childcare be considered. She highlighted the impacts to artists and expressed support.

Councilwoman Pastor asked if the art programs would still be allocated on a first-come-first-served basis and if the artists who were not selected with previous COVID-19 funding would be prioritized.

Mr. Menchaca replied the artists that were not awarded could be contacted and the program could be tiered.

Ms. Franklin highlighted allocations in the Mitigation and Care for Vulnerable Populations including Homelessness and Mental Health, Summer Heat Respite, Financial Assistance for Refugee and Asylee Community, Memory Café Program, Area Agency on Aging's Goods2HOME, and Justa Center.

Mr. Mathew detailed the Edison Impact Hub, US Vets, and Veteran Relief.

Mr. Barton highlighted the Bus Stop Shelters Program.

Mr. Barton detailed the Households and Rental Assistance allocation including Utility and Rent/Mortgage assistance. He provided details on the existing resources through Emergency Rental Assistance 1.0, Emergency Rental Assistance 2.0, Emergency Housing vouchers, and Homeowner's Assistance Fund (AZ). Mr. Barton highlighted conceptual

programs including financial assistance for Phoenix families, Airport Childcare Facility, and Bus Card Subsidy Program.

Mr. Barton gave an overview of the Youth Sports, Recreation, Education and After-school Allocations and detailed the wi-fi for Community Centers and Public Housing.

Ms. Mackay provided details on the Citywide Wireless Network Project and Partnership.

Ms. Franklin detailed the Early Childhood Education Expansion.

Ms. Aguilar highlighted After-school Grants for Phoenix schools, Parks After-school Programs, and Youth Sports League Grants.

Ms. Hamilton detailed proposed programs including Startup PHX @ Burton Barr, College Depot assistance for students, Library Bookmobile for underserved areas, PHXWorks at Burton Barr and Ocotillo, Early Literacy Tutoring and Support, and Library Technology, Capital, and staff support.

Ms. Albright gave an overview of the Phoenix Resilient Food System Programs through Economic Development and Innovation, Equity and Inclusion, Local Food Consumption/Production, Food Banks and Pantries Support, Meals that Work, Resilient Food system, and Outreach and support staff.

Mr. Barton highlighted the Better Health Outcomes and Community Testing and Vaccines. He gave details on proposed City operations investment and contingency including infrastructure, technology and capital needs, revenue replacement, admin oversight, compliance, and outreach efforts, and PPE/cleaning/sanitizing/testing, and vaccine distribution.

Mr. Barton concluded by highlighting the first round of allocations.

Councilwoman Guardado thanked staff for their efforts on the comprehensive plan. She asked for clarification on the differences

between the City's budget and ARPA.

Mr. Barton gave an overview of the City's operating budget including the day to day services. He stated the ARPA funds could be used for specific operations and to help in areas and communities that are impacted by COVID-19.

Councilwoman Guardado asked how community input was utilized to develop the ARPA Strategic Plan.

Mr. Barton stated the community budget hearings, phone calls, emails, and other feedback were used to create the proposal.

Councilwoman Guardado requested staff work with the State and non-profits to assist individuals experiencing addiction and substance abuse.

Ms. Franklin stated staff would follow up with ideas.

Councilwoman Guardado requested laptop rentals be expanded to the Palo Verde Library.

Vice Mayor Garcia thanked staff for their efforts on the Strategic Plan. He expressed concerns about increased heat for vulnerable populations. He requested the Financial Assistance for Refugee and Asylee Community funds be expanded to include immigrant communities and asked funds be given to support the International Rescue Committee (IRC) and Welcome Center. Vice Mayor Garcia requested staff provide caseworker check-ins and mental health services for the Area Agency on Aging's Goods2HOME program.

Ms. Franklin stated more support services and check-ins could be dedicated to seniors and homebound residents.

Vice Mayor Garcia asked how the funds would be used for the Phoenix Afterschool Center (PAC) and after-school programs.

Ms. Aguilar replied criteria and applications would be developed. She

stated stipends and grants could be created for the Youth Sports program and partnerships with other organizations could be fostered.

Vice Mayor Garcia expressed support for the Phoenix Resilient Food System Program and encouraged the City to work with established non-profits to expand resources and capacity for the community, notably with the new public health contractor.

Councilwoman Ansari thanked staff for their efforts and advocated for several programs under tuition, transit, and infrastructure. She requested unconventional students be included in the allocations and advocated \$8 million be allocated to create a new pilot assistance program within the Workforce Wraparound Tuition/Apprenticeship Program. Councilwoman Ansari advocated for more cash assistance for the community and asked how students could be assisted.

Mr. Barton stated staff could develop more information and details on assisting students for the second allocation and expressed the importance of following grant requirements.

Councilwoman Ansari advocated funds earmarked for the transit allocation also include subsidized fares for university and community college students and the unsheltered population. She expressed support for many of the programs outlined in the strategic plan including energy efficiency projects.

Councilwoman Pastor thanked the Mayor and Council for coming together and staff for their efforts. She expressed support for US Vets and Veteran Relief, Justa Center, Better Health Outcomes and Community Testing and Vaccines, Phoenix Resilient Food System, and Phoenix Arts, Business, and Employee Assistance Programs.

Mayor Gallego expressed support for the mobile vaccination program.

Councilwoman Stark thanked everyone for their work asked if there were restrictions tied to the ARPA funds.

Mr. Barton stated there were over 150 pages of guidance.

City Manager Ed Zuercher reiterated the ARPA funds were for the community impacted by COVID-19 and the strategic plan discussed was separate from the City's budget.

Mayor Gallego expressed support for the programs outlined in the ARPA strategic plan proposal.

Vice Mayor Garcia made a motion to approve the APRA strategic plan as outlined in Attachment B. He requested staff come back to discuss mental and behavioral health; financial assistance for Phoenix families; and rent and utility assistance in more detail. He requested the Workforce Training Facility and Training Program and Citywide Wireless Network Project and Partnership items be pulled due Councilwoman Pastor's potential conflict of interest.

Councilwoman Guardado seconded the motion.

Councilwoman O'Brien requested a friendly amendment in the Infrastructure, Technology, and Capital Needs investment category that the Human Services allocation be increased to replace the Human Services Department's Case Management System. She requested Ms. Franklin give an overview of the Case Management System.

Ms. Franklin gave an overview of the existing Case Management System used for rent and utility assistance and noted the inability to allow for residents to apply online. She stated a new Case Management System would enhance customer service and outreach to the community such as adding the ability for residents to apply online.

Vice Mayor Garcia asked how the Case Management System would be funded.

Mr. Barton stated the funds would be allocated from the City Operations Investment allocation.

Vice Mayor Garcia agreed to the friendly amendment.

Councilwoman Guardado agreed to the friendly amendment.

Mayor Gallego opened the floor for public comment.

Will Humble expressed support of the ARPA proposal, acknowledged the work conducted by City staff and advocated for the mobile testing vans and a partnership with the Fire Department's baby shots program.

Shirley Gunther thanked the Fire Department for their work mitigating the fire in Council District 7, expressed her condolences for Officer New, and spoke in support for the proposed APRA plan.

Penny Allee Taylor spoke in support of the proposed ARPA plan.

Ricky Araiza expressed support of the proposed ARPA plan notably for funds allocated for the Arts programs.

Todd Briggs spoke in support of the proposed ARPA plan and encouraged the City adopt green infrastructure, mitigate the heat island, mitigate water for trees, and invest in pedestrian safety.

Sylvia Depta expressed support of the proposed ARPA plan notably for funds earmarked for the Arts programs.

Jerry Donato spoke in support of the proposed ARPA plan notably for funds earmarked for the Arts programs.

Dawn Gerundo thanked the Council for their work, expressed support for the proposed ARPA plan, including providing childcare and tackling the digital divide.

Steve Hanusofski expressed support of the proposed ARPA plan notably for the monies allocated for Arts programs.

Wendy Johnson thanked staff, the Council, and Mayor Gallego for their work on the proposed ARPA plan and expressed support for funds allocated to vulnerable seniors experiencing homelessness.

Alex Laing spoke in support of the proposed ARPA plan notably for funds earmarked for the Arts programs.

Ismael Morales expressed support of the proposed ARPA plan notably for funds allocated for Arts programs.

Caryn Potter spoke in support of the proposed ARPA plan and encouraged the City expand electric vehicle infrastructure and climate mitigation efforts.

Anne Reichman expressed support of the proposed APRA plan notably for green infrastructure in the City.

Douglas Robinson spoke in support of the proposed ARPA plan notably for funds allocated for the Arts programs.

Michael Rodgers thanked staff, the Council, and Mayor Gallego and expressed support for the proposed ARPA plan and advocated public safety be included.

Brian Schalk expressed support of the ARPA funds notably for green infrastructure investments.

Reverend Martha Seaman spoke in support of the ARPA funds for workforce training.

Karen Shell expressed support in support of the ARPA funds especially for Arts programs.

Kieran Sikdar spoke in support of the ARPA funds for green infrastructure investments.

Colin Tetreault expressed support of the ARPA funds for green infrastructure and the Materials Recovery Facility (MRF) investments.

Ginger Torres spoke in support of the ARPA funds for heat relief and green infrastructure investments.

Jesse Westad expressed support of the ARPA funds allocated for green infrastructure and street investments.

Mayor Gallego recessed the meeting at 6:01 p.m. and Councilman DiCiccio left at 6:01 p.m.

Mayor Gallego reconvened the meeting at 6:25 p.m.

Martha Avendano advocated ARPA funds not be used to fund the Police Department and advocated mental health, childcare, and daycare services be free for the community.

Ana Maria Calderon advocated ARPA funds be used for a substance abuse center, mental health, free transit for workers and students, childcare, and daycare services, financial assistance, rent and mortgage assistance for the community.

Alma Chavez requested ARPA funds be used to assist the community and for residents who were imprisoned.

Miros Domenzain advocated ARPA funds be invested into the community.

Anne Ender requested ARPA funds be used to support public safety professionals.

Martha Flores spoke in support of the ARPA funds for the community and advocated funds be given to the residents directly and assist vulnerable populations.

Concepcion Franco advocated ARPA funds be invested into the community, mental health, substance abuse, and expressed concerns about funds being used for the Police Department and City debt.

Reydan Freitas advocated ARPA funds be used to support the communities hit hardest by the COVID-19 pandemic and advocated funds be used for shelters, low-barrier shelters, and food.

Anabel Gabino requested ARPA funds be used to support the community and provide childcare services and expressed concerns about funds used for the Police Department.

Hector Garcia advocated ARPA funds be used to create free mental health services, addiction and substance abuse programs, childcare, transportation, and expressed concern about the difficulty to qualify for funds.

Beatris Garcia requested ARPA funds be used to provide free mental health and substance abuse services for the community and expressed concern about the barriers to apply for funds.

Cynthia Graber spoke in support of the proposed ARPA allocations and advocated funds be used for premium pay for essential workers.

Maria Gutierrez advocated ARPA funds be used for mental health and substance abuse centers and requested the City address barriers for residents to apply for funds.

Jennifer Hernandez requested ARPA funds be used to assist the community through childcare, rent and utility assistance, vulnerable populations, mental health, low barrier shelters, and free public transportation.

Yonas Kahsai advocated ARPA funds be used to fund mental health and substance abuse programs.

Lourdes Miranda requested ARPA funds be used to assist the community impacted by COVID-19 by providing mental health services and rent and mortgage relief.

Ismael Moreno advocated ARPA funds be used to provide mental health services, substance abuse and addiction programs, affordable housing, childcare, rent and utility relief for the community and requested the City address barriers to apply for funds.

Sushil Rao advocated ARPA funds be given to the community and to not

fund the Police Department.

Juana Rita requested ARPA funds be given to the community for housing, utility relief, mental health and substance abuse programs and advocated the City address barriers for residents to apply for funds.

Berta Rita advocated ARPA funds be given to the community and advocated funds be used for mental and behavioral health and substance abuse programs.

Maria Rojas requested ARPA funds be used to assist the community through partnerships to combat substance abuse and addiction and for survivors of domestic abuse.

Ana Sanchez advocated essential workers notably Police be included in the proposed ARPA funds due to increased violence and community needs.

Gerado Urbina requested ARPA funds be directly invested into the community and advocated the City address barriers for residents to apply for funds and expressed concerns about funds being used for the Police.

Estela Varela advocated ARPA funds be invested directly into the community most impacted by COVID-19.

Sonia Velazquez requested ARPA funds be invested into the community for mental health, addiction services, housing, free transportation, and medical bills.

Rebecca Denis advocated APRA funds be directly invested into the community through direct assistance and through free public transportation.

Councilman DiCiccio rejoined the meeting at 8:02 p.m.

Hana Hehman advocated ARPA funds be invested directly into the community through direct assistance and advocated free public transportation be expanded during the summer.

Kelly Kwok requested ARPA funds be used for the community for services such as income assistance, free transportation, housing and heat relief, childcare, addiction and substance abuse programs.

Tina Luna advocated ARPA funds be used for permanent affordable housing for vulnerable members of the community.

Angela Ojile requested ARPA funds be used for individuals experiencing homelessness and expansion of mental health services.

A motion was made by Vice Mayor Garcia, seconded by Councilwoman Guardado, to approve the ARPA strategic plan as outlined in Attachment B with the request that staff come back to discuss mental and behavioral health, financial assistance for Phoenix families, and rent and utility assistance in more detail along with Councilwoman O'Brien's friendly amendment that the Human Services Department's Case Management System allocation be increased to \$3 million.

Yes: 7 - Councilwoman Ansari, Councilwoman Guardado, Councilwoman O'Brien, Councilwoman Pastor, Councilwoman Stark, Vice Mayor Garcia, and Mayor Gallego

No: 2- Councilman DiCiccio and Councilman Waring

A motion was made by Vice Mayor Garcia, seconded by Councilwoman Guardado, to approve the Workforce Training Facility and Training Program and Citywide Network Project and Partnership, noting Councilwoman Pastor's potential conflict.

Yes: 6 - Councilwoman Ansari, Councilwoman Guardado, Councilwoman O'Brien, Councilwoman Stark, Vice Mayor Garcia and Mayor Gallego

No: 2 - Councilman DiCiccio and Councilman Waring

Conflict: 1 - Councilwoman Pastor

ADJOURN

There being no further business to come before the Council, Mayor Gallego declared the meeting adjourned at 8:15 p.m.

For further information, please call the Management Intern, City Manager's Office at 602-262-4449.