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CITY COUNCIL REPORT

CITY CLERK DEPT.

POLICY AGENDA

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TO: Lisa Takata
Deputy City Manager

AGENDA DATE: January 7, 2014

FROM: Thomas Remes
Government Relations Director

ITEM: 3A

SUBJECT: 2014 STATE LEGISLATIVE AGENDA

This report describes the City's proposed state legislative agenda for the Second Regular Session of the 51st Arizona State Legislature. Once considered and approved by the City Council, the agenda will define the City's state legislative priorities and guide the City's lobbying activities at the State Legislature. As bills are introduced and debated, the agenda will evolve as directed by the Mayor and Council. The session will commence on Monday, January 13, 2014.

Staff will brief the Mayor and Council throughout the session and seek policy direction regarding bills and amendments that impact the City.

GUIDING PRINCIPLES AND KEY PRIORITIES

In order to prioritize and guide staff's lobbying efforts, we recommend that the Mayor and Council endorse familiar, but critical, guiding principles as our highest priorities – maintaining and protecting **shared revenues**, opposing **unfunded mandates**, and preserving **local authority**.

Shared Revenues – The City's budget includes revenues from a number of State sources, most importantly "shared revenues" from state income, sales, and vehicle license taxes. Shared revenues makes up close to 28 percent of the City's general fund, helping to pay for police, fire, streets, parks, and other critical City services. Staff recommends the City oppose any reduction of shared revenues.

Oppose Unfunded Mandates – Staff recommends the City oppose state legislative efforts to shift new responsibilities to the City without accompanying funds.

Local Authority – The City's Charter empowers Phoenix residents to determine the structure and authority of city government in our unique community. Staff recommends the City work to protect the ability of the Mayor and Council to set policy at the local level and oppose legislation that preempts local authority.

OTHER LEGISLATIVE PRIORITIES

Each year Government Relations works with other City staff to identify issues or concerns that will require state legislative action to address. The Law Department assists to confirm the need for state legislation as well as with legislative drafting. Staff recommends that the City pursue and/or support legislation in the following areas:

Public Safety

- A. Enhanced penalties for sex trafficking – A coalition of law enforcement, human services, and non-profit agencies are working towards the enactment of legislation that would increase penalties for those trafficking and soliciting minors for prostitution. Specifically, the coalition would seek the elimination of a loophole that allows those found guilty of soliciting a minor to avoid receiving a maximum sentence if they claim they did not know they were engaging with a minor. Staff recommends supporting these efforts.
- B. Animal cruelty definitions – Last session, legislation that updated animal cruelty statutes to include hoarding and adequate shade and water definitions failed to advance in the House of Representatives. In the interim, Councilwoman Thelda Williams has worked with stakeholders to garner support for legislation that mirrors the City's animal cruelty ordinance. Staff requests approval to pursue legislation that introduces these definitions into state statute.
- C. Alarm agent amendments – Two years ago, the legislature created a statewide licensing and registration program for alarm companies and alarm installers. Implementation of this new regulatory scheme has revealed that the criminal background checks of alarm agents and the alarm information that law enforcement receives when responding to a call are in need of legislative clean up. Staff requests the authority to pursue legislation that will make this process work for law enforcement.

Neighborhoods

- D. Anti-graffiti legislation – Last session, graffiti legislation was introduced that included numerous penalties for minors convicted of graffiti crime. The provisions stemmed from the work by the City's Anti-Graffiti Task Force, chaired by Councilmen Michael Nowakowski and Tom Simplot. The bill did not receive a hearing. However, Representatives Chad Campbell (D – Phoenix) and Kate Brophy McGee (R – Phoenix) held stakeholder meetings during the interim and have general support for legislation that prohibits minors from purchasing graffiti instruments and requires retailers to keep these same instruments behind the counter. Staff recommends support.
- E. Require working cooling/heating systems in multi-family rental properties – Each year, the Neighborhood Services Department responds to tenant concerns about health and safety issues at multi-family rental properties. During summer months, commonly reported complaints are lack of adequate cool air, which can create serious health and safety issues for tenants. Currently, state statutes that

address slum properties do not require working cooling and heating systems. Staff requests approval to pursue legislation that would require multi-family units to have working cooling and heating systems.

Economic Development

- F. Enhancement of Industrial Development Authorities (IDA) – Staff has been working with stakeholders throughout Arizona to gauge interest in expanding the current IDA statutes to allow for the financing of private sector job creation in such areas as retail and small business, hospitality, and office projects. This proposal is meant to augment the Arizona Commerce Authority by providing capital to qualifying businesses in order to achieve the goal of creating 75,000 high wage jobs. Approval is being requested to expand the IDA's mission and efforts.

Human Services

- G. Mandate training for those providing Batterer Intervention Programs – Attending a Batterer Intervention Program is often ordered in misdemeanor domestic violence cases for the perpetrator. In the past, because this is a specialized type of treatment and therapy, providers of this service were required to have completed a minimum of 40 hours of domestic violence training. Over the summer, the Arizona Department of Health Services removed the 40-hour requirement. The Arizona Coalition Against Domestic Violence will be spearheading the introduction of legislation to require this training and staff recommends supporting their efforts.
- H. 2-1-1 system funding – 2-1-1 Arizona is a program of Community Information and Referral Services (CIR), a nonprofit that was designated in 2010 by the Arizona Corporation Commission to provide 2-1-1 dialing access in the state of Arizona on a 24/7 basis for free health, human, community and government service information and referrals. Since activating 2-1-1 services in 2011, 2-1-1 Arizona has experienced more than a 100% increase in service requests statewide, more than 1.34 million calls in FY 2013, and a current 38 % call abandonment rate, all without statewide financial support. To meet the demand of this service, staff recommends supporting 2-1-1 Arizona in their efforts to secure a permanent funding source that does not impact City revenue streams.

Education

- I. Arizona State University's (ASU) parity and performance funding plan – ASU will pursue legislation that will ensure it and the other two state universities – The University of Arizona and Northern Arizona University – receive the same state funding per full time student. In addition, performance funds, based on the number of degrees awarded, student credit hours completed, and increased sponsored research and public service expenditures, will also be requested. Staff recommends support.

Miscellaneous

- J. Support increased T-Gen funding – State appropriations for T-Gen operations have been impacted over the last few years. The Governor’s Office is expected to recommend increased funding for T-Gen’s mission in next year’s state budget. Staff recommends supporting those efforts.
- K. Codify relocation statutes – Last session, relocation statutes were revised in response to changes in the federal surface transportation reauthorization law (Moving Ahead for Progress in the 21st Century or MAP-21). Only one portion of state law was revised which has created several inconsistencies in other areas that could lead to affected businesses not receiving the updated amount of relocation costs. Staff requests approval to seek the codification of relocation procedures in Arizona Revised Statutes.
- L. Align emissions inspections for alternative fuel and gas/diesel vehicles – The Arizona Administrative Code allows new, non-alternative fuel vehicles to be exempt from emission inspection for the acquisition year and the next four model years. State law requires that alternative fuel vehicles have an emissions inspection in the fourth registration year and in subsequent years. Staff proposes changing state law to allow alternative fuel vehicles to have the same emission inspection interval as gasoline and diesel vehicles. The City would save \$11.50 for each Alternative Fuel vehicle for each of the two years they would not be required to have an emissions inspection. Staff requests approval to seek this change.
- M. Update emissions inspection requirements for light duty vehicles – State law requires a holder of a fleet emissions inspection station permit to perform an emission inspection on its 1996 or newer light duty vehicles at least once annually following any original registration or re-registration. However, the Arizona Administrative Code requires the inspection of these vehicles biennially. Staff requests that state law be amended to mirror the administrative code. There will be monetary savings due to vehicles needing to be taken out of service once every two years instead of each year for an emission inspection.

CONCLUSION

This report requests City Council approval of the proposed state legislative agenda for the Second Regular Session of the 51st Arizona State Legislature. As bills are introduced and debated, the agenda will continue to evolve as directed by the Mayor and Council.