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# FIFTY-SEVENTH LEGISLATURE UPDATE



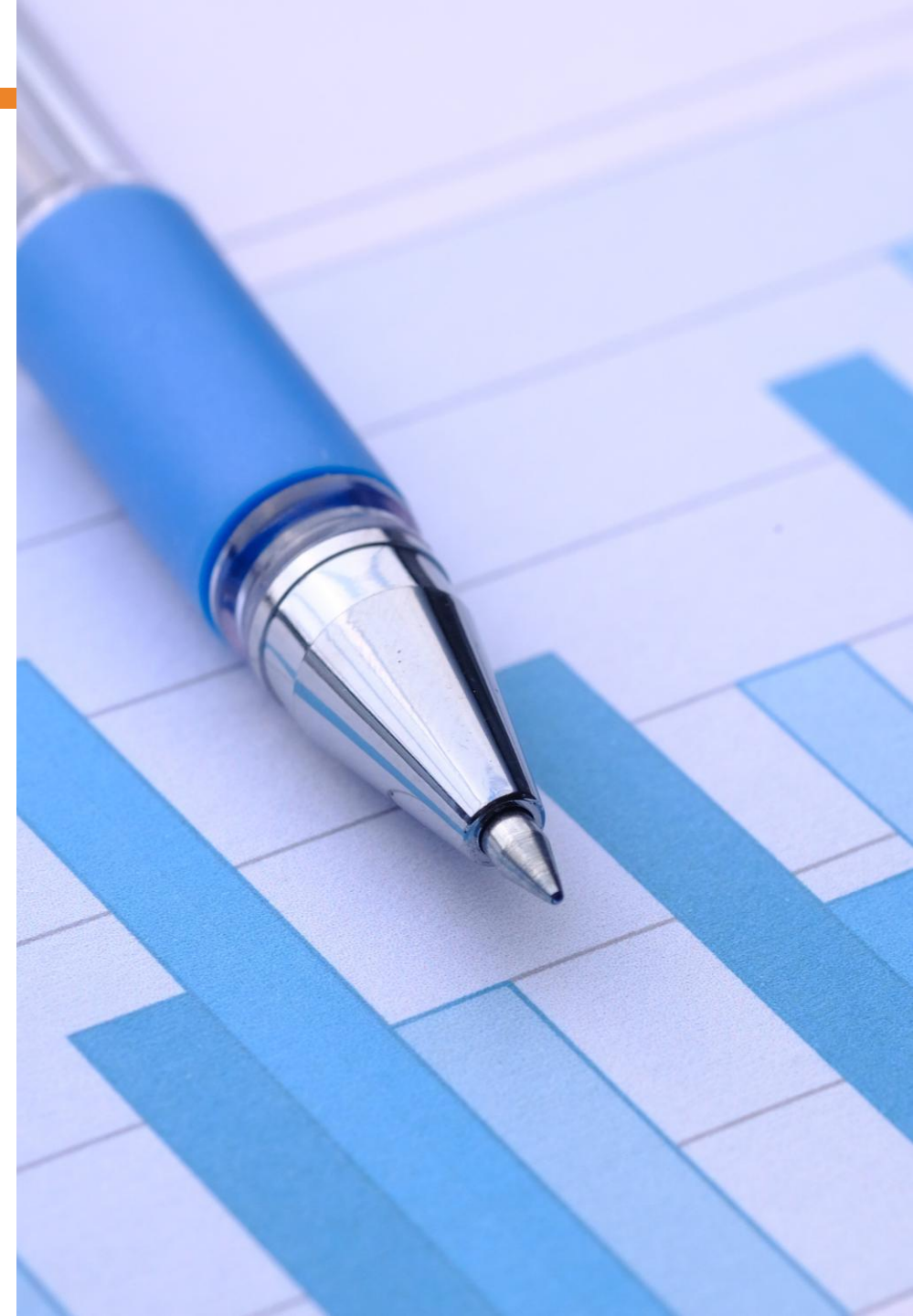
# LEGISLATIVE SESSION OVERVIEW



- **Start of Session:** January 13, 2025
- **Bills Introduced:**
  - House Bills: 802
  - Senate Bills: 733
  - Resolutions/Memorials: 109
  - **Total Measures: 1,644**
- **Key Deadlines:**
  - Senate Bill Introduction Deadline: **February 10**
  - House Bill Introduction Deadline: **February 10**
  - Last Day to Hear Bills in Chamber of Origin: **February 21**
  - Last Day to Hear Bills in Opposite Chamber: **March 28**
  - Last Day for Conference Committees: **April 18**
  - 100th Day of Legislative Session: **April 22**

# MUNICIPAL FINANCE

- **HCR2021 – Food; Municipal Tax; Exemption**
  - Proposes to exempt food items from municipal transaction privilege taxes, impacting city revenue streams.
  - League Position: Opposed – removes a critical local revenue source that funds essential services.
- **SB1013 – Municipalities; Counties; Fee Increases;Vote**
  - Requires a two-thirds supermajority vote for local governments to raise fees, taxes, or assessments.
  - League Position: Opposed – limits financial flexibility for cities and towns.
- **SCRI008 – Municipalities; Counties;Vote; Fee Increases**
  - Declares that fee increases are a statewide concern and limits local control.
  - If passed, the measure will be on the 2026 ballot.
  - League Position: Opposed – removes local decision-making power.
- **SB1318 – Income Tax Rate Reduction; Surplus**
  - Establishes a mechanism to reduce individual income tax rates annually using 50% of the state's structural surplus.
  - League Position: Opposed – impacts local government funding and essential services.



# ZONING & HOUSING



- **HB2371 / SBI229 – Planning; Home Design; Restrictions**
  - Limits municipal authority over home design, lot sizes, and zoning.
  - Cities argue it removes local control over responsible development.
  - League Position: Opposed – broad, top-down mandates fail to consider local needs.
- **SBI698 – Municipalities; Starter Homes Development**
  - Alternative to SBI229 – requires homes to be sold to those earning  $\leq 120\%$  of area median income.
  - Includes a 15-year deed restriction to prevent speculative investors.
  - League Position: Supported – promotes affordability while maintaining responsible planning.

# PUBLIC SAFETY

- **HB2221 – Law Enforcement; Defunding; Prohibition**
  - Prevents cities from reducing police budgets from the previous year.
  - If cuts occur, the State Treasurer will withhold shared revenues.
  - League Position: Opposed – removes budget flexibility for local governments.
- **SBI019 – Photo Enforcement Ban**
  - Bans red-light cameras and speed enforcement cameras statewide.
  - League Position: Opposed – cities use these for traffic safety.



# ECONOMIC DEVELOPMENT



- **HB2118 – TPT; Sourcing; Business Location; Receipt**
  - Modifies tax collection rules for businesses operating in multiple locations.
  - League Position: Opposed – could impact local revenue streams.
- **HB2596 – Municipal Improvement Districts; Authorization**
  - Expands municipal authority to create improvement districts that can fund infrastructure and economic development projects.
  - League Position: Supported – gives cities more tools to support local development.

## NEXT STEPS

- **Monitor Key Bills:** League will continue tracking municipal-impact legislation.
- **Engage with Legislators:** Cities should continue advocacy efforts.
- **Stay Informed:** Regular updates from the League of Arizona Cities and Towns.
- **Attend Governor Hobbs State of the State:**
  - \$10M for border security under the Local Border Support Program.
  - New semiconductor manufacturing initiatives.
  - \$13M for rural transportation projects (SMART Fund).
  - Expansion of BuildItAZ for workforce training and apprenticeships.
  - \$2M for expanding state land auctions to encourage commercial and industrial development.



THANK YOU

Questions or Comments

