



County Supervisors

A S S O C I A T I O N
o f a r i z o n a

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COUNTY SUPERVISORS ASSOCIATION LEGISLATIVE POLICY COMMITTEE

AGENDA

March 1, 2013

Teleconference 1-866-228-9900

Access Code 326208#

[Web Link](#)

County Supervisors Association
1905 W. Washington St.
Phoenix, AZ

9:00 a.m. Call to Order ~ *President Lenore Stuart*

A) State and Federal Budget Update

- Sequestration

B) TPT Proposal

- [HB 2657](#) transaction privilege tax changes (*Lesko*)

C) Legislative Bills / Issues for Discussion and Possible Consideration

Regulatory Reform

1. [HB 2443](#) cities; counties; regulatory review (*Olson*)
2. [SB 1463](#) counties; flood control districts; rules (*Griffin*)

General

3. [HB 2164](#) DHS; food inspection; exception (*Kavanagh*)
4. [HB 2311](#) S/E restitution lien; administrative hearing (*Farnsworth*)
5. [HB 2430](#) tech correction; immunization; informed consent (*Brophy McGee*)
6. [SB 1266](#) illegal dumping; penalties (*McGuire*)

D) Update of CSA-sponsored Bills

1. [HB 2124](#) fire districts reorganization elections (*Ugenti*)
2. [HB 2138](#) municipalities; rights-of-way; transfer (*Pratt*)
3. [SB 1098](#) medical marijuana; zoning authority (*Pierce*)
4. [HB 2175](#) special districts; use fees (*Fann*)
5. [SB 1284](#) county general excise tax rate (*Crandell*)

E) Other Business

F) Next Meeting Date and Time (*Friday, March 8, at 9:00 a.m.*)

G) Adjourn

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TPT Proposal

Bill Summaries

H2657: TRANSACTION PRIVILEGE TAX CHANGES

Numerous changes related to transaction privilege taxes (TPT) and affiliated excise taxes. Requirements for the sourcing of transactions are established, effective January 1, 2014. Retail sales of tangible personal property must be sourced to the seller's business location if the seller receives the order at a business location in Arizona, or to the purchaser's location in Arizona if the seller receives the order at a business location outside of Arizona. For the purposes of municipal excise taxes, the jurisdiction with the right to tax a sale of tangible personal property is the municipality where the order is received (defined), or where the stock is located from which the property is taken, or where the transfer of title or possession of the property occurred. The gross receipts from leasing or renting tangible personal property must be sourced to the lessor's business location in Arizona or to the lessee's address if the lessor does not have a business location in Arizona. The list of exemptions from the retail TPT classification is modified to remove sales to nonresidents for use outside the state if the vendor ships or delivers the property out of the state, and sales of property that is shipped or delivered directly to a destination outside the U.S. for use in a foreign country. Effective January 1, 2015, the prime contracting and owner builder sales transaction privilege tax classifications are eliminated and replaced with a manufactured building dealer classification. The sale of tangible personal property to a "contractor" (defined), regardless of whether it will be incorporated into a building or structure, is considered to be a retail sale and is subject to retail TPT unless otherwise exempt. Prime contracting TPT distributions to political subdivisions are deleted. Tangible personal property sold to a manufactured building dealer is only exempt from the retail TPT classification only if the property is to be incorporated or fabricated into a manufactured building. Numerous items are removed from the list of deductions from the tax base for the manufactured building dealer classification (formerly prime contracting). Once the distribution of revenues for municipal or county infrastructure improvements related to manufacturing facilities has reached the maximum amount, 40 percent of the remaining TPT revenues from the retail classification are designated as the distribution base for state shared revenues, increased from 20 percent. The Department of Revenue is required, rather than permitted, to collect and administer TPT and use taxes imposed by municipalities and to enter into intergovernmental agreements with municipalities to provide a uniform method of administration, collection, audit and licensing of TPT and affiliated excise taxes. Municipalities are prohibited from employing auditors and entering into contracts with a party other than the state for the collection, administration and processing of TPT or affiliated taxes. Municipalities are prohibited from levying a TPT or use tax on construction contracting, owner builder sales or speculative building. Municipalities are no longer prohibited from levying a TPT or use tax on sales of motor vehicles to nonresidents for use outside the state or on any amount attributable to development fees incurred in relation to construction. Effective January 1, 2014, if a county or special taxing district levies one or more excise taxes on the effective date of this legislation, and if approved by the voters at a county-wide or district-wide election, a county or district is authorized to levy an excise tax on the storage, use or consumption in the county of tangible personal property purchased from a retailer, as a

percentage of the sales price. The tax must be at a rate equal to the sum of the rates of all the excise taxes levied on the effective date. The Department of Revenue is required to collect the tax. Session law provides that this legislation does not apply to or affect the tax liability of contracts entered into before January 1, 2015 by a person engaged in business under the prime contracting classification or the construction contracting, owner builder or speculative builder classification of the model city tax code, or to the sale of tangible personal property to a contractor for incorporation into a project that was subject to a tax deduction.

First sponsor: Rep. Lesko

Others: Sen. Ableser, Rep. Allen, Sen. Barto, Rep. Barton, Sen. Biggs, Rep. Boyer, Rep. Brophy McGee, Sen. Burges, Rep. Cardenas, Rep. Carter, Rep. Coleman, Sen. Crandall, Sen. Crandell, Sen. Driggs, Rep. Fann, Sen. Farley, Rep. Forese, Rep. Gallego, Rep. Gowan, Rep. Gray, Rep. Kwasman, Rep. Livingston, Rep. Lovas, Sen. McComish, Rep. Mesnard, Sen. Meza, Rep. Miranda, Rep. Mitchell, Rep. Montenegro, Sen. Murphy, Rep. Olson, Rep. Orr, Rep. Petersen, Rep. J. Pierce, Sen. S. Pierce, Rep. Pratt, Sen. Reagan, Sen. Shooter, Rep. Shope, Rep. Thorpe, Rep. Tobin, Rep. Townsend, Sen. Ward, Rep. Wheeler, Sen. Worsley, Sen. Yarbrough, Sen. Yee

H2657 Daily History

Date Action

TRANSACTION PRIVILEGE TAX CHANGES 2/19 from House ways-means with amend [#4199](#).

TRANSACTION PRIVILEGE TAX CHANGES 2/12 referred to House ways-means, appro.

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Regulatory Reform

Bill Summaries

H2443: CITIES; COUNTIES; REGULATORY REVIEW

Various changes to the regulatory bill of rights for municipalities, counties and county flood control districts. Municipalities, counties and county flood control districts are permitted to make one comprehensive written or electronic "request for corrections" (defined) to license applications. If the municipality, county or county flood control district identifies legal requirements that were not included in the request, a municipality, county or county flood control district may amend comprehensive request for corrections once to include the legal requirements. If an applicant requests significant changes to an application that are in response to the request for corrections, the municipality, county or county flood control district is permitted to make one additional comprehensive request for corrections and may have no more than an additional 50 percent of the substantive review time frame to grant or deny the license. If an applicant submits another application for the same purposes with only revisions or corrections to the original application, a municipality or county is prohibited from assessing any additional application fees that exceed the cost of processing the resubmitted revisions or corrections, and a county flood control district is prohibited from assessing any additional fees that exceed 50 percent of the original permit fee that has not been refunded, with some exceptions. Municipalities, counties and county flood control districts may consider an application withdrawn if the applicant does not supply requested documentation or information by established deadlines. When establishing licensing time frames, municipalities, counties and county flood control districts are required to consider that the time frames do not include the time required for an applicant to obtain other licenses or to participate in required meetings. Licensing time frames must be posted on a municipality's or county's website or the website of an association of municipalities or counties if the municipality or county does not have a website. A "fire and life safety inspection" (defined) of areas accessible to the general public is exempt from the requirement that a representative of the regulated person have the opportunity to accompany the inspector or regulator on the premises. The list of exemptions from the municipal regulatory bill of rights is expanded to include the function or operation of a municipal airport, public safety or police department, town marshal's office, fire department, ambulance service or zoning adjustment process, and the definition of "license" is modified to exclude a transaction privilege tax license. AS PASSED HOUSE.

First sponsor: Rep. Olson

H2443 Daily History

Date Action

CITIES; COUNTIES; REGULATORY REVIEW 2/27 referred to Senate gov-env.

CITIES; COUNTIES; REGULATORY REVIEW 2/25 passed House 60-0; ready for Senate.CITIES; COUNTIES; REGULATORY REVIEW 2/21 House COW approved with amend #4053 and floor amend #4303.

CITIES; COUNTIES; REGULATORY REVIEW 2/18 from House rules okay.

CITIES; COUNTIES; REGULATORY REVIEW 2/6 from House gov with amend #4053.

CITIES; COUNTIES; REGULATORY REVIEW 1/23 referred to House gov.

S1463: COUNTIES; FLOOD CONTROL DISTRICTS; RULES

County boards of supervisors and county flood control district boards are required to adopt procedures for the adoption, amendment, repeal and enforcement of rules that contain at least specified provisions, including public notice at various stages. Some exceptions. Effective January 1, 2014 for a county with a population of 375,000 or more, and January 1, 2015 for a county with a population of less than 375,000.

First sponsor: Sen. Griffin

Others: Sen. Ableser, Rep. Allen, Sen. Barto, Rep. Barton, Sen. Biggs, Rep. Borrelli, Rep. Boyer, Sen. Bradley, Rep. Brophy McGee, Sen. Burges, Sen. Cajero Bedford, Rep. Cardenas, Rep. Carter, Sen. Crandall, Sen. Crandell, Rep. Dial, Sen. Driggs, Rep. Fann, Sen. Farley, Sen. Gallardo, Rep. Gowan, Sen. Hobbs, Sen. Landrum Taylor, Sen. Lopez, Sen. McComish, Sen. McGuire, Sen. Melvin, Rep. Mesnard, Sen. Meza, Rep. Mitchell, Rep. Montenegro, Sen. Murphy, Rep. Olson, Rep. Orr, Sen. Pancrazi, Rep. Petersen, Rep. J. Pierce, Sen. S. Pierce, Rep. Pratt, Rep. Quezada, Sen. Reagan, Rep. Robson, Rep. Saldate, Rep. Seel, Sen. Shooter, Rep. Shope, Rep. Smith, Rep. Stevens, Rep. Thorpe, Sen. Tovar, Rep. Townsend, Sen. Ward, Sen. Worsley, Sen. Yarbrough, Sen. Yee

S1463 Daily History

Date Action

COUNTIES; FLOOD CONTROL DISTRICTS; RULES 2/26 from Senate rules with a technical amendment.
 COUNTIES; FLOOD CONTROL DISTRICTS; RULES 2/19 from Senate gov-env with amend [#4221](#).
 COUNTIES; FLOOD CONTROL DISTRICTS; RULES 2/6 referred to Senate gov-env.

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General

Bill Summaries

H2164: DHS; FOOD INSPECTION; EXCEPTION

The Department of Health Services food safety rules must provide an exemption for food and drink that is offered at any locations that sell only commercially prepackaged food or drink without a limitation on its display area. Previously, the exempt food and drink could only be displayed in an area of less than 10 linear feet.

First sponsor: Rep. Kavanagh

H2164 Daily History

Date Action

DHS; FOOD INSPECTION; EXCEPTION 2/27 Senate hel-hu ser do pass; report awaited.

DHS; FOOD INSPECTION; EXCEPTION 2/19 referred to Senate hel-hu ser.

DHS; FOOD INSPECTION; EXCEPTION 2/14 passed House 58-0; ready for Senate.

DHS; FOOD INSPECTION; EXCEPTION 2/4 to House consent calendar. From House rules okay.

DHS; FOOD INSPECTION; EXCEPTION 1/30 from House hel do pass.

DHS; FOOD INSPECTION; EXCEPTION 1/22 referred to House hel.

H2311: GARNISHMENT; FAILURE TO COMPLY

The time that a garnishee has to comply with an order for criminal garnishment is decreased to 15 days, from 30 days.

First sponsor: Rep. Farnsworth

H2311 Daily History

Date Action

GARNISHMENT; FAILURE TO COMPLY 2/26 from House rules okay.

GARNISHMENT; FAILURE TO COMPLY 2/21 from House jud with amend #4295.

GARNISHMENT; FAILURE TO COMPLY 1/22 referred to House jud.

H2430: TECH CORRECTION; IMMUNIZATION; INFORMED CONSENT

Minor change in Title 36 (Public Health) related to informed consent for school immunizations. Apparent striker bus.

First sponsor: Rep. Brophy McGee

H2430 Daily History

Date Action

TECH CORRECTION; IMMUNIZATION; INFORMED CONSENT 2/25 from House rules okay.

TECH CORRECTION; IMMUNIZATION; INFORMED CONSENT 2/20 from House hel with amend #4259.

TECH CORRECTION; IMMUNIZATION; INFORMED CONSENT 2/6 referred to House hel.

S1266: ILLEGAL DUMPING; PENALTIES

Establishes a minimum fine or civil penalty for illegal dumping of \$1,800, which cannot be waived or suspended. A person guilty of illegal dumping is also liable for all costs assessed for removing or abating the trash or debris. Establishes a minimum fine for certain types of criminal littering or polluting of \$2,500, which cannot be waived or suspended.

First sponsor: Sen. McGuire

Others: Sen. Bradley, Sen. Cajero Bedford, Sen. Crandell, Sen. Driggs, Sen. Gallardo, Sen. Griffin, Sen. Jackson, Jr., Sen. Landrum Taylor, Sen. Lopez, Sen. Melvin, Sen. Pancrazi, Sen. Tovar, Sen. Yarbrough, Sen. Yee

S1266 Daily History Date Action

ILLEGAL DUMPING; PENALTIES 2/25 from Senate gov-env do pass.

ILLEGAL DUMPING; PENALTIES 2/21 from Senate pub safety with amend #4276. Senate gov-env do pass; report awaited.

ILLEGAL DUMPING; PENALTIES 2/20 Senate pub safety amended; report awaited.

ILLEGAL DUMPING; PENALTIES 1/30 referred to Senate gov-env, pub safety.

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Legislative Agenda

Bill Summaries

H2124: FIRE DIST REORGANIZATION ELECTIONS

Various changes to statues governing elections to reorganize a fire district, including requiring any person seeking election to the governing body that would be formed or expanded upon reorganization to comply with the nomination requirements for a candidate prescribed in state statute, including filing a nomination paper and nomination petitions.

First sponsor: Rep. Ugenti

H2124 Daily History

Date Action

FIRE DIST REORGANIZATION ELECTIONS 2/19 referred to Senate elect.

FIRE DIST REORGANIZATION ELECTIONS 2/12 passed House 59-0; ready for Senate.

FIRE DIST REORGANIZATION ELECTIONS 2/4 to House consent calendar. From House rules okay.

FIRE DIST REORGANIZATION ELECTIONS 1/30 from House gov do pass.

FIRE DIST REORGANIZATION ELECTIONS 1/22 referred to House gov.

H2138: MUNICIPALITIES; RIGHT-OF-WAY; TRANSFER

As an alternative to municipal annexation, a county right-of-way or roadway may be transferred to an adjacent city or town by mutual consent of the governing bodies. Previously, a county right-of-way or roadway could be annexed to an adjacent city or town by mutual consent of the governing bodies.

First sponsor: Rep. Pratt

H2138 Daily History

Date Action

MUNICIPALITIES; RIGHT-OF-WAY; TRANSFER 2/25 referred to Senate rules only.

MUNICIPALITIES; RIGHT-OF-WAY; TRANSFER 2/20 passed House 58-0; ready for Senate.

MUNICIPALITIES; RIGHT-OF-WAY; TRANSFER 2/11 from House rules okay.

MUNICIPALITIES; RIGHT-OF-WAY; TRANSFER 2/11 to House consent calendar.

MUNICIPALITIES; RIGHT-OF-WAY; TRANSFER 2/6 from House gov do pass.

MUNICIPALITIES; RIGHT-OF-WAY; TRANSFER 2/5 House gov do pass; report awaited.

MUNICIPALITIES; RIGHT-OF-WAY; TRANSFER 1/22 referred to House gov.

H2175: WATER IMPROVEMENT, SANITARY DISTRICTS; LIENS

Domestic water improvement districts are authorized to charge an availability fee of up to 50 percent of the user fee on all property in the district that is not connected to the existing water system. Water improvement districts and sanitary districts are authorized to file a lien on property for the nonpayment of availability fees.

First sponsor: Rep. Fann

H2175 Daily History

Date Action

WATER IMPROVEMENT, SANITARY DISTRICTS; LIENS 2/27 referred to Senate gov-env, appro.

WATER IMPROVEMENT, SANITARY DISTRICTS; LIENS 2/26 passed House 41-18; ready for Senate.

WATER IMPROVEMENT, SANITARY DISTRICTS; LIENS 2/18 to House consent calendar. From House rules okay.

WATER IMPROVEMENT, SANITARY DISTRICTS; LIENS 2/12 from House agri-water do pass.
 WATER IMPROVEMENT, SANITARY DISTRICTS; LIENS 1/22 referred to House agri-water.

S1098: MARIJUANA; CULTIVATION; COUNTY ZONING

The restriction on county zoning regulations for general agricultural purposes does not include the cultivation of cannabis.

First sponsor: Sen. S. Pierce
 Others: Rep. Borrelli, Rep. Fann, Rep. Goodale, Sen. Yee

S1098 Daily History	Date	Action
MARIJUANA; CULTIVATION; COUNTY ZONING	2/26	from House agri-water do pass.
MARIJUANA; CULTIVATION; COUNTY ZONING	2/26	House agri-water do pass; report awaited.
MARIJUANA; CULTIVATION; COUNTY ZONING	2/18	referred to House agri-water.
MARIJUANA; CULTIVATION; COUNTY ZONING	2/6	passed Senate 28-0; ready for House.
MARIJUANA; CULTIVATION; COUNTY ZONING	2/4	to Senate consent calendar. From Senate rules okay.
MARIJUANA; CULTIVATION; COUNTY ZONING	1/30	from Senate nat res-rural do pass.
MARIJUANA; CULTIVATION; COUNTY ZONING	1/22	referred to Senate nat res-rural.

S1284: COUNTY GENERAL EXCISE TAX RATE

The county general excise tax that counties with a population of less than 1.5 million (all but Maricopa County) may levy may be levied by a majority of the voters voting at a countywide election, in addition to by a unanimous vote of the board of supervisors. If approved by the voters, the percentage of the state transaction privilege tax and use tax rates used as the excise tax rate may be set at greater than 10 percent but cannot exceed 20 percent.

First sponsor: Sen. Crandell
 Others: Rep. Barton, Rep. Fann, Sen. Jackson, Jr., Rep. Thorpe

S1284 Daily History	Date	Action
COUNTY GENERAL EXCISE TAX RATE	2/21	from Senate fin do pass.
COUNTY GENERAL EXCISE TAX RATE	2/20	Senate fin do pass; report awaited.
COUNTY GENERAL EXCISE TAX RATE	1/30	referred to Senate fin.