



# County Supervisors

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

1905 W. Washington St., Ste. 100, Phoenix, AZ 85009  
(602) 252-5521 fax: (602) 253-3227

## COUNTY SUPERVISORS ASSOCIATION LEGISLATIVE POLICY COMMITTEE

### AGENDA

April 12, 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) Approval of the Minutes of the March 29, 2013, and the April 5, 2013, Legislative Policy Committee Meetings
- B) State Budget Update
- C) TPT Proposal
  - 1. [HB 2467](#) transaction privilege tax changes (*Lesko*)
  - 2. [HB 2111](#) S/E transaction privilege tax changes (*Lesko*)
- D) Legislative Bills / Issues for Discussion and Possible Consideration
  - Bills of Interest
    - 1. [HB 2463](#) NOW: rules; counties; flood control districts (*Gowan*)
    - 2. [HB 2572](#) NOW: financial standards; fire districts (*Coleman*)
    - 3. [HB 2578](#) licensing; accountability; penalties; exceeding regulation (*Petersen*)
- E) Federal Issues
  - 1. [HR 596/S 279](#) public lands renewable energy act of 2013 (*Gosar/Tester*)
- F) Update of CSA-sponsored Bills
  - 1. [HB 2124](#) fire districts reorganization elections (*Ugenti*)
  - 2. [HB 2138](#) municipalities; rights-of-way; transfer (*Pratt*)
  - 3. [HB 2175](#) special districts; use fees (*Fann*)
  - 4. [SB 1098](#) medical marijuana; zoning authority (*Pierce*)
  - 5. [SB 1284](#) county general excise tax rate (*Crandell*)
- G) Other Business
- H) Next Meeting Date and Time (*Thursday, April 18, at 10:00 a.m.; then Friday, April 26, at 9:00 a.m.*) **PLEASE NOTE THE NEXT LPC WILL BE HELD IN CONJUNCTION WITH THE CSA BOARD OF DIRECTORS MEETING**
- I) Adjourn

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## April 12th LPC

51st Legislature - 1st Regular Session, 2013

Wednesday, Apr 10 2013 1:34 PM

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### TPT Proposal

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#### Bill Summaries

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#### H2111: INVESTMENTS; PUBLIC MONIES

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The list of eligible investments for public monies invested by the State Treasurer is modified to include bonds of special taxing districts, and to allow investment in any evidences of indebtedness that are denominated in U.S. dollars and that carry at least an "A" rating from two or more nationally recognized rating agencies. Previously, investments in evidences of indebtedness were limited to bonds, debentures and notes issued by corporations organized and doing business in the U.S. that were rated within the top three ratings by one rating agency.

First sponsor: Rep. Lesko

H2111 Daily History                      Date    Action

INVESTMENTS; PUBLIC MONIES 3/27 from Senate appro with amend [#4900](#).  
INVESTMENTS; PUBLIC MONIES 3/25 from Senate fin with amend [#4873](#).  
INVESTMENTS; PUBLIC MONIES 3/21 further referred to Senate appro.  
INVESTMENTS; PUBLIC MONIES 3/20 Senate fin amended; report awaited.  
INVESTMENTS; PUBLIC MONIES 3/12 referred to Senate fin.  
INVESTMENTS; PUBLIC MONIES 3/11 House COW approved. Passed House [55-3](#); ready for Senate.  
INVESTMENTS; PUBLIC MONIES 3/7 from House rules okay.  
INVESTMENTS; PUBLIC MONIES 1/28 from House ways-means do pass.  
INVESTMENTS; PUBLIC MONIES 1/24 House ways-means do pass; report awaited.  
INVESTMENTS; PUBLIC MONIES 1/17 referred to House ways-means.

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#### H2657: TRANSACTION PRIVILEGE TAX CHANGES

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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.

# April 12th LPC

51st Legislature - 1st Regular Session, 2013

Wednesday, Apr 10 2013 1:39 PM

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## Bills of Interest

### Bill Summaries

#### H2463: COUNTIES; FLOOD CONTROL DISTRICTS; RULES (~~APPERANCE BONDS; EXONERATION~~)

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 and a public meeting at which the public is able to provide comments on the proposed rule. Some exceptions. Except for rules approved before the effective date of this legislation, a county or district rule cannot be enforced without substantial compliance with this legislation. 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. AS PASSED SENATE.

First sponsor: Rep. Gowan

H2463 Daily History	Date	Action
COUNTIES; FLOOD CONTROL DISTRICTS; RULES	4/4	passed Senate <u>18-11</u> ; ready for House action on Senate amendments.
<b>COUNTIES; FLOOD CONTROL DISTRICTS; RULES</b>	4/2	Senate COW approved with amend <u>#4866</u> and floor amend <u>#4935</u> . NOTE SHORT TITLE CHANGE.
APPERANCE BONDS; EXONERATION	3/26	from Senate rules okay.
APPERANCE BONDS; EXONERATION	3/25	from Senate gov-env with amend <u>#4866</u> .
APPERANCE BONDS; EXONERATION	3/21	Senate gov-env amended; report awaited.
APPERANCE BONDS; EXONERATION	3/19	Further referred to Senate gov-env. From Senate jud do pass.
APPERANCE BONDS; EXONERATION	2/20	referred to Senate jud.
APPERANCE BONDS; EXONERATION	2/18	passed House <u>58-0</u> ; ready for Senate.
APPERANCE BONDS; EXONERATION	2/11	from House rules okay.
APPERANCE BONDS; EXONERATION	2/11	to House consent calendar.
APPERANCE BONDS; EXONERATION	1/31	from House jud do pass.
APPERANCE BONDS; EXONERATION	1/23	referred to House jud.

#### H2572: FIRE DISTRICTS; FINANCIAL STANDARDS

Fire districts are required to reconcile all fund accounts for each calendar month within 30 days after the end of the month, and the fire district board must review the accounts monthly. Fire districts are required to produce monthly financial reports in accordance with generally accepted accounting principles to include cash flow projections for each fiscal year, and the fire district board must review the updated cash flow projections each month. Any financial report or cash flow projection that indicates an adverse impact on ongoing operations or liquidity must be reported to the county treasurer and the county board of supervisors within 10 days after the discovery.

First sponsor: Rep. Coleman

Others: Rep. Borrelli, Rep. Dial, Sen. Driggs, Sen. Reagan, Rep. Robson

H2572 Daily History	Date	Action
FIRE DISTRICTS; FINANCIAL STANDARDS	4/10	passed Senate <u>26-1</u> ; ready for House action on Senate amendments.
FIRE DISTRICTS; FINANCIAL STANDARDS	4/1	Senate COW approved with amend <u>#4779</u> and the rules tech amendment.
FIRE DISTRICTS; FINANCIAL STANDARDS	3/26	from Senate rules with a technical amendment.
FIRE DISTRICTS; FINANCIAL STANDARDS	3/19	from Senate gov-env with amend <u>#4779</u> .

FIRE DISTRICTS; FINANCIAL STANDARDS 3/0 referred to Senate gov-env.  
 FIRE DISTRICTS; FINANCIAL STANDARDS 3/4 passed House 59-0; ready for Senate.  
 FIRE DISTRICTS; FINANCIAL STANDARDS 2/25 from House rules okay. To House consent calendar.  
 FIRE DISTRICTS; FINANCIAL STANDARDS 2/20 from House gov do pass.  
 FIRE DISTRICTS; FINANCIAL STANDARDS 2/12 referred to House gov.

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**H2578: LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION**

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State, county, municipal and special taxing district employees who knowingly base a licensing decision in whole or in part on a requirement or condition that is not specifically authorized by statute, rule, ordinance or code would have been subject to a civil penalty of \$500 for a first violation, \$1,000 for the second violation, and \$2,000 for the third violation. A person affected by a licensing decision made in violation would have been permitted to file an action for declaratory relief in superior court. An action would have been required to be commenced within four years after the licensing decision. AS VETOED BY GOVERNOR. The Governor's veto message stated that this legislation is punitive and unnecessary, since state law prohibits improper licensing decisions and well-established administrative and judicial processes exist to remedy those decisions.

First sponsor: Rep. Petersen

Others: Rep. Allen, Sen. Barto, Rep. Barton, Rep. Borrelli, Rep. Boyer, Rep. Carter, Rep. Coleman, Sen. Crandell, Rep. Dial, Rep. Fann, Rep. Farnsworth, Rep. Goodale, Rep. Gowan, Rep. Gray, Sen. Griffin, Rep. Kavanagh, Rep. Kwasman, Rep. Lesko, Rep. Livingston, Rep. Lovas, Rep. Mitchell, Rep. Montenegro, Sen. Murphy, Rep. Olson, Rep. J. Pierce, Rep. Quezada, Rep. Seel, Sen. Shooter, Rep. Shope, Rep. Smith, Rep. Stevens, Rep. Thorpe, Rep. Townsend, Rep. Ugenti, Sen. Ward, Sen. Worsley

H2578 Daily History	Date	Action
LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION	4/5	VETOED <u>message</u>
LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION	4/4	passed Senate <u>16-13</u> ; ready for governor.
LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION	3/26	from Senate rules okay.
LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION	3/25	to Senate consent calendar.
LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION	3/25	from Senate gov-env do pass.
LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION	3/21	Senate gov-env do pass; report awaited.
LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION	3/19	referred to Senate gov-env.
LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION	3/18	from House rules okay. House COW approved with floor amend <u>#4773</u> . Passed House <u>57-0</u> ; ready for Senate.
LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION	2/21	from House jud do pass.
LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION	2/13	withdrawn from House gov.
LICENSING; ACCOUNTABILITY; PENALTIES; EXCEEDING REGULATION	2/11	referred to House gov, jud.

# April 12th LPC

51st Legislature - 1st Regular Session, 2013

Wednesday, Apr 10 2013 1:35 PM

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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 3/19 from Senate rules with a technical amendment.

FIRE DIST REORGANIZATION ELECTIONS 3/13 from Senate elect with amend [#4732](#).

FIRE DIST REORGANIZATION ELECTIONS 3/12 Senate elect amended; report awaited.

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 3/28 from Senate rules okay.

MUNICIPALITIES; RIGHT-OF-WAY; TRANSFER 3/27 to Senate consent calendar.

MUNICIPALITIES; RIGHT-OF-WAY; TRANSFER 3/19 from Senate gov-env do pass.

MUNICIPALITIES; RIGHT-OF-WAY; TRANSFER 3/5 further referred to Senate gov-env.

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
	2/27	referred to Senate gov-env, appro.
	2/26	passed House <u>41-18</u> ; ready for Senate.
	2/18	to House consent calendar. From House rules okay.
	2/12	from House agri-water do pass.
	1/22	referred to House agri-water.

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### **S1098: MARIJUANA; CULTIVATION; COUNTY ZONING**

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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
	3/28	passed House <u>56-2</u> ; ready for governor.
	3/12	from House rules okay.
	3/11	to House consent calendar.
	2/26	from House agri-water do pass.
	2/26	House agri-water do pass; report awaited.
	2/18	referred to House agri-water.
	2/6	passed Senate <u>28-0</u> ; ready for House.
	2/4	to Senate consent calendar. From Senate rules okay.
	1/30	from Senate nat res-rural do pass.
	1/22	referred to Senate nat res-rural.

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### **S1284: COUNTY GENERAL EXCISE TAX RATE**

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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. In counties with a population of 150,000 or fewer where the primary property tax rate for the county is less than 85 cents per \$100 of assessed value, if the voters approve the tax at an election held within 10 years after the effective date of this legislation, 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 for a period of 5 years and one renewal period of 5 years. AS PASSED SENATE.

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

S1284 Daily History	Date	Action
	3/19	House agri-water no action.
	3/13	passed Senate <u>24-5</u> ; ready for House. Referred to House ways-means, agri-water.
	3/11	Senate COW approved with floor amend <u>#4694</u> .
	3/6	retained on Senate COW calendar.
	3/5	from Senate rules okay. Stricken from Senate consent calendar by Crandell.
	3/4	to Senate conset calendar.
	2/21	from Senate fin do pass.
	2/20	Senate fin do pass; report awaited.



# The Public Lands Renewable Energy Development Act

H.R. 596

## A balanced approach to wind and solar energy development on public lands

Commercial-scale wind and solar projects are a relatively new, but growing presence on our public lands. These projects take up large chunks of land for long periods of time, and may cause some unavoidable impacts on fish, wildlife and water resources and recreational access. The Public Lands Renewable Energy Development Act offers a way to offset unavoidable impacts by creating a conservation fund derived from royalties and other revenues generated by public land wind and solar energy projects.

The bill would establish a formula for the distribution of wind and solar lease revenue where:

- 25% would go to the state where projects are sited
- 25% would go to the counties where projects are sited
- 15% would fund the Interior Department to process wind and solar lease applications
- 25% would be deposited in a fund for fish, wildlife, and land conservation
- 10% would go toward federal deficit reduction

Another important component of the Public Lands Renewable Energy Development Act is that it can lead to a better framework for the federal agencies managing wind and solar on public lands. Right now land managers are using rights-of-way and special use permits—tools better suited to permitting irrigation ditches or cell phone towers than large-scale energy projects—because Congress has not provided specific direction for how best to administer wind and solar energy.

Specifically, the bill:

- Creates a pilot program to determine whether and how to transition to a leasing program for public land wind and solar projects
- Establishes a royalty fee for public land wind and solar projects
- Outlines a clear process for current and pending projects to transition to a leasing system

TROUT UNLIMITED





**WESTERN  
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ASSOCIATION**

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Chairman

John Hickenlooper  
Governor of Colorado  
Vice Chairman

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Fax 202-624-7707

[www.westgov.org](http://www.westgov.org)

March 26, 2013

The Honorable Paul Gosar  
U.S. House of Representatives  
504 Cannon House Office Building  
Washington, DC 20515

Dear Representative Gosar:

We are writing to express our support for sharing with states and counties renewable energy royalty revenues from federal lands. The language contained in the Public Lands Renewable Energy Development Act (HR 596) which you have introduced in the House would enact such revenue sharing.

We support the development of a leasing system for renewable energy that returns a portion of royalty revenues to the states and counties because they incur additional staff time and capital costs from permitting and siting this type of development. Congress recognized this increased burden in the Energy Policy Act of 2005 [42 U.S.C. 15873(a)] when it created a revenue sharing provision for geothermal energy generation on federal lands. As a result, state and local governments in affected areas have been able to deliver critical governmental services and make needed capital improvements to accommodate the development.

Western Governors support continued and accelerated deployment of renewable energy projects, and associated clean energy job growth, in our states. In siting renewable energy projects and transmission lines, we encourage areas be developed which will have the least impact on wildlife and other important land uses. Shared royalties from renewable energy development can be used by state agencies to support land, wildlife, and water conservation in affected areas.

Thank you for introducing this important legislation. We hope these concepts are federally codified. Our states look forward to helping meet the energy needs of the United States while ensuring that our state and local citizens are equipped to do so most effectively, and our prized land, wildlife and water resources are sustained.

Sincerely,

Gary R. Herbert  
Governor, State of Utah  
Chairman, WGA

John Hickenlooper  
Governor, State of Colorado  
Vice Chairman, WGA

The Honorable Paul Gosar

March 26, 2013

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cc: The Honorable Mike Thompson  
The Honorable Joe Heck  
The Honorable Jared Polis  
The Honorable Scott Tipton  
The Honorable Diana DeGette  
The Honorable Mike Coffman  
The Honorable Jim Costa  
The Honorable Jeff Denham  
The Honorable Earl Blumenauer  
The Honorable Mark Amodei  
The Honorable Peter DeFazio  
The Honorable Mike Simpson  
The Honorable Ben Ray Lujan  
The Honorable David Schweikert  
The Honorable Ann Kirkpatrick



## WESTERN GOVERNORS' ASSOCIATION

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[www.westgov.org](http://www.westgov.org)

March 26, 2013

The Honorable Jon Tester  
United States Senate  
706 Hart Senate Office Building  
Washington, DC 20510

Dear Senator Tester:

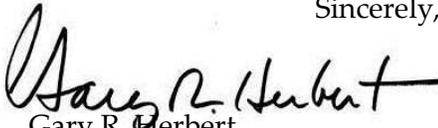
We are writing to express our support for sharing with states and counties renewable energy royalty revenues from federal lands. The language contained in the Public Land Renewable Energy Development Act (S. 279) which you have introduced in the Senate would enact such revenue sharing.

We support the development of a leasing system for renewable energy that returns a portion of royalty revenues to the states and counties because they incur additional staff time and capital costs from permitting and siting this type of development. Congress recognized this increased burden in the Energy Policy Act of 2005 [42 U.S.C. 15873(a)] when it created a revenue sharing provision for geothermal energy generation on federal lands. As a result, state and local governments in affected areas have been able to deliver critical governmental services and make needed capital improvements to accommodate the development.

Western Governors support continued and accelerated deployment of renewable energy projects, and associated clean energy job growth, in our states. In siting renewable energy projects and transmission lines, we encourage areas be developed which will have the least impact on wildlife and other important land uses. Shared royalties from renewable energy development can be used by state agencies to support land, wildlife, and water conservation in affected areas.

Thank you for introducing this important legislation. We hope these concepts are federally codified. Western states look forward to helping meet the energy needs of the United States while ensuring land, wildlife and water resources are adequately protected.

Sincerely,

  
Gary R. Herbert  
Governor, State of Utah  
Chairman, WGA

  
John Hickenlooper  
Governor, State of Colorado  
Vice Chairman, WGA

The Honorable Jon Tester

March 26, 2013

Page 2

cc: The Honorable Dean Heller  
The Honorable Mark Udall  
The Honorable Tom Udall  
The Honorable James Risch  
The Honorable Martin Heinrich  
The Honorable Max Baucus  
The Honorable Michael Bennet

**Bill Summary & Status**  
**113th Congress (2013 - 2014)**  
**H.R.596**  
**CRS Summary**

**H.R.596**

**Latest Title:** Public Lands Renewable Energy Development Act of 2013

**Sponsor:** [Rep Gosar, Paul A.](#) [AZ-4] (introduced 2/8/2013) [Cosponsors](#) (27)

**Latest Major Action:** 2/25/2013 Referred to House subcommittee. Status: Referred to the Subcommittee on Conservation, Energy, and Forestry.

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**SUMMARY AS OF:**

2/8/2013--Introduced.

Public Lands Renewable Energy Development Act of 2013 - Amends the Energy Policy Act of 2005 to require amounts received through FY2020 (currently, through FY2010) from leases under the Geothermal Steam Act of 1970 to be available to the Secretary of the Interior to spend in such amounts as are provided in advance appropriations acts for implementing such Acts.

Requires the Secretary of Interior and the Secretary of Agriculture (USDA) to each establish a wind and solar leasing pilot program under which lease sales are conducted on covered public lands administered by the Secretary concerned to carry out wind and solar energy projects. Requires the Secretaries to jointly determine as to whether to expand the pilot program to apply to all covered public lands. Defines "covered land" to mean land that is: (1) public land administered by the Secretary of the Interior, or National Forest System land administered by the Secretary of Agriculture; and (2) not excluded from development of solar or wind energy under a final land use plan established under the Federal Land Policy and Management Act of 1976, a final land and resource management plan established under the National Forest Management Act of 1976, or federal law.

Establishes in the Treasury the Renewable Energy Resource Conservation Fund to be administered by the Secretary of the Interior for use in regions impacted by the development of wind or solar energy on public lands. Requires Fund amounts to be used in those regions for: (1) the protection and restoration of important fish and wildlife habitat; and (2) the assurance and improvement of access to federal lands and waters for hunting, fishing, and other forms of outdoor recreation.

Requires the Secretaries to determine the feasibility of carrying out a mitigation banking program on federal lands administered by the Secretaries to fully offset the impacts of wind or solar energy on such lands.

<http://thomas.loc.gov/cgi-bin/bdquery/D?d113:1:./temp/~bdfAl:@@D&summ2=m&/home/LegislativeData.php>

## H.R.596

**Latest Title:** Public Lands Renewable Energy Development Act of 2013

**Sponsor:** [Rep Gosar, Paul A.](#) [AZ-4] (introduced 2/8/2013) [Cosponsors](#) (27)

**Latest Major Action:** 2/25/2013 Referred to House subcommittee. Status: Referred to the Subcommittee on Conservation, Energy, and Forestry.

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**COSPONSORS(27), ALPHABETICAL** [followed by Cosponsors withdrawn]:(Sort: [by date](#))

[Rep Amodei, Mark E.](#) [NV-2] - 2/8/2013  
[Rep Blumenauer, Earl](#) [OR-3] - 2/8/2013  
[Rep Cardenas, Tony](#) [CA-29] - 4/9/2013  
[Rep Coffman, Mike](#) [CO-6] - 2/8/2013  
[Rep Costa, Jim](#) [CA-16] - 2/8/2013  
[Rep Daines, Steve](#) [MT] - 2/27/2013  
[Rep DeFazio, Peter A.](#) [OR-4] - 2/8/2013  
[Rep DeGette, Diana](#) [CO-1] - 2/8/2013  
[Rep Denham, Jeff](#) [CA-10] - 2/8/2013  
[Rep Gardner, Cory](#) [CO-4] - 2/27/2013  
[Rep Heck, Joseph J.](#) [NV-3] - 2/8/2013  
[Rep Horsford, Steven A.](#) [NV-4] - 4/9/2013  
[Rep Huffman, Jared](#) [CA-2] - 2/27/2013  
[Rep Kirkpatrick, Ann](#) [AZ-1] - 2/8/2013  
[Rep Lujan, Ben Ray](#) [NM-3] - 2/8/2013  
[Rep Lummis, Cynthia M.](#) [WY] - 4/9/2013  
[Rep Pastor, Ed](#) [AZ-7] - 4/9/2013  
[Rep Pearce, Stevan](#) [NM-2] - 2/27/2013  
[Rep Perlmutter, Ed](#) [CO-7] - 2/27/2013  
[Rep Polis, Jared](#) [CO-2] - 2/8/2013  
[Rep Salmon, Matt](#) [AZ-5] - 4/9/2013  
[Rep Schweikert, David](#) [AZ-6] - 2/8/2013  
[Rep Simpson, Michael K.](#) [ID-2] - 2/8/2013  
[Rep Thompson, Mike](#) [CA-5] - 2/8/2013  
[Rep Tipton, Scott R.](#) [CO-3] - 2/8/2013  
[Rep Titus, Dina](#) [NV-1] - 2/27/2013  
[Rep Valadao, David G.](#) [CA-21] - 4/9/2013