



REPORT

Office of the Sedona City Attorney

TO: Mayor and City Council

CC: Karen Osburn, City Manager

FROM: Kurt Christianson, City Attorney

DATE: April 26, 2021

SUBJECT: Arizona Legislative Update

The following is a summary of legislative activity occurring in the Arizona State Legislature that may have an impact on the City of Sedona. This is not an exhaustive list.

General Information:

The 1st Regular Session of the 55th Arizona State Legislature began on January 11, 2021. During the session, 818 bills were introduced in the Senate and 890 bills in the House for a total of **1,708**. The session was originally scheduled to end on April 24, 2021. The Speaker and the President have extended the session until April 30, 2021. To continue it thereafter, requires a majority vote of the Members.

State Budget:

Budget negotiations are ongoing. The budget will be adopted in the budget special session that generally runs concurrently towards the end of the regular session.

The House has proposed a \$1.5 billion income tax cut that would, over 3-7 years, reduce State income tax to a flat tax of 2.5%. This proposal appears to have majority support. This represents a 27% cut to Arizona municipalities of voter approved (in 1972) state shared revenue. This would cut Sedona's shared revenue by \$401,279 annually (after the phase in is complete) and \$3,611,515 over 10 years (FY2024-2033, if the flat tax is phased in over three years). This flat tax represents the single largest cut to local revenue in Arizona history. The League is asking for elected officials to engage their State legislators on this proposal.

LEAGUE RESOLUTIONS:

SB 1327 / HB 2562 Tax Credit; Affordable Housing (Cobb) (SUPPORTS) (SUPPORTS)

This bill would establish an affordable housing tax credit and an affordable housing premium tax credit for qualified projects that would be set at 50% of the amount of the low-income federal tax credit allowed.

Passed the House Appropriations Committee 12-1. Passed House Rules Committee 8-0. House COW approved on 2-18-21. Passed Senate. Still awaiting House third read.

HB 2400 Municipal Ordinances; Posting (Osborne) (SUPPORTS)

Municipal ordinances imposing a penalty, fine, forfeiture or other punishment are required to be posted at city or town hall or in one public place within the municipality, and on the municipality's website, instead of being required to be posted in three or more public places within the municipality.

Passed House and Senate. Signed by the Governor on 4/1/2021.

SB1420 (HB2458) Consular Identification; Validity, Biometric Verification (SUPPORTS)

This bill would require school districts, charter schools, community colleges and universities to accept consular identification cards as valid form of residency in the state or identification.

Passed House and Senate. Signed by the Governor on 3/5/2021.

BILLS OF INTEREST:

SB 1257 State Liquor Board; Membership (Mesnard) (SUPPORTS)

This bill would require one member of the State Liquor Board to be a currently elected municipal official.

Passed the House and Senate. Signed by the Governor on 4/9/2021.

HB 2317 Community Facilities Districts (SUPPORTS)

Various changes to statutes relating to community facilities districts. This bill would allow the largest private property owner in a proposed CFD to appoint two permanent, nonvoting board members and would make it easier to obtain insurance on CFDs.

Passed House and Senate. Signed by the Governor on 3/18/2021.

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**HB 2248 / SB 1175 Corporation Commission; Electric Generation Resources (Griffin/Kerr) (OPPOSES)**

Amended to now state that public service corporations must derive at least 15% of kilowatt sales from renewable energy resources by December 21, 2025 but still prohibits the ACC from adopting or enforcing any policy that increases or decreases that percentage. "Renewable energy resources" mean solar, wind, biomass, geothermal and hydroelectric. ACC already set a 15% percent goal in 2006. State likely already produces about 13-15% of its energy from renewable energy resources.

HB 2248 Passed House, 31-28 on 3/3/21. SB 1175 was retained in Senate COW 3/4/21. HB 2248 was retained on the House Rules Committee 4/1/21. No additional movement.

**HB 2152 Police; Camera Recordings; Required Redactions (Kavanagh) (NEUTRAL)**

This bill would require law enforcement agencies to redact faces or identifiable body parts of persons in video footage taken in private locations, of persons in a state of undress, or victims. Does not apply if the person provides a written waiver.

Passed the House, 31-29. Passed Senate Judiciary and Rules Committees and is awaiting a Senate COW.

**HB 2049 Eminent Domain; Existing Contracts (Weninger) (OPPOSES)**

This bill would require the city, when exercising the right of eminent domain to acquire a public utility business or enterprise, to assume all existing assets and contractual obligations associated with providing current and future utility service in the certificate of convenience and necessity that is being condemned, unless all the parties to the contractual obligation agree otherwise. This could cause the city to violate the Gift Clause or prevent the city from condemning the utility.

Passed House 34-24. Passed Senate Government and Rules Committees. Retained on Senate COW calendar on 4/14/21.

**HB 2295 Law Enforcement Officers; Database; Rules (Payne) (OPPOSES)**

This bill would require prosecuting agencies, including the Sedona City Attorney's Office, to notify a law enforcement officer at least 10 days prior to placing the officer's name in a Rule 15.1 database (Brady list). It would also prohibit a law enforcement agency from taking any disciplinary actions based solely on the placement of officer's name in the database.

Passed House. Passed Senate Judiciary and Rules Committees. Retained on Senate Committee of the Whole calendar on 4/7/21.

**SB 1409 Zoning Ordinances; Property Rights; Costs** (Peterson) (OPPOSES) (OPPOSES)

SB1409, as amended, now requires any legislative body of a municipality to "consider the probable impact of the proposed zoning ordinance or text amendment on the cost to construct housing." There is no longer a requirement that the municipality create a report, provide any documentation, commentary, or discussion on the impact of zoning ordinances.

SB1409 passed Senate 16-14 with the amendment. Passed House Government and Elections and Rules Committees. Retained on the House COW calendar.

**HB 2551 Misconduct Involving Weapons; Public Places** (Kavanagh) (OPPOSES)

The bill prohibits cities and towns from banning individuals with a valid CCW permit from carrying a firearm in a public building, unless the city or town provides a security guard and electronic weapon screening device. This would mean that cities could not prevent concealed weapon permit carriers from being armed in city buildings unless the buildings were equipped with proper security such as metal detectors, security guards, etc. A fiscal note provided by the Joint Legislative Budget Committee provided estimates for the cost of implementing this measure in state buildings, noting a single entrance would require \$130,000 annually for staffing in addition to one-time equipment costs. This is a bill that has been introduced several times in previous sessions.

Passed the House. Passed the Senate Judiciary Committee, 5-2. Passed the Senate Judiciary Committee but has not yet been heard in the Senate Rules Committee.

**SB 1485 Early Voting List; Eligibility** (Ugenti-Rita)

This bill outlines the eligibility requirements for a voter to be placed and stay on the early voting list rather than the current permanent early voting list. It removes references to the permanent early voting list and renames it the early voting list. Stipulates that the county recorder must remove a voter from the early voting list if the voter fails to vote an early ballot in both the primary and general elections for two consecutive primary and general elections for which there was a federal, legislative or statewide race on the ballot. Will likely purge 100,000 people from the State's early voting rolls. Voters could still go to the polls to cast a ballot.

Passed Senate 16-14. Passed House 31-29 on 4/20/21.

**HB 2190 Vaccinations; Businesses**

This is a strike-everything amendment. The measure prohibits local governments from requiring persons to be vaccinated as a condition of receiving services, benefits or incentives. Specifically, it prohibits a local government, county, or state to require a person to receive a vaccine as a condition for entrance into a public building, use of public transportation or receiving various government benefits, services or licenses. It also prohibits a local government, county or state from providing a special privilege, financial benefit or other incentive to a person for receiving a vaccine. Stipulates that violating these provisions is a class 5 felony.

It also prohibits a business from refusing a service, product, admission to a venue or transportation to a person because that person has not received a vaccine.

Passed House. Passed the Senate Judiciary Committee. Currently held in the Senate Republican Caucus 4/1/21(which is not a constitutional or statutory part of the legislative process).

**SB 1713 Early Ballots; Identification; Mailing** (Mesnard)

Makes changes to the early voter ballot affidavit. Stipulates that the affidavit that accompanies the early ballot must be able to be concealed when delivered or mailed to the county recorder or other officer in charge of elections. States that the affidavit must require a voter to provide voter information. Asserts that the county recorder or other officer in charge of elections must confirm the elector's voter information submitted by the elector and provide the same curing period and requirements for inconsistent voter information as for inconsistent signatures.

Passed Senate 16-14 on 3/8/21. Passed House Government & Elections Committee and House Rules Committee. House second read on 3/15/21. Awaiting House COW.

Please contact me if you have any questions or if you are aware of proposed legislation that should be added to this list.



**City of Sedona**  
102 Roadrunner Dr.  
Sedona, AZ 86336

Sandy Moriarty, Mayor

April 15, 2021

*Via email/mail*

Senator Wendy Rogers  
State Senator  
1700 W Washington Street – Senate  
Phoenix, AZ 85007

***Re: 2.5% Flat Income Tax***

Dear Senator Rogers:

The City of Sedona is thankful for your continued work and support during the first session of the 55<sup>th</sup> Legislature. I recognize this is challenging time for many as we all work together to navigate our way out of the pandemic and restimulate the economy. As you consider the proposed legislative budget package, I would like to share Sedona's concern for the detrimental local impact of one rumored budget proposal.

I have become aware of the House of Representative's proposed income tax reduction as high as \$1.5 billion, resulting in a flat tax of 2.5%. A cut of this size without any corresponding increase of other state shared revenues or mechanisms, would have a total impact of \$225 million on cities and towns. This proposal would represent the single largest cut to local revenues in our State's history. In Sedona, our shared revenue reduction would equate to over \$401,279 annually. This figure represents the salary and benefits of 2 police officers and 2 wastewater operators.

This action would make cities and towns more reliant on one stream of revenue (Sales Tax) when it is best to diversify their tax base. It may be suggested future growth will pay for the proposed cuts, but future growth will add costs too, with increases in new services like roads, parks, public safety, etc. Local governments pay for a majority of the infrastructure investment in the state (roads, water, wastewater, etc.) and have large public safety demands. Local governments have \$7.3B in unfunded public safety personnel pension liabilities.

The City of Sedona is not necessarily against a flat tax or even income tax cuts at the State level. The City opposes the local impact this proposed tax would have on local budgets. The City simply requests that if the Legislature decides to pursue the 2.5% flat income tax, that it also increase the approved local shared revenue percentages to an amount that would present a net neutral position for local governments.

Should an income tax proposal of this size be introduced, I would respectfully request an opportunity to visit with you to further discuss the impacts this would have on our shared constituents. Thank you for consideration of these important issues and please know we stand ready and willing to be a resource for you on this as well as other legislative matters. Thank you for your continued service to the State.

Respectfully,

Sandy Moriarty  
Mayor of Sedona

# COVID-19 Update

Sedona City Council Meeting

4/27/21

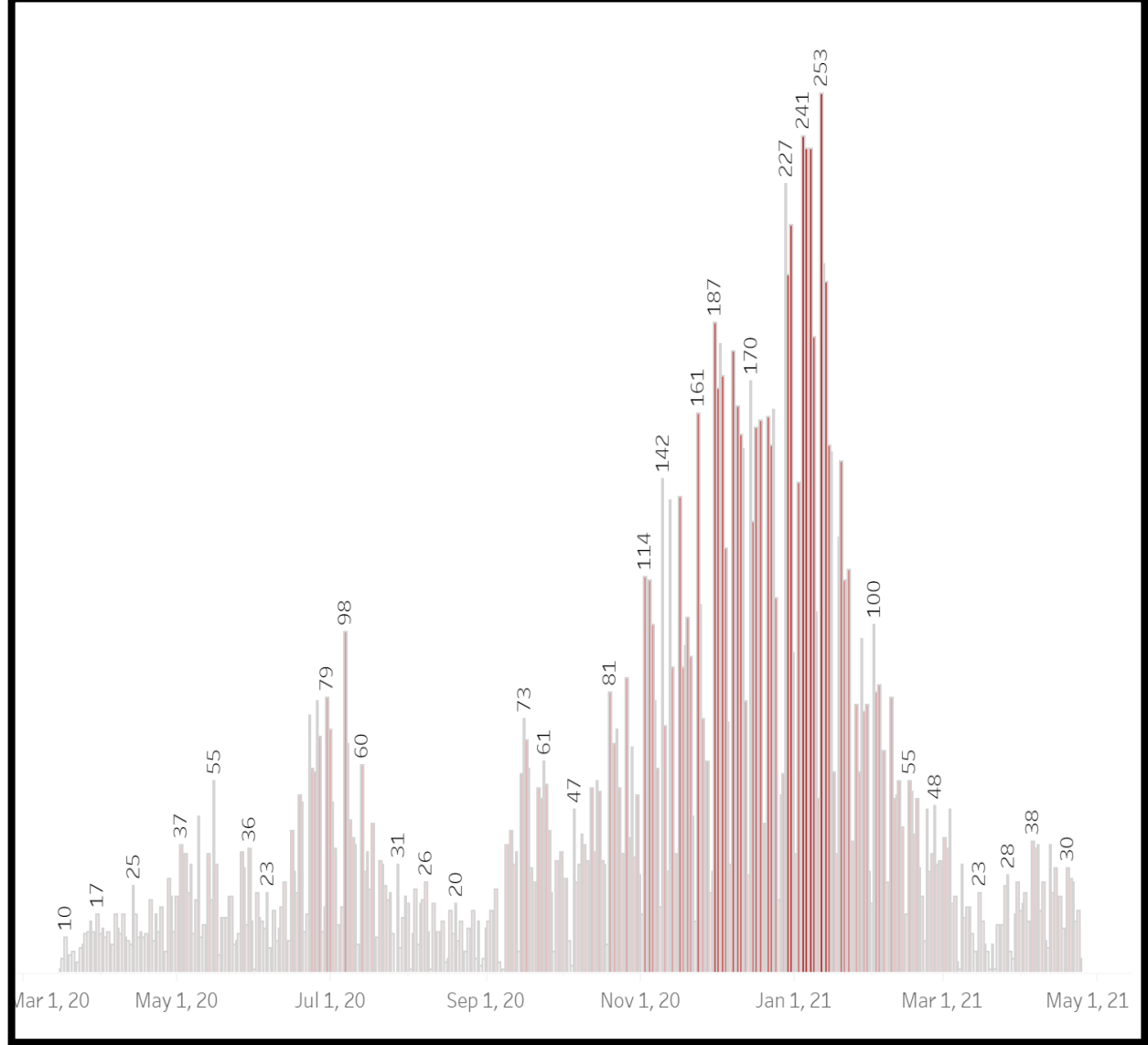
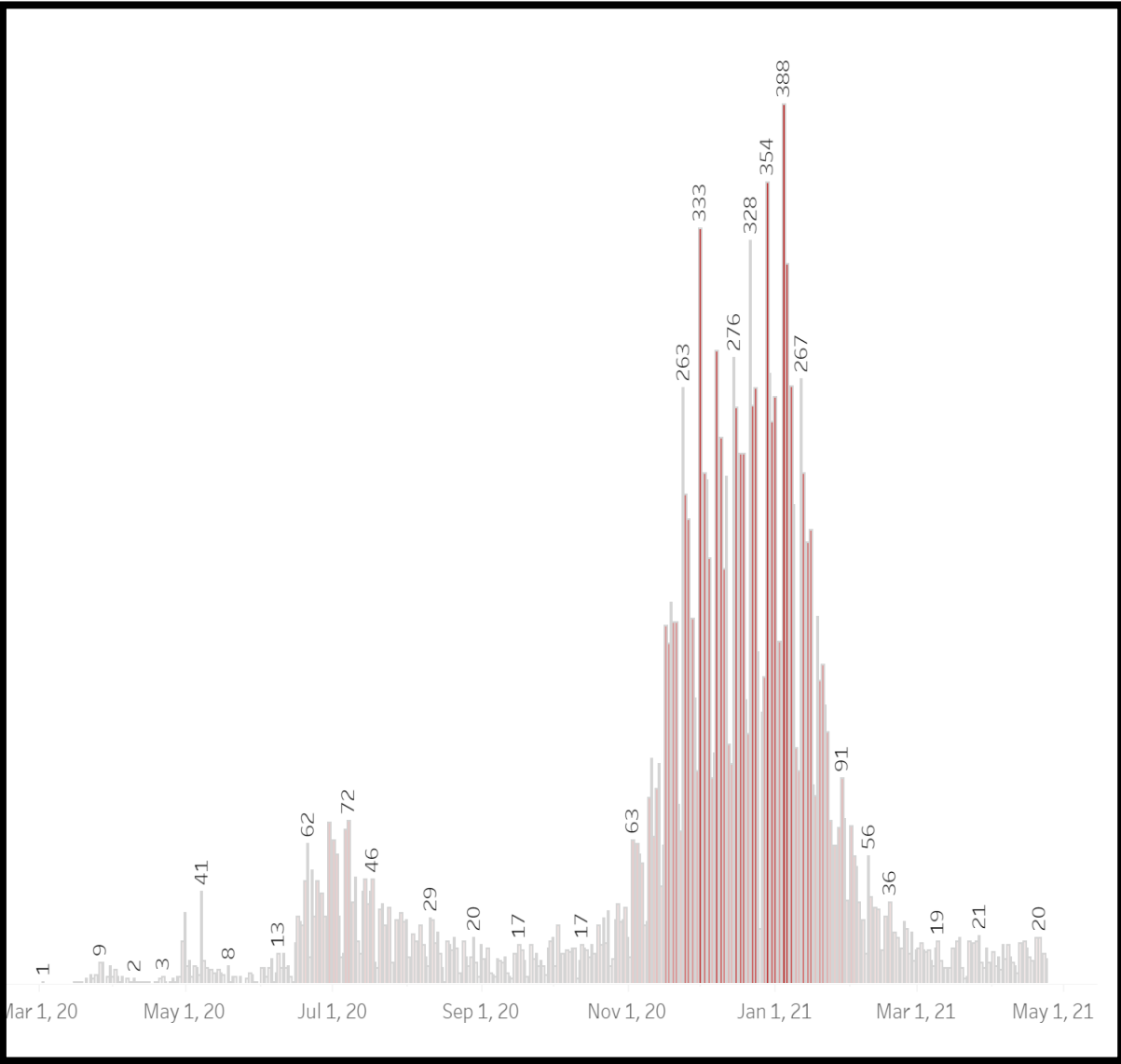


# COVID-19 Cases by Day

Date of specimen collection is used for day

## Yavapai County

## Coconino County

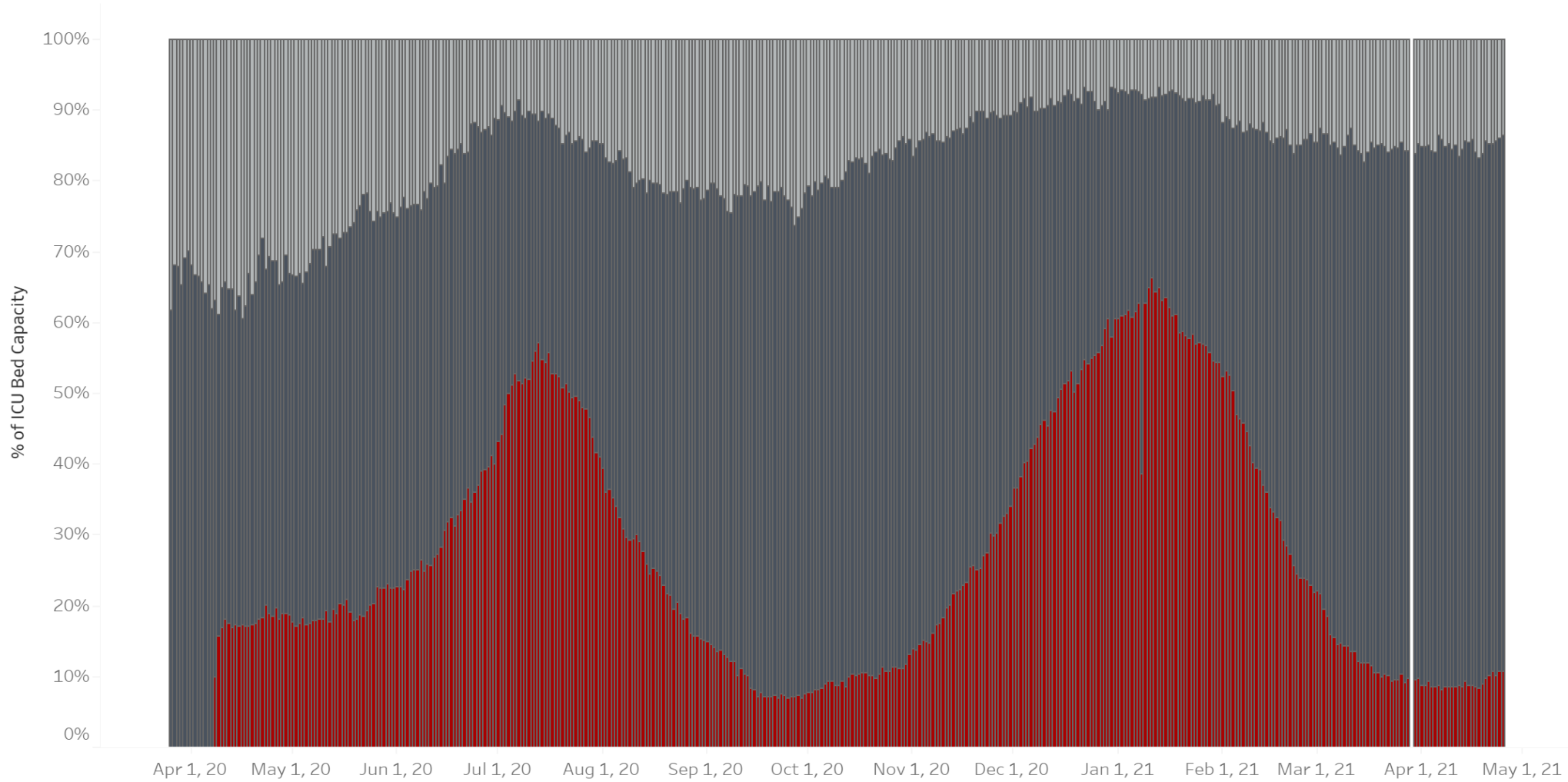


<https://www.azdhs.gov/preparedness/epidemiology-disease-control/infectious-disease-epidemiology/covid-19/dashboards/index.php>





- Adult Intensive Care Unit Beds Available
- Adult Intensive Care Beds in Use by Non-COVID Patients
- Adult Intensive Care Beds in Use by COVID Patients



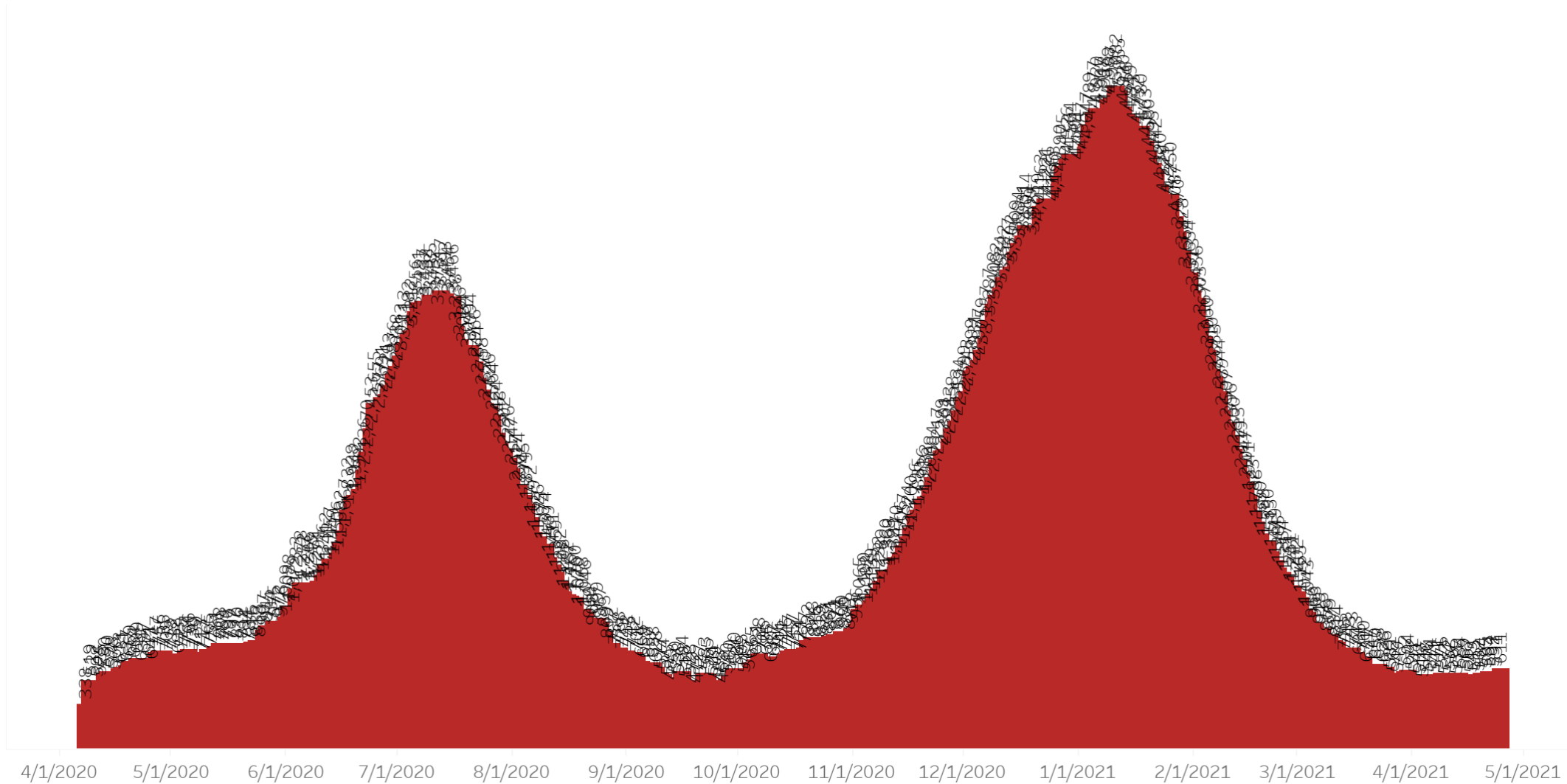
— 184 = up 21%  
from 4/13

<https://www.azdhs.gov/preparedness/epidemiology-disease-control/infectious-disease-epidemiology/covid-19/dashboards/index.php>



# Number of Positive or Suspected **Inpatient COVID-19 Patients**

Hover over the icon to get more information on the data in this dashboard.



**611 up 6% from 4/13**

<https://www.azdhs.gov/preparedness/epidemiology-disease-control/infectious-disease-epidemiology/covid-19/dashboards/index.php>



## AZ Changes in Total Deaths

| Date  | Total Deaths | Change | Deaths/day |
|-------|--------------|--------|------------|
| 8/11  | 4,199        |        |            |
| 9/8   | 5,221        | +1,022 | 36.5       |
| 10/13 | 5,767        | +546   | 26         |
| 10/27 | 5,891        | +124   | 8.9        |
| 11/10 | 6,192        | +301   | 21.5       |
| 11/24 | 6,515        | +323   | 23         |
| 12/8  | 6,973        | +458   | 32.7       |
| 1/12  | 10,482       | +3,509 | 100.3      |
| 1/26  | 12,448       | +1,966 | 140.4      |
| 2/9   | 14,286       | +1,838 | 131        |
| 2/23  | 15,650       | +1,364 | 97.4       |
| 3/9   | 16,326       | +676   | 32.2       |
| 3/23  | 16,798       | +472   | 33.7       |
| 4/13  | 17,105       | +307   | 14.6       |
| 4/27  | 17,268       | +163   | 11.6       |

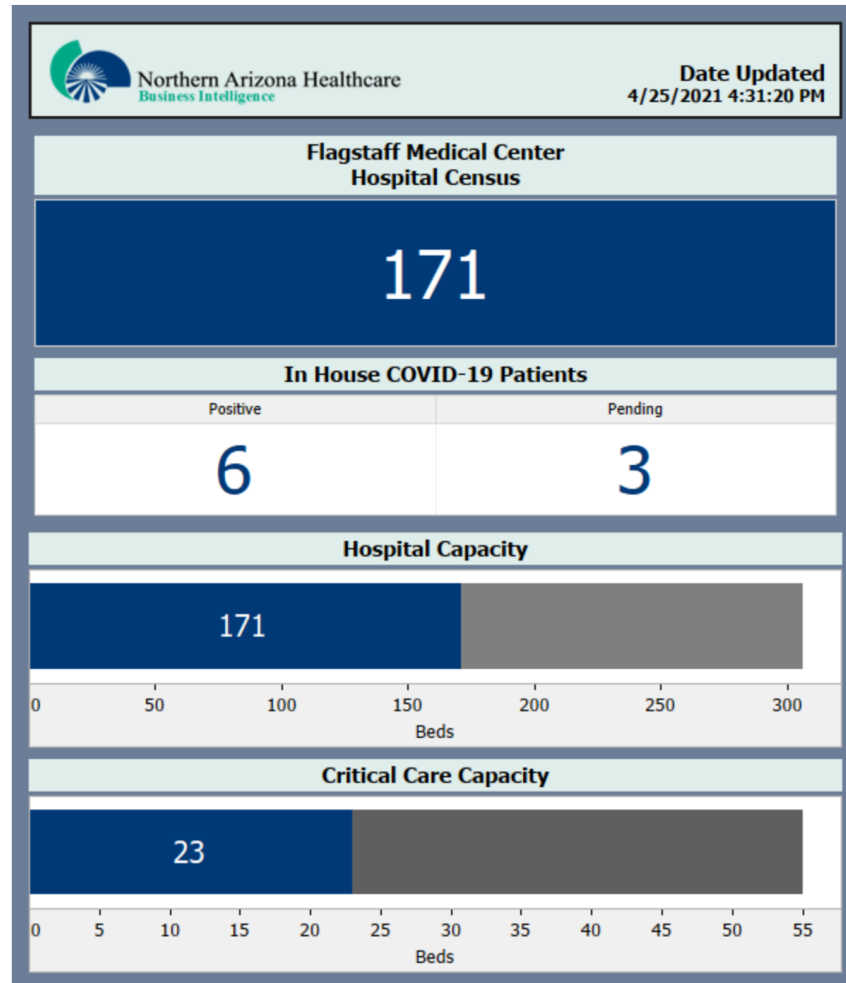
Data pulled from City Council reports 8/11 through 4/13



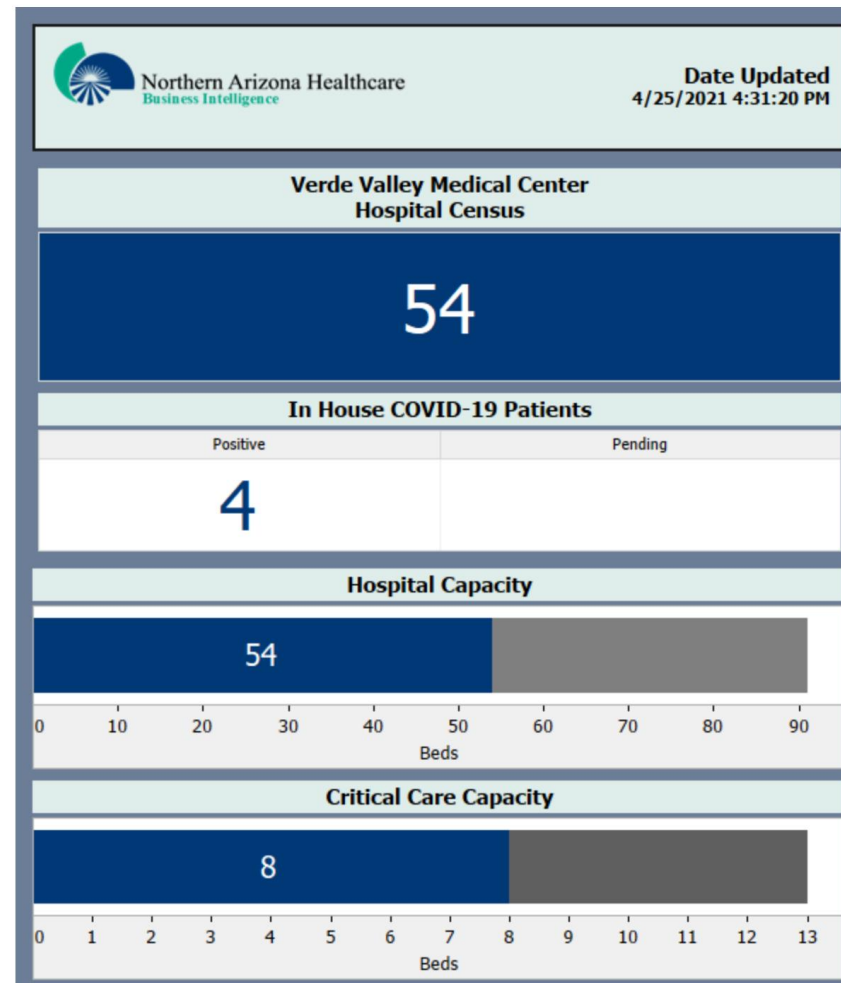
# Local Data

- **Coconino:** Cases as of 4/27: 17,655 - up from 17,221 on 4/13 (+2.5%)
- **Yavapai:** Total cases as of 4/27: 18,624 - up from 18,378 on 4/13 (+1.3%)

Flagstaff Medical Center



Verde Valley Medical Center



# Yavapai and Coconino County Vaccinations

**Yavapai and Coconino Counties are now vaccinating residents 18 years old and older.**

## Statewide:

- 40% of population has had at least 1 dose of vaccine
- 4.85 million doses distributed

## Yavapai:

- 38.4% of total population has had at least 1 dose of vaccine

## Coconino:

- 42.6% of total population has had at least 1 dose of vaccine



# City Operations

- Mask requirement still in effect for government buildings and on public transportation
- City Hall campus and other City facilities, walk-in public hours expanded to 7:30 a.m. – 3:00 p.m.
- Planning and Zoning Commission will go back to in-person meetings on May 4th



# Financial Condition

- Through February sales tax collections were up 14% and bed tax collections were up 23%. Despite the pandemic, this represents the highest first eight months of a fiscal year that the City has seen.
- Compared to budget, February sales tax exceeded estimates by 53%, and February bed tax exceeded estimates by 115%.
- Revenue projections for FY22, based on local data and other economic indicators, reflect continued increases.



# Questions?

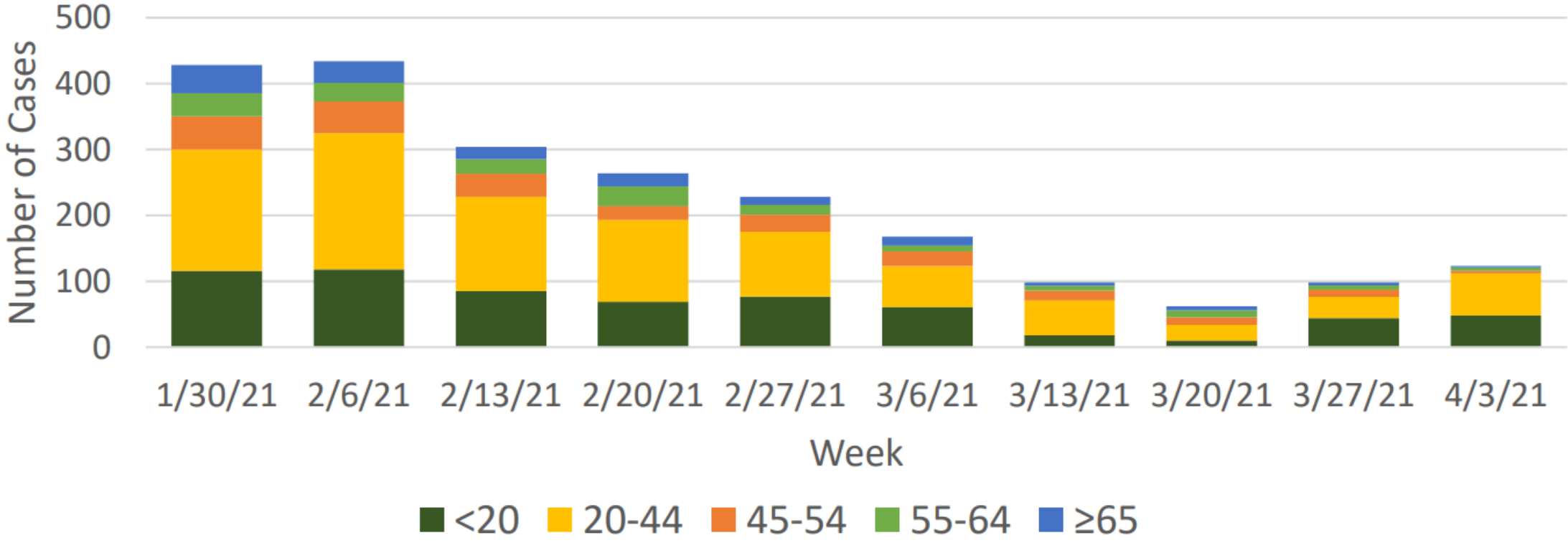




# Parks & Rec upcoming events/programs:

- May 21, Concert at the Pavilion- Invincible Grins
- May 22, Red Rock Rumble 5K trail run
- May 29, Pool opens
- Thursdays May-July, Summer Reading Program in the Park- Partnership with the Sedona Public Library
- June 4, Puppet Show at the Pavilion- Partnership with Sedona Public Library
- June 7-11, Sedona MTB Academy Bike Camp
- June 21-25, British Soccer Camp
- July, Dance Party at the Pavilion- Partnership with Sedona Public Library
- July 4, Free Rec Swim (sign-up required) includes DJ, Free Food, Festive atmosphere

# Age of Positive Cases by Week



Cases reported from 3/15/20-4/3/21

Arizona Governor Doug Ducey rescinded previous COVID-19 Executive Orders and on March 25, 2021 issued [Executive Order 2021-06](#).

In [this announcement](#), Ducey stated:

- Events of more than 50 people will no longer need the approval of local governments. These events should continue to follow safe practices and Centers for Disease Control and Prevention (CDC) recommendations, including physical distancing. This includes youth sports.
- The business guidance will transition from requirements to recommendations. Governor Ducey is providing businesses with the ability to continue requiring masks and physical distancing.
- Bars have already been allowed to operate as “dine-in” at full capacity. They will now be allowed to resume regular operations, with the ability to require physical distancing and masks.
- Local mandates, including mask mandates, are no longer allowed except in government buildings and on public transportation. Mask usage is still encouraged, especially in groups that are not vaccinated.

