



**CITY MANAGER'S OFFICE
M E M O R A N D U M**

May 16, 2014

TO: Ron Carlee, City Manager
Ron Kimble, Deputy City Manager

FROM: Dana Fenton, Intergovernmental Relations Manager

SUBJECT: Week 1 State Legislative Report

The 2013 Regular Session of the 2013 General Assembly reconvened on Wednesday, May 14 for its “short” session. Immediately, members were addressing significant public policy recommendations from non-standing, interim and study committees and 2013 legislation that met crossover requirements.

High priority issues the City is following include:

Business privilege license tax issues are being addressed in the Omnibus Tax Law Changes (HB 1050 - Howard) legislation. As reported out of the House Finance Committee, section 12 of HB 1050 replaces the current privilege license tax with the \$100 flat tax on all business locations effective July, 1, 2015. The current privilege license tax system would remain in place until that time. The League of Municipalities is working with the House and Senate leadership on an alternative plan that would provide for tiered rates of \$100 and above for businesses based upon numbers of employees and to provide for an effective date of July 1, 2016. HB 1050 was reported out of committee on Thursday, May 15, and will be before the full House on Tuesday for debate. Senate companion measure is SB 763 (Rucho).

McCrorry Administration will be announcing its proposed changes to the film production credit program the week of May 19. There is an emerging consensus in the House that the current program needs to be refined in such a manner that reduces the dollar total of credits granted while keeping the State’s film industry competitive with other States.

Agriculture and Forestry Awareness Commission proposal to prohibit local governments from regulating the “removal, replacement, and preservation of trees on private property within its jurisdiction” has not yet been filed. There has been considerable opposition to this proposal from all over the State.

Joint Legislative Commission on Energy Policy recommended legislation, the Energy Modernization Act (SB 786 –Rucho), was filed. Section 19 would impose an 8% cap on the growth of city property tax revenues from year to year, which was intended to address the potential for property in oil and gas exploration areas to increase substantially in value due to the presence of oil and gas.

Other issues the City is following include:

Environmental Review Commission recommended legislation (SB 734 – Wade) to replace the requirement for governing bodies to muster unanimous votes to enact certain environmental ordinances, which was required by 2013 HB 74, was filed. SB 734 requires the Department of Agriculture and Consumer Services and Department of Environmental and Natural Resources to report in 2014 and 2015 on any local ordinances that impact the work of the agencies, which would identify specific local ordinances that are creating issues statewide. SB 734 was referred to Senate Agriculture / Environment / Natural Resources, and if favorably reported, will be re-referred to Senate State and Local Government.

Governor's Coal Ash Action Plan (SB 729 –Apodaca) was filed and referred to Senate Agriculture / Environment / Natural Resources. SB 729 is the starting point for coal ash legislation this session.

Zoning / Design and Aesthetics Controls (HB 150 - Dollar) legislation will be before the Senate on Monday, May 19 for debate. HB 150 is a 2013 crossover bill and would prohibit local governments from requiring certain building design elements (i.e. design standards) for one- and two-family dwellings. If HB 150 is enacted, Council would no longer be able to consider design standards when evaluating conditional zoning petitions.