

## 2020 Public Policy Agenda

**Guiding Principles: Support policies that drive demand for commercial real estate in Greater Phoenix and throughout Arizona. Promote legislation that positions our state to be the preferred choice for corporate locations and expansions. Support organic business growth through public policies that encourage entrepreneurship and new business formation.**

### **PRIORITY ISSUES:**

- **REDUCE AND OPPOSE TAXES, FEES AND REGULATIONS THAT INCREASE COSTS FOR THE COMMERCIAL REAL ESTATE INDUSTRY**
  - Oppose any new statewide property tax or an increase in the State Qualifying Tax Rate (QTR) especially if it does not include a reduction in the assessment ratio or secondary taxes for bonding.
  - Support the elimination of the state equalization property tax.
  - Support the elimination of the municipal spec builder tax or continued action to reform the application of the tax.
  - Oppose excessive increases to municipal impact fees.
  - Oppose a regressive utility usage fee for electricity.
  - Support maintaining existing tax credits and exemptions that are necessary to keep costs in check.
  - Oppose the application of state sales tax on commercial leases.
  - Oppose the imposition of environmental audit or utility/energy consumption reporting for commercial buildings.
  
- **RETAIN AND SUPPORT EXISTING ECONOMIC DEVELOPMENT TOOLS**
  - Support the creation of viable economic development tools without the loss of existing tools.
  - Protect authority for and ensure the appropriate use of the Government Property Lease Excise Tax (GPLET) as an important tool for high-value urban development.
  - Support efforts by the Arizona Commerce Authority and other economic development entities to promote private investment in federally-qualified Opportunity Zones.
  
- **SUPPORT FURTHER PROPERTY TAX REFORMS TO MAKE ARIZONA MORE ECONOMICALLY COMPETITIVE**
  - Maintain the assessment ratio reduction for commercial property passed into law in 2011 (HB2001) and support further reductions for all commercial properties.
  - Oppose measures to shift valuation increases or to apply a lower assessment ratio to selected commercial taxpayers which further shifts property taxes to the entire commercial real estate community.

- Support measures to bolster “Truth in Taxation” to put public pressure on all local taxing units to keep their levies in line by disclosing the specific burden of each entity upon all taxpayers.

## **ADDITIONAL ISSUES**

1

- STREAMLINE AND IMPROVE FAIRNESS IN THE SALES TAX SYSTEM
  - Support a change in the prime contracting law from taxation at the point of construction to the point of sale.
- SUPPORT ADVANCING EDUCATIONAL OUTCOMES AND WORKFORCE PREPAREDNESS
  - Support providing K-12, post-secondary and Career and Technical Education (CTE) systems with the resources they need to improve academic outcomes without damaging Arizona’s competitive tax and economic environment.
  - Ensure proposed new expenditures for public education include accountability measures and fund programs that are proven to improve academic outcomes.
  - Support measures that address labor shortages in construction and the skilled trades by supporting CTE and apprentice programs.
- OPPOSE LEGISLATION THAT UNDULY INTERFERES IN THE RIGHT TO CONTRACT IN COMMERCIAL CONSTRUCTION
- MONITOR PROPOSALS WHICH IMPACT USAGE OF UNIVERSITY PROPERTY AND ASSETS IN REAL ESTATE DEVELOPMENT PROJECTS
  - Support developments which benefit the greater community
- SUPPORT THE MODERNIZATION OF TRANSPORTATION INFRASTRUCTURE
  - Support a fiscally responsible and modern method for funding highway and other transportation infrastructure to facilitate the movement of goods and people.