

2021 Public Policy Agenda

Guiding Principles: Support policies that drive demand for commercial real estate in Greater Phoenix and throughout Arizona. Promote legislation that will help businesses recover from the COVID-19 pandemic and 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.

- **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.

- **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 COVID-19 LIABILITY LEGISLATION
 - Support legislation that protects employers, building owners and landlords from COVID-19 related lawsuits provided they are following guidance from the Centers for Disease Control (CDC) and state and local authorities to protect the health of employees, tenants, and customers.
- RESTORE INTEGRITY TO THE BALLOT INITIATIVE PROCESS
 - Support reforms that prevent Arizona from being used as a testing ground for radical policy proposals by out-of-state special interests.
 - Support raising the threshold required for passage, modify requirements for petition signatures needed to qualify for the ballot, add a sunset provision, and increase the ability for the state legislature to address unintended consequences of ballot initiatives.

ADDITIONAL ISSUES

- STREAMLINE THE CONSTRUCTION SALES TAX SYSTEM
 - Support change in the prime contracting law from taxation at the point of construction to the point of sale.
 - Support efforts to reform the definition of Maintenance, Repair, Replacement or Alteration (MRRRA) without increasing the cost or complexity of construction.
- 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 new expenditures for public education as passed by voters in 2020 through Proposition 208 are held to high accountability and transparency standards to improve academic outcomes for all students.
 - 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

- OPPOSE PROJECT LABOR AGREEMENT REQUIREMENTS
 - Oppose prevailing wage laws and other project labor agreement requirements that will drive up the cost of construction.
- MONITOR PROPOSALS THAT IMPACT USAGE OF UNIVERSITY PROPERTY AND ASSETS IN REAL ESTATE DEVELOPMENT PROJECTS
 - Support developments that 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.
- RETAIN ARIZONA’S COMPETITIVE EDGE AS AN AFFORDABLE HOUSING MARKET
 - Maintain the affordability of housing in Arizona in order to sustain a quality workforce that attracts new businesses.
 - Support policies that encourage and facilitate the development of a range of affordable housing units.
 - Oppose policies that add unnecessary costs to the development of multi-housing or other residential housing projects, thus driving up per unit costs for renters and buyers.
 - Opposed mandates and overly restrictive approaches that have failed in other markets.