

Legislative Update



Session So Far

Monday, Jan. 29, marks the 22nd day of the legislative session and lawmakers have introduced 1,200 pieces of legislation so far. State Senators have until the end of Monday, Jan. 29, to introduce bills, while State Representatives have until Feb. 2.

State Budget

The state budget remains a priority for the governor and legislators as the state's collections continue to worsen compared to projections from last year's budget. The Joint Legislative Budget Committee (JLBC) released their monthly fiscal highlight reports for January, and noted that December 2023 revenues were \$75 million below projections.

Water

Legislators and the governor remain focused on water policy this session, with more than 100 bills introduced on the topic. Many are unlikely to get a committee hearing or further consideration. However, NAIOP Arizona is actively engaged in policy discussions to ensure commercial real estate development has a seat at the table and our priorities considered in any policy or regulation that is being considered. To help facilitate our public policy efforts, NAIOP Arizona has initiated a Water Policy Task Force comprised of developers, engineers and industry experts.

Noteworthy Bills

HB 2417 (Arizona commerce authority; continuation)

Arizona law requires all state agencies to undergo a sunset review process, in which legislators recommend continuation, termination, consolidation or other reforms. The legislation re-authorizes the Commerce Authority through Jan. 1, 2028.

Sponsor - Rep. David Livingston (R-Peoria)

NAIOP Position - **Support**

SB 1044 (Arizona commerce authority; repeal)

The bill would eliminate the Arizona Commerce Authority upon the general effective date of the 2024 legislative session.

Sponsor - Sen. Jake Hoffman (R-Queen Creek)

NAIOP Position - **Oppose**

HB 2309 (GPLET; agreement posting; abatement period)

The bill revises posting requirements for cities, towns, counties and the Department of Revenue for GPLET projects, as well as requires the lease or an abstract of the lease to be publicly posted. Mainly, the bill reduces the tax abatement period from eight to four years.

Rep. Travis Grantham (R-Gilbert)

NAIOP Position - **Oppose**

HB 2008 (commercial; industrial; conservation requirements; rules)

Requires the Arizona Department of Water Resources to adopt rules by Jan. 1, 2025 for commercial and industrial water users to enhance water efficiency, conservation and on-site water reuse and recycling. Prohibits such rules to require inclusion in the assured water certificate program.

Sponsor - Rep. Gail Griffin (R-Hereford)

NAIOP Position - **Support**

HB 2196 (commercial property assessed financing)

Allows local governments to establish commercial property assess capital expenditure (C-PACE) programs. Upon establishment in a locality, commercial properties are able to engage with C-PACE lenders for a special assessment to be used for improvements.

Sponsor - Laurin Hendrix (R-Gilbert)

NAIOP Position - **Support**

HB 2297 (adaptive reuse; commercial buildings; zoning)

Requires municipalities to allow for the conversion of commercial buildings into residential or mixed use buildings without rezoning if at least 50% of the building's gross floor area is repurposed for residential or mixed-use purposes. The density allowed for the reuse is set to the maximum under existing zoning ordinances. The bill also requires at least 25% of the housing units be allocated for low-income and moderate-income residents. Also stipulates that existing building setbacks must be maintained, and limits the enforcement of minimum parking regulations to no more than was required for the commercial use.

Sponsor - Rep. Leo Biasiucci (R-Lake Havasu City)

NAIOP Position - **Monitor**

HB 2088 (bond; override; contributions; contracts; prohibition)

Prohibits an individual, corporation, partnership or association that contributions to promoting the passage of a municipal bond or budget override from being eligible to bid on said bond or override.

Committee Amendment.

Sponsor - Rep. Laurin Hendrix (R-Gilbert)

NAIOP Position - **Monitor**

HB 2384 (development requests; expedited processing)

Mandates that a municipality must approve or deny a development request within 60 days of receipt. If the municipality fails to respond in the timeframe, the request is automatically deemed approved. Once an application is approved no further requirements can be imposed on the applicant for that request. If the application is denied the municipality must provide written notice. If an application is deemed incomplete a municipality must notify the applicant within 15 days.

Rep. David Livingston (R-Peoria)

NAIOP Position - **Support**

HB 2576 (affordable housing tax credits; extension)

The bill extends the allocation of the low income housing tax credits to 2031, and changes the allocation percentage from 50% of the federal credit to an amount determined by the Department of Housing.

Sponsor - Rep. Marcelino Quinonez (D-Phoenix)

NAIOP Position - **Support**

SB 1056 (municipalities; counties; fee increases; vote)

Requires any city, town or county to obtain a two-thirds vote in order to increase any fee, assessment or tax imposed by the jurisdiction.

Sponsor - Sen. Warren Petersen (R-Gilbert)

NAIOP Position – **Support**



NAIOP

ARIZONA POLITICAL ACTION COMMITTEE



Political Action Committee

THE MISSION

Promote commercial real estate, economic development and pro-growth public policies by supporting statewide, legislative and local candidates for office who align with the industry and our goals.

YOUR ROLE

Broad support of NAIOP members and all industry professionals is needed. The PAC is entirely funded by individual, personal contributions. Your investment is vital to our continued success.

WHAT IS A PAC?

A PAC is a fundraising entity that allows NAIOP to financially support candidates and campaigns that align with our mission and goals in Arizona.

HOW IS IT FUNDED?

The PAC is funded by personal contributions from NAIOP members who understand the importance of investing in and advocating for the industry.

WHY DO WE NEED ONE?

Advocacy is critical, and to fully engage in the political process, we need to voice support for candidates and issues that promote economic development and pro-growth public policies.

WHO DOES IT SUPPORT?

PAC contributions go to statewide, legislative and local candidates who support the policies, goals and priorities of NAIOP and the development profession.

Here is the reason why
MEMBERS INVEST



"2024 is a crucial year for commercial real estate. Public policy & upcoming ballot initiatives will impact our industry, and our future. NAIOP has the team to advocate for us at the state and local levels, but our Political Action Committee (PAC) must grow to make an impact - it needs our support. I contribute to the NAIOP PAC because I want to make a difference: promoting industry growth and creating jobs.

-Phil Breidenbach



www.naiopaz.org/PAC



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ELEVATE YOUR IMPACT - INVEST IN NAIOP AZ PAC



AMPLIFY YOUR VOICE

Your impact multiplies when you invest in the NAIOP PAC. Combined with the collective power of industry leaders, your contribution amplifies the industry's voice and keeps its interests well-represented in the public process at the state and local levels.



ADVOCATE FOR CRE

Your contribution fuels advocacy efforts aimed at promoting policies that bolster economic growth, streamline regulatory processes, and create a business-friendly climate. By actively engaging in the political arena, the NAIOP PAC helps shape public policies directly impacting your day-to-day operations and long-term strategic plans.

Your support is not just an investment, it's a commitment to shaping the future of our industry.



MEMBER SUPPORT

In 2022, only 2.4% of NAIOP Members supported the PAC. For the industry's voice to be effective, we need you and all NAIOP members actively invested in the PAC.



COLLECTIVE POWER

The NAIOP PAC allows the industry to pool resources and enhance the impact of political giving. By contributing to the PAC you ensure we can help elect candidates who represent the industry's interests.

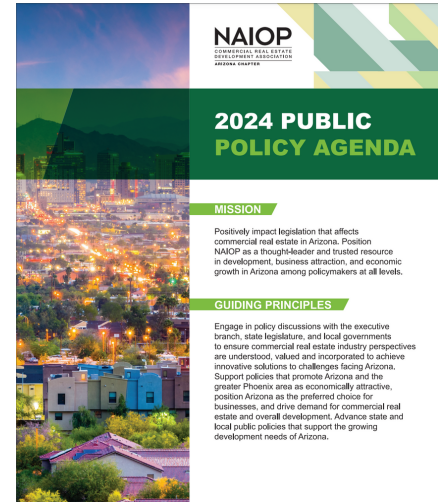


COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

ARIZONA CHAPTER

NAIOP Public Policy Agenda

The NAIOP Arizona Board of Directors adopted the 2024 policy agenda, developed by the Public Policy Committee. We'll be focused on ensuring NAIOP has a seat at the table when decisions are being made that directly impact you and your businesses. Read the full policy agenda to learn more.



[NAIOP 2024 Policy Agenda](#)



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ARIZONA POLITICAL ACTION COMMITTEE

The Voice of Commercial Real Estate Development

NAIOP Arizona Political Action Committee (PAC) is the voice of commercial real estate development in Arizona's political process. Supported entirely by member contributions, the PAC provides NAIOP the resources to advocate for candidates for state and local office who understand the needs of the industry, promote policies that foster economic development and bolster the commercial real estate industry.

Your investment in the PAC shows your support for the industry and amplifies the voice and effect of commercial real estate in Arizona.

[Contribute Now](#)