

NAIOP

COMMERCIAL REAL ESTATE
DEVELOPMENT ASSOCIATION

ARIZONA CHAPTER



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PUBLIC POLICY AGENDA

2019

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PRIORITY ISSUES

1

Reduce and oppose taxes, fees and regulations that increase costs for the commercial real estate industry.

- Oppose any new statewide property tax. Also oppose an increase in the State Qualifying Tax Rate (QTR), especially if it does not include a reduction in the assessment ratio or the abolishment of secondary taxes for bonding.
- Support state legislation to clarify and limit the circumstances under which a city may levy the speculative builders 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 development costs in check.
- Oppose the expansion of the state sales tax to include commercial leases.
- Oppose the imposition of mandatory environmental audit or utility/energy consumption reporting for commercial buildings.



2

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 to promote investment in federally-qualified Opportunity Zones.



3

Retain property tax reform, and support further actions to make Arizona more economically competitive.

- Maintain the assessment ratio reduction for commercial property that was passed into law in 2011 (HB2001). Support further reductions for all commercial properties.
- Oppose measures to shift valuation increases or to apply a 5% assessment ratio to additional selected taxpayers. Such action would further shift property taxes to the entire commercial real estate industry.
- Support measures to bolster “Truth in Taxation,” which requires disclosure of the specific burden of each local taxing unit upon all taxpayers. This maintains public pressure to keep tax levies in line.

OTHER ISSUES

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.



Streamline and improve fairness in the sales tax system.

- Support a change in the prime contracting law that shifts taxation from the point of construction to the point of sale.



Support advancing educational outcomes and workforce preparedness.

- Support policies that improve K-12 and post-secondary education without increasing commercial property taxes.
- Address current and anticipated future labor shortages in construction and development by supporting Career and Technical Education (CTE) and apprenticeship programs.



Support the modernization of transportation infrastructure.

- Support a fiscally responsible and modern method for funding highway and other transportation infrastructure in order to facilitate the movement of goods and people.



Monitor proposals which impact usage of university property and assets in real estate development projects.

- Support developments that benefit the greater community.

