

RESOLUTION NO. 06-17

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF MARICOPA, ARIZONA, OPPOSING HOUSE BILL 2381 (MUNICIPAL PLANNING; FEES DISCLOSURE), WHICH IS CURRENTLY BEFORE THE GOVERNOR OF THE STATE OF ARIZONA, JANET NAPOLITANO AND REQUESTING THAT THE GOVERNOR VETO HOUSE BILL 2381.

WHEREAS, the City assesses development fees on new development under the principle that new growth should pay its own way and not burden existing homeowners. The City assesses and uses impact fees as a vital growth management tool to pay for new public infrastructure required when new development occurs.

WHEREAS, House Bill 2381 makes substantial changes to the development fee process which have not had an adequate time to be deliberated and drafted and the lack of time and deliberation involved in drafting such a substantial reform package is highly problematic and will result in unintended consequences that could be detrimental to the City.

WHEREAS, the City believes the following specific issues exist with regard to House Bill 2381:

1. Most, if not all, the existing impact fees may not comply with the new law and the City may no longer be able to assess those fees after the effective date of the bill which will be highly problematic due to the length of time it will take to develop new fees and the abilities to assess fees in the interim.
2. House Bill 2381 would require a minimum 150-day public process to implement a new fee or amend existing fees and this 150-day time frame does not include the extensive preplanning that the City would have to undergo prior to the 150 days. Setting up this arbitrary five month process does not serve the bests interest of the public or the developers because the construction of critical infrastructure could be delayed substantially.
3. House Bill 2381 establishes a retroactive effective date of July 1, 2006. Existing fees may not comply with the new law and it will take roughly six months to adopt new fees which will create a six month time period where no fees can be collected. The practical result is that construction for new growth will be delayed or the financing will be subsidized by existing residents.

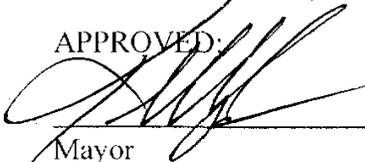
4. House Bill 2381 sets up a process where developers are reimbursed for fees that they never pay. If development fees are unused, the bill requires repayment to the developer even though the initial cost of the fees are passed on to the home buyer.
5. House Bill 2381 contains numerous terms that are inadequately defined that will subject fees to litigation. These terms include public service, capital improvements plan, "all" documentation, "release to the public", "any" contribution; and requirement to notify payors of "any discrepancy" in two years or else lose ability to collect development fees.
6. House Bill 2381 requires the offsetting of other anticipated revenue sources to include local transaction privilege taxes. This would require the City to lower the assessed development fee amount based on other possible revenue sources which may not be realized, loosely defines those other revenue sources, and does not take into account unanticipated cost increases for the provision of the service. In addition, the City would lose flexibility on how sales tax and other local revenue sources are utilized.

WHEREAS, the City has determined that House Bill 2381 is not in the best interest of the City and should be vetoed by the Governor of the State of Arizona, Janet Napolitano.

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND CITY COUNCIL OF THE CITY OF MARICOPA, ARIZONA, that the Mayor and City Council of the City of Maricopa oppose House Bill 2381 and respectfully request that the Governor of the State of Arizona, Janet Napolitano, veto House Bill 2381

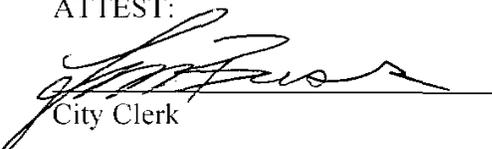
PASSED AND ADOPTED by the Mayor and City Council of the City of Maricopa this 17th day of May, 2006.

APPROVED:



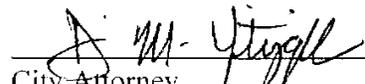
Mayor

ATTEST:



City Clerk

APPROVED AS TO FORM:



City Attorney