



GOVERNMENT AFFAIRS REPORT

April 2023

Prescott Area Association of REALTORS®, in conjunction with the National Association of REALTORS® and the Arizona Association of REALTORS®, provide superior industry knowledge and a genuine understanding of real estate issues. Prescott Area Association of REALTORS® is committed to bringing you the most up-to-date legislation and political news that affect the real estate industry and its members.

National Update:

Below are important Federal updates as of April 2023:

- **NAR Promotes Fair Housing in April:** A key NAR priority is to protect against discrimination in the homebuying process and to promote fairness and integrity in the profession. Provide your members with fair housing resources to help expand homeownership opportunities for all. Watch the new implicit bias videos and become aware of any unconscious bias that prevents your members from living their conscious values. Learn more at nar.realtor/ACT
- **President Biden Vetoes WOTUS Resolution:** On Thursday, March 16th at the Capital Hilton, in Washington, DC, the National Association of Realtors® will host a Policy Forum called “The Current Housing Market: Implications for Homebuyers and the Economy”, bringing together policymakers, academic experts, and industry innovators to discuss housing affordability. The policy forum will also showcase NAR’s housing priorities for the new year, examining the impact of home price growth and rising mortgage rates on housing affordability and the economy and how tackling these issues will bring broad benefits to all economic sectors. On April 6, 2023, President Biden vetoed the congressionally passed resolution that would have rescinded his Waters of the United States (WOTUS) regulation. Republican leaders immediately called for action in both the House and Senate to override this veto, which will require a two-thirds majority vote. Overriding the veto may prove to be challenging, which is why NAR is continuing its legal push to overturn the rule by filing a lawsuit in Texas along with several other regulated stakeholder

State Update:

Below are important State updates as of April 2023:

- **AZ Legislative Update (as of 4/18/23):** On Wednesday of last week, the House voted 46-13-1 to expel Chandler Republican Representative Liz Harris. All Democrats and the majority of Republicans voted to expel Harris after an ethics charge relating to Harris’ actions involving a speaker she invited to testify at a joint House and Senate election integrity hearing back in February. The speaker made unsubstantiated allegations against politicians, judges, and the

Church of Jesus Christ of Latter-day Saints, claiming that Speaker of the House Ben Toma, Governor Hobbs, and others were being bribed by the Sinaloa Cartel. It later emerged that Representative Harris was aware of the content of the speaker's presentation beforehand and tried to hide it from staff prior to the hearing. Tucson Democrat Representative Stephanie Stahl-Hamilton filed an ethics complaint over Harris' role. Tuesday, the House Ethics Committee unanimously concluded she violated a House rule and damaged the "institutional integrity of the House." In light of the expulsion, both chambers have agreed to take an unscheduled and unprecedented "spring break," adjourning last Thursday, and scheduled to return Tuesday, April 25th. During the break, Republican district leadership in Harris' district will nominate three individuals to replace her and send those names to the Maricopa County Board of Supervisors. That body will appoint a new Representative to finish the remainder of Harris' term through 2024. Legislative leadership will also use this time to continue budget conversations as whispers grow louder that an agreement with the Governor's office may be coming soon.

Session Summary (as of 4/18/23)

- Session Days: 97
 - Bills Posted: 1632
 - Bills Passed: 147
 - Bills Vetoed: 48
 - Bills Signed: 53
 - Mem, Res Posted: 104
 - Mem, Res Passed: 19
- **Rent Control Bills Introduced | HB 2086 and HB 2161:** State Representative Analise Ortiz represents Arizona Legislative District 24 proposed **HB 2086**. Her proposed bill would repeal the law that prevents cities from implementing their own rent caps. State Representative Judy Schwiebert, who represents Arizona Legislative District 2, proposed **HB 2161**. The bill would prevent landlords from increasing a tenant's rent by more than 10% over the course of a year but would allow for larger increases if there are major renovations performed. Right now, Arizona has a statewide ban on rent control by cities and counties.
- **HB 2381:** If enacted, this bill would increase the amount a mobile home owner could collect from a state fund if they're evicted because of a change in use or redevelopment of the mobile home park. A single-section mobile homeowner could collect \$12,500, up from \$7,500. A double-wide mobile homeowner would see \$20,000, up from \$12,500. If the tenants must abandon the home, they would be eligible for up to 40% of the allotted payouts. **HB 2381** would also extend the time residents would have to vacate a property.
- **Repeal Arizona's Regressive Residential Tax (Rental TPT):** Repealing Arizona's regressive residential rental tax (Rental TPT) remains the top priority for the Arizona REALTORS® 2023

Legislative Agenda, despite our first attempt being vetoed by Governor Hobbs (press release, here). The effort is still very much alive via **SB 1131** and with new language that explicitly outlines how this legislation will help renters lower monthly expenses, this new effort will sit squarely in the budget negotiations and is ready for the fight. The Arizona REALTORS® have work.

- **Responsible Solutions to the Housing Crisis:** After **SB 1117** died on the Senate floor, Senator Steve Kaiser went back to the drawing board, via a strike-everything amendment on **HB 2536**. The new language includes NO by-right zoning but does look to implement a 180-day zoning time limits, policies to expand the construction and use of Additional Dwelling Units (ADUs), changes to minimum parking requirements for developers, and eases stipulations cities can impose related to cosmetic features of new developments. After much debate the bill passed out of committee with bipartisan support. The legislation remains a work in progress and the Arizona REALTORS® are committed to working with Sen. Kaiser to ensure that any passed legislation does not deteriorate private property rights or put homeowners and homebuyers at risk. Other bills in the housing supply conversation are **SB 1161** and **SB 1163**.
- **2023 RAPAC Spring Auction a Success:** Thank you to everyone who participated in, promoted, or donated an item for the 2023 RAPAC Spring Auction and Raffle. AAR raised a total of \$65,796. With every dollar going directly to RAPAC you helped support the REALTOR® Party fight to protect the real estate industry. Congratulations to everyone who won an auction item or raffle prize. If you didn't, don't worry, with several more events, raffles, and our fall auction returning there are still several chances to invest in RAPAC this year.
- **Real Estate News from Around AZ:**
 - Valley apartment complexes with the most eviction filings in 2022
<https://www.azcentral.com/in-depth/news/local/arizona/2023/04/17/valley-apartment-complexes-with-the-most-eviction-filings-in-2022/70009356007/>
 - Top 10 metro Phoenix areas for evictions account for one-third of all filings
<https://www.azcentral.com/in-depth/news/local/arizona/2023/04/17/top-10-metro-phoenix-areas-for-evictions-account-for-13-of-filings/70009336007/>
 - Real estate developers acquire Arizona site for rail-served facilities
<https://www.freightwaves.com/news/real-estate-developers-acquire-arizona-site-for-rail-served-facilities>
 - This Arizona program is helping to fund affordable housing options
https://tucson.com/news/local/business/this-arizona-program-is-helping-to-fund-affordable-housing-options/article_4e689e1c-da51-11ed-9dd8-03fc24288f5b.html

- **Water:** Officials on both sides of the aisle want to do something about the deal allowing a Saudi-based company to pump Arizona groundwater for nothing more than the price of a cheap land lease in La Paz County. Attorney General Kris Mayes, a Democrat, criticized the deal during her campaign, and in a TV interview on February 19th saying she's planning to take action. In the Arizona House of Representatives, Rep. Leo Biasiucci, R-Lake Havasu City, is sponsoring a bill (**HB 2376**) that would target land deals with foreign entities. The bill got approval from the House on February 22nd, and will now move to the Senate. As for more substantive water policy, to address Arizona's short and long-term conservation and management, that remains the sleeping giant of the legislative session.
- **Short term Rentals (STRs):** Traction on any Short-term Rental (STR) Legislation has been absent from the legislature this year. Representative Selina Bliss' attempt (**HB 2047**) to limit how many STR's could be permitted in a city or town, never saw a committee hearing after hearing that the Arizona REALTORS® would oppose the effort. That said, the Arizona REALTORS® will continue to track legislative proposals to regulate the industry and ensure the private property rights of the STR operator and the surrounding property owners are protected all the same.

Regional Update:

Below are important Regional updates as of April 2023:

- **Focus on Water Issues:** Saturday, May 13, 2023, NEW! 10:00 a.m. - 12:00 p.m. - CWAG Presentation: Fostering Community Water Stewardship. Community members will learn new and established techniques to reduce water use and help our aquifer. The presentation, hosted by the Citizens Water Advocacy Group (CWAG), will share actionable strategies, resources, and examples of how individuals can make an even bigger impact on water conservation through neighborhood and community efforts. Time will be allocated to discuss local and statewide policy opportunities to help scale up collective stewardship in our communities. Bring your questions for the Q&A session. Register in advance for this meeting [HERE](#).
- **2023 City of Prescott Primary Election Cycle Begins:** The City of Prescott conducts elections in odd numbered years, and the City Clerk's Office will begin the election cycle process Monday, January 9th for the Tuesday, August 1, 2023 Primary Election.

Official Candidates for the Primary Election are:

- Mayor – Phil Goode
- Council (2-year Term) – Connie Cantelme & Tony Hamer
- Council (4-year Term) – Chad DeVries, Lois Fruwirth, Ted Gambogi, & Cathey Rusing

Citizens who are interested in learning more about serving on City Council and running for office, must schedule a Candidate Meeting with the City Clerk in order to obtain a Candidate Handbook



and submit a Candidate Statement of Interest before circulating Nomination Petitions. **The Nomination Filing Period for the 2023 Primary Election began March 4, 2023 and closed April 3, 2023.** Please visit the city website Candidate Resource Page for additional information or contact the City Clerk's Office at 928-777-1437.

City of Prescott Council Election | August 1, 2023

Key Dates:

- January 9th: Election cycle officially begins in the City.
- March 4th: Nomination filing period opens.
- April 3rd: Nomination filing period closes.
- August 1: Primary Election Day.