

MAY 9, 2005



SCANNEWS
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THE LATEST NEWS IN GOVERNMENT AFFAIRS
FROM THE INTERNATIONAL COUNCIL OF SHOPPING CENTERS

ARIZONA

Governor Signs Industry-Backed Bill

Governor Janet Napolitano recently (D) signed S.B. 1274, marking a significant victory for those who worked for a compromise on the issue of retail sales tax incentives. ICSC worked closely with other stakeholder groups and bill sponsor Jay Tibshraeny (R-Chandler) to craft compromise legislation that would avoid eliminating this important economic development tool. S.B. 1274 will: (1) require cities in Maricopa County to approve sales tax incentives by a two-thirds majority and (2) prohibit the use of consent agendas when approving such incentives and require updates on the amount of revenue being generated by such agreements. Importantly, cities retain the ability to make local decisions.

Meanwhile, H.B. 2499 was held last week in the House. This legislation, introduced by Senator Ken Chevront's (D-Phoenix), would remove local control over economic development and unfairly targets Maricopa County. The industry will continue to work hard to defeat this bill.

COLORADO

Blight Designation Bill Fails

S.B. 63, sponsored by Sen. Lois Tochtrop (D-Thornton) recently died on third reading in the Senate. The bill failed on a 15-20 vote. Although a

motion to reconsider the bill was offered, it is now confirmed lost. The bill restricted blight distinctions that could be made by municipalities and generated much opposition.

Specifically, it prohibited a blight designation on any area:

- located in an "agricultural, forestry, or natural resource zone district" at any time during the five year period prior to the date of completion of any blight study, or
- used to grow agricultural or forestry products or to produce natural resources for consumption during this same five year period, or
- classified as agricultural land for property tax collection purposes.

A compromise alternative measure, S.B. 224, sponsored by Sen. Bob Bacon (D-Fort Collins), was introduced on April 15 and has already passed the Senate and been introduced in the House.

FLORIDA

Sales Tax Holidays Pass

H.B. 101, a back-to-school sales tax holiday, has passed the Senate and will be sent to Governor Jeb Bush (R) for approval. The bill creates a sales tax holiday during the last nine days of July 2005 on books, clothing, wallets, or bags with a sales price of \$50 or less per item, and school supplies having a sales price of \$10 or less per item.

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H.B. 6001, the hurricane preparedness sales tax holiday, has also passed the Senate and will be sent to Governor Jeb Bush (R). The bill formerly passed the House on a 116-1 vote.

The bill establishes a tax exemption during the period from June 1, 2005 through June 12, 2005. The items the exemption applies to include: any portable, self-powered light source having a selling price of \$20 or less; any portable self-powered radio, two-way radio, or weather-band radio having a selling price of \$50 or less; any tarpaulin or flexible waterproof sheeting selling for \$50 or less; any self-contained first-aid kit selling for \$30 or less; any ground anchor system or tie-down kit selling for \$50 or less; any gas or diesel fuel tank selling for \$25 or less; any package of AA-cell, C-cell, D-cell, 6-volt, or 9-volt batteries, excluding automobile or boat batteries, selling for \$30 or less; any non-electrical food-storage cooler selling for \$30 or less; and any portable generator to be used to provide light, communications, or food preservation in the event of a power outage selling for \$750 or less.

MARYLAND

Anne Arundel County Considers Security Legislation

After Baltimore County passed legislation on March 21 requiring shopping centers to install video surveillance cameras that cover 75 percent of shopping center parking areas during business hours, Anne Arundel County quickly followed suit filing similar legislation on April 4. Unfortunately, the Anne Arundel bill

contains one major difference: requiring cameras provide coverage of at least 75 percent of the areas that are owned, leased, or operated by the shopping center for the use of the general public. This would require cameras posted throughout the entire shopping center complex, not just the parking lot, as required by the Baltimore County legislation. Fortunately, County Council Chairman Ron Dillon (R) admits the bill was put together quickly and work will need to be done to amend the bill; specifically limiting the requirement of security cameras to parking areas. An effort by the Chamber of Commerce and ICSC members to delay the hearing scheduled for May 2 until June was successful.

MASSACHUSETTS

Sales Tax Holiday Considered

After a ponderous few months of little activity action begins to heat up on Beacon Hill as the House debates their version of the state's fiscal year '06 budget. Because the Commonwealth has not enjoyed a brisk recovery from the economic malaise of the past few years, revenues are tight and the budget document reflects an austere view the state's fiscal condition. Noteworthy in the budget is a proposed amendment that would permanently make the second Saturday in August a sales tax holiday for retailers. As of this writing it is unclear if that amendment will pass, although it enjoyed broad support last year. The House is not expected to add any new taxes in the budget, which will then go to the senate for consideration sometime in late May.

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NEW YORK

ICSC Seeks Support for Legislation

ICSC is currently working to build support for legislation that would allow local municipalities the option of offering tax increment financing mechanisms to developers. Specifically, the legislation would give localities an incentive tool through tax rebates to encourage private developers to invest in public infrastructure such as new water lines, sewer lines, roadways and parking garages. The bill encourages municipalities to work with developers to encourage infrastructure investments for the public benefit. Ultimately, the goal of the legislation would be to promote greater economic development in New York State - in all areas including retail, housing and high tech and bio-manufacturing.

Wetland Protection Legislation Announced

Governor George Pataki (R) has announced that he has submitted legislation to strengthen protection for freshwater wetlands, guaranteeing that activities in these environmentally-sensitive areas are subject to state and local oversight. This legislation would allow small, isolated wetlands that are not protected by federal regulation to be protected by the state Department of Environmental Conservation. ICSC recently submitted a formal memorandum in opposition to this proposal in the Senate. ICSC is working with allies, including the National Association of Home Builders, to try to stop this legislation from becoming law.

TEXAS

Senate Tax Plan Considered in Finance Committee

Lt. Governor David Dewhurst (R) recently announced a preliminary plan that would offset a \$4.5 billion school property tax cut with a half-cent increase in the state sales tax (from 6.25 percent to 6.75 percent), a modified business franchise tax and higher sin taxes on alcohol and cigarettes. The new business tax would be extended to all businesses and would be a 1.35 percent tax on earned surplus, plus a 1.35 percent tax on employee compensation. Lt. Governor Dewhurst said that he intends for the Senate to vote both C.S.H.B. 2 and C.S.H.B. 3 out of the Senate by the end of this week.

Local Tax Limitation Bill Passes House on Third Try

The House has approved H.B. 1006, sponsored by Carl Isett (R-Lubbock), also known as the "Truth in Taxation" bill. It would prevent local property taxing entities from raising more revenue from property taxes than the previous year unless the entity holds a public hearing and votes to raise taxes. Local entities would be allowed to raise additional funds to compensate for new construction without a public vote. It would also require cities, counties and other taxing entities to hold a public hearing and take a public vote if they want to spend up to five percent more than the previous year, or at the taxing unit's option, the rate of inflation not to exceed 8 percent. The bill would lower the tax rollback election trigger from 108 percent to 105 percent and would reduce

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the number of signatures required to hold a rollback election to 10 percent of the number of voters who voted in the previous gubernatorial election (current law requires 10 percent of registered voters). The rollback election would have to be held on a uniform election date.

Restrictions on Local Moratoria

The House Land and Resource Management Committee has voted out H.B. 3461, sponsored by Todd Baxter (R-Austin), which would establish guidelines that a municipality would have to follow before adopting a moratorium including: public notice, public hearings, written findings to justify the moratorium, providing for an expiration date, and providing waiver procedures. The challenge will be to get it through the House and the Senate by the deadlines.

Other Business Bills Moving Through the Process

H.B. 2376, sponsored by Gary Elkins (R-Houston) was reported favorably as substituted from the House Business and Industry Committee. The bill would require dry cleaning facilities operating on or before January 1, 2004 with gross annual receipts of \$150,000 or less to: (1) implement performance standards by January 1, 2015; (2) limit the application

of TCEQ performance standards rules to dry cleaning facilities that use chlorinated dry cleaning solvents; and (3) implement a sliding fee scale for annual registration fees.

H.B. 511, sponsored by Scott Hochberg (D-Houston), which would require companies that offer mail-in rebates to pay the consumer promptly, or send a notice listing any problems with the rebate request and allow the customer time to fix the problems, passed the House

H.B. 853, sponsored by Burt Solomons (R-Carrollton), which would provide that a merchant who requires consumers returning an item of merchandise to provide the consumer's driver's license or social security number may use the number or numbers for identification purposes ONLY, also passed the House.

S.B. 674, sponsored by Royce West (D-Dallas), which would prohibit a person from requesting a customer's social security number or another number that includes four or more consecutive digits of a customer's social security number as an identifier unless the number is needed to complete a credit check that is required to provide a service or product requested by the customer, also passed the Senate.

<u>Upcoming Alliance Meetings</u>			
•	Cleveland Local Alliance	Cleveland, OH	June 23
To submit items to SCANews, please contact Stephanie Spooner at sspooner@icsc.org .			