

June 17, 2011

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Main Street Fairness Act May Be Introduced Next Week

ICSC anticipates that the Main Street Fairness Act will be introduced in Congress next week. This bill is critical in leveling the playing field for brick-and-mortar retail tenants by enabling states to collect sales taxes from remote retailers such as Internet-only sellers. This bill will have the best chance of success if it is introduced as a bipartisan measure. While several Senators have expressed interest in this bill, all of them – but especially Republican Senators – have said that they need to hear from their constituents at home before they will agree to sign on as original co-sponsors. Your help is needed today to recruit the support of your Senators.

Remote retailers that don't collect sales taxes not only hurt local businesses, they also leave consumers exposed to tax liability. All states with a sales tax also have a use tax, which requires residents to pay the sales tax rate directly to the state if an out-of-state retailer does not collect the tax during the purchase. Many residents are unaware of this tax obligation and could be subject to fines and penalties in the event of an audit. It is time to ease this burden on consumers and bring fairness to community retailers. Please contact your Senators today and encourage them to become co-sponsors of the Main Street Fairness Act. [If you need the contact information for your Senators, please click here access the ICSC Legislative Action Center for a Congressional Directory.](#)

CA: Big Box Bill Advances to the State Assembly

SB 469, the proposed California law that will require additional economic and community impact analyses for retail developments 90,000 square feet or larger that sell groceries, was passed by the Senate last month and is now moving through the Assembly.

The measure would establish a statewide land-use regulation to discourage major retailers from building new stores and/or shopping center owners from making improvements to existing properties in California. A public hearing on SB 469 is scheduled in the Assembly Committee on Local Government on June 22. [For more information on this issue, please click here.](#)

NY: Tax Increment Financing Reform

Senate Majority Leader Dean Skelos (R-Rockville Centre) recently introduced SB 5758, an end-of-session omnibus bill. The bill includes, among other things, long-overdue improvements to New York's Municipal Redevelopment Law to encourage greater use of tax increment financing as an economic development tool. Improving the state's TIF law will allow New York State to compete with other states in attracting and retaining projects to create much-needed jobs and generate new economic activity and tax revenues for the State and localities. In addition to Majority Leader Skelos' bill, Senator Catherine

Young's (R-Olean) stand-alone TIF improvement bill, SB 2446, passed the full Senate on June 15. Both Senator Young's bill and Majority Leader Skelos' bill are very positive steps; however SB 5758 has the most hope for final passage this late in the legislative session. The New York State Legislature is due to convene for the summer (barring any special sessions) on June 20.

Enacting TIF reform has been a long-standing priority of the ICSC New York Government Relations Committee.

MN: State Government to Shut Down

This week Minnesota sent out 36,000 layoff notices to state employees preparing for a government shutdown on July 1. Democratic Governor Mark Dayton and the Republican-controlled legislature are still nearly \$2 billion apart in budget negotiations. Dayton's last budget offer to fill the \$5 billion deficit included \$3.2 billion in program cuts and \$1.8 billion in new revenue generated by a fourth-tier income tax on the state's wealthiest 2%.

Republican legislators are dropping their call for about \$200 million in tax cuts in hopes they can get DFL Gov. Mark Dayton to abandon his proposal for \$1.8 billion in tax increases. The GOP plan would send the money for tax cuts to higher education, public safety, education and the environment, along with boosting state aid mostly to cities and counties. The offer still leaves Republicans and Dayton about \$1 billion apart on spending on human services and about \$1 billion apart on spending for state aid to local governments. The latest proposal does not move them from their proposed cap on state spending not to exceed \$34 billion the next two years.

Minnesota Management and Budget officials released a plan to provide certain "essential" services during a shutdown and retained known attorney David Lillehaug to present Governor Dayton's plan to the Ramsey District Court on June 23.

OR: Landmark Transportation Legislation Sent to Governor

ICSC's Oregon Government Relations Committee was successful in drafting and passing SB 264 during the 2011 legislative session. The bill is now before the Governor for signature. It is considered the most ambitious piece of transportation legislation passed in years.

The bill achieves a highway access management paradigm shift and adopts a number of legislative directives to the Oregon Department of Transportation (ODOT), including:

- The bill shifts highway access permitting governance away from ODOT and places it with the Legislature;
- Alternative access to a site (other, non-highway access to the site) may no longer be used by ODOT to deny an application for highway access, where the presence of alternative access was previously the first reason used by ODOT to deny an approach permit application;
- Instead of an applicant needing to prove that a proposed driveway will operate safely and efficiently, ODOT must now raise and has the burden of proving that a proposed driveway will be unsafe or will interfere with highway operations;
- ODOT must now prove that no other mitigation measure is effective or available before imposing a raised, non-traversable median as mitigation for a proposed driveway permit.

SB 264 was described on the floor of the Senate as being the farthest-reaching transportation bill passed in Oregon in years.

The impetus for the bill was to relax the rules for highway access permitting to enhance economic growth and development. The work will continue into the next legislative session under the guidance of a Legislative Oversight Task Force also created by the bill.

AZ: State to Forgo Federal Unemployment Dollars

Governor Jan Brewer (R) called the Arizona Legislature into special session on June 10 to consider

making a one-word change in a state statute that would enable Arizona to extend unemployment benefits to recipients for an additional 20 weeks. The statutory change is necessary for Arizona to qualify for federal funds made available by Congress for states with high unemployment rates. The funds require no state or employer match.

The Arizona Legislature convened on Friday but no agreement was reached during negotiations with the Governor's Office and on Monday, the special session adjourned without considering legislation.

Arizona's Department of Economic Security places Arizona's unemployment rate at above 9% statewide, but several rural counties are experiencing unemployment at a rate above 25%. The Department estimates that the extended benefits proposed would inject an additional \$3 million per week into the Arizona economy.

Upcoming Events:

- June 21 - ICSC Day on Beacon Hill, Boston, MA
- June 21 - Minnesota Insider's Review and Session Update Cocktail Reception, St. Paul, Minnesota
- July 13 - ICSC Webinar: [The American Disabilities Act \(ADA\) and Your Shopping Center](#)

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