

CITY COUNCIL REPORT



Meeting Date: **April 14, 2026**
General Plan Element: ***Public Services & Facilities***
General Plan Goal: ***Efficiently plan and manage infrastructure, facilities, and public service operations***

ACTION

Legislative update presentation by the city's state lobbying services contractor, Dr. Marc Osborn of Kutak Rock LLP.

BACKGROUND

The 57th Arizona State Legislature convened for its Second Regular Session on January 12, 2026. The City Council received legislative updates on January 13 and February 24 from the city's state lobbying contractor, Dr. Marc Osborn of Kutak Rock LLP.

With policy committee deadlines now passed for the session, the Legislature is entering the final phase of the session. Dr. Osborn will provide an update on state budget negotiations and the status of key legislation the city has been tracking.

ANALYSIS & ASSESSMENT

Dr. Marc Osborn of Kutak Rock LLP, the city's state lobbying services contractor, will provide a legislative update of the 2026 legislative session, including:

- An update on the FY2027 State Budget outlook.
- Status of key legislative issues that may impact the city.
- Key legislative dynamics and timelines relevant to the City's state advocacy efforts

This briefing will assist City Council in understanding the fiscal and policy context of the 2026 session and ongoing direction related to the City's legislative agenda.

RESOURCE IMPACTS

There are no fiscal impacts associated with this presentation.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach

Provide direction for staff, as appropriate.

RESPONSIBLE DEPARTMENT

Government Relations, City Manager's Office

STAFF CONTACTS

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APPROVED BY



Will Brooks, Assistant to the City Manager
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3/31/26

Date



Kira Peters, Deputy City Manager
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3/31/26

Date

ATTACHMENTS

1. 2026 Legislative Agenda



City of Scottsdale

2026 Legislative Agenda

57th Arizona Legislature - Second Regular Session

119th United States Congress

CORE PRINCIPLES

RESPECT SCOTTSDALE'S UNIQUE CHARACTER AND CULTURE

Safeguard the attributes that define Scottsdale's voter-approved community vision, including exceptional experiences, outstanding livability, community prosperity, public engagement, and a distinctive character that sets the City apart.

PRESERVE LOCAL FUNDING

Preserve stable and diversified local revenue sources that sustain essential city services, long-term infrastructure investment, and the high-quality of community amenities that define Scottsdale's expectational livability.

SUPPORT LOCAL AUTHORITY

Champion local decision-making and collaborative governance that empower Scottsdale to address community needs, uphold resident priorities, and maintain flexibility in implementing locally responsive solutions.

POLICY STATEMENTS

COMMUNITY PROSPERITY

The City of Scottsdale fosters a diverse and resilient economy by advancing initiatives that attract investment, create quality jobs, and sustain the City's distinctive character while supporting tourism, aviation, and long-term economic vitality.

- Advance initiatives that drive job creation, innovation, and balanced growth.
- Encourage state and regional policies that attract and retain high-quality employers.
- Strengthen Arizona's competitive position as a host for major events and tourism.
- Advocate for federal and state aviation funding and reauthorization policies that support Scottsdale Airport's infrastructure needs and operational growth.
- Support revitalization and upgrades to information technology systems and infrastructure that improve reliability while decreasing costs and maintaining confidentiality, privacy, and security.

FINANCE

The City of Scottsdale promotes fiscal stability and local financial autonomy by endorsing initiatives that protect and maintain critical revenue streams, and ensure the City retains the resources necessary to provide essential services and sustain long-term financial health.

- Preserve local taxing and fee authority, including transaction privilege tax (TPT), tourism/bed taxes, and user fees, and oppose preemption of local revenue tools.
- Maintain state-shared revenues from sales, income, and other taxes, opposing any action that would reduce these revenues, whether directly or indirectly.

- Support solutions that offset lost federal, state, or local revenues from state or federal actions, and restore or replace impacted revenue streams.
- Strengthen the stability of public retirement systems and reduce unfunded liabilities by coordinating with state partners to maintain prior pension reforms.
- Protect municipal utility rate-setting authority.
- Preserve state and local government ability to use tax-exempt bonds as a primary tool for providing infrastructure, opposing any actions that eliminate tax-exemption and increase borrowing costs.

OUTSTANDING LIVABILITY

The City of Scottsdale promotes outstanding livability by endorsing initiatives that protect community character, preserve local authority, and enhance the quality of life for residents.

- Oppose efforts to limit municipal authority and affirm the right of local governments to control land use, zoning, design review, permitting, historic preservation, and fiscally responsible development.
- Oppose actions that negatively alter or remove the City's important and long-established ordinances and design standards in the natural environment and the McDowell Sonoran Preserve.
- Strengthen local government tools to manage the impacts of short-term rentals, safeguarding long-term housing availability and neighborhood livability through locally tailored regulation and effective enforcement.
- Preserve effective and efficient approaches to public transparency and community engagement that embrace innovation, reduce administrative barriers, and timely access to information for residents and stakeholders.
- Ensure the City actively engages in aviation policy and technology improvements that enhance air traffic efficiency while minimizing community impacts.

PUBLIC SAFETY

The City of Scottsdale advances public safety and criminal justice as a collaborative partner, endorsing initiatives that protect residents, enhance operation, integrity and effectiveness, and promote trust and well-being in the community.

- Advance public safety and criminal justice initiatives that protect residents from crime, leverage technology, and uphold the City's Public Safety Plan Ordinance.
- Promote the responsible and transparent use of emerging technologies.
- Prioritize and invest in the mental, physical and emotional well-being of public safety employees through access to counseling, peer support, and wellness resources.
- Maintain a highly qualified public safety workforce through policies that support competitive compensation, modern training, and access to current equipment and resources.
- Support policies that protect and enhance the City's ability to provide emergency medical services and pre-hospital transportation services for residents and visitors.

- Preserve strong local authority over building and fire codes and fireworks regulation to reduce fire risk and protect neighborhoods, businesses, and preserved open spaces.
- Support coordinated wildfire prevention and emergency response strategies that integrate technology, expand interagency preparedness, and strengthen protection of neighborhoods, open spaces, and natural resources.

TRANSPORTATION

The City of Scottsdale engages in transportation policy and planning as a collaborative partner, endorsing and aligning with initiatives that enhance safety, mobility, and economic vitality, while preserving local input and oversight.

- Endorse initiatives that maintain and improve roads, bridges, and related infrastructure to ensure safe, efficient, and reliable travel for residents, businesses and visitors.
- Advocate for responsible innovation and funding of transportation tools, technologies, and projects that enhance traffic management, safety, and connectivity.
- Align with regional and state transportation planning efforts that complement the City's priorities, while preserving Scottsdale's ability to exercise input and oversight.
- Facilitate collaboration on projects that support economic competitiveness, including infrastructure improvements that promote commerce, tourism, and essential services.
- Engage in regional, state, and federal transportation coordination efforts to advocate balanced funding, multimodal connectivity, and infrastructure investments that enhance safety, mobility, and economic vitality.

WATER

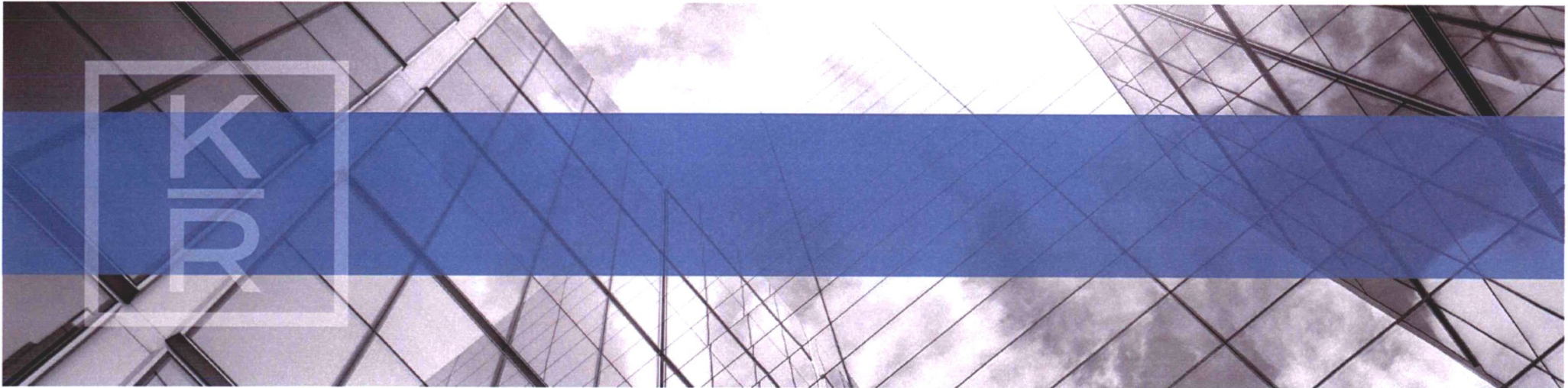
The City of Scottsdale is committed to ensuring a sustainable and resilient water future by endorsing policies that enhance water conservation, support innovative water management practices and preserves local authority to manage and plan water resources effectively.

- Promote policies that encourage water conservation, recycling and augmentation strategies, while enhancing tools for reliable local water management.
- Support initiatives that protect Arizona's Colorado River entitlements, contractual rights, and priority usage through coordinated water-management actions, while integrating Scottsdale's water priorities into state, regional and federal Colorado River policy frameworks.
- Promote funding, incentives and statutory tools to reduce reliance on groundwater, bolster supply resilience, and encourage participation in water-saving programs.
- Oppose initiatives that weaken water supply safeguards.

Approved by Scottsdale City Council on November 17, 2025.

2026 Arizona Legislative Update

April 14, 2026



KUTAKROCK

kutakrock.com

57th Arizona State Legislature, 2nd Regular Session

- Today marks the 93rd day of the session
- 48 bills have been sent to the Governor
 - 14 have been signed
 - 16 have been vetoed
 - 18 still awaiting action
- Legislature has cleared the committee phase but is far from finished



FY 2027 Budget Update

- Budget negotiations between the Governor and the Legislature are effectively stalled, with formal talks breaking down in March.
- Both sides are publicly blaming each other for the impasse.
- Core Policy Disputes:
 - Tax Policy/Conformity
 - Education Funding (Prop. 123)
 - Budget Assumptions/Revenue



The Legislature is constitutionally required to pass a balanced budget by June 30 to avoid a government shutdown.

New LD 3 Legislator



Representative Cody Reim (R)

- Appointed by the Maricopa County Board of Supervisors to fill the vacancy left by Joseph Chaplik.
- Small business owner and political newcomer
- Resides in Rio Verde Foothills area
- Focus area is in water policy – particularly long-term supply and groundwater issues
- Running for the LD 3 seat in the GOP primary this June

Key Session Dates & Deadlines

January 2026

- Monday, 1/12 – Legislative Session Begins
- Thursday 1/15 – House 7-bill Introduction Limit Begins at 5:00 p.m.
- Tuesday 1/20 – Senate Bill Request Deadline (5:00 p.m.)

February 2026

- Monday, 2/2 – Senate Bill Introduction Deadline (5:00 p.m.)
- Friday 2/6 – House Bill Intro Set Preparation Deadline (5:00 p.m.)
- Monday 2/9 – House Bill Introduction Deadline (5:00 p.m.)
- Friday 2/20 – Last Day to Hear Senate Bills in Senate Committees / Last Day to Hear House Bills in House Committees

March 2026

- Friday 3/27 – Last Day to Hear Senate Bills in House Committees / Last Day to Hear House Bills in Senate Committees

April 2026

- Friday 4/17 – Last Day for Conference Committees (By House and Senate Rule)
- Saturday 4/25 – Saturday of the week of the 100th Day of Session (Target Sine Die Date)

Key Legislative Issues

SB 1167 Cities; Towns; Counties; Posting; Website (*Angius*)

- Allows a municipality or county to post advertisements, publications and printings on their official website to satisfy their statutory requirements for advertising, publishing or printing.
- City Position: Support
- Passed the Senate, 19-8
- Current Status: Awaiting House floor action

SB 1241 Municipalities; Counties; Private Permitting Providers (*Bolick*)

- Authorizes a property owner to elect to use a private permitting provider to conduct a building plan review or inspection, without approval from a municipality or county, for any single-trade residential construction project.
- City Position: Oppose
- Current Status: Died in the Senate (Never 3rd Read)

SB 1431 Municipalities; Planned Communities; Design; Prohibition (*Bolick*)

- Prohibits municipalities from requiring certain shared features or amenities as part of a development or subdivision and interfering with a home buyer's right to choose home design standards.
- City Position: Oppose
- Passed the Senate, 17-12
- Current Status: Awaiting House floor action

HB 2118 Mobile Food Vendors; Licensure (*N. Carter*)

- Prohibits a city or town from requiring a mobile food vendor to obtain a local regulatory permit or license. Removes the specification that statewide licensing standards for a mobile food vendor do not preclude a city or town from requiring a license that includes a background check or identification of the mobile food vendor.
- City Position: Oppose
- Passed the House, 32-24
- Current Status: Awaiting Senate floor action

HB 4030 Rates; Fees; Taxes; Increase; Moratorium (*Olson*)

- Prohibits a municipality and a county from adopting, imposing or collecting increased fees, transaction privilege tax and utility rates, beginning July 1, 2026 through June 30, 2030.
- City Position: Oppose
- Current Status: Died in the House (Failed to pass in 3rd Read, 21-31)

S/E: HCR 2016 Rates; Fees; Taxes; Increase; Moratorium (*Keshel*)

- Subject to voter approval, statutorily prohibits, beginning July 1, 2026, through June 30, 2030, a municipality or county from increasing a tax, fee or utility rate or imposing a new tax classification or expanding the tax base.
- Previously HCR 2052 Rates; Fees; Taxes; Increase; Moratorium (failed in the House, 21-31).
- City Position: Oppose
- Current Status: Awaiting Senate Rules

HB 2099 Long-Term Storage Credits; Shortage; Prohibition (*Griffin*)

- Prohibits a municipal provider from storing Colorado River water in underground storage facilities and accruing long-term storage credits from that stored water, during a period of shortage on the Colorado River.
- City Position: Oppose
- Current Status: Died in the House (Never heard in committee)

HCR 2038 Colorado River; Seven-State Agreement (*Griffin*)

- Declares that the Members of the Legislature support a mutual, seven-state agreement that benefits all Basin States and protects the major population centers and industries in Arizona that are vital to national security, economy and food supply.
- City Position: Support
- Passed the House, 54-0
- Current Status: Died in the Senate (Never heard in committee)

Questions and Discussion

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