

CITY COUNCIL REPORT



Meeting Date: **February 24, 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 the Second Regular Session on January 12, 2026. On January 13, 2026, the City Council received a preview of the legislative environment, state budget outlook, and major policy issues expected to be considered by the Legislature. This presentation will provide the City Council with a legislative update as to how the session is progressing.

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, which is projected to be extremely constrained, with limited discretionary funding available.
- 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 priorities.

RESOURCE IMPACTS

There are no fiscal impacts associated with this presentation.

OPTIONS & STAFF RECOMMENDATION

Recommended Approach

Provide direction for staff, as appropriate.

Action Taken _____

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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2/10/26

Date



Jeff Walther, Assistant City Manager
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2/10/26

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

February 24, 2026



KUTAKROCK

kutakrock.com

57th Arizona State Legislature, 2nd Regular Session

- Today marks the 44th day of session.
- Last week was the last week to hear bills in their committee of origin.
- Arizona set a record for most bills introduced in a single session with 1,967 bills (243 more than last session) and 150 resolutions/memorials (12 more than last session).
- 12 bills have been sent to the Governor and 2 have been vetoed.

First Time Ever - HB 4001

REFERENCE TITLE: **alternative nicotine products; regulation.**

State of Arizona
House of Representatives
Fifty-seventh Legislature
Second Regular Session
2026

HB 4001

Introduced by
Representative Weninger



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)~~

Tax Conformity & FY 2027 Budget Update

Key Legislative Issues

Photo Radar

License Plate Readers

Short-Term Rentals

Water

Local Control & Zoning Authority

Public Safety

Transportation & Infrastructure

Fiscal Stability & Revenue

Questions and Discussion

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