

BREWER ROAD SHARED USE PATH (SIM11p) - INTERGOVERNMENTAL AGREEMENT CONSTRUCTION CONTRACT APPROVAL



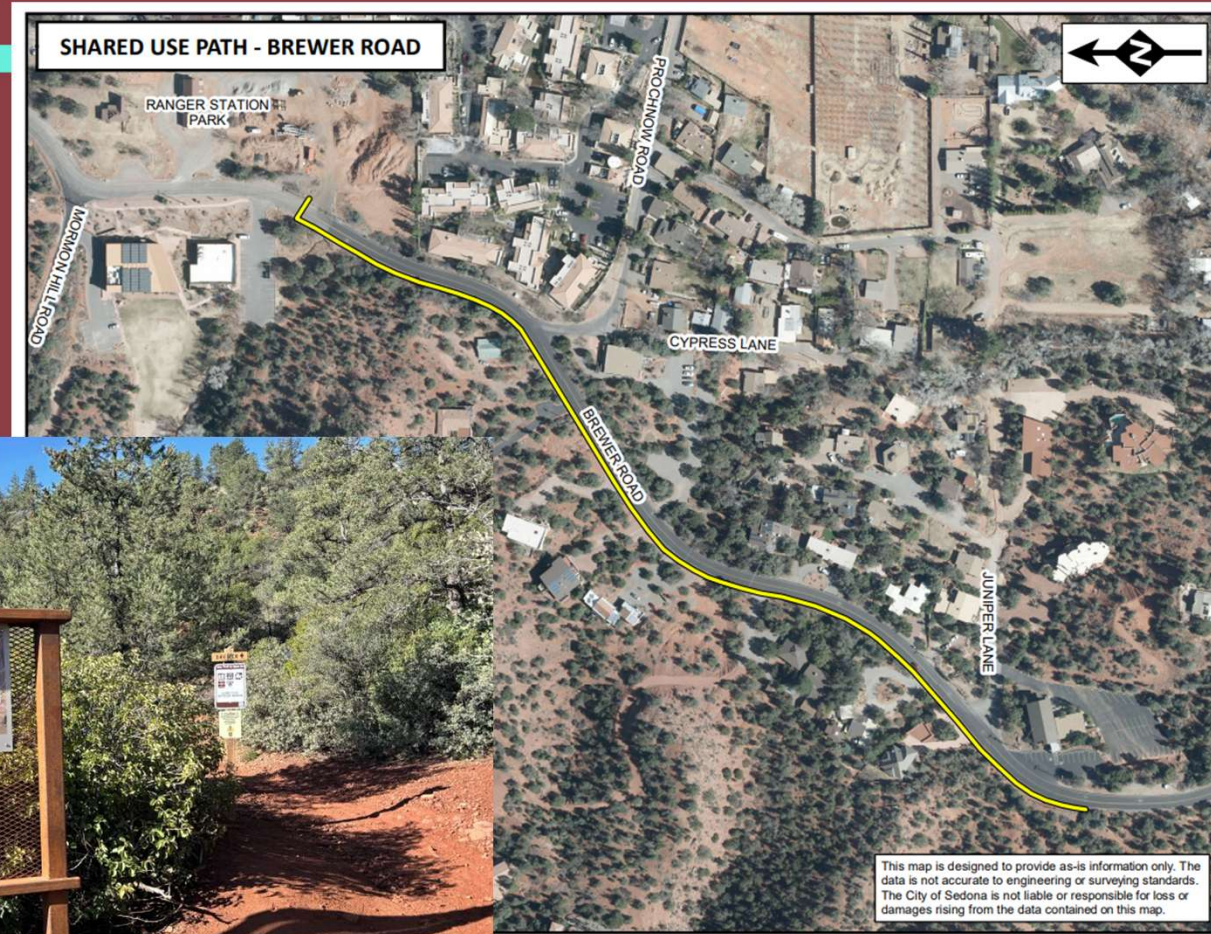
History

- Connects Ranger Station Park to Brewer Trailhead
- Partial grant for design
- Outreach – Letters and 1 on 1 meetings
- Community Support
- No easements needed



Project

- Safety
- Walkability
- Bikeability
- Sign relocation
- Connectivity
- Experience

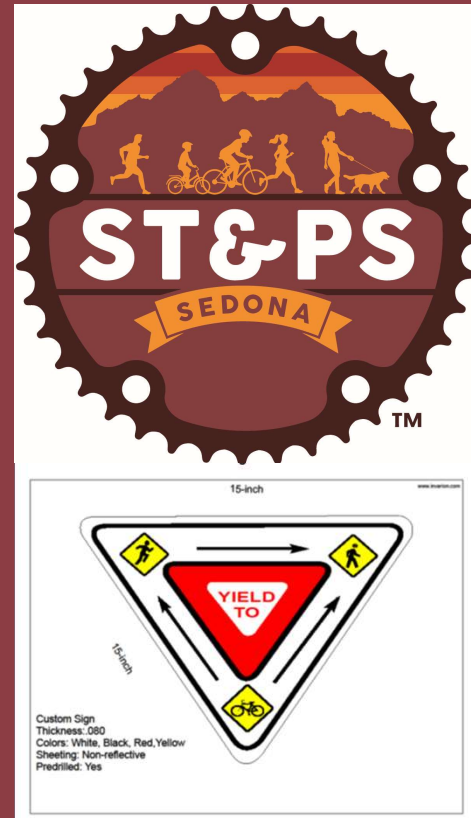


Schedule

- Intergovernmental Agreement signed - February 2026
- Engineering Design – Completed Spring 2026
- FHWA Authorization – Before April 13, 2026
- Anticipate construction – Fall 2026 start

Budget

- State providing \$2,628,411 toward construction costs
- City match of 5.7% or \$158,875
- \$560k requested budget for construction in FY 27 for other items





REPORT

City Manager's Office

TO: Mayor and City Council

CC: Anette Spickard, City Manager

FROM: Lauren Browne, Deputy City Manager

DATE: February 23, 2026

SUBJECT: Arizona Legislative Update

This is the 7th week of the Arizona legislative session. A total of 2,119 legislative measures have been introduced. If bills weren't heard in committee by last week, they are not moving forward through the legislative process (note the amount of dead bills in the Bill of Interest section below). This week is crossover week with the focus on Appropriations Committee hearings and floor action as legislators work to transmit bills to the opposite chamber. The Senate and House of Representatives are meeting every Monday - Thursday each week. The Governor, per the constitution, must put forth a budget that is balanced; staff expects the budget will be negotiated by mid-June.

The following list summarizes the past positions taken and if highlighted, future potential positions. The highlighted bills will guide the discussion at the 2/24/26 City Council meeting:

Summary of City Support/Opposition on bills:

HCR2052 – rates; fees; taxes; increases; moratorium	Opposed
HB2201 – appropriation; State Route 89A projects	Supported
HB2290 - TPT tax; sourcing, business location; receipt	Opposed, still waiting for meeting with City of Cottonwood and we were also asked by Clarkdale to send letter.
HB2304 - appropriations; transportation projects	Supported
HB2317 - traffic; vehicle laws; cities; prohibition	Opposed
HB2325 - single-family homes; institutional investors	Supported
HB2430 - short-term rentals; online lodging marketplace	Supported
HB2429 - vacation rentals; short-term rentals; occupancy	Supported
HB2609 - appropriation; ADOT; roundabout; SR 89A	Supported
HB2804 - rural affordable housing; tax credits	Supported
HB2793 - annexation of territory; procedures	Opposed but move to neutral?
HB4030 - rates; fees; taxes; increase; moratorium	Opposed, and we were asked by Clarkdale to send letter.
HB 4064: municipal improvement districts; petitions	Support?

SB1027 - public notices; government website posting	Opposed
SB1076 - vacation rentals; maximum number; distance	Supported
SB1090 - savings and loan; technical correction (strike everything bill)	Opposed
SB1105 - rental; accessory dwelling units, prohibition	Supported
SB1163 - municipalities; budgets; amendments	Supported
SB1167 - cities; towns; counties; posting; website	Opposed
SB1261 - short-term rentals; vacation rentals; occupancy	Supported
SB1431 - municipalities; planned communities; design; prohibition	Opposed
SB1519 - off-highway vehicles; weight	Opposed

Bills of Interest:

HCR2052 – rates; fees, taxes; increases; moratorium

Sponsor: (Olson-R)

Legislative history: Passed out of committee, waiting to see when it will advance to the whole House.

Summary: HCR 2052 does not itself change the law. Instead, it refers a measure to Arizona voters that would enact the same four-year freeze on municipal and county fees, taxes, and utility rate increases if approved at the ballot box.

HB2012 – vehicle registration; fees; alternative fuel

Sponsor: (Kupper-R)

Legislative history: Didn't move out of committee, therefore it is **dead**.

Summary: Changes the vehicle registration fee for motor vehicles fueled exclusively by alternative fuels that are not use fuels and do not operate using motor vehicle fuel or use fuel to an amount equal to \$85 multiplied by the ratio of the motor fuel tax to \$0.18. Sets the fee for vehicles using a combination of alternative fuel and motor vehicle or use fuel to \$40 multiplied by the same ratio. Because this bill potentially increases state revenue, it requires a 2/3 vote of the members of each house of the Legislature to pass and becomes effective immediately on the Governor's signature.

HB2201 – appropriation; State Route 89A projects

Sponsor: (Bliss-R)

Legislative history: Passed Committee but Failed to receive a hearing in Appropriations by committee deadline. Could still be considered as part of the budget.

Summary: Appropriates \$8,025,600 from the state general fund in fiscal year 2026-2027 to the department of transportation to distribute to the city of Sedona for State Route 89A, Forest Road and Ranger Road construction and improvement projects.

City update: City staff went down to the Capitol on 2/18 to testify in support of this bill.

HB2290 – TPT tax; sourcing, business location; receipt

Sponsor: (Olson-R)

Legislative history: the House Ways & Means Committee voted do-pass and sent it to the House Rules Committee for further consideration if it will pass out of committee and to the full House floor.

Summary: clarifies how Arizona's transaction privilege tax (TPT) is "sourced" (i.e., which location gets the tax) for retail sales, rentals/leases of tangible personal property, and car-sharing transactions. The bill's main focus is tightening definitions and rules around "business location," especially for remote and online sales, to prevent sourcing based on things like servers or customer locations when a seller has an in-state physical presence.

City update: We are waiting with the City of Cottonwood to see if a meeting with our district representatives will be scheduled to learn more. The town of Clarkdale has asked that we send a letter opposing this bill to our LD1 Representatives, spelling out the expected loss of revenue of 3-4% in total sales tax collections, or about \$1.5M annually.

HB2304 – appropriations; transportation projects

Sponsor: (Biasiucci-R)

Legislative history: The bill was heard in a special committee on transportation, but did not move out of committee. Therefore, it's **dead**. Could still be considered as part of the budget though.

Summary: a one-year transportation spending bill for fiscal year 2026–2027 that includes \$8,025,600 for State Route 89A, Forest Road and Ranger Road construction and improvement projects.

HB2317 – traffic; vehicle laws; cities; prohibition

Sponsor: (Aguilar-D)

Legislative history: A hearing was scheduled for January 28, 2026. But, it failed and is now **dead**.

Summary: limits the ability of cities and towns to ban “cruising.” It amends state traffic law to make clear that local governments may not enact or enforce ordinances that prohibit cruising, even though they generally have authority to regulate traffic.

HB2430 – short-term rentals; online lodging marketplace

Sponsor: (Bliss-R)

Legislative history: It failed to receive a committee hearing prior to the deadline, therefore it is **dead**.

Summary: Gives cities more detailed tools to regulate, permit, penalize, and enforce compliance of short-term rental, including direct action against online platforms.

HB2325 – single-family homes; institutional investors

Sponsor: (Rep Kupper – R)

Legislative history: Never moved out of committee, therefore it is **dead**.

Summary: Prohibits an "institutional investor" from owning more than 50 single-family homes in Arizona, acquiring single-family homes in a bulk purchase, and submitting an offer to purchase a single-family home within the first 60 days after the home is listed for sale. Prohibits an institutional investor that exceeds the ownership cap on the effective date from acquiring additional single-family homes until the investor comes into compliance. Exempts specified nonprofit organizations, government housing agencies, community land trusts, smaller owners, certain fiduciary entities and homebuilders.

HB2429 – vacation rentals; short-term rentals; occupancy

Sponsor: (Bliss-R)

Legislative history: On February 17, 2026, the House Commerce Committee approved HB 2429 (with a strike-everything amendment) and returned it with a do-pass recommendation. With these amendments, HB 2429 is now headed to the full Arizona House of Representatives for floor consideration.

Summary: It gave counties the ability to establish a maximum number of vacation rental or short-term rental regulatory permits or licenses that may be issued within the boundaries of the county or (b) establish a minimum distance between vacation rentals or short-term rentals. Now it only establishes a statewide maximum overnight occupancy for vacation and short-term rentals of two adults per sleeping area plus up to two additional persons (excluding minors) and clarifies that local occupancy limits apply to overnight guests only. Expands grounds for denial or suspension of local permits to include unpaid fines and serious building code violations and extends the look-back period for repeated violations from 12 to 24 months.

City update: while it now doesn't help Sedona with its issues, the City of Sedona still showed support of this bill.

HB2609 – appropriation; ADOT; roundabout; SR 89A

Sponsor: (Rep Blackman – R)

Legislative history: assigned to committee. Passed Committee but Failed to receive a hearing in Appropriations by committee deadline. Could still be considered as part of the budget.

Summary: Appropriates \$5.016 million from the state general fund in FY2026-27 to the Arizona Department of Transportation to distribute to the City of Sedona for roundabout construction and improvements at the intersection of State Route 89A, Forest Road, and Ranger Road.

City update: The City's lobbyist is working with Rep. Blackman to edit the bill to reflect the correct amount of \$8,025,600 for the roundabout project.

HB2793 – annexation of territory; procedures

Sponsor: (Carbone – R)

Legislative history: Passed Committee with an amendment and Caucus. Awaiting Floor Action.

Summary: Establishes a process for annexation when a single property owner initiates the annexation and owns 100% of the property to be annexed.

City update: Buckeye and the League are asking the City move to neutral on this bill.

HB2804 – rural affordable housing; tax credits

Sponsor: (Rep Martinez – R)

Legislative history: Passed House 35-22. Transmitted to Senate for Committee action.

Summary: Creates a temporary state tax credit program to incentivize affordable housing development in rural Arizona.

City update: Flagstaff asked for support in supporting this bill.

HB4030 - rates; fees; taxes; increase; moratorium

Sponsor: (Rep Olson – R)

Legislative history: Passed Committee and Caucus. Awaiting Floor Action

Summary: If passed, HB 4030 creates a temporary, statewide moratorium (freeze) on most municipal and county fee, tax, and utility rate increases in Arizona. The freeze would last four fiscal years, from July 1, 2026 through June 30, 2030.

City update: The town of Clarkdale has asked that we send a letter opposing this bill to our LD1 Representatives.

HB4064 - municipal improvement districts; petitions

Sponsor: (Rep. Bliss – R)

Legislative history: Passed Committee, Awaiting Rules

Summary: Outlines requirements and procedures for a municipality to pass an ordinance for an improvement district.

City update: The Town of Camp Verde is asking the City to support this bill.

SB1027 - public notices; government website posting

Sponsor: (Sen Kavanaugh – R)

Legislative history: assigned to committee, but it failed to receive a committee hearing prior to the deadline, therefore it's **dead**.

Summary: Authorizes government entities to satisfy statutory newspaper-publication requirements for public notices by posting the complete notice on the entity's official website, provided the website has a designated public notices section, the homepage links to it prominently and the notice remains posted for the full period required by law. Requires the entity to publish a reference advertisement in at least one qualifying newspaper that includes the entity's name, a "Public Notice" heading, a short descriptive title, the website address, and a phone number for obtaining information or copies. Deems web-posted notices that meet these requirements to have full legal effect and requires government entities to maintain a perpetual electronic record documenting the posting dates.

SB1076 – vacation rentals; maximum number; distance

Sponsor: (Sen Finchem – R)

Legislative history: assigned to committee but failed to receive a committee hearing prior to the deadline, therefore it's **dead**.

Summary: Cities under 70,000 people get new authority to cap and space short-term rentals out.

SB1105 – rental; accessory dwelling units, prohibition

Sponsor: (Sen Kavanagh – R)

Legislative history: assigned to committee but failed to receive a committee hearing prior to the deadline, therefore it's **dead**.

Summary: Requires counties and municipalities to prohibit the use of an accessory dwelling unit as a vacation rental or short-term rental.

SB1163 – municipalities; budgets; amendments

Sponsor: (Angius - R)

Legislative history: assigned to committee but failed to receive a committee hearing prior to the deadline, therefore it's **dead**.

Summary: Authorizes a municipality to amend its adopted budget during the fiscal year to spend additional revenues not included in the original budget. Prohibits adopting a new or increased tax or fee through a budget amendment and requires amended budgets to follow existing budget notice and adoption requirements.

SB1167 – cities; towns; counties; posting; website

Sponsor: (Angius - R)

Legislative history: Passed Committee and Caucus. Awaiting Floor Action.

Summary: Allows a city, town or county to satisfy any statutory requirements for advertising, publishing or printing by posting the public notice on the official website of the city, town or county.

SB1261 - short-term rentals; vacation rentals; occupancy

Sponsor: (Sen Kavanaugh – R)

Legislative history: assigned to committee but failed to receive a committee hearing prior to the deadline, therefore it's **dead**.

Summary: Authorizes cities, towns and counties to restrict the maximum number of occupants in a vacation rental or short-term rental based on a locally established occupancy limit or a specified bedroom- and square-footage-based formula, whichever is less. Changes suspension thresholds by allowing suspension of a local permit or license for two verified violations within a 24-month period involving serious threats to public health or safety and establishes separate thresholds for solid waste or vehicle parking violations. Expands grounds for suspension to include certain building code violations that pose a public health or safety threat. Restricts advertising of a vacation rental or short-term rental that exceeds the applicable occupancy limit.

SB1431 municipalities; planned communities; design; prohibition

Sponsor: (Sen Bolick – R)

Legislative history: Passed Committee. Retained on Senate COW Calendar.

Summary: Prescribes restrictions on municipalities requiring certain home design standards on single-family homes and accessory dwelling units (ADUs) or shared features as part of a planned community.

SB1519 off-highway vehicles; weight

Sponsor: (Sen Dunn – R)

Legislative history: Passed Committee and Caucus. Awaiting Floor Action

Summary: Increases the maximum unladen weight for all-terrain vehicles and off-highway vehicles to 3,500 pounds, instead of 2,500 pounds.

City update: The League asked the City to oppose this and we did.

Bills City Staff has provided comments on, with new bills since the last report highlighted:

- SB1183: accessory dwelling units; fire. A bill that says for cities larger than 75,000, fire sprinklers for ADUs would only be required if the city adopted a residential sprinkler ordinance before December 31, 2009.

Staff recognized this would be a change we would need to implement but are watching to see if this bill changes to include smaller cities.

- HB2118: mobile food vendors; licensure. A bill that strikes the provision for allowing for local licensing of mobile food vendors.

Staff shared that we don't require a permit for a single food truck on a parcel, but that if no business license is needed, it would be harder to track what types of businesses operate in Sedona.

- HB2610: utility relocation; funding; bonds. A bill that requires a municipality to reimburse telecommunications utilities for relocation costs when a construction project that is undertaken individually or jointly by an intergovernmental contract requires relocation of facilities. Requires municipalities to provide equivalent land or permit rights at municipal expense, establishes claim submission, review, and payment timelines, and sets a reimbursement cap of two percent of total project bond proceeds for facilities without existing land rights. Previously, these requirements only applied to construction projects undertaken individually or jointly by an intergovernmental contract that were funded in whole or in part by voter-approved municipal bond proceeds.

Staff is waiting to see what the Arizona League of Cities and Towns is going to do regarding this bill, but was expressed to the City's lobbyist that this would upend franchise agreements with utilities.

- SB1163 municipalities; budgets; amendments. A bill that would authorize a municipality to amend its adopted budget during the fiscal year to spend additional revenues not included in the original budget. Prohibits adopting a new or increased tax or fee through a budget amendment and requires amended budgets to follow existing budget notice and adoption requirements.

Staff communicated to the City's lobbyist that this would give the City greater flexibility for budgeting.

- HB2234 municipal licensing; approvals; administrative review. Requires municipalities to adopt by ordinance a self-certification program that allows registered architects and professional engineers to certify and be responsible for compliance with all applicable ordinances and construction standards for qualified projects, instead of allowing municipalities to adopt such an ordinance. Does not require approval of noncompliant applications and does not limit a municipality's authority to conditionally approve a license based on local impacts. Deletes the exemption from self-certification programs for historic districts and designated historic properties. Effective January 1, 2027.

Staff communicated with the City's lobbyist that this would complicate the integrity of the design approval process.

- HB2776 private property rights; due process. Prohibits Arizona and its political subdivisions from adopting a law or implementing a policy that infringes or restricts private property rights without due process.

Staff communicated with the City's lobbyist that this would supplant local control and could implicate every LDC change we make.

- HB2253 testimony; disciplinary action; prohibition. Prohibits an agency, employer, or political subdivision from retaliating against an employee for providing testimony in an administrative or judicial

proceeding related to a law enforcement disciplinary appeal. Prohibits an agency, employer, or political subdivision from prohibiting or obstructing any employee from providing testimony in such proceedings, and voids and renders unenforceable any policy or directive that restricts or prevents testimony.

Staff communicated with the City's lobbyist that this bill wouldn't affect our operations much.

- SB1054 municipal; county; measures; standing. Grants standing to a resident or a business entity conducting business in this state to file a civil action challenging a county or municipal measure that includes an emergency clause.

Staff communicated with the City's lobbyist that this bill wouldn't affect our operations much.

- SB1096 religious institutions; allowed use; zoning.

Staff communicated that this would pre-empt the City's zoning, but it also would also remove barriers for multi-family housing.

- SB1293 GPLET; abatement; limitation. Changes Arizona's Government Property Lease Excise Tax (GPLET) rules. GPLET is the tax cities use when they lease publicly owned land to private developers, often as a redevelopment incentive. This bill tightens and clarifies when tax abatements are allowed and limits who can benefit.

Staff communicated with the City's lobbyist that the City doesn't use GPLET regularly and therefore this bill wouldn't affect our operations much.

- HB2610 utility relocation; funding; bonds. Requires a municipality to reimburse telecommunications utilities for relocation costs when a construction project that is undertaken individually or jointly by an intergovernmental contract requires relocation of facilities. Requires municipalities to provide equivalent land or permit rights at municipal expense, establishes claim submission, review, and payment timelines, and sets a reimbursement cap of two percent of total project bond proceeds for facilities without existing land rights. Previously, these requirements only applied to construction projects undertaken individually or jointly by an intergovernmental contract that were funded in whole or in part by voter-approved municipal bond proceeds.

Staff communicated with the City's lobbyist that this would upend franchise agreements that require the utility to move its line or sometimes have a cost sharing provision. Staff will be watching what the League's position on this will be though before making an official position.

- HB2460 business property; theft; penalties; prohibition. Establishes statewide preemption over local regulation of penalties related to theft of a business's movable property like a shopping cart.

Staff communicated with the City's lobbyist that this bill isn't a Sedona issue.

- SB1167 cities; towns; counties; posting; website. Allows municipalities and counties to satisfy statutory requirements for advertising, publishing, or printing notices by posting them on the entity's official website. Requires the website to include a public notices link on the homepage that organizes all required notices by category. Exempts notices of proposed city or town charters from the website-only posting option.

Staff communicated with the City's lobbyist that we will let the League take the lead on taking a position.

- HB2950 tourism improvement areas; municipalities; counties. Authorizes municipalities and counties to form tourism improvement areas to fund tourism promotion and marketing through lodging business assessments.

Staff communicated with the City's lobbyist that the bill doesn't benefit the City of Sedona because we have existing mechanisms available to increase tourism-related funding but it may benefit other DMOs in the state so the recommendation is to remain neutral on the bill.

- HB4028 accessory dwelling units; requirements. Forces cities over 75,000 people to allow more ADUs, with fewer hoops and fewer local restrictions. It significantly limits how much municipalities can regulate or block them

Staff communicated with the City's lobbyist that this doesn't apply to the City because it's only eligible for cities 75,000 and over.

- SB1437 public records; format; fees. Strengthens Arizona's public records law by making access cheaper, more digital, and harder for agencies to delay or deny.

City staff communicated with the League that this bill wouldn't affect our operations much.

- **HB2692 procurement; professionals; construction services**. Outlines requirements for a cooperative agreement used to procure a single contract for job order-contracting construction services, modifies the request for proposal process regarding construction-manager-at-risk procurement, authorizes and defines progressive design-build procurement, and expands the definition of horizontal construction.

City staff communicated with the League the positive and negative effects it would have on our procurement and contract processes.

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Please contact me if you have any questions or if you are aware of proposed legislation that should be added to this list.