STATE OF ARIZONA

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May 15, 2006

The Honorable Jim Weiers
Speaker of the House
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Re: House Bill 2381: development; capital improvements plan

Dear Speaker Weiers:

Today I vetoed House Bill 2381, related to the assessment by municipalities of development fees and the requirement of a capital improvements plan.

Last year, I signed into law House Bill 2066, which imposed significant new reporting requirements related to the collection and use of development impact fees. Although I continue to support efforts to provide even greater transparency related to such fees, I am not persuaded that on balance House Bill 2381 would make good law. The bill imposes restrictions on municipalities that unduly impede local control and could hamper the ability of our cities and towns to manage their own growth. For this reason, most municipalities in Arizona oppose the bill.

Arizona must have a workable framework to allow home building that matches our state's population expansion while still allowing local jurisdictions to manage growth in a manner that accommodates their infrastructure capacity and development. I encourage Arizona's homebuilders and municipalities to meet over the summer and develop consensus legislation that further improves transparency for the assessment and use of development fees while respecting the rights of municipalities to use such fees in the manner best suited for their own municipal developments.

In the absence of such consensus, however, I will not sign a bill like House Bill 2381 at this time. For these and other reasons, I am vetoing House Bill 2381.

Yours very truly,

Janet Napolitano
Governor

JN:TN/jm

cc: The Honorable Ken Bennett
The Honorable Jonathan Paton