

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-second Legislature - First Regular Session

MAJORITY CAUCUS CALENDAR

February 17, 2015

Bill Number	Short Title	Committee	Date	Action
Committee on Appropriations				
Chairman: Justin Olson, LD25		Vice Chairman: Vince Leach, LD11		
Analyst: Jennifer Thomsen		Intern: Meagan Swart		
HB 2060	state budget; consensus forecast			
SPONSOR:	MESNARD, LD17	HOUSE		
		APPROP	2/11	DP (6-5-0-3-0)
		(No: SHERWOOD,MEYER,CARDENAS,CLARK,MACH; Abs: ALLEN J,RIVERO,UGENTI)		
HB 2380	state budget; estimates; public notice			
	(APPROP S/E: estimates; state budget; hearing; notice)			
SPONSOR:	OLSON, LD25	HOUSE		
		APPROP	2/11	DPA/SE (6-5-0-3-0)
		(No: SHERWOOD,MEYER,CARDENAS,CLARK,MACH; Abs: ALLEN J,RIVERO,UGENTI)		
HCR 2022	auditor general; reappointment.			
SPONSOR:	ALLEN J, LD15	HOUSE		
		APPROP	2/11	DP (11-0-0-3-0)
		(Abs: ALLEN J,RIVERO,UGENTI)		
Committee on Agriculture, Water and Lands				
Chairman: Brenda Barton, LD6		Vice Chairman: Darin Mitchell, LD13		
Analyst: Tom Savage		Intern: Christopher Palmer		
HB 2393	water settlement act; replenishment formula			
SPONSOR:	PRATT, LD8	HOUSE		
		AWL	2/12	DP (9-0-0-0-0)
HB 2429	livestock; poultry; animal cruelty; violation			
SPONSOR:	BARTON, LD6	HOUSE		
		AWL	2/12	DPA (8-1-0-0-0)
		(No: GABALDÓN)		
HB 2580	county supervisors; jurisdiction; specialized expertise			
SPONSOR:	CAMPBELL, LD1	HOUSE		
		AWL	2/12	DP (9-0-0-0-0)
HB 2660	domestic water improvement districts; directors			
SPONSOR:	BARTON, LD6	HOUSE		
		AWL	2/12	DP (9-0-0-0-0)
HB 2661	multi-county water districts; storage tax			
SPONSOR:	BARTON, LD6	HOUSE		
		AWL	2/12	DP (9-0-0-0-0)

Committee on Banking and Financial Services

Chairman: Kate Brophy McGee, LD28

Vice Chairman: Jeff Weninger, LD17

Analyst: Paul Benny

Intern: Christopher Rasmussen

[HB 2097](#) loan originators; advance fee loans

SPONSOR: BROPHY MCGEE, LD28 HOUSE
BFS 1/27 DP (8-0-0-0-0)

[HCR 2034](#) financial literacy month

SPONSOR: BROPHY MCGEE, LD28 HOUSE
BFS 2/10 DP (8-0-0-0-0)

Committee on Children and Family Affairs

Chairman: John Allen, LD15

Vice Chairman: Kate Brophy McGee, LD28

Analyst: Ingrid Garvey

Intern: Brennan Rohs

[HB 2098](#) department of child safety

SPONSOR: BROPHY MCGEE, LD28 HOUSE
CFA 2/9 DPA (8-0-0-1-0)
(Abs: ACKERLEY)

[HB 2488](#) housing assistance; seriously mentally ill

SPONSOR: CARTER, LD15 HOUSE
CFA 2/9 DP (8-0-0-1-0)
(Abs: ACKERLEY)

Committee on County and Municipal Affairs

Chairman: Doug Coleman, LD16

Vice Chairman: Tony Rivero, LD21

Analyst: Ginna Garico

Intern: Robert Lewis

[HB 2557](#) codes; adoption by reference; copies

SPONSOR: PRATT, LD8 HOUSE
CMA 2/9 DP (7-0-0-1-0)
(Abs: BOYER)

[HB 2558](#) municipalities; property sale threshold; election

SPONSOR: PRATT, LD8 HOUSE
CMA 2/9 DP (7-0-0-1-0)
(Abs: BOYER)

[HB 2573](#) dog licensing; rabies vaccination; quarantine

SPONSOR: COLEMAN, LD16 HOUSE
CMA 2/9 DP (7-0-0-1-0)
(Abs: BOYER)

Committee on Commerce

Chairman: Warren Petersen, LD12

Vice Chairman: Jill Norgaard, LD18

Analyst: Diana Clay

Intern: Justin Larson

[HB 2312](#) amusement gambling; merchandise prize value

SPONSOR: FARNSWORTH E, LD12 HOUSE
COM 2/4 DP (8-0-0-0-0)

[HB 2360](#) liquor licenses; stores; proximity; exception

SPONSOR: SHOPE, LD8 HOUSE
COM 2/11 DP (7-0-0-1-0)
(Abs: ESPINOZA)

[HB 2362](#) department of liquor licenses; continuation
 SPONSOR: SHOPE, LD8 HOUSE
 COM 2/11 DPA (6-1-0-1-0)
 (No: SHOPE; Abs: ESPINOZA)

[HCR 2029](#) persons with disabilities; employment; support
 SPONSOR: LAWRENCE, LD23 HOUSE
 COM 2/11 DP (7-0-0-1-0)
 (Abs: ESPINOZA)

Committee on Education

Chairman: Paul Boyer, LD20 Vice Chairman: Jay Lawrence, LD23
 Analyst: Aaron Wonders Intern: Joey Pickels

[HB 2191](#) technical correction; private schools
 (ED S/E: graduation; passing score; moratorium)
 SPONSOR: BOYER, LD20 HOUSE
 ED 2/11 DPA/SE (7-0-0-0-0)

[HB 2207](#) schools; parking fees
 SPONSOR: BOYER, LD20 HOUSE
 ED 1/28 DPA (7-0-0-0-0)

[HB 2303](#) schools; start and end dates
 SPONSOR: FARNSWORTH E, LD12 HOUSE
 ED 2/4 DP (5-2-0-0-0)
 (No: BOLDING,OTONDO)

[HB 2479](#) schools; financial revisions
 SPONSOR: BOYER, LD20 HOUSE
 ED 2/4 DPA (7-0-0-0-0)

[HB 2530](#) schools; Arizona online instruction
 (ED S/E: Arizona online instruction; credit; schools)
 SPONSOR: LEACH, LD11 HOUSE
 ED 2/11 DPA/SE (7-0-0-0-0)

[HB 2537](#) charter schools; teachers; funding
 SPONSOR: BOYER, LD20 HOUSE
 ED 2/11 DP (5-2-0-0-0)
 (No: BOLDING,OTONDO)

[HB 2569](#) schools; teacher experience index; understatement
 (ED S/E: teacher experience index; schools)
 SPONSOR: MITCHELL, LD13 HOUSE
 ED 2/11 DPA/SE (7-0-0-0-0)

[HB 2577](#) schools; teacher certification
 SPONSOR: BOYER, LD20 HOUSE
 ED 2/11 DPA (7-0-0-0-0)

[HB 2602](#) school service providers; information privacy
 SPONSOR: BOYER, LD20 HOUSE
 ED 2/11 DP (6-0-0-1-0)
 (Abs: BOYER)

Committee on Elections

Chairman: Michelle Ugenti, LD23 Vice Chairman: J. D. Mesnard, LD17
 Analyst: Ginna Carico Intern: Robert Lewis

[HB 2109](#) ballot; form; secondary property taxes
 SPONSOR: MITCHELL, LD13 HOUSE
 ELECT 2/9 DP (4-2-0-0-0)
 (No: CLARK,LARKIN)

[HB 2427](#) precinct lists; early ballot reports
 SPONSOR: BARTON, LD6 HOUSE
 ELECT 2/9 DP (6-0-0-0-0)

[HB 2529](#) officeholder accounts; creation; contributions
 SPONSOR: THORPE, LD6 HOUSE
 ELECT 2/9 DPA (6-0-0-0-0)

[HB 2536](#) ballot contents disclosure; prohibition.
 SPONSOR: BOYER, LD20 HOUSE
 ELECT 2/9 DP (6-0-0-0-0)

Committee on Federalism and States' Rights

Chairman: Kelly Townsend, LD16 Vice Chairman: Noel Campbell, LD1
 Analyst: Justin Riches Intern: Samantha Oswitch

[HB 2326](#) compact; balanced budget; convention
 SPONSOR: MESNARD, LD17 HOUSE
 FSR 2/11 DP (5-3-0-0-0)
 (No: WHEELER,VELASQUEZ,RIOS)

Committee on Government and Higher Education

Chairman: Bob Thorpe, LD6 Vice Chairman: Chris Ackerley, LD2
 Analyst: Katy Proctor Intern: Danny DeHoog

[HB 2206](#) ABOR; statutory revisions
 SPONSOR: BOYER, LD20 HOUSE
 GHE 1/29 DPA (8-0-0-1-0)
 (Abs: PETERSEN)

[HB 2239](#) police reports; victims; attorneys
 SPONSOR: BOYER, LD20 HOUSE
 GHE 2/5 DP (8-0-0-1-0)
 (Abs: LARKIN)

[HB 2315](#) financial information; comprehensive database; posting
 SPONSOR: BARTON, LD6 HOUSE
 GHE 2/12 DP (6-2-1-0-0)
 (No: FRIESE,SALDATE; Present: LARKIN)

[HB 2338](#) ASRS; disability program
 SPONSOR: FANN, LD1 HOUSE
 GHE 2/12 DP (9-0-0-0-0)

[HB 2339](#) ASRS; rules
 SPONSOR: FANN, LD1 HOUSE
 GHE 2/12 DP (9-0-0-0-0)

[HB 2400](#) technical correction; regents; land funds
 (GHE S/E: business licensing; electronic database)
 SPONSOR: STEVENS, LD14 HOUSE
 GHE 2/12 DPA/SE (9-0-0-0-0)

[HB 2414](#) community college tuition financing districts
 SPONSOR: STEVENS, LD14 HOUSE
 GHE 2/12 DPA (8-1-0-0-0)
 (No: ACKERLEY)

[HB 2433](#) rescue operation personnel; limited liability
 SPONSOR: THORPE, LD6 HOUSE
 GHE 2/5 DP (8-0-0-1-0)
 (Abs: PETERSEN)

[HB 2495](#) medically underserved areas; loan repayment
 SPONSOR: CARTER, LD15 HOUSE
 GHE 2/5 DPA (9-0-0-0-0)

[HB 2566](#) state computers; sensitive electronic data
 SPONSOR: THORPE, LD6 HOUSE
 GHE 2/12 DP (8-0-0-1-0)
 (Abs: PETERSEN)

Committee on Health

Chairman: Heather Carter, LD15 Vice Chairman: Regina Cobb, LD5
 Analyst: Ingrid Garvey Intern: Brennan Rohs

[HB 2238](#) health professionals; licensure requirements; prohibition
 SPONSOR: BOYER, LD20 HOUSE
 HEALTH 2/10 DP (4-2-0-0-0)
 (No: MEYER,FRIESE)

[HB 2491](#) hospitals; community health centers; transactions
 SPONSOR: CARTER, LD15 HOUSE
 HEALTH 1/27 DP (6-0-0-0-0)

[HB 2556](#) DUI; oral fluid swab test
 (HEALTH S/E: health care entity quality assurance)
 SPONSOR: COBB, LD5 HOUSE
 HEALTH 2/10 DPA/SE (5-0-0-1-0)
 (Abs: BOYER)

Committee on Insurance

Chairman: Karen Fann, LD1 Vice Chairman: David Livingston, LD22
 Analyst: Paul Benny Intern: Christopher Rasmussen

[HB 2327](#) vehicle insurance cards; barcode
 SPONSOR: ROBSON, LD18 HOUSE
 INS 2/4 DP (8-0-0-0-0)

[HB 2332](#) accountable health plans; disclosure; repeal
 SPONSOR: FANN, LD1 HOUSE
 INS 2/4 DPA (8-0-0-0-0)

[HB 2342](#) insurance; surplus lines; home state
 SPONSOR: FANN, LD1 HOUSE
 INS 2/11 DPA (8-0-0-0-0)

[HB 2346](#) medical marijuana; reimbursement; no requirement
 SPONSOR: FANN, LD1 HOUSE
 INS 2/11 DP (8-0-0-0-0)

[HB 2347](#) unemployment insurance; base-period notices
 SPONSOR: FANN, LD1 HOUSE
 INS 2/4 DP (8-0-0-0-0)

[HB 2440](#) tax; insurance; retaliation
 SPONSOR: LIVINGSTON, LD22 HOUSE
 INS 2/11 DPA (8-0-0-0-0)

Committee on Judiciary

Chairman: Eddie Farnsworth, LD12

Vice Chairman: Sonny Borrelli, LD5

Analyst: Gina Kash

Intern: Morganne Barrett

HB 2076	legal representation; corporations; partnerships (JUD S/E: supreme court justices; increased number)				
SPONSOR:	PETERSEN, LD12	HOUSE			
	JUD		2/11	DPA/SE	(4-2-0-0-0)
	(No: FRIESE,HALE)				
HB 2089	aggravated assault; elected officials (JUD S/E: aggravated assault; judicial officers)				
SPONSOR:	BORRELLI, LD5	HOUSE			
	JUD		2/11	DPA/SE	(6-0-0-0-0)
HB 2131	tax adjudications; attorney fees				
SPONSOR:	MITCHELL, LD13	HOUSE			
	JUD		2/11	DP	(4-2-0-0-0)
	(No: FRIESE,HALE)				
HB 2203	postconviction release hearings; recordings; free				
SPONSOR:	BOYER, LD20	HOUSE			
	JUD		2/4	DP	(5-0-0-1-0)
	(Abs: HALE)				
HB 2294	courts; approved screening, treatment facilities.				
SPONSOR:	FARNSWORTH E, LD12	HOUSE			
	JUD		2/11	DP	(5-0-0-1-0)
	(Abs: MESNARD)				
HB 2299	sexual offenses; definitions; defenses				
SPONSOR:	FARNSWORTH E, LD12	HOUSE			
	JUD		2/11	DPA	(5-0-0-1-0)
	(Abs: MESNARD)				
HB 2301	historical prior felony conviction; sentencing				
SPONSOR:	FARNSWORTH E, LD12	HOUSE			
	JUD		2/4	DP	(5-0-0-1-0)
	(Abs: HALE)				
HB 2307	court-ordered treatment; hearings				
SPONSOR:	FARNSWORTH E, LD12	HOUSE			
	JUD		1/28	DP	(6-0-0-0-0)
HB 2311	judgment liens; recordation; real property				
SPONSOR:	FARNSWORTH E, LD12	HOUSE			
	JUD		2/11	DPA	(6-0-0-0-0)
HB 2413	internet representations; civil damages				
SPONSOR:	STEVENS, LD14	HOUSE			
	JUD		2/11	DP	(6-0-0-0-0)
HB 2517	internet crimes against children; fund				
SPONSOR:	BOYER, LD20	HOUSE			
	JUD		1/28	DPA	(6-0-0-0-0)
	APPROP		2/11	DPA	(12-0-0-2-0)
	(Abs: ALLEN J,RIVERO)				
HB 2561	unlawful distribution of private images				
SPONSOR:	MESNARD, LD17	HOUSE			
	JUD		2/11	DP	(6-0-0-0-0)

[HB 2578](#) real property; purchaser dwelling actions
SPONSOR: MITCHELL, LD13 HOUSE
JUD 2/11 DPA (4-2-0-0-0)
(No: FRIESE,HALE)

Committee on Military Affairs and Public Safety

Chairman: Sonny Borrelli, LD5 Vice Chairman: Mark Finchem, LD11

Analyst: Casey Baird Intern: Delaney Krauss

[HB 2320](#) firearms; permit holders; public places
SPONSOR: BARTON, LD6 HOUSE
MAPS 2/12 DPA (6-3-0-0-0)
(No: CARDENAS,ANDRADE,MACH)

[HB 2377](#) law enforcement merit system; determinations
SPONSOR: BORRELLI, LD5 HOUSE
MAPS 2/5 DP (8-1-0-0-0)
(No: FARNSWORTH E)

[HB 2379](#) home detention; initial jail term
SPONSOR: BORRELLI, LD5 HOUSE
MAPS 2/5 DP (6-2-0-1-0)
(No: ANDRADE,MACH; Abs: CARDENAS)

[HB 2509](#) aggravated assault; firearms
SPONSOR: TOWNSEND, LD16 HOUSE
MAPS 2/12 DP (6-3-0-0-0)
(No: CARDENAS,ANDRADE,MACH)

[HB 2550](#) constables; training courses; deadline
SPONSOR: RIVERO, LD21 HOUSE
MAPS 2/12 DP (9-0-0-0-0)

Committee on Transportation and Infrastructure

Chairman: Rick Gray, LD21 Vice Chairman: David Stevens, LD14

Analyst: Justin Riches Intern: Samantha Oswitch

[HB 2211](#) autocycles; motorized quadricycles
SPONSOR: PETERSEN, LD12 HOUSE
TI 2/10 DPA (8-0-0-1-0)
(Abs: STEVENS)

[HB 2221](#) driver license suspension; photo radar
SPONSOR: MESNARD, LD17 HOUSE
TI 2/3 DP (9-0-0-0-0)

[HB 2236](#) ATV and motorcycle passengers
SPONSOR: SHOPE, LD8 HOUSE
TI 2/10 DP (8-1-0-0-0)
(No: FERNANDEZ)

[HB 2345](#) motorcycles; all-terrain vehicles; cycles; equipment
SPONSOR: FANN, LD1 HOUSE
TI 2/10 DP (9-0-0-0-0)

[HB 2408](#) towing contracts; DPS
SPONSOR: STEVENS, LD14 HOUSE
TI 2/10 DPA (9-0-0-0-0)

[HB 2411](#) defensive driving schools; eligibility
SPONSOR: STEVENS, LD14 HOUSE
TI 2/10 DP (8-0-0-1-0)
(Abs: ANDRADE)

[HB 2422](#) vehicle towing
 SPONSOR: FANN, LD1 HOUSE
 TI 2/10 DPA (9-0-0-0-0)

[HB 2522](#) special plates; health sciences; hockey
 SPONSOR: GRAY, LD21 HOUSE
 TI 2/10 DPA (9-0-0-0-0)

[HB 2523](#) towed vehicles; local authority
 SPONSOR: GRAY, LD21 HOUSE
 TI 2/10 DP (7-2-0-0-0)
 (No: FERNANDEZ,ANDRADE)

[HB 2524](#) firefighters; professional golf; special plates
 SPONSOR: STEVENS, LD14 HOUSE
 TI 2/10 DP (9-0-0-0-0)

Committee on Ways and Means

Chairman: Darin Mitchell, LD13

Vice Chairman: Anthony Kern, LD20

Analyst: Ryan Sullivan

Intern: Matthew VanBenschoten

[HB 2151](#) DOR audits; three-year limit
 SPONSOR: WENINGER, LD17 HOUSE
 WM 2/9 DP (9-0-0-0-0)

[HB 2253](#) property tax assessments; one-year cycle
 SPONSOR: MITCHELL, LD13 HOUSE
 WM 2/2 DPA (8-0-0-1-0)
 (Abs: SHERWOOD)

[HB 2254](#) municipal tax exemption; residential lease
 SPONSOR: MITCHELL, LD13 HOUSE
 WM 2/2 DP (5-4-0-0-0)
 (No: SHERWOOD,CARDENAS,UGENTI,WENINGER)

[HB 2325](#) charitable tax credit; inflation indexing
 SPONSOR: MESNARD, LD17 HOUSE
 WM 2/9 DP (7-0-0-2-0)
 (Abs: CARDENAS,UGENTI)

[HB 2381](#) TPT; use tax exemption; aircraft
 SPONSOR: OLSON, LD25 HOUSE
 WM 2/9 DPA (8-0-1-0-0)
 (Present: SHERWOOD)

[HB 2383](#) contracting; TPT; land value
 SPONSOR: OLSON, LD25 HOUSE
 WM 2/9 DPA (9-0-0-0-0)

[HB 2415](#) sanitary districts; bids; contractor
 SPONSOR: STEVENS, LD14 HOUSE
 WM 2/9 DP (5-4-0-0-0)
 (No: SHERWOOD,CARDENAS,WHEELER,UGENTI)

[HB 2538](#) special districts; truth in taxation
 SPONSOR: MITCHELL, LD13 HOUSE
 WM 2/9 DP (5-2-0-2-0)
 (No: SHERWOOD,CARDENAS; Abs: WHEELER,UGENTI)



HOUSE OF REPRESENTATIVES

HB 2060

state budget; consensus forecast

Sponsor: Representative Mesnard

DP Committee on Appropriations

X Caucus and COW

House Engrossed

OVERVIEW

HB 2060 mandates the directors of the Joint Legislative Budget Committee (JLBC) and the Governor's Office of Strategic Planning and Budgeting (OSPB) jointly compile a consensus revenue forecast (CRF) for the current and upcoming three Fiscal Years (FYs).

HISTORY

State agencies prepare budget requests within the guidelines set by the Governor and submit their requests to OSPB by September 1 for the following FY. OSPB provides copies of those budget requests to JLBC, which are reviewed in the fall of each year. (Arizona Revised Statutes [A.R.S.] § 35-122) Along with reviewing budget requests, JLBC and OSPB staff also independently produce revenue estimates. (A.R.S. § 41-1273, A.R.S. § 35-114)

The JLBC staff consults with the Finance Advisory Committee (FAC), a 15-member committee of public and private sector economists that meet publicly three times yearly. Revenue estimates from the FAC, JLBC staff, and two University of Arizona (UA) econometric models are equally weighted to produce a four-sector consensus revenue estimate for the current and upcoming FY.

PROVISIONS

1. Requires the JLBC director and the OSPB director jointly compile a CRF for the current and next three FYs on March 1, September 1, and December 1 of each year.
2. Details the CRF as follows:
 - a. The average of transaction privilege tax, individual income tax and corporate income tax forecasts as determined by:
 - i. The JLBC director;
 - ii. The OSPB director;
 - iii. The FAC;
 - iv. An UA econometric model that assumes the most probable economic conditions; and
 - v. An UA econometric model that assumes less favorable economic conditions.
 - b. The estimate of all other state revenue compiled by:
 - i. The JLBC director;
 - ii. The OSPB director; and
 - iii. The FAC.
3. Directs the JLBC director and the OSPB director jointly transmit the CRF to the Governor, the Speaker of the House of Representatives and the President of the Senate.

4. Requires the executive budget determine estimated revenues using the December 1 CRF, as adjusted for any proposed revenue changes contained in the budget.
5. Mandates the General Appropriation Act to base its revenue estimates on the most recent CRF, as adjusted for subsequent enacted revenue changes.
6. Makes technical changes.



HOUSE OF REPRESENTATIVES

HB 2380

state budget; estimates; public notice
Sponsor: Representative Olson

DPA/SE Committee on Appropriations

X Caucus and COW

House Engrossed

OVERVIEW

HB 2380 requires public notice when a standing committee of the Legislature approves a budget bill that exceeds a truth in spending estimate.

Summary of the Proposed Strike-Everything Amendment to HB 2380

The proposed strike-everything amendment to HB 2380 requires a legislative hearing and public notice when a standing committee of the Legislature recommends the passage of a budget bill that exceeds a truth in spending estimate.

HISTORY

Article IX, Section 17 of the Arizona Constitution provides an appropriations limit for the Legislature. The current appropriations limitation is determined by the Economic Estimates Commission, and utilizes total personal income as the basis for determining the limitation. The Constitution prohibits the Legislature from appropriating revenues in excess of 7% of the total personal income of the state for that Fiscal Year (FY). This limitation may be exceeded by a two-thirds vote of the Legislature. Additionally, the Constitution allows the limitation to be adjusted if governmental functions are transferred between levels of government. The state has assumed various governmental functions over the years and consequently the current appropriations limit is 7.41% of personal income.

Arizona Revised Statutes § 41-1273 requires the Joint Legislative Budget Committee (JLBC) to determine how state spending compares to the appropriations limit. The report, due February 15, covers the spending for the prior, current and next FY.

PROVISIONS

1. Requires, beginning in 2016, the director of JLBC to calculate and transmit a truth in spending estimate for the following FY by February 15 of each year.
2. Directs the truth in spending estimate to be transmitted to the chairmen of the Senate and House of Representatives Appropriations Committees and to the chairmen of the Senate Finance Committee and House of Representatives Ways and Means Committee.
3. Specifies that the truth in spending estimate calculates the amount of state General Fund appropriations for the current FY plus the total amount of all appropriations from all other sources for the current FY, adjusted by the sum of the following percentages:
 - a. The percentage change in population for the most recent available 12 month period;
 - b. The positive or negative percentage change in the cost of living for the most recent available 12 month period.

4. Requires the director of JLBC to adjust the cost of living amount based on the GDP price deflator. Allows the consideration of minor technical adjustments to the GDP price deflator that are made by the US government.
5. Requires, beginning in FY 2017 and if a standing committee recommends the passage of a budget bill that exceeds the truth in spending estimate, the Senate and House of Representatives Appropriations Committees to:
 - a. Hold a joint truth in spending hearing before the bill receives a full vote in either chamber;
 - b. Issue a press release at least three days before the joint hearing to the chamber's normal media distribution list.
6. Details press release language.
7. Defines *budget bill* and *population*.

AMENDMENTS

Committee on Appropriations

1. The proposed strike-everything amendment was adopted.



HOUSE OF REPRESENTATIVES

HCR 2022

auditor general; reappointment.

Sponsors: Representatives Allen J, Boyer, Senator Barto, et al.

DP Committee on Appropriations

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2022 approves the reappointment of Debra K. Davenport as the Auditor General of the State of Arizona.

HISTORY

The Office of the Auditor General (OAG) is established by Arizona Revised Statutes (A.R.S.) § 41-1279 to make recommendations to improve operations of state and local governmental entities and as an independent source of impartial information.

The Joint Legislative Audit Committee (JLAC) gives direction to the OAG and oversees auditing functions of the Legislature. JLAC also appoints the Auditor General to a five year renewable term through a majority vote in both legislative chambers. To be appointed as Auditor General an individual must be a Certified Public Accountant licensed to practice in Arizona, subject to the standards and ethics of the Arizona State Board of Accountancy. (A.R.S. § 41-1279.01)

Debra K. Davenport was appointed as the Auditor General on October 12, 1999 and has since been reappointed for three terms.

PROVISIONS

1. Approves the reappointment of Debra K. Davenport as Auditor General.
2. States that Debra K. Davenport fulfills the statutory requirements of Auditor General and is eligible for reappointment.



HOUSE OF REPRESENTATIVES

HB 2393

water settlement act; replenishment formula

Sponsors: Representatives Pratt, Barton, Cardenas, et al.

DP Committee on Agriculture, Water and Lands

X Caucus and COW

House Engrossed

OVERVIEW

HB 2393 modifies the formulas used to determine the amount of water required to be replenished when groundwater is used in a designated area located in the southside protection zone.

HISTORY

Congress enacted the Arizona Water Settlements Act in 2004, which resolved three related issues: the Central Arizona Project (CAP) repayment settlement; the CAP water settlement and individual water rights for Arizona tribes. Two settlement agreements were included in the legislation: the Gila River Indian Community and the San Xavier Reservation Water Settlement (P.L. 108-451).

The Arizona Water Banking Authority (AWBA) was established by Laws 1996 to increase utilization of the state's Colorado River entitlement and develop long term storage credits for the state. AWBA banks unused Colorado River water to be used in times of shortage to "firm" Arizona municipal and industrial water supplies, fulfill the water management objectives of the state and for implementation of the settlement of water rights claims by Indian communities within Arizona.

Laws 2005, Chapter 143 established the Gila River Indian Community Water Settlement Program (Program). The Program establishes certain obligations regarding water use, including formulas that are to be used to determine how much water needs to be replenished by the state within various designated protection zones based on amounts of groundwater withdrawn on an annual basis.

PROVISIONS

1. Modifies the formulas used to determine the annual replenishment obligation for the southside protection zone.
2. Makes conforming changes.



HOUSE OF REPRESENTATIVES

HB 2429

livestock; poultry; animal cruelty; violation

Sponsor: Representative Barton

DPA Committee on Agriculture, Water and Lands

W/D Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2429 establishes laws that define acts of cruelty to livestock and poultry, amends existing animal cruelty laws to include animal hoarding as an act of cruelty, increases penalties for repeat offenders and expands definitions.

HISTORY

Arizona Revised Statutes (A.R.S.) § 13-2910 defines acts of animal cruelty and establishes penalties for violators. Current statute states that if a person intentionally, knowingly or recklessly subjects an animal to cruel neglect, fails to provide medical attention, inflicts unnecessary physical injury, subjects an animal to cruel mistreatment, or abandons or leaves an animal unattended and confined in a motor vehicle with a likely result of physical injury to or death of the animal, among other violations, is subject to a Class 1 misdemeanor. Additionally, current statute states any person who intentionally subjects an animal to cruel neglect or abandonment that results in serious injury to the animal, cruel mistreatment, intentionally or knowingly killing or harming a working animal or service animal without legal privilege or consent or allowing a dog under the person's control to kill or physically harm a service animal is subject to a Class 6 felony.

PROVISIONS

Cruelty to Livestock and Poultry

1. Prohibits a person from intentionally, knowingly or recklessly causing injury or undue suffering, including depriving of necessary sustenance or cruelly beating, injuring or mutilating livestock or poultry.
 - a. Establishes a Class 1 misdemeanor for a first violation and classifies a second or subsequent violation as a Class 6 felony.
2. Prohibits a person from intentionally torturing and tormenting livestock or poultry.
 - a. Establishes a Class 6 felony for a violation.
3. Defines *torture* or *torment* as every act where the infliction of pain or suffering is caused, permitted or allowed to continue when there is a reasonable remedy or relief.
4. Requires the director of the Department of Agriculture (Director) to be notified of any investigation of an alleged violation of this Act and provides the Director the option of participating in the investigation.

5. Prohibits a county or a municipality from adopting an animal cruelty ordinance that is more prohibitive or restrictive than this Act.
6. Stipulates that this Act does not apply to normal, good husbandry practices that are used in the production of food or the lawful extermination of an insect or animal that is destructive to food, crops or livestock.
7. Specifies that this Act does not prohibit the humane slaughter or euthanization of livestock or poultry.
8. Stipulates that a person who owns or holds livestock or poultry that is not part of an agricultural operation regulated by the Department of Agriculture may be prosecuted pursuant to animal cruelty laws in A.R.S Title 13.
9. Excludes livestock and poultry from the A.R.S. Title 13 animal cruelty laws.

Animal Cruelty

10. Adds the following to the acts classified as animal cruelty:
 - a. Permitting another person to recklessly subject an animal under the person's custody or control to cruel mistreatment;
 - b. Intentionally or knowingly permitting another person to subject an animal under the person's control to cruel mistreatment; and
 - c. Intentionally, knowingly or recklessly hoarding animals.
11. Defines *hoards animals* as possessing animals in conditions that may cause harm to the health or safety of the animals.
12. Stipulates that this Act does not prohibit or restrict lawful activities involving the possession, training, transport, exhibition or use of an animal in lawful pursuits of licensed, permitted or regulated hunting, ranching, farming, rodeos, livestock shows, fairs, livestock auctions and security services.
13. Allows the court to require a person to undergo a psychological evaluation and attend counseling at the person's own expense.
14. Stipulates that a person who violates animal cruelty statutes is guilty of a Class 1 misdemeanor for the first offense and guilty of a Class 6 felony for a second or subsequent offense, for certain violations.
15. Expands the definition of *cruel neglect* to include abandoning an animal, failing to provide food that is appropriate for the species and fit for consumption, failing to provide water that is suitable for drinking or shelter that is appropriate for the animal or weather conditions.
16. Expands the definition of *working animal* to include horses, dogs and other guardian animals used in an agriculture operation or animal husbandry practices.

AMENDMENTS

Committee on Agriculture, Water and Lands

1. Makes a technical change.



HOUSE OF REPRESENTATIVES

HB 2580

county supervisors; jurisdiction; specialized expertise

Sponsors: Representatives Campbell, Barton, Borrelli, et al.

DP Committee on Agriculture, Water and Lands

X Caucus and COW

House Engrossed

OVERVIEW

HB 2580 allows a county board of supervisors to serve as a cooperating or coordinating agency for the purposes of natural resources management planning and any other processes under federal law.

HISTORY

A county board of supervisors is authorized to supervise the official conduct of all county officers and officers of all districts and other subdivisions of the county charged with assessing, collecting, safekeeping, managing or disbursing public revenues. A county board of supervisors is also allowed to lay out, maintain, control and manage public roads within the county and levy such tax for that purpose as authorized by law. A county board of supervisors is responsible for filling by appointment all vacancies that occur in county or precinct offices (A.R.S. § 11-251) and has the power to sue and can be sued, purchase and hold lands within its limits, make contracts and purchases, make orders for the disposition or use of its property and determine budgets pursuant to statute (A.R.S. § 11-201).

PROVISIONS

1. Allows a board of supervisors to serve as a cooperating or coordinating agency regarding natural resources management planning and other processes under federal law.
2. Specifies that the state of Arizona recognizes that boards of supervisors have:
 - a. Authority to engage in natural resources management planning for lands within the county; and
 - b. Special expertise regarding land use plans and their impact on county land and all subject matters that the board of supervisors has the authority to regulate.



HOUSE OF REPRESENTATIVES

HB 2660

domestic water improvement districts; directors
Sponsors: Representatives Barton, Thorpe; Shope

DP Committee on Agriculture, Water and Lands

X Caucus and COW

House Engrossed

OVERVIEW

HB 2660 allows a three member domestic water improvement district (DWID) to convert to a five member DWID, under certain conditions.

HISTORY

Counties in Arizona have statutory authority to establish taxing districts as a means of funding public improvement projects. A DWID is a political subdivision that is formed by property owners who petition the county board of supervisors (BOS) for the purpose of constructing, improving or purchasing a water delivery system in order to provide domestic water service to landowners in the district. DWIDs are governed by an elected board of directors (Board) which sets fees for the cost of operation, maintenance and replacement of the water delivery system (Arizona Revised Statutes § 48-1012)

PROVISIONS

1. Requires a BOS to call an election to decide whether to convert a three member Board to a five member Board when a petition containing the signatures of 25% of qualified electors residing within the DWID boundaries is presented to the Board.
2. Prohibits a BOS from calling an election to expand the number of Board members more than once every two years.
3. Authorizes the election to be held on any consolidated election date.
4. Requires the DWID to reimburse the county for election related expenses.
5. Specifies that a BOS must give notice of the election by posting the order of election in three public places within the DWID boundaries at least 20 days prior to the election.
6. Stipulates that the election notice must be published in a newspaper once a week, for three weeks prior to the election if a newspaper is published with a general circulation in the DWID boundaries.
7. Specifies how the question will be presented on the ballot to the voters and requires the ballot to include an option for selecting two additional Board members.
8. Requires a BOS to meet and canvas the election results within 20 days following the election and specifies that if the majority of voters approve the conversion to a five member Board, the Board must declare the conversion to a five member Board and announce the names of the two additional Board members.



HOUSE OF REPRESENTATIVES

HB 2661

multi-county water districts; storage tax

Sponsors: Representatives Barton, Bowers, Cardenas, et al.

DP Committee on Agriculture, Water and Lands

X Caucus and COW

House Engrossed

OVERVIEW

HB 2661 extends the Central Arizona Water Conservation District (CAWCD) ad valorem property tax until January 1, 2030, maintains the current cap of \$.04 per \$100 assessed value until December 31, 2024 and reduces the cap to \$.03 per \$100 assessed value beginning January 1, 2025.

HISTORY

Laws 1990, Chapter 385, Section 6 authorized CAWCD to assess an ad valorem property tax capped at \$.04 per \$100 assessed value for the funding of planning and construction of state demonstration projects for underground water storage and recovery sites. Laws 1994, Chapter 278, Section 12 expanded the purpose of the tax to cover operations, maintenance and replacement of the Central Arizona Project (CAP) infrastructure and to repay the federal government for the cost of building the CAP.

The tax is assessed on properties within the three county Central Arizona Project (CAP) service area in Maricopa, Pinal and Pima Counties. Arizona Revised Statutes § 48-3715.03 requires the CAWCD Board (Board) to determine if all or part of the \$.04 tax collected will be used for the repayment of the construction costs of the CAP, to be used for the operations, maintenance and replacement of the CAP infrastructure or to be deposited in Arizona Water Banking Fund for the purpose of funding underground water storage.

Currently, the tax is scheduled to expire on January 1, 2017.

The Arizona Water Banking Authority (AWBA) was established in 1996 to increase utilization of the state's Colorado River entitlement and develop long term storage credits for the state. AWBA banks unused Colorado River water to be used in times of shortage to "firm" Arizona municipal and industrial water supplies, fulfill the water management objectives of the state and for implementation of the settlement of water rights claims by Indian communities within Arizona.

PROVISIONS

1. Extends the CAWCD ad valorem property tax until January 1, 2030.
2. Maintains the current cap on the tax at \$.04 per \$100 of assessed value through December 31, 2024.
3. Reduces the cap to \$.03 per \$100 of assessed value beginning January 1, 2025.
4. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2097

loan originators; advance fee loans

Sponsor: Representative Brophy McGee

DP Committee on Banking & Financial Services

X Caucus and COW

House Engrossed

OVERVIEW

HB 2097 repeals the Loan Originator Examination Committee and establishes renewal and expiration deadlines for an advance fee loan broker registration.

HISTORY

The Loan Originator Examination Committee was established by Laws 2008, Chapter 310, to create and periodically update standards for passing an examination for mortgage loan originators (MLO). The Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (Act) mandated nationwide licensing and registration requirements for MLOs, and a Nationwide Mortgage Licensing System and Registry (NMLS) for the storage of an MLO's unique identifier. The Act outlines minimum standards for licensure which includes pre-licensing education requirements and passing a qualified written test developed by the NMLS.

A person, who for an advance fee or in the expectation of an advance fee, either directly or indirectly, makes, procures, offers, or attempts to make or procure a loan of money or extension of credit must register as an *advance fee loan broker*. In order to obtain registration, an applicant must submit an application, with applicable fees, to the Department of Financial Institutions (DFI) containing information as prescribed by the superintendent of DFI. The registration is valid for one year upon issuance and may be annually renewed by filing a supplemental statement showing any changes in the facts set forth in the original application for registration.

PROVISIONS

1. Repeals statute relating to the Loan Originator Examination Committee.
2. Requires a registered advance fee loan broker to apply for renewal no later than June 30 of each year.
3. Specifies that a registration not renewed by June 30 is suspended, and prohibits the person from acting as an advanced fee loan broker until the registration is renewed or a new registration is issued.
4. Stipulates that if an application for renewal is not filed by July 31, with applicable renewal fees, the registration is expired.
5. States that a registration may not be granted to the holder of an expired registration, except for the issuance of an original registration.
6. Makes technical changes.



HOUSE OF REPRESENTATIVES

HCR 2034

financial literacy month

Sponsors: Representatives Brophy McGee: Barton, Carter, et al.

DP Committee on Banking and Financial Services

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2034 proclaims April 2015 as Financial Literacy Month.

HISTORY

In March 2004, the United States (U.S.) Senate passed S.R. 316, which officially recognized April 2004 as National Financial Literacy Month to raise public awareness about the importance of financial education in the U.S. and the serious consequences that may be associated with a lack of understanding about personal finances. Both Houses of Congress have continued to pass similar resolutions each year since recognizing the month. In March 2011, President Obama issued a proclamation proclaiming April 2011 as National Financial Literacy Month.

Additionally, 18 states have enacted legislation or adopted resolutions regarding financial literacy. Most recently, in April 2014, Pennsylvania adopted H.R. 756, which recognized April 2014 as “Financial Literacy Month”. In July 2014, California adopted S.C.R. 105, which declared April 2014 as “Financial Aid and Literacy Month”.

PROVISIONS

1. Designates April 2015 as Financial Literacy Month.
2. Supports increased awareness of personal financial education.
3. Calls on all localities, schools, nonprofit organizations, businesses and residents of Arizona to observe Financial Literacy Month with appropriate programs and activities.
4. Supports the Office of the State Treasurer in its efforts and resources to increase awareness of financial literacy.



HOUSE OF REPRESENTATIVES

HB 2098

department of child safety

Sponsor: Representative Brophy McGee

DPA Committee on Children and Family Affairs

X Caucus and COW

House Engrossed

OVERVIEW

HB 2098 makes changes to the Arizona Revised Statutes (A.R.S.) resulting from the establishment of the Department of Child Safety (DCS) in 2014.

HISTORY

Laws 2014, Chapter 1, 2nd Special Session, established DCS with the primary purpose to protect children. DCS consists of four bureaus: Prevention with a focus on community outreach, partnerships and prevention; Intake/Assessment oversees the call center; Field Investigations conducts investigations related to allegations of child abuse or neglect; and Case Management/Permanency focusing on transitions such as ongoing, in-home, out-of-home services and permanency for the child. In addition to the Field Investigations Bureau, the Office of Child Welfare Investigations (OCWI) investigates criminal conduct allegations in conjunction with law enforcement, utilizing joint investigative protocols.

PROVISIONS

1. Provides disclosure provisions related to adoption agency information which include the following:
 - a. All personal information concerning an individual who applies for or who receives an adoption agency license is confidential and may not be released, unless the release is ordered by the superior court or provided for by court rule. DCS information is confidential and may be released only as prescribed in the confidentiality statute (A.R.S. § 8-807).
 - b. Adoption agency information is not confidential except for any DCS information in the licensing files and the address of any facility where a foster child is placed, even if the address is also the corporate address of the adoption agency.
 - c. An employee of DCS, the attorney general (AG) or a court may obtain the information noted above in the performance of the employee's duties.
 - d. An employee of DCS, the AG or a court may release information that is otherwise confidential under any of the following circumstances:
 - i. To an applicant or licensee if a request is made in writing specifically requesting information that directly relates to the person who requests the information.
 - ii. In oral or written communications involving the provision of services or the referral of services between employees of, persons under contract with or persons holding a general employment relationship with DCS, the department of law or the juvenile court.

- iii. If the disclosure is necessary to protect against a clear and substantial risk of imminent serious injury to a client of DCS.
 - iv. To an agency of the federal government, this state or another state or any political subdivision of this state for official purposes. Information received by a governmental agency must be maintained as confidential, unless the information is pertinent to a criminal prosecution.
 - v. To a foster parent or a parent certified to adopt, if the information is necessary to assist in the placement with or care of a child by the foster parent or person certified to adopt.
 - vi. To an officer of the superior court, DCS, or any agency that is required to perform an investigation, if the information is pertinent to the investigation. Information received may be disclosed to the court, but must otherwise be maintained as confidential.
 - e. A person who violates these requirements is guilty of Class 2 misdemeanor.
 - f. Defines *adoption agency information*, *DCS information* and *personal information*.
2. Establishes the Office of Special Investigations (OSI) which requires:
- a. The Director of DCS to establish an OSI, and in addition to other related duties assigned by the Director or the Director's designee, the OSI is responsible to the Director for the following:
 - i. Performing investigative duties in any county in this state as assigned by the Director or the Director's designee.
 - ii. Assisting in preparing criminal charges for crimes involving DCS employees, vendors or providers.
 - iii. Assisting in preparing administrative charges involving DCS employees, vendors or providers.
 - iv. Establishing liaison with the various law enforcement agencies.
 - b. OSI may issue subpoenas to compel the attendance of witnesses and the production of books, papers, correspondence, memoranda and other records necessary to complete investigations.
 - c. DCS may employ personnel who are peace officers to accomplish these requirements.
3. Outlines provisions for electronic communication by DCS that includes the following:
- a. If DCS is required to provide an administrative order, a notice or letter to an applicant, a recipient or a client, DCS may send the order, notice or letter by electronic means if the party being served or notified consents to the electronic communication.
 - b. Consent may be obtained in writing on a form approved by DCS, verbally on the record in a hearing or electronically through DCS's website by the party being served following an affirmative consent procedure. At the time of consent, the party must be advised of the nature of the notices to be delivered or served and the legal consequence of the choice and the right to revoke the consent. Consent may be provided for a proceeding or for notices provided on an ongoing basis.
 - c. Delivery or service by electronic means is complete on transmission unless it is established that delivery or transmission of the electronic document failed due to DCS error or failure of the recipient to receive the electronic document for any other reason outside the control of the recipient.
 - d. Consent may be revoked in writing to DCS or by following an affirmative revocation procedure established on DCS's website.

- e. If DCS receives electronic notification that the electronic address to which a document is being sent is no longer valid or is otherwise not functioning, DCS must deem the consent to electronic notice to be revoked and the document must be served by mail.
 - f. This section does not apply to a notice that is required in connection with litigation before a court of record.
4. Incorporates the following in A.R.S. § 8-502 corresponding to foster parent and child welfare agency information:
- a. Unless otherwise provided by law and excepted within the statute, all personal information concerning a foster parent applicant or licensee or an individual who applies for or receives a child welfare agency license is confidential and may not be released, unless the release is ordered by the superior court or provided for by court rule. DCS information is confidential and may be released only as prescribed for in DCS' confidentiality statute (A.R.S. § 8-807).
 - b. Foster parent information is confidential, except DCS may release the information if the foster parent's license has been revoked or all of the following apply:
 - i. No foster children are residing in the home.
 - ii. DCS has begun a licensing investigation.
 - iii. The foster parent's identity has been made public by sources outside DCS.
 - c. States, if requested, DCS may release the following foster care parent information if permissible:
 - i. The name of the licensee.
 - ii. The dates of current and past licensure.
 - iii. Any training in which the licensee participated.
 - iv. The number, ages and gender of children for which the foster care provider is licensed.
 - v. Any complaints about the licensee that did not involve an investigation by DCS.
 - d. Specifies that child welfare agency information is not confidential except for both of the following:
 - i. Any DCS information in the licensing files of DCS.
 - ii. The address of any facility where a foster child is placed, even if the address is also the corporate address of the child welfare agency.
 - e. Permits an employee of DCS, the AG or a court to release information that is otherwise confidential under any of the following circumstances:
 - i. To an applicant or licensee if a request is made in writing specifically requesting information that directly relates to the person who requests the information.
 - ii. In oral or written communications involving the provision of services or the referral to services between employees of, persons under contract with or persons holding a general employment relationship with DCS, the department of law or the Juvenile Court.
 - iii. If the disclosure is necessary to protect against a clear and substantial risk of imminent serious injury to a client of DCS.
 - iv. To any agency of the federal government, this state or another state or any political subdivision of this state for official purposes. Information received by a governmental agency must be maintained as confidential unless pertinent to a criminal prosecution.
 - v. To a foster parent or a parent certified to adopt if the information is necessary to assist in the placement with, or care of a child, by the foster parent or person certified to adopt.

- vi. To an officer of the superior court, DCS or an agency that is required to perform an investigation if the information is pertinent. Information received may be disclosed to the court but must otherwise be maintained as confidential.
 - f. Notwithstanding A.R.S. §§ 8-519, 8-514 and 8-542 (confidentiality statutes), a standing committee of the Legislature or a committee appointed by the President of the Senate or the Speaker of the House of Representatives may obtain otherwise confidential information on written request to the Director. Information obtained may be used only to conduct investigations related to legislative oversight of DCS. Personally identifiable information may not be further disclosed.
 - g. A person who violates this section is guilty of a Class 2 misdemeanor.
 - h. Defines *child welfare agency information*, *DCS information*, *foster parent information* and *personal information*.
5. Increases the amount of the time for DCS to notify an agency that recommended a foster home for licensing from *20 days after receipt* of the written notice of proposed, denial, revocation or suspension to *25 days after the mailing date*.
 6. Amends A.R.S. § 8-512 regarding the Comprehensive Medical and Dental Program (CMDP) to:
 - a. Provide that this care must be provided to each child who is in out-of-home placement.
 - b. Conform the benefit reimbursement and procedural provisions of the CMDP program with those of the Arizona Health Care Cost Containment System.
 7. Increases the amount of time that a person has to request a hearing when DCS intends to substantiate an allegation in the central registry from *14 days after receipt* of the notice to *20 days after the mailing* of the notice.
 8. Provides that when DCS intends to substantiate an allegation of abuse or neglect in the central registry and DCS does not amend the information or finding, a person has the right to a hearing unless the person is a party in a pending juvenile proceeding in which the allegations of abuse or neglect are at issue or a court has found that a child is dependent or has terminated a parent's rights based on an allegation of abuse or neglect.
 9. States that if the court or administrative law judge in a pending proceeding in which abuse or neglect was at issue does not make a finding of abuse or neglect and the matter is no longer pending in that forum, the person has a right to a hearing regarding placement on the central registry.
 10. Provides that if a court or administrative law judge in a proceeding in which abuse or neglect was an issue has made a finding of abuse or neglect, the finding must be entered into the central registry as a substantiated report.
 11. Stipulates that if the administrative law judge determines that probable cause exists to sustain DCS' finding of abuse or neglect, the substantiated finding must be entered into the central registry as a substantiated report.
 12. Makes technical, conforming and clarifying changes to applicable statutes.

Amendments

Committee on Children and Family Affairs

1. Allows the Auditor General to establish an audit team in DCS to audit and report on various functions.
2. Reinstates language in the CMDP statute.
3. Repeals the Child Welfare Mediation Program.
4. Updates the Auditor General's duties at DES.
5. Removes the section of statute establishing the Office of Special Investigations within DCS.



HOUSE OF REPRESENTATIVES

HB 2488

housing assistance; seriously mentally ill

Sponsors: Representatives Carter: Brophy McGee

DP Committee on Children and Family Affairs

X Caucus and COW

House Engrossed

OVERVIEW

HB 2488 permits monies in the Seriously Mentally Ill Housing Trust Fund (Fund) to be used for rental assistance for a person with a serious mental illness.

HISTORY

Laws 1973, Chapter 158, established the Arizona Department of Health Services (ADHS) by consolidating the State Department of Health, the Arizona Health Planning Authority, Crippled Children Services, the Arizona State Hospital and the Anatomy Board. ADHS sets the standard for personal and community health through direct care, science, public policy and leadership. The Division of Behavioral Health Services serves as the single state authority to provide coordination, planning, administration, regulation and monitoring of all facets of the state public behavioral health system.

Arizona Revised Statutes (A.R.S.) § 41-3955.01 established the Fund to be administered by the director of ADHS. The Fund consists of proceeds received from the sale of unclaimed property and interest income. Fund monies must be spent solely for the purpose of housing projects for a person with a serious mental illness. A.R.S. § 44-313 provides that the first \$2,000,000 in unclaimed property revenues are distributed to the Fund.

At the end of FY 2014, the Fund had a balance of \$2.8 million.

PROVISIONS

1. Allows Fund monies to be spent for rental assistance for a person with a serious mental illness in addition to housing projects.



HOUSE OF REPRESENTATIVES

HB 2557

codes; adoption by reference; copies

Sponsors: Representative Pratt, Leach; Finchem, et al.

DP Committee on County and Municipal Affairs

X Caucus and COW

House Engrossed

OVERVIEW

HB 2557 gives municipalities the option to file one paper copy and one electronic copy of their codes and public records with the city or town clerk in lieu of filing three paper copies.

HISTORY

Arizona Revised Statutes (A.R.S.) § 9-802 allows municipalities to enact the provisions of a code or public record before its existence without setting forth the provisions, but requires the adopting ordinance be published in full. Statute directs municipalities to file at least three copies of their codes and public records in the office of the municipality's clerk. They must be kept available for public use and inspection.

A.R.S. § 9-801 defines *code* as a published compilation of rules or regulations, prepared by a technical trade association, that includes any building code, electrical wiring code, health or sanitation code, fire prevention code, wildland-urban interface code, inflammable liquids code, code for slaughtering, processing and selling meat and meat products or for production, pasteurizing and sale of milk and milk products, or other code which embraces rules and regulations pertinent to a subject which is a proper subject of municipal legislation.

Public record is defined as a statute, rule, or regulation of the US, Arizona, or the municipality which is desired to be adopted by reference (A.R.S. § 9-801).

PROVISIONS

1. Gives municipalities the option to file one paper copy and one electronic copy of their codes and public records with the city or town clerk in lieu of filing three paper copies.
2. Makes a technical change.



HOUSE OF REPRESENTATIVES

HB 2558

municipalities; property sale threshold; election
Sponsors: Representatives Pratt: Finchem, Leach, et al.

DP Committee on County and Municipal Affairs

X Caucus and COW

House Engrossed

OVERVIEW

HB 2558 increases, from \$500,000 to \$1,500,000, the value threshold for triggering the requirement to conduct a special election before sale of a municipality's real property.

HISTORY

Arizona Revised Statutes (A.R.S.) § 9-402 allows municipalities to sell and convey all or part of its real or personal property, whether or not the property is used exclusively for public use. The sale cannot be made until an invitation for bids for the purchase of the property has been published and notice has been posted in three or more public places within the city or town.

A.R.S. § 9-403 prohibits the sale of a municipality's real property exceeding \$500,000 without first holding a special election called for the purpose of submitting to the voters in the municipality the question of selling or not selling the property. Statute requires the election take place within the corporate limits of the city or town on a consolidated election date. The ballot must contain a description of the property proposed for sale and the governing body's reason for wanting to sell. Upon a majority vote in favor of selling, the governing body may sell the property at public auction to the highest bidder for cash, after giving notice as prescribed by statute.

Laws 2000, Chapter 346 increased the threshold from \$100,000 to \$500,000.

PROVISIONS

1. Increases, from \$500,000 to \$1,500,000, the value threshold for triggering the requirement to conduct a special election before sale of a municipality's real property.



HOUSE OF REPRESENTATIVES

HB 2573

dog licensing; rabies vaccination; quarantine
Sponsor: Representative Coleman

DP Committee on County and Municipal Affairs

X Caucus and COW

House Engrossed

OVERVIEW

HB 2573 makes various changes to dog licensing and rabies vaccination requirements as well as quarantine locations.

HISTORY

Arizona Revised Statutes (A.R.S.) § 11-1008 allows a county board of supervisor (BOS) to set a license fee required to be paid for each dog over three months of age that is kept, harbored or maintained within the boundaries of the state for at least 30 consecutive days. Currently, the licensing period shall not exceed the period of time for revaccination. If the BOS adopts a license fee, it shall provide durable dog tags with the name of the county inscribed, the license number and the year of expiration. Any person who knowingly fails, within 15 days after written notification from the county enforcement agent, to abide by statutory requirements for dog licensure, they are guilty of a Class 2 misdemeanor.

Before a license is issued for any dog, the owner or veterinarian must present a paper, electronic copy or fax of the vaccination certificate signed by a veterinarian stating the owner's name, address, dog's description, vaccination date, manufacturer and serial number of the vaccine used, and the date revaccination is due. Current statute prohibits dogs that are not vaccinated from being licensed (A.R.S. § 11-1010).

Current statute requires an unvaccinated dog or cat that bites any person to be confined and quarantined in a county pound or, on request of and at the expense of the owner, at a veterinary hospital for at least 10 days. The quarantine period starts on the day of the bite incident, or on the first day of impoundment, if the day of the bite is not known. A dog properly vaccinated that bites any person may be confined and quarantined at the owner's home or wherever the dog is harbored and maintained with the consent and in a manner prescribed by the county enforcement agent (A.R.S. § 11-1014).

A.R.S. § 11-1001 defines *county enforcement agent* as a person in each county who is responsible for the enforcement and rules of animal control.

PROVISIONS

Dog Tags; Licensure; Petty Offense

1. Requires a distinct tag number, a county contact telephone number and any other information required by the BOS on county issued dog tags, instead of the license number and year of expiration.

2. Removes the requirement for the county enforcement agent to provide written notification of a licensure violation within 15 days.
3. Lessens the penalty for non-compliance of the dog licensure statutes from a Class 2 misdemeanor to a petty offense.

Anti-rabies Vaccination; Penalty

4. Strikes language requiring proof of vaccination before a dog license is issued and makes conforming changes.
5. Clarifies that all dogs over three months of age must be vaccinated against rabies by a veterinarian who is licensed to practice in a jurisdiction of the US.
6. Allows owners or veterinarians to submit the vaccination information online through a county maintained website.
 - a. Adds the owner's telephone number and the name and contact information of the veterinarian who administered the vaccination to be included on the vaccination certificate.
7. Specifies it is a Class 2 misdemeanor for anyone who knowingly fails to vaccinate a dog.

Quarantine; Biting Animals; Search and Rescue Dogs

8. Authorizes the county enforcement agent to determine the manner and facility a dog or cat that bites a person, regardless of whether or not the animal is vaccinated, be confined and quarantined including at the owner's home or in a boarding facility.
9. Requires dogs used by law enforcement agencies or search and rescue dogs that bite a person under proper supervision to be placed under a working quarantine if the dog has a current anti-rabies vaccination.
10. Directs the law enforcement agency or search and rescue organization to notify the county enforcement agent if the bite occurred while the dog was not under proper supervision or while the dog was not performing the duties it was trained for.
 - a. Requires the county enforcement agent to determine the manner of confinement and quarantine for the dog.
11. Specifies that upon notification to the county enforcement agent that the dog exhibits abnormal behavior, the dog must immediately be confined and quarantined until a health assessment is made by a licensed veterinarian.

Miscellaneous

12. Makes technical, conforming and clarifying changes.



HOUSE OF REPRESENTATIVES

HB 2312

amusement gambling; merchandise prize value

Sponsors: Representatives Farnsworth E, Cardenas: Bowers, et al.

DP Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

HB 2312 increases the authorized wholesale value of merchandise prizes for a single win in *amusement gambling* games from less than \$4 to less than \$10. Contains a Proposition 105 clause.

HISTORY

Arizona Revised Statutes (A.R.S.), Title 13, Chapter 33, regulates gambling in the Arizona Criminal Code. All terms relevant to this chapter are defined in A.R.S. § 13-3301, including *amusement gambling*, which involves a game, contest or device that is played for the purpose of entertainment. Current statute outlines numerous conditions necessary for a game to fall under the classification of *amusement gambling*.

Amusement gambling, which includes video arcades, marathon prizes, rounds of golf, Chuck-E-Cheese and carnival prizes, is currently considered an exemption under illegal acts of gambling. This exemption covers gambling on certain games of chance, games of skill, intellectual contests, athletic events and gaming devices where the game or contest is played for entertainment; the players actively participate; and the outcome is controlled by the players alone. Winnings are limited to replays of the game, merchandise prizes or, in the case of athletic events, distribution of winnings to the players only. Intellectual contest gambling must be registered with the Attorney General's Office (gaming.az.gov).

For games in which merchandise prizes may be won or coupons may be used to redeem a merchandise prize, statute currently limits the wholesale fair market value (FMV) of the prize for a single win to less than \$4. For any aggregate of coupons that may be redeemed for a merchandise prize, the current wholesale FMV of the prize cannot exceed \$550.

Laws 2014, Chapter 49, increased the authorized wholesale FMV of merchandise prizes that may be redeemed for any aggregate of coupons from \$35 to \$550.

PROVISIONS

1. Increases the allowable wholesale FMV of merchandise prizes for a single win in *amusement gambling* games from less than \$4 to less than \$10.
2. Contains a Proposition 105 clause.
3. Makes technical changes.



HOUSE OF REPRESENTATIVES

HB 2360

liquor licenses; stores; proximity; exception

Sponsors: Representatives Shope, Cardenas: Espinoza, et al.

DP Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

HB 2360 permits certain grocery stores with limited liquor sales to be located and operate in proximity to a school or church.

HISTORY

Arizona Revised Statutes (A.R.S.) Title 4, delegates the power to regulate, license and investigate the production, sale and distribution of alcoholic beverages to the Department of Liquor Licenses and Control (Department). The Arizona State Liquor Board operates separately from the Department, consisting of seven members appointed by the governor and confirmed by the Senate to three year terms. In order to regulate alcoholic beverages throughout the state, the Department issues 19 different license types, each of them subject to specific requirements.

Current law prohibits retail liquor licenses from being issued if the premises is within 300 horizontal feet of a church, school or fenced recreational area adjacent to a school at the time of the original application. Current exemptions to this rule include: restaurant licenses; special event licenses; hotel-motel licenses; government licenses; the playing area of a golf course; and beer and wine licenses at a not-for-profit performing arts theatre with a permanent seating capacity of at least 250 persons.

PROVISIONS

1. Exempts from the 300 feet restriction on licensing near a school or church, any grocery store with retail space of at least 4500 square feet and that derives less than 50% of its gross revenues from liquor sales.
2. Makes a technical change.



HOUSE OF REPRESENTATIVES

HB 2362

department of liquor licenses; continuation
Sponsors: Representatives Shope, Cardenas

DPA Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

HB 2362 continues the Arizona Department of Liquor Licenses and Control (Department) for 10 years.

HISTORY

The Joint Legislative Audit Committee (JLAC) assigned the Sunset Review of the Department to the House of Representatives Commerce and the Senate Commerce, Energy and Military Committee of Reference (COR). The COR held one public hearing on Wednesday, November 19, 2014, to review the performance audit conducted by the COR and to receive public testimony. The COR recommended that the Department be continued for 10 years.

Session Laws 1967, Chapter 133, established the Department and defined their powers, duties and responsibilities. Authorized by Arizona Revised Statutes (A.R.S.) Title 4, the Department licenses, investigates and regulates the production, distribution, and sale of alcoholic beverages in order to meet its mission *to protect public safety and support economic growth through the responsible sale and consumption of liquor, and to efficiently license qualified applicants*. The Department consists of three divisions: the Administration Division, the Licensing Division and the Investigations Division.

The current Arizona State Liquor Board (Board) operates independently from the Department and consists of seven members appointed by the governor and confirmed by the Senate to serve three-year terms. An executive director administers the daily functions. The Board is responsible for hearing all liquor license applications that are protested by the public, governing body of a city, town or county, or the Department's director. The Board may also protest an application and review appeals made against a decision made by the director. As of August 2014, there were 11,914 active licenses under the Department.

The Department was last audited by the Auditor General's Office in 2009 assigned by JLAC. The forty-ninth legislature, second regular session (2010) continued the Department for five years. The Department's operating budget for FY 2015 is \$3,589,200 and 45.2 FTEs.

PROVISIONS

1. Continues the Department for 10 years, until July 1, 2025.
2. Contains a purpose clause.
3. Makes the provisions retroactive to July 1, 2015.

AMENDMENTS

Committee on Commerce

1. Continues the Department for 8 years, until July 1, 2023.
2. Makes conforming changes.



HOUSE OF REPRESENTATIVES

HCR 2029

persons with disabilities; employment; support

Sponsors: Representatives Lawrence, Cardenas, Carter, et al.

DP Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2029 proclaims the Legislature's support for the employment of persons with disabilities among Arizona businesses.

HISTORY

The Americans with Disabilities Act (ADA) prohibits discrimination in employment against qualified individuals on the basis of disability. The ADA defines a *disability* as a physical or mental impairment that substantially limits a major life activity such as hearing, seeing, speaking, walking, breathing, performing manual tasks, and caring for oneself.

Currently, only 20.3% of Americans with disabilities, including veterans who acquired disabilities during service to our country, participate in the labor force. The unemployment rate among persons with disabilities is 11.2%, which is more than double the unemployment rate among persons without disabilities.

According to *disabilitystatistics.org*, only 33.6% of Arizonans with disabilities aged 18 to 64 were employed in 2012.

PROVISIONS

1. Proclaims support for the employment of persons with disabilities.
2. Provides a statement of encouragement for Arizona businesses to hire from this population.
3. Outlines the limited number of disabled persons in the labor force including veterans.



HOUSE OF REPRESENTATIVES

HB 2191

technical correction; private schools
Sponsor: Representative Boyer

DPA Committee on Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2191 makes a technical change.

Summary of the Proposed Strike-Everything Amendment to HB 2191

The proposed strike-everything amendment to HB 2191 is an emergency measure that exempts students from being required to pass a standardized test to graduate high school in School Years (SY) 2015-2018.

HISTORY

Arizona Revised Statutes (A.R.S.) § 15-701.01 directs the Arizona State Board of Education (SBE) to prescribe a minimum course of study, competency requirements and a competency test that incorporates the state academic standards for the graduation of students from high school. SBE has adopted the Arizona Instrument to Measure Standards (AIMS) to assess student achievement of the state's academic standards and charges school district governing boards with administering the AIMS test. As a condition to graduate high school, students are required to complete the minimum course of study and receive a passing score on the AIMS reading, writing and math sections (Arizona Administrative Code R7-2-302).

In 2010, SBE adopted new statewide academic standards and in 2014 adopted a new statewide assessment (AzMERIT) to replace AIMS. The last class of sophomores to have the AIMS test administered was in Spring 2014 and retesting will be allowed through Fall 2016 (<http://www.azed.gov/hsgraduation/>).

Laws 2015, Chapter 1, directs SBE to include in the high school competency requirements for graduation, a requirement for Arizona students to pass a civics test that is identical to the civics component of the naturalization test used by the United States Citizenship and Immigration Services.

PROVISIONS

1. Exempts, as session law, students from being required to pass a standardized test to graduate from high school in SYs 2015-2018.
 - a. Excludes the civics portion of the naturalization test from this exemption.
2. Contains an emergency clause.

AMENDMENTS

Committee on Education

1. The proposed strike-everything amendment was adopted.



HOUSE OF REPRESENTATIVES

HB 2207

schools; parking fees

Sponsor: Representative Boyer

DPA Committee on Education
W/D Committee on Appropriations
X Caucus and COW
House Engrossed

OVERVIEW

HB 2207 allows school district to use monies collected from parking fees for any maintenance and operation (M&O) or unrestricted capital outlay expense.

HISTORY

School district governing boards are locally elected governing bodies charged with the administration of the schools within the district. Arizona Revised Statutes (A.R.S.) § 15-342 provides school district governing boards with discretionary powers, including the authority to prescribe policies for the assessment of reasonable fees for district-provided parking facilities. The expenditure of collected parking fees is solely limited to the costs incurred in operating or securing the parking facilities.

The Superintendent of Public Instruction is charged with prescribing a budget format to be used by all school districts which contains specific sections for M&O and capital outlay (A.R.S. § 15-903). The capital outlay section of the budget contains a subsection for unrestricted capital outlay, which includes acquisitions by purchase or lease of capital items such as land, buildings, improvements, furniture, equipment, transportation vehicles, textbooks, library books, bond payments and emergency administration needs related to students. M&O expenditures include the costs of education programs, special education programs and student transportation operation.

PROVISIONS

1. Permits school districts to use monies received from the assessment of parking fees for any expenditure in the M&O or unrestricted capital outlay sections of the budget.

AMENDMENTS

Committee on Education

1. Allows monies received from the assessment of parking fees to be used for any lawful expense.



HOUSE OF REPRESENTATIVES

HB 2303

schools; start and end dates

Sponsor: Representative Farnsworth E

DP Committee on Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2303 requires district and charter schools to begin the first day of instruction on or after the first Monday of September and end by July 1.

HISTORY

Arizona Revised Statutes § 13-341.01 requires public school instruction to be conducted for a total of 180 days each school year. If a school district governing board approves a different number of school days, the number of minutes of instruction per school year must be equivalent to 180 days.

Start and end dates for district schools and charter schools are not specified in statute. Currently, 13 states establish start and/or finish deadlines for school years, with the rest of the states leaving the dates at the school district's or region's discretion (Education Commission for the States).

PROVISIONS

1. Requires district and charter schools to begin the first day of instruction on or after the first Monday of September and end by July 1.
 - a. Exempts from this requirement, year-round schools, four-day school week educational programs and kindergarten programs offered as a three-day school week.
2. Makes a conforming change.



HOUSE OF REPRESENTATIVES

HB 2479

schools; financial revisions

Sponsors: Representative Boyer

DPA Committee on Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2479 permits county school superintendents to make electronic transfers, modifies posting requirements for revised school district budgets and allows student activities and auxiliary operation fund monies to be deposited with the county treasurer.

HISTORY

Warrants

Arizona Revised Statutes (A.R.S.) § 15-304 permits the county school superintendent to draw a warrant on the county treasurer for necessary expenses against a school district's school fund. A warrant permits a school district to fund authorized expenditures despite a lack of sufficient revenue or cash. Warrants are prohibited from being drawn for overexpenditures or expenditures outside of the district's budget.

Insurance Proceeds

Statute requires any monies received from a school district's insurance loss to be deposited with the county treasurer (A.R.S. § 15-1103). Proceeds from insurance losses are authorized to be used to pay outstanding bond indebtedness or, after a notice and hearing, for the construction, acquisition, improvement, repair or furnishing of school buildings.

School District Budgets

School district governing boards are required to publish or mail a copy of a proposed budget at least 10 days prior to a public meeting to adopt the budget (A.R.S. § 15-905). The copy of the proposed budget must be published in a newspaper in general circulation within the school district, posted on the Arizona Department of Education's website or mailed to each household in the district. The Superintendent of Public Instruction reviews each adopted budget and notifies the governing board if the budget is in excess of the general budget limit or unrestricted capital budget limit. A school board that is required to revise a budget in excess of the general or unrestricted capital budget limit by the lesser of 1% of the general budget limit or \$100,000 is required to publish the revised budget in the same manner as the original budget and hold a public hearing to adopt the revised budget.

PROVISIONS

1. Permits county school superintendents to make electronic transfers rather than drawing a warrant for authorized school district expenditures.
2. Removes the requirement for a school district to publish or mail a revised copy of a budget that was in excess of the general budget limit prior to holding a meeting to revise the budget.

3. Removes the requirement for a school district to provide notice and conduct a hearing prior to applying the proceeds of insurance recoveries to school buildings.
4. Allows student activities monies and auxiliary operations fund monies to be deposited in an account with the county treasurer that is designated as other monies.
5. Permits student activities monies and auxiliary operations fund monies to be disbursed by county warrant for school districts that do not assume accounting responsibilities.
6. Makes technical changes.

AMENDMENTS

Committee on Education

1. Removes the \$100,000 qualifier from consideration when determining whether a school district is required to hold a public hearing to revise a budget in excess of the budget limit.

Allows school districts governing boards to utilize the proceeds of insurance recoveries on school property rather than school buildings



HOUSE OF REPRESENTATIVES

HB 2530

schools; Arizona online instruction

Sponsors: Representatives Leach, Finchem: Lawrence, et al.

DPA Committee on Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2530 establishes requirements and penalties on the transfer of credits and transcripts between school districts, charter schools and Arizona Online Instruction (AOI) providers.

Summary of the Proposed Strike-Everything Amendment to HB 2530

The proposed strike-everything amendment to HB 2530 prohibits a public school from requiring proof of payment to accept credits earned by a student from summer AOI courses and establishes a process for the release of transcripts from a public school to an AOI provider.

HISTORY

A.R.S. § 15-808 establishes AOI to meet the needs of students in the information age. School districts and charter schools are permitted to operate as an online course provider or online school, if authorized by the Arizona State Board of Education. Students are permitted to be enrolled in AOI full-time or part-time and funding is apportioned for part-time students based on the percentage of time the student spends at the AOI. To comply with statute, AOI providers are required to provide multiple diverse assessment measures and administer the required state assessments.

PROVISIONS

1. Prohibits a school district or charter school from requiring proof of payment as a condition for accepting AOI credits earned by a student between May 1 and July 31.
2. Requires, as session law, a school district or charter school to release a copy of a student's transcript to an AOI provider within 10 days of a valid request if the student is concurrently enrolled.
 - a. Stipulates that if an AOI provider does not receive a copy of the student's transcripts within 10 days, it must notify the school district or the Arizona State Board for Charter Schools and the transcripts will be released within 10 days.
 - b. Directs the Superintendent of Public Instruction to withhold \$50 of state aid each day, up to the total amount that would otherwise be received for the student, for a school district or charter school that fails to comply.
 - c. Exempts requests that would violate the Family Educational Rights and Privacy Act from being penalized.
 - d. Contains a delayed repeal date of July 1, 2018, for this section.

AMENDMENTS

Committee on Education

1. The proposed strike-everything amendment was adopted.

2. Makes a technical change.



HOUSE OF REPRESENTATIVES

HB 2537

charter schools; teachers; funding
Sponsor: Representative Boyer

DP Committee on Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2537 allows charter schools to receive Teacher Experience Index (TEI) and additional teacher compensation funding.

HISTORY

Arizona K-12 schools determine their budget capacity through a statutory funding formula that attempts to equalize per-pupil funding. The funding formula is composed of transportation funding, capital funding and a base level funding amount per student. The Base Support Level (BSL) is a component of the funding a school receives for maintenance and operations and is calculated by multiplying the base level by the school's weighted student count, adjustments for performance pay and TEI.

TEI

TEI funding is computed to provide additional formula funding monies to school districts with teacher experience levels that are higher than the state average. The formula increases a district's BSL by 2.25% for each year that the district's average teacher experience exceeds that of the state average. Districts with below average teacher experience levels do not receive any funding increase, but are not penalized by a funding decrease.

Additional Teacher Compensation Funding

A school district may apply to the State Board of Education (SBE) to increase its BSL by 1.25% for teacher compensation. In order to qualify, the district's teacher performance evaluation system must meet the standards of SBE and the individuals conducting teacher evaluations must meet the minimum qualifications for evaluators recommended by SBE. School districts are only authorized to use monies from this funding increase for additional teacher compensation (A.R.S. § 15-952).

TEI and additional teacher compensation funding are only available to school districts, not charter schools.

PROVISIONS

1. Authorizes charter schools to receive TEI and additional teacher compensation funding.
2. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2569

schools; teacher experience index; understatement
Sponsor: Representative Mitchell

DPA Committee on Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2569 permits a school district to submit a correction due to an understatement to the Teacher Experience Index (TEI) after March 15.

Summary of the Proposed Strike-Everything Amendment to HB 2569

The proposed strike-everything amendment to HB 2569 permits school districts that meet specified requirements to submit corrections to their TEI and receive adjusted state aid in Fiscal Year (FY) 2015.

HISTORY

Arizona K-12 schools determine their budget capacity through a statutory funding formula that attempts to equalize per-pupil funding. The funding formula is composed of transportation funding, capital funding and a base level funding amount per student. The Base Support Level (BSL) is a component of the funding a school receives for maintenance and operations and is calculated by multiplying the base level by the school's weighted student count, adjustments for performance pay and TEI. TEI funding is computed to provide additional formula funding monies to school districts with teacher experience levels that are higher than the state average. The formula increases a district's BSL by 2.25% for each year that the district's average teacher experience exceeds that of the state average. Districts with below average teacher experience levels do not receive any funding increase, but are not penalized by a funding decrease.

School districts must submit TEI information by October 15 of each year to the Arizona Department of Education (ADE). Upon receiving their preliminary TEI from ADE, districts may submit corrections between February 1 and March 1. ADE is required to report each school district's final TEI for the fiscal year by March 15. ADE may recalculate a school district's allocation if it is determined that the submitted data resulted in an overstatement of TEI for the fiscal year.

PROVISIONS

1. Permits, as session law, a school district to submit corrections to TEI data, revise its FY 2015 budget and receive adjusted state aid if the following conditions exist:
 - a. The school district's ADM was between 135 and 150 in School Year 2014.
 - b. The school district is a common school district.
 - c. The TEI in FY 2014 was greater than 1.1 and the current TEI is 1.0 or less.
 - d. The school district received basic state aid in FYs 2014 and 2015.
 - e. The school district submitted the required TEI data by October 15, 2014, and the TEI is greater than 1.0.

AMENDMENTS

Committee on Education

1. The proposed strike-everything amendment was adopted.



HOUSE OF REPRESENTATIVES

HB 2577

schools; teacher certification
Sponsor: Representative Boyer

DPA Committee on Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2577 expands the grade levels that a teacher holding a science, technology, engineering or mathematics (STEM) certificate may teach and increases the number of years a reciprocal teaching certificate may be issued for.

HISTORY

Arizona Revised Statute (A.R.S.) § 15-203 directs the Arizona State Board of Education (SBE) to establish requirements for teacher certification, both provisional and standard. The areas of certification are outlined in the Arizona Administrative Code, Title 7, Chapter 2, Article 6, and include: early childhood education, early childhood special education, elementary education, cross-categorical special education and secondary education.

To qualify for a teaching certificate an applicant must pass the proficiency examination adopted by SBE, which is composed of a professional and subject knowledge portion (A.R.S. § 15-553). In addition, an applicant must obtain an Arizona fingerprint clearance card (FCC). An out of state teacher applying for a certificate in Arizona may qualify for an exemption to portions of the proficiency exam if the person has received a passing score on a comparable proficiency exam in another state, has three years of teaching experience or has obtained a master's degree. SBE may grant a reciprocal teaching certificate for up to one year if none of these requirements are met at the time of application, unless the applicant does not hold a valid certification from a state with substantially similar criminal history requirements and submit proof of an application for a FCC.

Statute directs SBE to provide a specialized STEM teaching certificate to classroom teachers with expertise in science, technology, engineering or mathematics. A STEM certificate allows teachers to provide instruction to grades 7-12 in their area of expertise without being required to pass the subject knowledge and professional knowledge portions of the proficiency exam. In order to obtain this certificate, applicants must have at least three years of post-secondary teaching experience, a post-secondary degree in the subject area and a FCC.

PROVISIONS

1. Expands the grade levels a teacher with a STEM certificate may teach to include sixth grade.
2. Increases the maximum time a reciprocal teaching certificate may be issued from one year to three years.
 - a. Permits the Arizona Department of Education to issue a reciprocal certificate for up to one year to a teacher without a valid FCC if the applicant holds a valid certification from a state with similar criminal history requirements and submits proof.

3. Makes technical changes.

AMENDMENTS

Committee on Education

1. Directs SBE to adopt rules to provide a reciprocal educator certificate rather than a one-year reciprocal teacher certificate.
 - a. Requires that an applicant possess a comparable valid certificate from another state.
2. Removes the ability for ADE to issue a reciprocal certificate for one year to a teacher without a valid FCC if certain requirements are met.
3. Removes the ability for an AOI instructor from a state with similar programs to receive an automatic reciprocity certification.
4. Makes a technical change.



HOUSE OF REPRESENTATIVES

HB 2602

school service providers; information privacy
Sponsor: Representative Boyer

DP Committee on Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2602 establishes guidelines for the manner in which student information must be handled by the provider of online or mobile services to a school.

HISTORY

The Family Education Rights and Privacy Act (FERPA) is a federal law designed to protect the privacy of student data (20 U.S.C. § 1232g). According to the United States Department of Education (ED), FERPA generally prohibits the improper disclosure of information that would identify a student. FERPA applies to all educational agencies and institutions that receive federal funding. A school is prohibited under FERPA from disclosing information about a student that would identify them to a third party unless the student or parent has provided written consent, with exceptions. If a violation occurs, the student may file a complaint with the Family Policy Compliance Office of ED. On determination that a violation has occurred, the school is informed and must take steps to come back into compliance (www.ed.gov).

PROVISIONS

1. Requires a school service provider (provider) to:
 - a. Provide clear materials about the types of student personal information (information) the provider collects and how that information will be used and shared.
 - b. Provide prominent notice before making material changes to privacy policies.
 - c. Facilitate access to and correction of information by students and parents.
 - d. Obtain consent prior to using information in a manner inconsistent with the provider's privacy policy. Consent may be given by a student's parent, a student over 18 years of age or, for all other cases, from the school district, charter school or teacher.
 - e. Maintain a comprehensive security program.
 - f. Require any third party involved on the provider's behalf to adhere to the same requirements as the provider.
 - g. Ensure that a successor entity will abide by all privacy and security commitments related to previously collected information prior to granting access to the information.
2. Allows a provider to offer to a public school or teacher changes to privacy policies and the types and use of information by a school service provider.
3. Permits a provider to collect, use and share information only for the purposes authorized by the school district, charter school, teacher, parent or student over 18 years of age.
4. Prohibits a provider from:
 - a. Selling information.

- b. Using or sharing information to behaviorally target advertisements towards students.
 - c. Using information to create a personal profile for any other purpose than those permitted by the school district, charter school, teacher, parent or student over 18 years of age.
 - d. Knowingly retaining information beyond the time period authorized by the school district, charter school, teacher, parent or student over 18 years of age.
5. Exempts providers from the above requirements for existing contracts until the next renewal date of the contract.
 6. Stipulates that the use of information is not prohibited for adaptive learning or customized education.
 7. Provides that this act may be cited as the “Student User Privacy in Education Rights Act” or the “SUPER Act.”
 8. Defines terms.



HOUSE OF REPRESENTATIVES

HB 2109

ballot; form; secondary property taxes
Sponsors: Representatives Mitchell; Fann

DP Committee on Elections

X Caucus and COW

House Engrossed

OVERVIEW

HB 2109 prescribes language for the ballot if bonds are proposed to be repaid with secondary property taxes.

HISTORY

At least 35 days before a bond election, the governing body or board of a political subdivision must mail a copy of an informational pamphlet to every household within the political subdivision that contains a registered voter. Statute outlines what must be included in the pamphlet including the amount of the bond authorization, maximum interest rate of the bond, estimated debt retirement schedule for outstanding and the proposed bond, and estimated issuance costs (Arizona Revised Statutes [A.R.S.] § 35-454).

For any proposed general obligation bond authorization where the principal and interest will be paid by a levy of property taxes, the ballot must contain the phrase “the issuance of these bonds will result in a property tax increase sufficient to pay the annual debt service on bonds”. Any written information provided by the political subdivision pertaining to the bond election must include financial information showing the estimated average tax rate for the proposed bond authorization (A.R.S. § 35-454).

The property tax in Arizona is divided into two categories: primary and secondary. Primary property taxes are levied to pay for the maintenance and operation of the taxing jurisdiction. Secondary property taxes are levied to pay for bond indebtedness, voter-approved budget overrides and special districts.

PROVISIONS

1. Requires the ballot for bond elections to contain the words “bond approval, yes” and “bond approval, no” if the bonds are to be repaid with secondary property taxes.
 - a. Directs the voter to signify their desired choice.
2. Prescribes additional language for the ballot explaining what a vote of “yes” and what a vote of “no” would signify.
3. Makes technical changes.



HOUSE OF REPRESENTATIVES

HB 2427
precinct lists; early ballot reports
Sponsor: Representative Barton

DP Committee on Elections

X Caucus and COW

House Engrossed

OVERVIEW

HB 2427 requires all county recorders, instead of only Maricopa and Pima Counties, to provide a daily listing of voters who have returned their early ballots upon request of the county or state chairman.

HISTORY

Arizona Revised Statutes (A.R.S.) § 16-541 requires all elections in Arizona to provide for early voting. All qualified electors may vote by early ballot if they make a request to the county recorder or other officer in charge of elections of the political subdivision in which the voter is registered to early vote within 93 days of the election in which they wish to vote. Early voters must sign an affidavit of registration declaring that the ballots they submit are marked by them or by those who assisted them in marking their selections. After sealing their ballot and affidavits in an envelope, early voters or their agents may mail the envelopes to the county recorder or other officer in charge of elections of the political subdivision in which the voter is registered or deposit it at any polling place in the county (A.R.S. §§ 16-541, 16-542, 16-547, 16-548).

Laws 2006, Chapter 144 required county recorders to provide precinct lists in their entirety to each county and state party chairman within 10 business days of each date for counting registered voters. County recorders must provide, at no cost, weekly lists of those who have returned their early ballots to requesting county or state party chairman during the 33 days immediately preceding an election.

Laws 2009, Chapter 114 required county recorders of counties with populations of more than 800,000 to provide daily lists of voters who have returned their early ballots to requesting county or state party chairmen, from the first Monday after early voting begins and ending the Monday before the election.

PROVISIONS

1. Requires all county recorders to provide at no cost a daily listing of voters who have returned their early ballots, upon request of the county or state party chairman.
2. Makes technical changes.



HOUSE OF REPRESENTATIVES

HB 2529

officeholder accounts; creation; contributions

Sponsor: Representative Thorpe

DPA Committee on Elections

X Caucus and COW

House Engrossed

OVERVIEW

HB 2529 modifies the starting point officeholders may receive or spend monies from their officeholder expense accounts (Account). Allows lobbyists to contribute to the Account during session.

HISTORY

Arizona Revised Statutes § 41-133 allows statewide and legislative officeholders to establish an Account to receive or spend monies to defray the costs of performing officeholder duties. An officeholder may receive a maximum contribution of no more than \$150 from an individual and may personally contribute up to 30% of the statutory limits to the Account. The total amount an officeholder may receive or spend during an election cycle is as follows:

- \$98,360 for the Governor.
- \$51,600 for the Secretary of State and the Attorney General.
- \$9,800 for a Legislator.
- \$25,840 for all other statewide officeholders.

Monies in the Account are statutorily prohibited from being used for campaign purposes. Permissible uses for Account monies include office equipment and supplies, travel related to officeholder's duties, meeting or communicating with constituents, and expenses for informational and educational purposes.

Registered principals, public bodies, lobbyists, designated public lobbyists or authorized public lobbyists are prohibited from making or promising to make campaign contributions to, solicit, or promise to solicit campaign contributions for members of the Legislature when it is in regular session, including contributions to an Account (A.R.S. §§ 41-133, 41-1234.01).

PROVISIONS

1. Allows statewide and legislative officeholders to receive and spend monies from their Account beginning when they receive their certificate of election, instead of the date they take office.
2. Removes the prohibition for lobbyists to contribute to the Account during session.
3. Modifies the definition of *officeholder*.
4. Makes technical and conforming changes.

AMENDMENTS

Committee on Elections

1. Reinserts the prohibition for lobbyists to contribute to the Account during session.



HOUSE OF REPRESENTATIVES

HB 2536

ballot contents disclosure; prohibition

Sponsor: Representative Boyer

DP Committee on Elections

X Caucus and COW

House Engrossed

OVERVIEW

HB 2536 clarifies that showing and revealing *another* voter's ballot or voting machine to anyone, other than an authorized person lawfully assisting the voter, is a Class 2 misdemeanor.

HISTORY

Arizona Revised Statutes § 16-1018 prescribes a Class 2 misdemeanor for knowingly or intentionally:

- Electioneering in a polling place or within 75 feet of the main entrances of a polling place or on-site early voting location;
- Disabling or removing a voting machine or voting record from a polling place, on-site early voting location or custody of an election official;
- Removing an official ballot from a polling place before closing the polls;
- Soliciting a voter to show the voter's ballot or receiving from the voter the voter's ballot unless authorized by law;
- Receiving an official ballot from those who do not have charge of the ballots;
- Delivering an official ballot to a voter who is not an election official;
- Marking a ballot so that it can be identified as the one voted by the voter unless transmitted by an elector by fax or other electronic format pursuant to the procedures manual of the Secretary of State; or
- Failing to return a ballot to an election official before leaving a polling place or on-site early voting location after having received a ballot as a voter.

Currently, showing *the* voter's ballot or the machine on which *the* voter has voted in such a way as to reveal the contents, except to an authorized person lawfully assisting the voter, is a Class 2 misdemeanor.

PROVISIONS

1. Clarifies that showing and revealing *another* voter's ballot or voting machine to anyone after it has been prepared for voting is a Class 2 misdemeanor.



HOUSE OF REPRESENTATIVES

HB 2326

compact; balanced budget; convention

Sponsors: Representatives Mesnard, Barton, Campbell, et al.

DP Committee on Federalism & States' Rights

X Caucus and COW

House Engrossed

OVERVIEW

HB 2326 establishes a compact among the states for the purpose of proposing a balanced budget amendment to the United States Constitution.

HISTORY

Article V of the United States (U.S.) Constitution states that amendments to the U.S. Constitution can be proposed in one of two ways: the approval of two-thirds of both Houses of Congress, or on the application for a convention by two-thirds of the states' legislatures. Proposed amendments are ratified by three-fourths of the states' legislatures or by three-fourths of the states' conventions. Congress may propose one or the other mode of ratification.

PROVISIONS

Compact for a Balanced Budget

1. Establishes the Compact for a Balanced Budget with the intent to originate a balanced budget amendment to the U.S. Constitution amongst every state enacting, adopting and agreeing to be bound by the compact.

Balanced Budget Amendment

2. Specifies outstanding debt cannot exceed authorized debt, which is initially the amount equal to 105 percent of the outstanding debt on the effective date of this article.
3. Asserts that authorized debt cannot be increased above the initial amount unless it is first approved by the legislatures of several states.
4. Allows Congress to increase authorized debt beyond its initial amount only if approved by a simple majority of the legislatures of the several states.
5. Specifies that if approval by the legislatures is not received by 60 calendar days after the referral, then the measure is deemed disapproved and the authorized debt remains unchanged.
6. Requires the President to enforce established limits by publicly designating specific expenditures for impoundment in an amount sufficient to ensure debt will not exceed the authorized debt.
7. Makes impoundments effective 30 days thereafter unless Congress first delegates an alternate impoundment of the same or greater amount by concurrent resolution, which is immediately effective.

8. Establishes that the failure of the President to designate or enforce the required impoundment as an impeachable misdemeanor.
9. Mandates that no bill that provides a new or increased General Revenue Tax can become law unless approved by two-thirds roll call vote of each house of Congress.
10. Specifies that this article is immediately operative upon ratification, self-enforcing, and Congress may enact conforming legislation to facilitate enforcement.

Membership and Withdrawal

11. Asserts that the compact governs each member state with respect to their constitutions, superseding and repealing any conflicting or contrary law.
12. Clarifies that a member state agrees to perform and comply strictly in accordance with the terms and conditions of the compact. Additionally, the compact contractually binds each member state upon the following:
 - a. At least one other state has become a member state by enacting substantively identical legislation adopting and agreeing to be bound by the compact; and
 - b. Notice of such state's status is received by the compact administrator, or each member state's chief executive officer.
13. Specifies that when determining member state status, as long as all other provisions of the compact remain identical and operative on the same terms, legislation enacting, adopting and agreeing to be bound by the compact will be deemed and regarded as substantively identical with respect to such other legislation enacted by another state except for:
 - a. Any difference regarding enacting the method of appointing its members to the commission;
 - b. Any difference regarding the obligation to fund the compact commission;
 - c. Any difference regarding the number and identity of delegates, except no more than three delegates shall attend and participate on behalf of any state;
 - d. Any difference in regards to the enacting states, are to follow up with a Convention as set forth in Article V of the U.S. Constitution if the compact is terminated.
14. Allows a member state to withdraw from the compact when less than three-fourths of the several states are member states by enacting appropriate legislation and submit proper notification.
15. Limits a member state's ability to withdraw, once at least three-fourths of the several states are members by unanimous consent from the member states.
16. Specifies that a withdrawal from the compact will not affect the validity or applicability with respect to the remaining member states, provided that at least two states remain member states.

Compact Commission

17. Establishes a commission initially consisting of three unpaid members and allows each joining member state to appoint one member. Additionally, specifies positions are assigned in the order in which a state becomes a member state.
18. Outlines the powers and duties of the commission which include:
 - a. Appoint and oversee a compact administrator;
 - b. Encourage states to join the compact and Congress to call the convention in accordance with this compact;
 - c. Coordinate the performance of obligations under the compact;

- d. Oversee its logistical operations as appropriate;
 - e. Oversee the defense and enforcement of the compact in appropriate legal venues;
 - f. Request and disburse funds to support the operations of the commission, administrator, and convention; and
 - g. Cooperate with any entity that shares a common interest with the commission and engages in policy research, public interest litigation or lobbying in support of the purposes of the compact.
19. Restricts the commission's powers to only those that are essential to carrying out the aforementioned expressed powers and duties.
 20. Prohibits the commission from taking any action that contravenes or is inconsistent with the compact or any state law that is not superseded by the compact.
 21. Allows the commission to adopt and publish bylaws and policies that correspond to the powers and duties of the commission.
 22. Authorizes the commission, through its bylaws, to expand its membership to include representatives of additional member states and, if adequate funding exists, receive salaries and reimbursement of expenses.
 23. Limits each commission member to one vote. Additionally, no action may be taken unless a majority is present, and no action is binding unless approved by such majority.
 24. Directs the commission to meet at least once a year, and at its first meeting to elect a chairman, place for doing business, and a compact administrator.
 25. Specifies the commission and administrator's activities be funded exclusively by each member state, or by voluntary donations.

Compact Administrator

26. Outlines the powers and duties of the administrator which include:
 - a. Notify the states of the date, time, and location of the convention in a timely manner;
 - b. Organize and direct the logistical operations of the convention;
 - c. Maintain an accurate list of all member states and their appointed delegates;
 - d. Formulate, transmit, and maintain all official notices, records, and communications relating to the compact; and
 - e. Keep the commission seasonably apprised of the performance or nonperformance of the terms and conditions of the compact.
27. Restricts the administrator's powers to only those that are essential to carrying out the aforementioned expressed powers and duties.
28. Prohibits the administrator from taking any action that contravenes or is inconsistent with the compact or any state law that is not superseded by the compact.
29. Specifies that the administrator serves at the pleasure of the commission.
30. Specifies notices from member states to the administrator are seasonably delivered by the administrator to each other member state's chief executive officer.
31. Requires the administrator to immediately send notices to all compact notice recipients, along with certified conforming copies of the chartered version of the compact, when any of the following events occur:
 - a. When a state becomes a member state;

- b. Once at least three-fourths of the states are member states, along with a statement declaring two-thirds of the several states have applied for a convention, petitioning Congress to call the convention contemplated, and requesting cooperation in organizing the convention;
 - c. Congress calling the convention contemplated, along with the date, time, and location of the convention;
 - d. Approval of the balanced budget amendment by the convention, along with a certified copy of the proposed amendment, and a statement requesting Congress to refer the amendment for ratification by three-fourths of the legislatures; and
 - e. Any article of the compact prospectively ratifying the amendment is effective in any member state, along with a statement declaring such ratification and requesting that the official record reflect the amendment to the U.S. Constitution.
32. Requires the administrator to send the chaptered version of the legislation to withdrawal from the compact as enacted by the withdrawing member state to each remaining member state's chief executive officer.
33. Specifies member states, the commission, and the administrator to give mutual assistance in enforcing the compact, additionally give each member state's chief law enforcement officer any information or documents that are reasonably necessary to facilitate enforcement.

Application for Convention

34. Applies to Congress for an Article V Convention for the purposes of proposing the balanced budget amendment.
35. Petitions Congress to refer the balanced budget amendment to the states' legislatures for ratification.

Convention Delegates

36. Stipulates that there are to be three delegates from the state.
37. Appoints the Governor, Speaker of the House of Representatives, and the President of the Senate are appointed as delegates to represent this state at an Article V Convention.
38. Asserts the delegation will decide any issue by majority vote.
39. Authorizes a member state's legislature to replace or recall its appointed delegate at any time for good cause.
40. Requires the delegate to publicly take a prescribed oath prior to appointment.
41. Sets the delegate's term limit from the time of appointment to the permanent adjournment of the convention.
42. Outlines and limits the power and authority of a delegate as follows:
 - a. Introducing, debating, voting upon, proposing and enforcing the convention rules specified in the compact, and
 - b. Introducing, debating, voting upon, and rejecting or proposing for ratification the balanced budget amendment.
43. Prohibits any delegate from introducing, debating, voting upon, rejecting or proposing for ratification any constitutional amendment unless:
 - a. The convention rules govern the convention and their actions, and
 - b. The amendment is the balanced budget amendment.

44. States any unlawful actions taken by a delegate are considered void ab initio.
45. Requires delegates holding any other public office to take a temporary leave of absence from such office and prohibits the delegate from exercising any power or authority associated with such office while attending the convention.
46. Directs each delegate to ensure the convention rules govern the convention and their actions prior to the commencement of business. Additionally, each delegate and member state must vacate the convention and notify the administrator if the convention rules are not adopted to govern the convention.
47. Specifies that any delegate of a member state who violates any provision of the compact forfeits their appointment.
48. Entitles a delegate to receive reimbursement of reasonable expenses for attending the convention from their respective state, and prohibits delegates from receiving any other remuneration or compensation.

Convention Rules

49. Establishes the convention to be exclusively represented and constituted by the several states.
50. Limits the convention's actions to introducing, debating, voting upon, and rejecting or proposing the balanced budget amendment.
51. States the procedure for identifying each member states' and non-member states' delegate.
52. Specifies rules for voting, quorum, convention actions, emergency suspension and relocation of the convention, adoption of parliamentary procedure, record keeping of proceedings and minutes, and convention adjournment.
53. Directs the Chairman of the convention, upon approval of the proposed balanced budget amendment, to transmit such amendment to the administrator and all compact notice recipients, and requests Congress to refer the amendment for ratification.

Miscellaneous

54. Defines the following terms: *debt, outstanding debt, authorized debt, total outlays of the government of the United States, impoundment, General Revenue Tax, compact, convention, state, member state, and compact notice recipient.*
55. Requires all notices be sent by U.S. certified mail, or at least an equivalent thereof, with a return receipt.
56. Specifies that the article relating to the compact commission and administrator is not effective until there are at least two member states.
57. Specifies that the article relating to the application for convention is not effective until at least three-fourths of the states are member states.
58. Outlines circumstances in which the convention is void ab initio.
59. Clarifies the convention must be governed by the compact and appropriately recognized by Congress in order for member states to participate in the convention.
60. Asserts that upon Congress referring the balanced budget amendment to the states' legislatures, the legislatures prospectively adopt and ratify the amendment.

61. Declares that the legislation enacting this compact is deemed to waive, repeal, and supersede any rules, policies, or procedures to the extent permitted by a member state's constitution.
62. Establishes the date, time, and location of the Article V Convention.
63. Directs each member state's chief law enforcement officer to defend the compact from any legal challenge.
64. Asserts the northern district of Texas or the courts of the State of Texas as the exclusive venue for legal actions unless waived by the commission.
65. Sets the conditions for the effective date of the compact.
66. Establishes the terms for the termination of the compact.
67. Provides for certain provisions to be severable.



HOUSE OF REPRESENTATIVES

HB 2206

ABOR; statutory revisions
Sponsor: Representative Boyer

DPA Committee on Government & Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2206 modifies the requirements for submittal of various Arizona Board of Regents (ABOR) annual reports and adjusts the date in which university full-time equivalent student enrollment is calculated.

HISTORY

ABOR is the governing board for Arizona's public universities: Arizona State University, the University of Arizona and Northern Arizona University. ABOR offers guidance in areas such as: academic and student affairs, student tuition, fees, financial aid programs and financial and human resource programs. ABOR consists of 12 members including the Governor and the Superintendent of Public Instruction as ex-officio members, and two student members. The two student members are appointed by the Governor and serve 2-year staggering terms. The other 8 members are appointments of the Governor and serve 8-year terms (azregents.edu).

A.R.S. §15-1661 establishes the process by which full-time equivalent student enrollment (FTSE) is calculated in the Arizona university system. FTSE is calculated by adding the total number of enrolled credit hours in the fall and spring semesters on the 45th day of the semester. The total number of 100-level and 200-level credit hours is then divided by 15, the total number of 300-level and 400-level credit hours is divided by 12 and the total number of graduate level courses is divided by 10. Finally, the sum of these figures is divided by two to determine FTSE.

PROVISIONS

1. Extends the deadline for submittal of each of the following reports, required from ABOR:
 - The technology and research award program annual report from September 1 to October 1 of each year
 - The academic performance of high school graduates report from October 31 to January 1 of each year
2. Eliminates the requirement that each of the following reports be submitted to the Director of the Arizona State Library, Archives and Public Records:
 - The technology and research award program annual report
 - The academic performance of high school graduates report
 - Drug discovery, patent and invention income report
 - Commission for Postsecondary Education annual report
 - Stipulates that a copy of this report must be submitted to the Secretary of State

3. Stipulates that the data required in academic performance of high school graduates reports may be summarized.
4. Requires ABOR to submit upcoming fiscal year budget estimates by October 1 of each year.
5. Requires the annual personnel report, required by ABOR, to be presented to the Governor and the Legislature by October 1 of each year in lieu of the five-year strategic plan required by statute.
6. Adjusts the date in which university FTSE is calculated, from the 45th to 21st day of every fall and spring semester.
7. Clarifies that the *Chair* of ABOR, and not the *President*, receives the drug discovery, patent, and invention income report, required from Arizona State University.
8. Strikes all use of the term *Executive Director* of ABOR and replaces it with *President*.
9. Makes technical and conforming changes.

AMENDMENTS

Committee on Government & Higher Education

1. Allows ABOR to submit the technology and research award program annual report on or before October 1 of each year.
2. Removes all bill language relating to the annual personnel report.
3. Requires ABOR to present all upcoming fiscal year budget estimates to the Governor and the Legislature by October 1 of each year in lieu of the five-year strategic plan required by statute.



HOUSE OF REPRESENTATIVES

HB 2239

police reports; victims; attorneys
Sponsor: Representative Boyer

DP Committee on Government & Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2239 allows an attorney acting on behalf of a crime victim to receive, from the investigating law enforcement agency, one free copy of the police report.

HISTORY

In 1990, Arizona voters passed Proposition 104 creating the Victims' Bill of Rights within the Arizona Constitution and outlining specific rights for victims of crime (Article 2, § 2.1). This section also authorizes the enactment of substantive and procedural laws to define, implement, preserve and protect these rights, along with the authority to extend them to juvenile proceedings.

The corresponding statutory victims' rights are contained in Arizona Revised Statutes (A.R.S.):

- Title 8, Chapter 3, Article 7 (juvenile offenses)
- Title 13, Chapter 40 (criminal offenses)

In addition to these rights, A.R.S. § 39-127 provides the right to receive one free copy of the police report to victims of both criminal and juvenile offenses that are considered Part I crimes under the Uniform Crime Report (UCR). If the victim was killed or incapacitated, an immediate family member may exercise this right on behalf of the victim. As defined by the Federal Bureau of Investigation, UCR Part I crimes are criminal homicide, forcible rape, robbery, aggravated assault, burglary, larceny-theft, motor vehicle theft and arson.

PROVISIONS

1. Allows a victim's attorney to receive, on behalf of the victim, one free copy of the police report from the investigating agency.
 - a. Applies to victims of criminal offenses and delinquent acts.
2. Defines *attorney*.



HOUSE OF REPRESENTATIVES

HB 2315

financial information; comprehensive database; posting
Sponsors: Representatives Barton; Bowers

DP Committee on Government & Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2315 states that if a local government's financial reporting website is not in compliance with statute, the public officer responsible for posting to the website is subject to removal.

HISTORY

Arizona Revised Statute (A.R.S.) § 41-725 requires the Arizona Department of Administration (ADOA) establish and maintain an internet website that reports receipts and expenditures of state monies. The database should contain a comprehensive annual financial report on a budget that has been created by a certified public accountant or public accountant.

Laws 2010, Chapter 288 created a similar requirement for local governments mandating the establishment of a website for reporting expenditures and receipts of local monies over \$5,000. This information must be updated every three months and remain on the website for three fiscal years. A link to the reporting website must be placed on the ADOA website, and prominently displayed on the local government's official website or on association websites of cities and towns without an official website. This website was required to be established on or before January 1, 2013. (A.R.S. § 41-725)

Statute defines a *local government* as any county, city or town with a population of more than 2,500 persons, any community college or school district with more than 600 pupils, and any state university.

PROVISIONS

1. Stipulates that if a local government fails to create and maintain a website for financial reporting, the public officer responsible for the posting may be removed for malfeasance.
2. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2338

ASRS; disability program

Sponsor: Representative Fann

DP Committee on Government & Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2338 makes a clarifying change to the Arizona State Retirement System (ASRS) Long Term Disability (LTD) program.

HISTORY

ASRS was established by the Legislature in 1953 to provide retirement benefits to state employees. Active teachers voted to join ASRS in 1954, and were folded into the plan in 1955. ASRS is a defined benefit plan, providing a monthly benefit to retired members, based on years of service, salary, age and which retirement option is chosen. ASRS also provides a retiree health benefit supplement and long term disability program (LTD). As of June 30, 2014, ASRS had 551,296 members, including 207,566 active members and 4,313 members receiving LTD.

LTD is governed by Arizona Revised Statutes (A.R.S.) Title 38, Chapter 5, Article 2.1, and it is designed to provide a monthly benefit to ASRS members who are unable to work. Generally, a member's LTD payment is 66.66% of the member's pre-disability compensation, however, if the member is receiving other benefits such as Social Security or workers compensation, the amount may be reduced. There is a six month wait period before a member can receive LTD benefits. After that time, a member may be eligible if the member meets the criteria outlined in A.R.S. § 38-797.07, including being considered to have a total disability. By statute, that means:

- For the first 30 months, the member must be unable to perform all duties of the position that the member held at the time of the disability.
- After a member has received benefits for 24 months, the member is unable to perform any work for compensation that the member is reasonably qualified by education, training or experience in an amount at least equal to the scheduled LTD benefit.

In both situations, the member must be under the care of a physician and meet the standard based on *objective medical evidence*. *Objective medical evidence* is defined as evidence that established facts and conditions, as perceived without distortion by personal feelings, prejudices or interpretations, and includes x-rays, quantitative tests, laboratory findings, data, records, reports from the attending physician and reports from a consulting physician, as applicable.

PROVISIONS

1. Removes the word "total" from the description of a member's disability for purposes of being considered eligible for LTD benefits. Does not change any of the eligibility criteria.
2. Makes technical changes.



HOUSE OF REPRESENTATIVES

HB 2339

ASRS; rules

Sponsor: Representative Fann

DP Committee on Government & Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2339 changes Arizona State Retirement System (ASRS) statutes by removing specific references to ASRS rules and clarifying the process for a member to access account information.

HISTORY

ASRS was established by the Legislature in 1953 to provide retirement benefits to state employees. Active teachers voted to join ASRS in 1954, and were folded into the plan in 1955. ASRS is a defined benefit plan, providing a monthly benefit to retired members, based on years of service, salary, age and which retirement option is chosen. ASRS also provides a retiree health benefit supplement and long term disability program (LTD). As of June 30, 2014, ASRS had 551,296 members, including 207,566 active members and 127,881 retired members and survivor beneficiaries.

Arizona Revised Statutes (A.R.S.) § 38-755 requires, subject to rules, the ASRS Board to provide information about a member's status upon application of a member. The Board is also required to provide an account, either electronic or online, showing the member's account status including the name of the member's beneficiary.

A.R.S. § 38-703 outlines the process for political subdivisions to extend ASRS coverage to their eligible employees. ASRS is required to approve each plan and amendment if it meets specific criteria, including conformity with agency requirements outlined in ASRS rules.

PROVISIONS

1. Removes the requirement for plans and amendments submitted by political subdivisions to conform to ASRS requirements provided in ASRS rule. Retains the requirement that they be in conformity with requirements of ASRS.
2. Replaces current language about member access to account information with a requirement that ASRS make member account information accessible via either written or electronic form to a member. Information provided must include:
 - a. Member's current account balance
 - b. Contact information
 - c. Beneficiary election
 - d. Estimated retirement date and benefit amount
3. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2400

technical correction; regents; land funds

Sponsor: Representative Stevens

DPA

S/E

Committee on Government & Higher Education

X

Caucus and COW

House Engrossed

OVERVIEW

HB 2400 makes a technical change.

Summary of the Proposed Strike-Everything Amendment to HB 2400

The proposed strike-everything amendment to HB 2400 is an emergency measure that requires, subject to legislative appropriation, agency licenses to be issued through the Secretary of State (SOS) upon agency approval of the applicant. The amendment also requires the SOS to establish an electronically searchable database of all agency issued licenses.

HISTORY

The Arizona State Constitution Article V, Section 1 establishes the Executive department, consisting of the Governor, SOS, Treasurer, Attorney General and Superintendent of Public Education. Arizona Revised Statutes § 41-121 outlines several duties of the SOS as follows:

- Receive bills and resolutions from the Legislature.
- Keep a register of and attest the official acts of the Governor.
- Act as custodian of the great seal of this state.
- Act as the Chief Election Officer for the state, certifying the validity of elections to the Governor.
- Serves as a filing office recording and filing documents from Arizona agencies, businesses and public officers.
- Perform other duties prescribed by law.

PROVISIONS

1. Requires the SOS to issue state licenses to applicants, upon approval from the agency that received the application and subject to legislative appropriation.
2. Directs the SOS to establish and maintain an electronic database of all agency-issued licenses.
 - a. The database must be electronically searchable by the public.
3. Outlines specific information that must be sent to the SOS from the agency upon approval of an applicant and issuance of the license by the SOS for purposes of inclusion in the database:
 - a. The licensee's name and contact information
 - b. Status of the license
 - c. Education and training of the licensee
4. Directs Legislative Council to prepare conforming legislation for the 2016 legislative session.

5. Defines *agency* and *license*.

AMENDMENTS

Government & Higher Education

1. The proposed strike-everything amendment was adopted and further amended as follows:
 - a. Excludes the Arizona Corporation Commission from the definition of an *agency*, for purposes of applicability.



HOUSE OF REPRESENTATIVES

HB 2414

community college tuition financing districts
Sponsor: Representative Stevens

DPA Committee on Government & Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2414 changes the name of *provisional community college districts* (provisional district) to *community college tuition financing districts* and designates the county board of supervisors as the district's governing body.

HISTORY

Arizona Revised Statutes (A.R.S.) § 15-1409 authorizes the formation of provisional districts in areas that do not meet the minimum assessed valuation and population requirements to form a community college district. In order to form a provisional district, the question of its formation and a tax rate to fund it must be submitted to and approved by the voters of the county in which the district would reside.

A provisional community college district governing board must contract with an existing community college district to provide instruction and services for students in its county. Provisional districts are not eligible to receive state equalization aid, workforce development monies, or certain federal monies and are not authorized to issue degrees, certificates or diplomas.

There are two provisional districts currently operating in Arizona: Gila County Provisional Community College District and Santa Cruz County Provisional Community College District.

PROVISIONS

1. Renames *provisional community college districts* as *community college tuition financing districts*.
2. Designates the county board of supervisors as the governing body of a community college tuition financing district formed after January 1, 2015.
3. Allows a provisional district and its governing board to continue to operate in the same manner in which it currently operates if it began operations before January 1, 2015.
4. Defines *community college tuition financing district*.
5. Removes the definition of *provisional community college district*.
6. Makes technical and conforming changes.

AMENDMENTS

Committee on Government & Higher Education

1. Reinserts the definition of *provisional community college district*.



HOUSE OF REPRESENTATIVES

HB 2433

rescue operation personnel; limited liability

Sponsors: Representatives Thorpe, Borrelli, Cardenas

DP Committee on Government & Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2433 exempts a member of an organized search and rescue (SAR) team, unit or organization from liability associated with the injury or death of a person who was the subject of a SAR operation.

HISTORY

Generally, Arizona Revised Statutes (A.R.S.) provide specific limitations on liability for various situations where a person renders emergency medical aid, including:

- A.R.S. § 32-1471 related to emergency care provided at a public gathering or the scene of an emergency by a health care provider, ambulance attendant, driver, pilot or any other person, if the care is provided gratuitously and in good faith.
- A.R.S. § 36-2263 related to the use of automated external defibrillators.
- A.R.S. § 36-2206 related to emergency instructions or pre-arrival instructions given at the scene of an emergency by health care providers.

SAR activities generally include the search for, and provision of aid to, persons who are or who are feared to be in need of assistance. A.R.S. § 11-251.02 grants the county board of supervisors the ability to authorize the use of county resources for SAR activities, and also the ability to contract for SAR services. A.R.S. § 11-441 requires the county sheriff to conduct or coordinate SAR operations, and provides the option to use mutual aid agreements to provide SAR services within and outside of the county.

PROVISIONS

1. States that a person who is a member of an organized SAR team, unit or organization is not liable for injury or death of a person who was the subject of the SAR operation, unless the person acts with gross negligence.



HOUSE OF REPRESENTATIVES

HB 2495

medically underserved areas; loan repayment

Sponsors: Representatives Carter, Brophy McGee

DPA Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2495 expands the types of medical professions that can participate in the Primary Care Provider Loan Repayment Program (PLRP) and the Rural Private Primary Care Provider Loan Repayment Program (RLRP).

HISTORY

Arizona Revised Statutes § 36-2172 establishes the PLRP within the Arizona Department of Health Services (ADHS). PLRP aims to promote the recruitment and retention of health care professionals by repaying their qualifying educational loans in exchange for a two-year commitment to provide primary care services in federally designated Health Professional Shortage Areas (HPSA) of the state. Current law states that primary care providers working in public or private non-profit outpatient settings in designated HPSAs can qualify. Eligible disciplines include licensed physicians in Family Medicine, General Internal Medicine, Obstetrics and Pediatrics, general dentists, nurse practitioners, physician assistants and certified nurse midwives.

A.R.S. § 36-2174 establishes the RLRP within ADHS. The RLRP aims to promote the recruitment and retention of health care professionals by repaying their qualifying educational loans in exchange for a two-year commitment to provide primary care services in HPSAs or Arizona Medically Underserved Areas (AzMUA) of the State. Primary care providers working in rural, private practice outpatient settings in designated HPSAs or AzMUAs can qualify. Eligible disciplines include licensed physicians in Family Medicine, General Internal Medicine, Obstetrics and Pediatrics, general dentists, nurse practitioners, physician assistants and certified nurse midwives. Additional eligibility requirements include service to the underserved populations by accepting Medicaid, Medicare and offering a Sliding Fee Scale to uninsured, low-income residents of the State.

Statute outlines the following repayment schedule for both repayment plans as follows:

- | | |
|--|--|
| <p>a. For physicians and dentists:</p> <ul style="list-style-type: none">i. A maximum of \$20,000 for the first and second year.ii. A maximum of \$22,000 for the third year.iii. A maximum of \$25,000 for the fourth year. | <p>b. For mid-level providers:</p> <ul style="list-style-type: none">i. A maximum of \$7,500 for the first and second year.ii. A maximum of \$9,000 for the third year.iii. A maximum of \$10,500 for the fourth year. |
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PROVISIONS

Primary Care Provider Loan Repayment Program

1. Adds pharmacists, advance practice providers and behavioral health providers to the list of medical practitioners eligible for the PLRP.
2. Includes geriatrics, psychiatry, pharmacy or behavioral health to the eligible participants of medical practitioners who must contract with ADHS in order to be eligible for the PLRP.
3. Expands the eligibility criteria to include physicians who have completed a professional residency program in psychiatry or a fellowship, residency or certification program in geriatrics.
4. Includes a two year commitment with ADHS by an advance practice provider and a behavioral health provider to participate in the PLRP.
5. Removes the requirement that ADHS consider areas that are designated as medically underserved when determining areas that are in most need of primary care services.
6. Specifies that ADHS shall give priority to applicants who:
 - a. Have been assigned to a *high-need HPSA*.
 - b. Meet criteria established in rule to determine priority consistent with federal law.
7. Clarifies that ADHS is not prevented from assessing an amount that is sufficient to ensure payment of each loan for the services rendered during a contract period.
8. Requires ADHS to issue program monies to pay loans that are not to exceed the provider's total student loan indebtedness.
9. Outlines changes to the repayment schedule as follows:
 - a. For physicians and dentists:
 - i. A maximum of \$65,000 for the first 2 years of service.
 - ii. A maximum of \$35,000 for subsequent years.
 - b. For advance practice providers, pharmacists and behavioral health providers:
 - i. A maximum of \$50,000 for the first 2 years of service.
 - ii. A maximum of \$25,000 for subsequent years.
10. States that a participant in the PLRP who breaches their contract with ADHS is liable for damages in the amount as prescribed by federal standards, or as determined and authorized by ADHS.
11. Specifies that subject to available state appropriations, the director of ADHS may authorize the PLRP to be implemented independent of federal grants, based on the needs of this state.
12. Allows ADHS to use monies to develop programs to increase participation in the PLRP.
13. Allows ADHS to use private donations, grants and federal monies to implement and maintain the PLRP.

Rural Private Primary Care Provider Loan Repayment Program

14. Specifies that pharmacists, behavioral health providers and advance practice providers with current or prospective rural practices located in federally designated health professional shortage areas are eligible for the RLRP.
15. Removes the definition of the term *rural* from current law regarding the RLRP.

16. Requires ADHS to adopt rules concerning the default of a loan repayment contract.

Miscellaneous

17. Repeals the behavioral health practitioner's loan repayment program.

18. Relocates the definition of the term *mid-level provider* from the statute regarding medically underserved areas, to statute regarding primary care programs.

19. Exempts ADHS from rulemaking requirements concerning the implementation of both the PLRP and RLRP until December 31, 2016.

20. States that ADHS is required to give public notice and provide an opportunity for public comment, prior to the adoption of rules.

21. Requires ADHS to include in the rulemaking requirements for the prioritization of state residents, requirements of part-time providers and the provision of services by telemedicine.

22. Defines *advanced practice provider*, *behavioral health provider*, *pharmacist* and *mid-level provider*.

23. Makes technical and conforming changes.

Amendments

Committee on Government and Higher Education

1. Expands the definition of a behavioral health provider to include a board eligible psychiatrist.



HOUSE OF REPRESENTATIVES

HB 2566

state computers; sensitive electronic data
Sponsor: Representative Thorpe

DP Committee on Government & Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2566 requires budget units (Units) to establish a robust password system for all state computers, starting July 1, 2016. The Arizona Department of Administration (ADOA) is also required to establish an encryption standard for Units on or before July 1, 2018.

HISTORY

Arizona Revised Statute (A.R.S.) § Title 41, Chapter 32, Article 1 governs government information technology (IT) as it relates to Units. Statute defines a *Unit* as a department, commission, board, institution or other Arizona agency receiving, expending or disbursing state funds or incurring obligations of the state. The Arizona Board of Regents (ABOR) is included as a Unit, but universities under ABOR, the community college districts and the legislative and judicial branches are excluded. This section defines *IT* as all computerized and auxiliary automated information processing, telecommunications and related technology, including hardware, software, equipment, projects and vendor support and related services.

ADOA is responsible for developing, implementing and maintaining a coordinated statewide IT plan. One requirement of the plan is to include statewide technical, coordination and security standards for IT. A.R.S. § 41-3507 establishes a Statewide Information Security and Privacy Office (Office) within ADOA to serve as the strategic planning, facilitation and coordination office for IT security in Arizona. The Office is required to develop, maintain and ensure compliance by each Unit with a coordinated statewide assurance plan for information security and privacy. The Office is also required to:

- Conduct information security and privacy protection compliance reviews with each Unit.
- Identify information security and privacy protection risks in each Unit and direct agencies to adopt risk mitigation strategies, methods and procedures to lessen risks.
- Monitor and report compliance of each Unit with state information security and privacy protection policies, standards and procedures.
- Coordinate statewide information security and privacy protection awareness and training programs.
- Develop strategies to protect Arizona's IT infrastructure and the data that is stored on or transmitted by such infrastructure.

This statute requires each Unit to identify and report security incidents to the Office immediately on discovery and deploy mitigation strategies.

PROVISIONS

1. Requires all state owned or leased computers to have a robust password system established by the agency, beginning July 1, 2016.
2. Directs the ADOA Director to establish a data encryption standard for all Units to protect sensitive electronic data, on or before July 1, 2018.
3. Requires Units to encrypt sensitive electronic data that is stored electronically and is capable of being encrypted.
 - a. If data cannot be encrypted or it is not cost effective, the Unit must make a reasonable effort to ensure that data is secure from theft, loss or compromise.
4. Defines *sensitive electronic data* as including social security numbers, birth dates and bank and financial account information.



HOUSE OF REPRESENTATIVES

HB 2238

health professionals; licensure requirements; prohibition
Sponsors: Representatives Boyer: Kern, Senator Ward

DP Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2238 states a health professional is not required to participate in any public or private third-party reimbursement program as a condition of licensure.

HISTORY

Title 32 of the Arizona Revised Statutes (A.R.S.) contains the laws for Professions and Occupations. A.R.S. § 32-3201 defines *health professional* as a person who is licensed or certified in one of the following:

- Podiatry
- Chiropractic
- Dentistry
- Medicine and Surgery
- Naturopathic Medicine
- Nursing
- Dispensing Optician
- Optometry
- Osteopathic Physicians and Surgeons
- Pharmacy
- Physical Therapy
- Psychologists
- Veterinarians
- Physician Assistants
- Radiologic Technologists
- Homeopathic Physicians
- Occupational Therapy
- Respiratory Care
- Acupuncture
- Athletic Trainers
- Massage Therapy
- Nursing Care Institution
Administrators and Assisted Living
Facilities Managers
- Midwifery
- Hearing Aid Dispensers,
Audiologists and Speech Language
Pathologist

Statute outlines each profession's application, education and examination requirements for licensure or certification.

PROVISIONS

1. States a *health professional* is not required to participate in any public or private third-party reimbursement program as a condition of licensure.



HOUSE OF REPRESENTATIVES

HB 2491

hospitals; community health centers; transactions
Sponsors: Representatives Carter, Cobb, Senator Barto, et al.

DP Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2491 removes the notification requirement to the Arizona Corporation Commission (ACC) when a nonprofit health care entity intends to sell, transfer, lease, exchange, option, convey, convert, give, merge or otherwise dispose of all or substantially all of its assets to or with another nonprofit health care entity or a for-profit entity.

HISTORY

Arizona Revised Statutes (A.R.S.) § 10-11253 states that no later than ninety days before the closing of a transaction, a nonprofit health care entity shall give written notice to the chairman of the ACC, the director of the Department of Health Services and the Attorney General. Statute also outlines the notice and information requirements and the information submitted pursuant to statute is public record. Furthermore, A.R.S. § 10-11253 requires the parties to the intended transaction to select a hearing officer, time and place for a public hearing. During the hearing, parties are required to present a written summary of information outlining the impact of the intended transaction.

PROVISIONS

1. Removes the notification requirement to the ACC when a nonprofit health care entity intends to sell, transfer, lease, exchange, option, convey, convert, give, merge or otherwise dispose of all or substantially all of its assets to or with another nonprofit health care entity or a for-profit entity.



HOUSE OF REPRESENTATIVES

HB 2556

DUI; oral fluid swab test

Sponsor: Representative Cobb

DPA/SE Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2556 allows a peace officer to request that a person submit to a preliminary oral swab test if there is reasonable suspicion that a person is driving under the influence of alcohol or drugs.

Summary of the Proposed Strike-Everything Amendment to HB 2556

The proposed strike-everything to HB 2556 requires state health care providers, hospitals and outpatient surgical centers and allows other health care entities to conduct quality assurance activities.

HISTORY

Title 36, Chapter 25, Article 1, Arizona Revised Statutes (A.R.S.) governs the quality assurance process for health care entities. Quality assurance is a process that utilizes established standards and criteria in order to investigate the quality of health care through the review of professional practices, training and experience, patient cases or conduct of licensed health care providers. A.R.S. § 36-2401 (2) excludes licensed hospitals and outpatient surgical centers from the quality assurance process.

PROVISIONS

1. Changes the article heading of Title 36, Chapter 25, Article 1, Arizona Revised Statutes from “Health Care Entity Quality Assurance Process” to “Health Care Entity Quality Assurance Activities”.
2. Requires state health care providers, hospitals and outpatient surgical centers and allows other health care entities to conduct quality assurance activities.
3. Allows a health care entity to share information with appropriate state agencies and with licensed health care providers that are the subject of quality assurance activities.
4. Permits a health care entity to share quality assurance information with other health care entities.
5. Eliminates the provision of law that relates to the determination of malice by a court of law in regard to the sharing of quality assurance information.
6. States that a health care entity or person involved in quality assurance activities is not subject to liability for civil damages or any legal action in the consequence of such action except as it relates to injunctive relief seeking to correct an erroneous decision or procedure.
7. Allows health care entities to jointly conduct quality assurance activities.

8. States that a health care entity is not relieved of liability arising from the treatment of a patient or from negligent credentialing decisions.
9. Specifies that quality assurance information is confidential and not subject to subpoena or order to produce except:
 - a. In proceedings before an appropriate agency or;
 - b. In actions taken by a licensed health care provider against a health care entity arising from the discipline of the provider or the refusal, termination, suspension or limitation of privileges.
10. States that a health care entity who provides or receives information or who participates in, takes any action in or makes any decision or recommendation for or in the course of quality assurance activities may not be subpoenaed to testify in a judicial proceeding.
11. Permits the representatives of a health care entity to testify as to whether there were quality assurance activities and the date or dates of the quality assurance activities in the event that a legal action is brought against a health care entity.
12. Specifies that the sharing of quality assurance activity information does not waive or impair confidentiality of the information shared
13. Allows governing bodies, administrative and other personnel to participate in quality assurance activities without waiving confidentiality and requires all individuals and entities sharing or receiving quality assurance information to maintain the information confidentially.
14. Directs any state agency or affected licensed health care provider to maintain quality assurance information confidentially when receiving or reviewing such information.
15. Stipulates that any quality assurance information reviewed or received by a state agency or affected licensed provider is not subject to subpoena or orders to produce in legal actions.
16. Clarifies that otherwise discoverable quality assurance information does not become confidential based solely on its submission or consideration by a health care entity conducting quality assurance activities.
 - a. Prohibits a health care entity from producing such information if such a discovery might reveal the deliberative process engaged in during such quality assurance activities.
17. Repeals statute relating to quality assurance review committees.
18. Makes definitional changes to *health care entity*, *health care provider*, *quality assurance activities*, *quality assurance information* and deletes the definition of *malice*.
19. Contains an intent clause.
20. Makes technical and conforming changes.

Amendments

Committee on Health

1. The proposed strike-everything amendment was adopted.



HOUSE OF REPRESENTATIVES

HB 2327

vehicle insurance cards; barcode

Sponsor: Representative Robson

DP Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2327 allows a motor vehicle insurer to place an encrypted barcode on the insurance cards.

HISTORY

Arizona Revised Statute (A.R.S.) § 28-4133 requires motor vehicle insurers to issue at least two insurance identification cards for motor vehicle insurance policies. These insurance cards must state that a person is required to possess evidence of financial responsibility within the motor vehicle, that the card meets this requirement, and is considered satisfactory evidence if asked for proof of financial responsibility. This also applies to an image of the card that is displayed on a wireless communication device.

Additionally, statute requires insurers to list their names, mailing addresses, telephone numbers and other information as required by the Arizona Department of Transportation on all of their documentary evidence.

Statute defines *evidence* as an original, photocopy or copy of a current and valid: a) motor vehicle liability policy; b) binder or certificate of motor vehicle liability insurance; c) certificate of self-insurance; d) certificate of deposit; e) motor vehicle insurance identification card; or f) certificate of insurance. Displays on a wireless communication device of any of these items are also considered valid.

PROVISIONS

1. Authorize a motor vehicle insurer to place an encrypted barcode on the insurance cards.



HOUSE OF REPRESENTATIVES

HB 2332

accountable health plans; disclosure; repeal

Sponsor: Representative Fann

DPA Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2332 eliminates the requirement for an accountable health plan to provide forms disclosing information covered in the health benefits plan.

HISTORY

The Patient Protection and Affordable Care Act requires health insurers to provide a uniform summary of benefits and coverage explanation that accurately describes the benefits and coverage under the applicable plan or coverage. Federal law outlines the contents of the summary which include: a) uniform definitions of standard insurance and medical terms; b) description of the coverage; c) exceptions, reductions, and limitations on the coverage; d) cost-sharing provisions, including deductible, co-insurance, and copayments; e) the renewability and continuation of coverage; f) coverage examples; g) a statement about minimum essential coverage; h) a statement that the outline is a summary only. Health insurers must provide the summary of benefits and coverage to an applicant at the time of application or to an enrollee prior to the time of enrollment or re-enrollment.

Statute defines *accountable health plan* as an entity that offers, issues or otherwise provides a health benefits plan and is approved by the Department of Insurance. Each accountable health plan that offers a health benefits plan to the public is required to provide disclosure forms to all employers who are considering participating in a health benefits plan offered by the accountable health plan. Furthermore, the employer must provide the disclosure forms to eligible employees no later than the initiation of any open enrollment period or at least 10 days before any employee enrollment deadline (Arizona Revised Statute § 20-2323).

Statute outlines the contents of the disclosure form which must include at least: a) full premium cost of the plan; b) any copayment, coinsurance or deductible requirements; c) the enrollee's health care benefits; d) limitations of the services, kinds of services, benefits and exclusions; and e) statement that the disclosure form is a summary only.

PROVISIONS

1. Repeals statute requiring an accountable health plan to provide to the public a disclosure form outlining the contents of the health benefits plan.

Amendments

Committee on Insurance

1. Removes the requirement for health care services organizations to provide to the public disclosure forms outlining the contents of the health care plan.



HOUSE OF REPRESENTATIVES

HB 2342

insurance; surplus lines; home state

Sponsor: Representative Fann

DPA Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2342 requires a voluntary domestic organization of surplus lines brokers to be incorporated as a nonprofit corporation.

HISTORY

Arizona Revised Statutes (A.R.S.) § 20-407 addresses surplus lines brokers. Surplus lines is property and casualty insurance coverage that is not available from insurers licensed in Arizona and must be purchased from an unauthorized insurer by way of a surplus lines broker. Surplus lines policies are typically obtained when unusual coverage is needed. The Director of the Department of Insurance (Director) has the authority to declare certain kinds of coverage, not readily obtainable from licensed insurers, to be recognized surplus lines (A.R.S. § 20-409). Statute allows the Director to contract with a voluntary domestic organization to perform any transaction that pertains to unauthorized insurance. Statute defines *unauthorized insurance* as any insurance permitted to be placed directly or through a surplus lines broker with an insurer who is not licensed to transact insurance in this state.

PROVISIONS

1. Requires any voluntary domestic organization of surplus line brokers that contracts with the Director pursuant to statute be incorporated in this state as a nonprofit corporation.
2. Allows a surplus lines broker in good standing and who is licensed in this state to be a member in a voluntary domestic organization, if the broker pays all required fees and dues.
3. Permits a voluntary domestic organization to collect stamping fees from members, non-members and a person who is no longer a licensed surplus lines broker if the stamping fee is paid in connection with transactions that the person effectuated while licensed as a surplus lines broker.
4. Requires a voluntary domestic organization to hold an annual meeting and allows for special meetings to be held.
5. Specifies that any means of communication is allowed to be utilized to conduct a meeting if all members can be heard and a meeting notice outlines how members can participate.
6. Clarifies that any member using an alternate means of communication will be considered present for the purposes of a quorum.
7. States that two percent of the total membership of the organization, present in person or by proxy constitutes a quorum at meetings.
8. Modifies the definition of *home state*.

9. Defines *stamping fees*.

10. Makes technical changes.

AMENDMENTS

Committee on Insurance

1. Eliminates the definitional change to the term *home state*.



HOUSE OF REPRESENTATIVES

HB 2346

medical marijuana; reimbursement; no requirement
Sponsors: Representatives Fann, Borrelli, Coleman, et al.

DP Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2346 states that a workers' compensation carrier or self-insured employer providing workers' compensation benefits is not required to reimburse medical marijuana costs.

HISTORY

In November 2010, voters passed Proposition 203, the Arizona Medical Marijuana Act (Act). The Act allows a qualifying patient who has been diagnosed by a physician with an outlined debilitating medical condition to obtain a permissible amount of marijuana to treat or alleviate the condition. Under the Act, a government medical assistance program or a private health insurer are not required to reimburse a person for costs associated with the medical use of marijuana.

In 1998, voters passed Proposition 105, which made changes to the Arizona Constitution relating to the powers of initiative and referendum. Specifically, Proposition 105 prohibits the governor from vetoing, and the legislature from repealing, any voter approved measure. Furthermore, requires any changes by the legislature to a voter approved initiative or referendum to further the purpose of the measure and receive at least a three-fourths vote for enactment.

PROVISIONS

1. States that a workers' compensation carrier or self-insured employer providing workers' compensation benefits is not required to reimburse a person for costs associated with the medical use of marijuana.
2. Contains a Proposition 105 clause.



HOUSE OF REPRESENTATIVES

HB 2347

unemployment insurance; base-period notices
Sponsor: Representative Fann

DP Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2347 eliminates the requirement for a notice of claim filing to be sent to a base-period employer, if the employer has been previously notified.

HISTORY

The Department of Economic Security (DES) provides employment programs and services, including unemployment insurance. The Arizona Unemployment Trust Fund (Fund) provides a maximum of \$240 per week, for up to 26 weeks to an unemployed person who meets certain criteria. In order to cover these costs, employers are required to pay unemployment taxes on the first \$7,000 of each employee's wages. The unemployment tax rate varies between 0.02% and 5.40%, depending on the amount of taxes the employer pays, the amount of unemployment benefits paid to the employer's former employees, the size of the employer's payroll, and the solvency of the Fund. Employers with greater numbers of ex-employees receiving, or who have received, unemployment benefits pay at a higher tax rate. Monies received in the Fund are used solely for payment of benefits to unemployed workers. Additionally, employers pay Federal Unemployment Tax Act taxes, which cover the administrative costs of the unemployment insurance program.

After DES issues an unemployment insurance benefit payment to a claimant, DES posts charges to each base-period employer account. Base-period employers include all employers who employed the claimant during the first four of the previous five quarters. Currently, DES sends a notice to the most recent employer when a claim for benefits has been filed. Additionally, DES sends a notice to all base-period employers (which includes the most recent employer) if the claimant is eligible for benefits.

PROVISIONS

1. Specifies that a notice be sent to all base-period employers when the claimant files a payable continued claim, unless previously notified.
2. Requires DES to notify a claimant's most recent employing unit or employer when an initial claim for benefits has been filed.
3. Outlines the contents of the notice.



HOUSE OF REPRESENTATIVES

HB 2440

tax; insurance; retaliation

Sponsors: Representatives Livingston: Fann

DPA Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2440 provides an exemption from retaliatory taxes.

HISTORY

Pursuant to Arizona Revised Statutes § 20-224, insurers are required to file a report with the Director of Department of Insurance showing total direct premium income including policy membership and other applicable fees. Additionally, insurers must remit a 2% tax on the net premiums; however statute outlines the tax rate for certain types of insurance as follows:

- Fire Insurance
 - On property located in an incorporated city or town certified by the state fire marshal for obtaining the service of a private fire company, the rate is .66%.
 - On all other fire insurance premiums, the rate is 2.2%.
- Health care service and disability insurance
 - As prescribed by statute, the rate is 2%.

Statute stipulates that if the total obligations, which include any premium taxes, or any fees, fines, or assessments that are imposed on insurers domiciled in this state doing business in another state are in excess of such obligations imposed on similar insurers domiciled in another state doing business in this state a retaliatory tax is imposed. Consequently, retaliation requires Arizona to impose either the sum of the total obligations that a state imposes on Arizona-domiciled insurers or the sum of the total obligations that Arizona imposes upon insurers from the other state, whichever is greater.

PROVISIONS

1. Exempts insurers who are domiciled in another state from retaliatory tax if an exemption is provided for insurers domiciled in this state on a reciprocal basis.

AMENDMENTS

Committee on Insurance

1. Clarifies the exemption applies to insurers domiciled in another state who do not impose retaliatory taxes or whose laws, on a reciprocal basis, provides an exemption from retaliatory taxes on Arizona domiciled insurers.
2. Adds a delayed effective date of January 1, 2018.



HOUSE OF REPRESENTATIVES

HB 2076

legal representation; corporations; partnerships
Sponsors: Representatives Petersen, Mitchell, Fann, et al.

DPA/SE Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2076 authorizes officers or employees of corporations or general partners or employees of partnerships to provide legal representation on behalf of the corporation or partnership in superior or justice court.

SUMMARY OF THE STRIKE-EVERYTHING AMENDMENT TO HB 2076

The proposed strike-everything amendment to HB 2076 mandates that the Supreme Court shall consist of seven justices, rather than five.

HISTORY

Arizona Revised Statutes § 12-101 outlines the judge requirements for the Arizona Supreme Court, including the length of their terms and election processes. Five judges are elected to a six-year term. The judges select a Chief Justice among themselves to serve a five-year term and to oversee the administrative operations of all the Arizona state courts, in addition to handling case work. Judges must be admitted to practice law in Arizona and have been a resident of Arizona for the ten years immediately before taking office. They may not practice law while serving as a member of the judiciary, may not hold any other political office or public employment, may not campaign except for themselves, and must retire at age 70.

PROVISIONS

1. Requires the Supreme Court to consist of seven justices, rather than five.
2. Makes conforming changes.

AMENDMENTS

Committee on Judiciary

- Adopted the proposed strike-everything amendment.



HOUSE OF REPRESENTATIVES

HB 2089

aggravated assault; elected officials

Sponsors: Representatives Borrelli, Campbell, Cobb, et al.

DPA/SE Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2089 specifies that a person commits an aggravated assault if the person commits the assault knowing or having reason to know that the victim is a person who is duly elected or appointed to an elective public office in this state.

SUMMARY OF THE STRIKE-EVERYTHING AMENDMENT TO HB 2089

The proposed strike-everything amendment to HB 2089 specifies that a person commits an aggravated assault if the person commits the assault knowing or having reason to know that the victim is a judicial officer who is engaged in the execution of any official duties or if the assault results from the execution of the judicial officer's official duties. The offense is punishable by a Class 6 felony.

HISTORY

Arizona Revised Statutes § 13-1204 was added by Laws 1977, Chapter 142, § 61. As defined in current statute, an aggravated assault is the event of a person causing serious physical injury to another through the use of a deadly weapon, by a means of force, or other events outlined in the law. Some assaults become aggravated assaults depending on the status of the victim.

PROVISIONS

1. Specifies that a person commits an aggravated assault if the person commits the assault knowing or having reason to know that the victim is a judicial officer while engaged in the execution of any official duties or if the assault results from the execution of the judicial officer's official duties.
2. Prescribes a Class 6 felony.

AMENDMENTS

Committee on Judiciary

- Adopted the proposed strike-everything amendment.



HOUSE OF REPRESENTATIVES

HB 2131

tax adjudications; attorney fees
Sponsor: Representative Mitchell

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2131 requires the court to award fees and expenses to any non-governmental party that prevails by adjudication and eliminates the cap on attorney fees for the adjudication of tax cases.

HISTORY

Arizona Revised Statutes (A.R.S.) § 12-348 governs the law regarding the award of fees and other expenses against the state or a city, town or county. Current law allows the court to award fees and other expenses to any non-governmental party that prevails by adjudication on the merits in an action brought by the party against the state, a city, town or county challenging:

1. The assessment, or collection of taxes or in an action brought by this state or a city, town or county against the party to enforce the assessment or collection of taxes.
2. The adequacy or regularity of notice of delinquent taxes.
3. The regularity of sales of property for delinquent taxes.

The law allows the court to award fees and costs in certain circumstances and allows parties to apply for an award of attorney fees and other authorized expenses. Statute specifies that applications for attorney fees must include evidence of eligibility for the award and the amount sought, including an itemized statement declaring the actual time expended by the attorneys and experts and the rate at which the fees were computed. The law specifies that the court is required to base any award of fees on prevailing market rates for the kind and quality of the services furnished, and permits courts to deny or reduce an award of fees and expenses if (1) the taxpayer unduly and unreasonably protracted the final resolution of the matter, or (2) the reason that the party prevailed was due to an intervening change in the law, or (3) the prevailing party refused an offer of civil settlement that was at least as favorable to the party as the relief ultimately granted.

PROVISIONS

7. Requires the court to award fees to prevailing parties challenging a tax action, including a refund or denial of a refund.
8. Eliminates the cap on fees paid to experts.
9. Eliminates the \$30,000 cap on fees paid to attorneys and caps the amount at what the prevailing party has paid or agreed to pay the attorney.
10. Requires the state to pay fees and expenses 30 days after demand.
11. Defines *taxes* to include all taxes and related levies and assessments in all cases assigned to tax court (A.R.S. § 12-163).

12. Eliminates the \$20,000 cap on an award against the state in administrative proceedings.
13. Eliminates the \$100 per hour cap on reimbursable attorney or other representative fees.
14. Expands the definition of *reasonable fees and other costs* to include contingent fees.
15. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2203

postconviction release hearings; recordings; free
Sponsor: Representative Boyer

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2203 specifies that any electronic recordings made of postconviction and postadjudication release hearings shall be provided for victims, free of charge.

HISTORY

Arizona Revised Statutes (A.R.S.) § 8-395 was added by Laws 1995, Chapter 197, § 1. The statute allows the crime victim the right to be present and heard at any of the defendant's postadjudication release proceedings pursuant to § 41-2820. The law states that if the victim submits a postadjudication notice request 15 days prior to the hearing or the juvenile's discharge, the Department of Juvenile Correction (DJC) must give the victim written notice of their right to be present and heard at a defendant's hearing and notice of the juvenile's discharge. The request for notice also requires the DJC to inform the victim of the decision reached by the department within 15 days after the decision has been reached.

A.R.S. § 13-4414 was added by Laws 1991, Chapter 229, § 7. This statute allows the victim to be present and heard at any postconviction hearing pursuant to section 31-233, 31-236, or 31-411. If the victim has submitted a request for a postconviction hearing notice at least 15 days before the hearing, the Board of Executive Clemency (BOEC) is required to inform the victim of the right to be present and heard at the hearing. The request for notice also requires the BOEC to inform the victim of the BOEC's decision within 15 days after the decision has been reached.

PROVISIONS

1. Specifies that any electronic recordings made of postconviction and postadjudication release hearings shall be provided for victims, free of charge.
2. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2294

courts; approved screening, treatment facilities.

Sponsor: Representative Farnsworth E

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2294 allows the United States Department of Veterans Affairs to approve a treatment facility for court ordered treatment for convictions relating to domestic violence and driving under the influence.

HISTORY

Municipal courts are known as city or magistrate courts and have criminal jurisdiction over misdemeanor criminal traffic cases, civil traffic cases and violations of city ordinance and code cases. These courts may also issue search warrants, orders of protection and injunctions prohibiting harassment. Jurisdiction is shared between municipal and justice of the peace courts when a violation of state law is committed.

Justice courts have criminal jurisdiction over petty offenses, misdemeanors, certain assault and battery cases, breaches of peace, committing a willful injury to property and criminal offenses punishable by fines not more than \$2,500 or imprisonment for less than six months or both. The civil jurisdiction is limited to cases involving claims less than \$10,000.

PROVISIONS

1. Specifies that persons convicted of the following offenses may complete court ordered alcohol, drug screening or domestic violence treatment at a facility that is approved by the United States Department of Veterans Affairs:
 - a. Operating or in actual physical control of a motorized watercraft while under the influence (A.R.S. § 5-395).
 - b. Domestic violence.
 - c. DUI, extreme DUI and aggravated DUI (A.R.S. sections 28-1381, 28-1382 and 28-1383)
 - d. Administrative license suspension for driving under the influence or for homicide or assault involving a motor vehicle (A.R.S. 28-1385).



HOUSE OF REPRESENTATIVES

HB 2299

sexual offenses; definitions; defenses

Sponsor: Representative Farnsworth E

DPA Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2299 defines *position of trust* as it relates to sexual abuse and sexual conduct with a minor and bars a defense to a prosecution if the consenting person was 15, 16 or 17 years of age and the defendant was in a *position of trust*.

HISTORY

Arizona Revised Statutes (A.R.S.) § 13-404 was added by Laws 1977, Chapter 142, § 63 and specifies that a person commits sexual abuse by intentionally or knowingly engaging in sexual contact with any person who is 15 or more years of age without consent of that person or with any person who is under 15 years of age if the sexual contact involves only the female breast. The law prescribes a Class 5 felony, unless the victim is under 15 years of age in which case sexual abuse is a Class 3 felony punishable pursuant to A.R.S. § 13-705.

A.R.S. § 13-1405 was added by Laws 1977, Chapter 142, § 63 and outlines what constitutes sexual conduct with a minor. Statute specifies that a person commits sexual conduct with a minor by intentionally or knowingly engaging in sexual intercourse or oral sexual contact with any person who is under 18 years of age. Sexual conduct with a minor who is at least 15 years of age is a Class 2 felony if the person is or was the minor's parent, stepparent, adoptive parent, legal guardian or foster parent or the minor's teacher or clergyman or priest. The convicted person is not eligible for suspension of sentence, probation, pardon or release from confinement on any basis except as specifically authorized by A.R.S. § 13-1405.

PROVISIONS

1. Prohibits a defense to a prosecution for sexual abuse that a person consented if the person was 15, 16 or 17 years of age and the defendant was in a *position of trust*.
2. Applies the Class 2 felony for sexual conduct with a minor to a person in a *position of trust*, rather than a delineation of specific persons.
3. Defines *position of trust* as a person who is or was any of the following:
 - a. The minor's parent, stepparent, adoptive parent, legal guardian or foster parent.
 - b. The minor's teacher.
 - c. The minor's coach or instructor, whether the coach or instructor is an employee or volunteer.
 - d. The minor's clergyman or priest.

- e. Engaged in a sexual or romantic relationship with the minor's parent, adoptive parent, legal guardian, foster parent, grandparent, sibling, half-sibling, step-sibling or aunt or uncle, whether the minor's relative is related by blood or marriage.
 - i. Prescribes factors that may be considered in determining whether a relationship is currently or was previously a sexual or romantic relationship.
- 4. Defines *teacher* as a certificated teacher as defined in A.R.S. § 15-501 or any other person who provides instruction to pupils in any school district, charter school or accommodation school, the Arizona state schools for the deaf and blind or a private school in this state.
- 5. Makes technical and conforming changes.

AMENDMENTS

COMMITTEE ON JUDICIARY

- 1. Makes a technical change.



HOUSE OF REPRESENTATIVES

HB 2301

historical prior felony conviction; sentencing
Sponsor: Representative Farnsworth E

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2301 defines *historical prior felony conviction* to include any felony conviction that is a third or more prior felony conviction, including felony convictions in another state.

HISTORY

Arizona Revised Statutes (A.R.S.) § 13-105 was added by Laws 1977, Chapter 142, § 39 and is the definition section for criminal code. *Historical prior felony conviction* was added by Laws 2008, Chapter 301, § 10. Historical prior felony convictions are used by prosecutors to enhance/increase criminal sentences for defendants with prior criminal convictions and are based on the details of the offense.

Pursuant to A.R.S. § 13-703, repetitive offenders are sentenced to increased penalties. There are different categories of repetitive offenders. A person's conviction of a felony in another state is considered in the determination of whether a person should be sentenced as a category three repetitive offender or if a person who is convicted of a felony and has one historical conviction should be sentenced as a category two repetitive offender.

PROVISIONS

1. Defines *historical prior felony conviction* to include any felony conviction that is a third or more prior felony conviction, including felony convictions in another state.
2. Allows a person's conviction for a felony in another state to be considered in classifying a person as a category one repetitive offender or classifying a person as a category two offender if the person has three or more felony convictions that were not committed on the same occasion, but that are consolidated for trial or are not historical prior felony convictions.



HOUSE OF REPRESENTATIVES

HB 2307

court-ordered treatment; hearings
Sponsors: Representative Farnsworth E

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2307 requires the evaluation agency to disclose to the court all drugs, medication and treatment that an inpatient has received during the 72 hours immediately before a court-ordered mental health hearing, and allows the hearing to proceed if a patient cannot be present for psychiatric reasons or is unable to appear by other reasonably feasible means.

HISTORY

Arizona Revised Statutes (A.R.S.) , Title 36, Chapter 5, article 5 establishes the law in regard to court-ordered treatment. Court-ordered treatment is prescribed when a patient, as a result of a mental disorder, is a danger to self or to others, has a persistent or acute disability or a grave disability, or is unwilling to accept or incapable of accepting treatment voluntarily.

A.R.S. § 36-539 was added by Laws 1974, Chapter 185, § 2 and prescribes the conduct of a court-ordered mental health treatment hearing. Current statute allows a hearing to proceed if a patient is unable to be present due to medical reasons, but directs the court to require clear and convincing evidence that the patient is unable to be present at the hearing.

PROVISIONS

1. Requires the evaluation agency to disclose to the court all drugs, medication and treatment that an inpatient has received during the 72 hours immediately before a court-ordered mental health hearing.
2. Allows the hearing to proceed if a patient cannot be present for psychiatric reasons or is unable to appear by other reasonably feasible means.
3. Makes a conforming change.



HOUSE OF REPRESENTATIVES

HB 2311

judgment liens; recordation; real property

Sponsor: Representative Farnsworth E

DPA Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2311 allows a certified copy of a judgment of any court in this state to be filed with the county recorder to become a lien on a judgment debtor's real property.

HISTORY

Arizona Revised Statutes (A.R.S.) § 33-961 specifies that a copy of a judgment of a court, certified by the clerk, shall be filed and recorded in the office of the county recorder in each county where the judgment creditor desires the judgment to become a lien upon the real property of the judgment debtor before the judgment shall become a lien upon or in any manner affect or encumber the real property of the judgment debtor, or any part of the real property of the judgment debtor. Statute outlines what information must be included in the certified copy of the judgment.

A.R.S. § 33-962 outlines the procedure for filing a judgment of a justice or municipal court. Current law requires the judgment creditor to file a certified transcript of judgment from justice or municipal court with the superior court in order to place a lien on a judgment debtor's real property.

PROVISIONS

1. Allows a certified copy of a judgment of any court in this state to be filed with the county recorder to become a lien on a judgment debtor's real property.

AMENDMENTS

Committee on Judiciary

1. Makes a technical change.



HOUSE OF REPRESENTATIVES

HB 2413

internet representations; civil damages

Sponsors: Representatives Stevens, Fann, Thorpe, et al.

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2413 prescribes intent requirements and civil remedies in regard to prohibited conduct relating to false representations of the identity of online businesses.

HISTORY

Arizona Revised Statutes § 44-7202 prohibits a person from using a web page or email to induce another person to provide identifying information by representing that the person is an online business without the authority or approval of the online business.

PROVISIONS

1. Requires that the prohibited conduct be done with the intent to commit fraud or theft.
2. Allows a person other than an internet access service or an owner of a web page who is adversely affected by prohibited conduct to maintain an action against the person committing the violation to:
 - a. enjoin further violations.
 - b. recover the greater of actual damages or \$5,000 for each separate violation.
3. Allows the attorney general to bring an action against the violator to:
 - a. enjoin violations.
 - b. recover \$2,500 per violation.
4. Requires an action to be brought within three years after the violation has been discovered or should have been discovered.
5. Applies the act retroactively to January 1, 2011.
6. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2517

internet crimes against children; fund

Sponsors: Representatives Boyer, Allen J, Alston, et al.

DPA Committee on Judiciary

DPA Committee on Appropriations

X Caucus and COW

House Engrossed

OVERVIEW

HB 2517 directs \$4.5 million of unencumbered remaining lottery funds to be deposited in the newly established Internet Crimes Against Children Enforcement Fund and \$500,000 to be deposited in the Victims' Rights Enforcement Fund.

HISTORY

The Arizona State Lottery Commission (Commission) and the State Lottery Fund (Fund) were originally established in 1980 through an initiative petition in the general election. These provisions were repealed pursuant to the sunset process and were replaced by the current legislatively enacted provisions.

The Commission consists of five members who must be citizens and residents of this state and are appointed by the governor and confirmed by the Arizona State Senate. The Commission is required to oversee a state lottery to produce the *"maximum amount of net revenue consonant with the dignity of the state."*

The Fund consists of all revenues received from the sale of lottery tickets or shares, including revenues from drawing games (Powerball, Mega Millions, The Pick, Cash 4) and instant ticket "scratcher" games. Arizona Revised Statutes § 5-572 specifies how monies in the Fund will be used and delineates the distribution process which combines the proceeds from the various games and distributes them through a hierarchy of tiers.

Generally, each tier of the hierarchy receives funds only if the statutory provisions for funding the tiers above it are met. The first monies are paid to the State Lottery Revenue Bond Debt Service Fund. After those payments, there are four general categories of beneficiaries: Health/Welfare (25%), Economic/Business Development (33%), Education (29%) and Environment (13%).

The Victims' Rights Enforcement Fund is administered by the Department of Public Safety (DPS). Statute requires DPS to distribute the monies to nonprofit organizations and entities that can demonstrate a five-year history of providing legal representation and social services to crime victims free of charge. Statute allows DPS to use up to five percent of the monies deposited in the fund for administrative costs.

PROVISIONS

1. Directs \$4.5 million of unencumbered remaining lottery funds to be deposited in the newly

established Internet Crimes Against Children Enforcement Fund.

2. Directs \$500,000 of unencumbered remaining lottery funds to be deposited in the Victims' Rights Enforcement Fund.
3. Requires all foster parents and adult residents living in a foster home to consent in writing to a search of their computers by the Department of Child Safety (DCS) prior to the department issuing a foster home license.
4. Requires written consent by an applicant for kinship foster care for all adult residents living in kinship foster care home to a search of their computers by DCS and requires the submission of a full set of fingerprints to DCS.
5. Requires law enforcement agencies to notice the statutory agent of a service provider if the provider is hosting a website that contains an alleged sexual exploitation of children violation.
6. Prohibits the defendant, the defendant's attorney or any person employed by or assisting the defendant from removing any visual depiction or any computer or other device that contains a visual depiction that is a violation of this chapter and that is in the possession of a law enforcement agency or prosecutor.
7. Allows the prosecutor's office to examine the visual depiction evidence at reasonable times at the law enforcement agency.
8. Requires appointment of a guardian ad litem for a minor victim in a visual depiction to protect the minor's rights as a crime victim.
9. Establishes the Internet Crimes Against Children Enforcement Fund (appropriated) and requires the attorney general (AG) to administer the fund.
10. Allows the AG to enter into intergovernmental agreements to continue the operation of the Internet Crimes Against Children Task Force Program in investigations, forensic examinations and prosecutions relating to technology-facilitated sexual exploitation of children.
11. Provides consideration for entities that hire and equip veterans who are wounded, ill or injured as digital forensic analysts or investigators to support child exploitation.
12. Requires the AG to submit an expenditure plan to the Joint Legislative Budget Committee (JLBC) before spending any money that was not in a previous expenditure plan.
13. Requires the AG to provide a summary of quarterly and year-to-date expenditures and progress to the JLBC, including any prior year appropriations that were nonlapsing 30 days after the last day of each calendar quarter.
14. Contains an emergency clause.
15. Makes technical and conforming changes.

AMENDMENTS

Committee on Judiciary

1. Removes the following provisions:
 - a. Requires all foster parents and adult residents living in a foster home to consent in writing to a search of their computers by the Department of Child Safety (DCS) prior to the department issuing a foster home license.
 - b. Requires written consent by an applicant for kinship foster care for all adult residents

living in kinship foster care home to a search of their computers by DCS and requires the submission of a full set of fingerprints to DCS.

- c. Prohibits the defendant, the defendant's attorney or any person employed by or assisting the defendant from removing any visual depiction or any computer or other device that contains a visual depiction that is a violation of this chapter and that is in the possession of a law enforcement agency or prosecutor.
- d. Allows the prosecutor's office to examine the visual depiction evidence at reasonable times at the law enforcement agency.
- e. Requires appointment of a guardian ad litem for a minor victim in a visual depiction to protect the minor's rights as a crime victim.

Committee on Appropriations

- 2. Directs \$4.5 million to the Internet Crimes Against Children Enforcement Fund and \$500,000 to the Victims' Rights Enforcement Fund from a portion of unclaimed lottery prize monies, rather than from unencumbered remaining lottery funds.



HOUSE OF REPRESENTATIVES

HB 2561

unlawful distribution of private images

Sponsor: Representative Mesnard

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2561 makes changes to current law regarding the unlawful distribution of private images.

HISTORY

Arizona Revised Statutes (A.R.S.) § 13-1425 was added by Laws 2014, Chapter 268, § 1. Currently, this statute prohibits persons from intentionally disclosing, displaying, distributing, publishing, advertising or offering a photograph, videotape, film or digital recording of another person in a state of nudity or engaged in specific sexual activities if the person knows or should have known that the depicted person has not consented to the disclosure. The law makes exceptions for lawful and common practices of law enforcement, reporting and legal proceedings, images involving voluntary exposure in a public or commercial setting, or internet or cell phone service providers. Current law prescribes a Class 5 felony, but if the person is recognizable in the image, it prescribes a Class 4 felony.

PROVISIONS

1. Requires that the person in the photograph, videotape, film or digital recording must be identifiable from the image itself or from information displayed in connection with the image.
2. Expands the exemptions from liability for disclosures made in the public interest by adding:
 - a. The reporting of unlawful conduct.
 - b. Criminal reporting.
3. Specifies that in order to apply the exemption for Internet or cell phone service providers, the content must be *wholly* provided by another party.
4. Prescribes a Class 4 felony for all violations.
5. Makes conforming changes.
6. Defines *state of nudity*.



HOUSE OF REPRESENTATIVES

HB 2578

real property; purchaser dwelling actions

Sponsors: Representatives Mitchell, Allen J, Borrelli, et al.

DPA Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2578 modifies the statute of limitations relating actions involving the development of real property design, engineering and construction of improvements.

HISTORY

The statute of limitations sets the maximum period of time which one can wait before filing a lawsuit, depending on the type of case or claim. If a lawsuit or claim is not filed before the statutory deadline, the right to sue or make a claim is lost forever.

PROVISIONS

1. Prohibits actions involving development of real property design engineering and construction improvements more than six (6) years after substantial completion of the improvement to real property, rather than eight (8) years.
2. Reduces the limitation period for actions on latent construction defects from nine (9) to seven (7) years.
3. Provides that the new limitations apply to an improvement to real property that was substantially complete on or after the general effective date of this act.
4. Provides that if the improvement was substantially complete before the effective date of the act, the eight (8) year limitation period applies.
5. Specifies that if the improvement was substantially complete before the effective date of the act if the injury occurred during the eighth (8) year of substantial completion, or a latent construction defect was not discovered until the eighth (8) year after substantial completion, the action may be brought within one year after the date in which the injury occurred or the latent defect was discovered. Prohibits actions more than seven (7) years after the substantial completion of the improvement.
6. Provides an extra year for an action for damages if the injury to real property occurred during the eighth (8) year after the substantial completion or in the case of a latent construction defect was not discovered, but prohibits actions after seven (7) years after the substantial completion of the improvement.
7. Defines "construction codes" "construction defect" & "construction professional."
8. Expands the definition of *dwelling action* to include construction defects.
9. Removes the definition of *multiunit dwelling action*.

10. Provides that a seller who receives a written notice of claim, has a right to repair or replace any alleged construction defects after sending or delivering to the purchaser a written notice of intent to repair or replace the alleged construction defects. Seller does not have to repair or replace all of the alleged defects.
11. Prohibits a purchaser from filing a dwelling action until the seller has completed all intended repairs and replacements.
12. Allows the seller to offer cash or other consideration, instead of or in addition to a repair or replacement.
13. Allows the purchaser to accept or reject an offer of cash or other consideration, other than repair or replacement, and proceed with a dwelling action on completion of repair or replacement. Authorizes the parties to negotiate for a release if an offer involving cash or other consideration is accepted.
14. Provides that if a seller issues a notice of intent to repair or replace, the purchaser must allow the seller a reasonable opportunity to repair or replace, including coordination of repairs or replacements within 30 days after the notice of intent was sent.
 - a. Requires the purchaser and the seller or the seller's construction professionals to coordinate repairs or replacements within 30 days.
 - b. Directs repairs or replacements to begin as agreed by the parties with reasonable efforts to begin repairs or replacements within 35 days after notice of intent was sent. If a permit is required, repairs or replacements should begin within ten days after receipt of the permit or after 35 days after the notice of intent, whichever is later.
 - c. Specifies that all repairs or replacements shall be completed using reasonable care under the circumstances with a commercially reasonable time frame.
 - d. Requires the purchaser to provide reasonable access for the repairs or replacements.
 - e. Specifies that the seller is not entitled to a release or waiver solely in exchange for any repair or replacement, except that the parties may negotiate a release or waiver in exchange for cash or other consideration.
 - f. Specifies that at the conclusion of any repairs or replacements the purchaser may commence a dwelling action, including a claim for inadequate repair or replacement.
15. Prescribes that during the notice and repair or replacement process and for 30 days after substantial repair or replacement, the statute of limitations and the statute of repose applicable to the purchaser, including any construction professionals involved in the construction or design, are tolled as to the seller and the seller's construction professionals for all alleged construction defects described in reasonable detail in the written notice sent to the seller.
16. Prescribes that the conduct of the parties during the repair or replacement process may be introduced in any subsequent dwelling action, including any repair or replacement efforts by the seller.
17. Prescribes that if the seller does not comply with the right to repair statute, and the failure is not due to the fault of the purchaser or as a result of an unforeseen condition, the purchaser may commence a dwelling action.
18. Prescribes that if the purchaser fails to comply with the statute before bringing a dwelling action, the dwelling action must be dismissed.

19. Specifies that if the dwelling action is dismissed after the statute of limitations or the statute of repose, any subsequent dwelling action brought by the purchaser is time barred as to the seller and the seller's construction professionals.
20. Repeals A.R.S. § 12-1364 relating to dwelling actions, attorney fees, costs and expert witness fees.
21. Specifies that the statutes do not affect either party's ability to enforce any commercially reasonable alternative dispute resolution procedures in the contract for the sale of the dwelling or an association's community documents.
 - a. Specifies that the seller's election to enforce alternative dispute resolution procedures does not negate or reduce the seller's right to repair or replace any construction defects.
 - b. Prescribes size and replacement requirements for any alternative dispute resolution procedures in a contract:
 - i. Bold and capital letters.
 - ii. Disclosure statement in at least 12-point font on the face of the contract.
 - iii. Describe the location of the alternative dispute resolution procedures within the contract.
22. Provides that a *homeowners' association dwelling action* includes a dwelling action related to a construction defect.
23. Prescribes the contents of the disclosure to be made by a homeowners' association board of directors to members of the association before filing a dwelling action.
 - a. Prescribes that the board of directors' actions must comply with the community documents and that the board has an affirmative duty to demonstrate compliance with these procedures.
 - b. Requires the association to provide the seller with notice of alleged construction defects and the right to repair or replace the alleged construction defects.
24. Provides that in any contested dwelling action, the seller may assert a failure of the HOA to comply with the community documents and with the requirements of statute.
25. Contains a severability clause.
26. Makes technical and conforming changes.

AMENDMENTS

COMMITTEE ON JUDICIARY

1. Removes A.R.S. § 12-552 from the proposed measure.
2. Revises the definition of *construction defect*.
3. Adds the definition of *material deficiency*.
4. Provides the purchaser with the authority to consent to the construction professional that the seller has chosen to perform repairs and replacements.
5. Specifies that at the conclusion of any repairs or replacements, the purchaser may initiate a dispute resolution process if the contract for the sale of the dwelling or the community documents contain a commercially reasonable alternative dispute resolution procedure that is consistent with A.R.S. § 12-1366(C).
6. Revises the definition of *reasonable detail*.
7. Makes technical and conformation changes.



HOUSE OF REPRESENTATIVES

HB 2320

firearms; permit holders; public places

Sponsors: Representatives Barton, Borrelli, Thorpe, et al.

DPA Committee on Military Affairs and Public Safety

X Caucus and COW

House Engrossed

OVERVIEW

HB 2320 allows a person with a valid permit to carry a concealed weapon while at a public event or public establishment.

HISTORY

Arizona Revised Statutes (A.R.S.) § 13-3102.01 states that if the operator or sponsor of a public establishment or event requests an individual carrying a deadly weapon to remove the weapon, the operator or sponsor is required to provide temporary and secure storage for the weapon. The requirement does not apply to a public establishment or event provided with a license issued by the Department of Liquor Licenses and Control.

An individual commits misconduct involving weapons if he or she enters or attends a public establishment or event with a deadly weapon after the operator or sponsor has made a request that the weapon be removed and placed in temporary and secure storage (A.R.S. § 13-3102).

A *public event* is conducted by a public entity or a private entity with a permit or license granted by a public entity. A *public establishment* is a structure, vehicle, or craft that is owned, leased, or operated by the state or a political subdivision (A.R.S. § 13-3102).

The state, state agencies, and political subdivisions, with the exception of the Legislature, are prohibited from enacting or implementing any law, rule, or ordinance related to the possession or storage of firearms other than those that exist in statute. State, county, or municipal judicial departments, law enforcement agencies, and prosecutorial agencies are exempt from this restriction (A.R.S. § 13-3118).

PROVISIONS

1. Clarifies that the misconduct involving weapons exemption for correctional employees only applies while in the performance of official duties.
2. Exempts a person who has a valid concealed carry permit from having to forfeit his or her weapon upon entering a public establishment or public event if requested to do so by the owner or sponsor of the event.
3. States that the above exemption does not apply to a public establishment or event that provides security personnel or metal detectors and does not limit a private entity's ability to restrict the entry of weapons.
4. Makes technical and conforming changes.

AMENDMENTS

Committee on Military Affairs and Public Safety

1. Removes the specification that correctional officers are only exempt from misconduct involving weapons while in the performance of official duties.
2. Clarifies that the operator or sponsor of a public establishment or event is still required to provide temporary and secure weapon storage as provided by current law.
3. States that the exemption from having to forfeit a weapon upon entry to a public establishment or event does not apply to the following:
 - a. a public establishment or event provided with a license issued by the Department of Liquor Licenses and Control;
 - b. an educational institution;
 - c. facilities operated by the Arizona State Hospital or a special health care district; or
 - d. an Arizona community college district or public university.



HOUSE OF REPRESENTATIVES

HB 2377

law enforcement merit system; determinations

Sponsors: Representatives Borrelli, Andrade, Boyer, et al.

DP Committee on Military Affairs and Public Safety

X Caucus and COW

House Engrossed

OVERVIEW

HB 2377 provides the Law Enforcement Merit System Council (LEMSC) with the final determination for appeals of disciplinary actions taken against certain public safety personnel.

HISTORY

LEMSC reviews classification and compensation plans; employee selection, promotion, disciplinary, and dismissal procedures; performance appraisal systems; and standards and qualifications for covered Department of Public Safety (DPS) and Arizona Peace Officers Standards and Training Board (AZPOST) employees. LEMSC also conducts appeal hearings for disciplinary actions taken against AZPOST-certified full authority peace officers within the State Personnel System. LEMSC consists of five members appointed by the Governor and confirmed by the Senate to serve three year terms. No more than three of these members may belong to the same political party.

Prior to 2012, LEMSC's determination for an appeal of a disciplinary action taken against a DPS or AZPOST employee was final. Laws 2012, Chapter 321, also referred to as "Personnel Reform," modified LEMSC hearing procedures by including appeals for disciplinary actions taken against AZPOST-certified full authority peace officers within the State Personnel System and by providing the director of an employer agency with the final decision-making authority for appeals of disciplinary actions taken against employees. As a result of the change, LEMSC is currently authorized to submit a decision or recommendation regarding a disciplinary action to an employer agency which is subject to review by the director. The director may accept, modify, reverse, or reject LEMSC's decision or recommendation. Any party may appeal a determination made by LEMSC or an employer to the superior court.

PROVISIONS

1. Declares that LEMSC's determination for an appeal of a disciplinary action taken against a DPS or AZPOST employee or an AZPOST-certified full authority peace officer within the State Personnel System is final and binding and no longer subject to review by the director of an employer agency.
2. Permits an employee or the director of an employer agency to appeal a determination made by LEMSC to the superior court.
3. Stipulates that LEMSC must determine whether an employer had just cause in disciplining an employee.

4. Authorizes LEMSC, upon reversal of a director's decision, to establish the appropriate disciplinary action to be taken against an employee.
5. Defines *just cause* as when an employer informs an employee of the potential for disciplinary action and the disciplinary action is related to standards of conduct for law enforcement officers, supported by evidence that the conduct occurred, and appropriate for the seriousness of conduct that occurred.
6. Eliminates language that outlines the procedures for which LEMSC makes a recommendation to an employer regarding disciplinary action taken against an employee and repeals statute that outlines the process for which a director reviews and modifies a decision or recommendation made by LEMSC.
7. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2379

home detention; initial jail term
Sponsor: Representative Borrelli

DP Committee on Military Affairs and Public Safety

X Caucus and COW

House Engrossed

OVERVIEW

HB 2379 defines *initial term of incarceration* for certain DUI offenses as the initial sentencing period prior to the suspension of jail time.

HISTORY

A municipality or county may establish a home detention or continuous alcohol monitoring program for individuals who are low-risk and non-violent. Certain DUI offenders are permitted to participate in home detention or a continuous alcohol monitoring program in lieu of jail confinement and participation is applied towards an individual's jail sentence. A person who is eligible to participate in a municipal or county home detention or a continuous alcohol monitoring program is first required to complete at least 20% of his or her initial jail sentence.

Minimum sentencing for DUI convictions is a factor of a person's level of intoxication as well as whether the person has been convicted of previous DUI offenses. A judge can partially suspend the jail sentence of a DUI offender who agrees to participate in an alcohol or drug prevention program or install an ignition interlock device (IID) in his or her vehicle.

A municipality or county may terminate an individual's participation in home detention or a continuous alcohol monitoring program and require the individual to complete his or her remaining sentence in jail confinement at any time.

PROVISIONS

1. Defines *initial term of incarceration* as the initial sentencing period prescribed by a court prior to the suspension of jail time by a judge, pursuant to the following:
 - a. a person who is convicted of a non-extreme, non-aggravated DUI and has previously been convicted of any DUI within the last seven years must serve 20% of the minimum sentence prescribed by a court prior to a judge's suspension of jail time as a result of the person's participation in an alcohol or drug prevention program before becoming eligible for home detention or a continuous alcohol monitoring program.
 - b. a person who is convicted of an extreme DUI and has not been convicted of any DUI within the past seven years must serve 20% of the minimum sentence prescribed prior to a judge's suspension of jail time as a result of the person's compliance with installing an IID in his or her vehicle for a year before becoming eligible for home detention or a continuous alcohol monitoring program.
 - c. a person who is convicted of an extreme DUI and has been convicted of any DUI within the past seven years must serve 20% of the minimum sentence prescribed before

becoming eligible for home detention or a continuous alcohol or drug prevention program.

2. Makes technical corrections.



HOUSE OF REPRESENTATIVES

HB 2509

aggravated assault; firearms

Sponsors: Representatives Townsend; Barton, Borrelli, et al.

DP Committee on Military Affairs and Public Safety

X Caucus and COW

House Engrossed

OVERVIEW

HB 2509 establishes a penalty for knowingly taking or attempting to take control of a person's lawfully owned firearm.

HISTORY

Arizona Revised Statutes (A.R.S.) § 13-1204 specifies the conditions under which a person has committed aggravated assault. A person who knowingly takes or attempts to take control of a peace officer's firearm, weapon, or other device has committed aggravated assault. The penalty for committing aggravated assault under these conditions is a Class 4 felony.

A.R.S. § 13-105 defines a *firearm* as any loaded or unloaded handgun, pistol, revolver, rifle, shotgun, or other weapon that expels a projectile via the action of expanding gases and does not include a firearm in permanently inoperable condition.

PROVISIONS

1. Classifies knowingly taking or attempting to take control of any person's lawfully owned firearm with the intent to cause harm as aggravated assault and prescribes a Class 4 felony for a violation.
2. Exempts the following individuals from the above violation:
 - a. a peace officer engaged in the execution of official duties; or
 - b. a person whose conduct is justified pursuant to law.



HOUSE OF REPRESENTATIVES

HB 2550

constables; training courses; deadline

Sponsor: Representative Rivero

DP Committee on Military Affairs and Public Safety

X Caucus and COW

House Engrossed

OVERVIEW

HB 2550 allows the Constable Ethics, Standards, and Training Board (Board) to approve initial and subsequent training coursework for constables.

HISTORY

Constables are elected officials who serve county justice courts by executing and returning writs of possession or restitution, serving orders of protection and civil and criminal summons and subpoenas, providing judicial security to justice courts, and via other duties. Constables are elected to serve four year terms.

Laws 2001, Chapter 4 established the Constable Ethics Committee which was subsequently changed to the Board in 2007 to adopt a code of conduct for constables and rules for enforcement, hear and investigate complaints relating to a constable's ethical conduct, and remedy a constable's behavior via mediation, disciplinary action, direction, or by urging a constable to retire.

The Arizona Peace Officer Standards and Training Board (AZPOST) prescribes minimum qualifications, establishes initial and continuing training requirements, and provides certification for law enforcement officers in Arizona. Arizona Revised Statutes § 22-137 requires AZPOST to approve initial and continuing training coursework for constables. Initial training coursework must include the following topics: civil and criminal process, conflict resolution, and firearms safety. Constables must complete initial training within six months of election, as well as an additional 16 hours of training approved by AZPOST each year.

PROVISIONS

1. Authorizes the Board to approve initial and subsequent training coursework for constables in addition to or in lieu of AZPOST training coursework.
2. Modifies the timeframe in which constable training completion certificates must be forwarded to the Board from 30 days after completion to the end of the year in which training was completed.



HOUSE OF REPRESENTATIVES

HB 2211

autocycles; motorized quadricycles
Sponsor: Representative Petersen

DPA Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2211 adds the definition of autocycle and quadricycle to statute and specifies a person who drives an autocycle is not required to hold a Class M license.

HISTORY

Arizona Revised Statutes (A.R.S.) § 28-101 defines a motorcycle as a motor vehicle that has a seat or saddle for the use of the rider and that is designed to travel on not more than three wheels in contact with the ground but excluding a tractor and a moped. A motor driven cycle means a motorcycle, including every motorscooter, with a motor that produces not more than five horsepower. A moped is a bicycle that is equipped with a helper motor if the vehicle has a maximum piston displacement of fifty cubic centimeters or less, a brake horsepower of one and one-half or less and a maximum speed of twenty-five miles per hour or less on a flat surface with less than a one per cent grade.

Current law requires drivers to hold a valid class M driver license in order to operate a motorcycle, motor driven cycle or a moped. According to A.R.S. § 28-3101, the Arizona Department of Transportation may add a class M license classification onto a valid class A, B, C, D or G license.

PROVISIONS

1. Defines *autocycle* as a three-wheeled motorcycle on which the driver and passengers ride in a completely enclosed seating area that is equipped with a roll cage, safety belts for each occupant and antilock brakes and is designed to be controlled with a steering wheel and pedals.
2. Stipulates that a class M driver license is not necessary to operate an autocycle.
3. Defines a *motorized quadricycle* as a self-propelled motor vehicle to which all of the following apply:
 - a. Self-propelled by an emission-free electric motor and may include pedals operated by the passengers.
 - b. At least four wheels in contact with the ground.
 - c. Seats at least eight passengers, including the driver.
 - d. Operable on a flat surface using solely the electric motor without assistance from the passenger pedals.
 - e. Falls under the definition of a commercial motor vehicle as prescribed in A.R.S. § 28-5201.

- f. Licensed by the Department of Weights and Measures to operate as a limousine.
 - g. Manufactured by a licensed motor vehicle manufacturer.
 - h. Vehicle complies with the definition and standards for low-speed vehicles as set forth in federal motor vehicle safety standard 500 and 49 code of federal regulations sections 571.3(b) and 571.500.
4. Prohibits a motorized quadricycle from operating at speeds above 15 miles per hour.
 5. Prohibits a motorized quadricycle from driving on a highway that has a posted speed limit of more than 35 miles per hour.
 6. Applies current law which requires a notice of the operational restrictions permanently attached to or painted on the vehicle to a motorized quadricycle.
 7. Makes technical and conforming changes.

AMENDMENTS

1. Removes all provisions relating to the *autocycle*.
2. Makes conforming changes.



HOUSE OF REPRESENTATIVES

HB 2221

driver license suspension; photo radar
Sponsor: Representative Mesnard

DP Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2221 provides an exception for photo enforcement violators who fail to appear in court from having their driver license suspended, as provided for in current law.

HISTORY

Arizona Revised Statutes (A.R.S.) § 28-3308 provides that on notification from the court that a person failed to appear for a scheduled court appearance, the Arizona Department of Transportation, Motor Vehicle Division, will suspend the person's driver license until the person appears, the fine is paid, or a bond is paid. Suspension of driver licenses is mandatory in every case. If a person drives with a suspended driver license, the vehicle may be impounded for up to 30 days.

Current law provides an exception for first responders on duty from photo enforcement violations. There also exist limits on the placement of photo enforcement systems. Photo enforcement systems cannot be placed within 600 feet of a speed limit change. A.R.S. § 28-1602 further provides that photo enforcement violators are not required to identify who is in the photo or respond to the violation.

PROVISIONS

1. Exempts photo enforcement violations from the mandatory driver license suspension statute.



HOUSE OF REPRESENTATIVES

HB 2236

ATV and motorcycle passengers

Sponsors: Representative Shope, Senator Burges; Representative Borrelli, et al.

DP Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2236 specifies that if a motorcycle or all-terrain vehicle carries a passenger, that it be *equipped* rather than *designed* to carry more than one person.

HISTORY

Arizona Revised Statutes § 28-892 provides that a person operating a motorcycle or all-terrain vehicle can only ride on the permanent and regular seat attached to the motorcycle or all-terrain vehicle. The operator cannot carry any other person unless the vehicle is *designed* to carry more than one person. It also provides that on a motorcycle or all-terrain vehicle that is *designed* to carry more than one person, a passenger can only ride on the permanent and regular seat if it is *designed* for two persons or on another seat firmly attached to the motorcycle or all-terrain vehicle at the rear or side of the operator.

PROVISIONS

1. Specifies that if a motorcycle or all-terrain vehicle carries a passenger, that it be *equipped* rather than *designed* to carry more than one person.



HOUSE OF REPRESENTATIVES

HB 2345

motorcycles; all-terrain vehicles; cycles; equipment

Sponsors: Representatives Fann: Campbell

DP Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2345 removes the restriction for placement of handlebars above an operator's shoulders on motorcycles, all-terrain vehicles, and motor driven cycles.

HISTORY

Arizona Revised Statutes § 29-964 provides that a motorcycle, all-terrain vehicle and motor driven cycle must be equipped with a rearview mirror, seat and footrests for the operator. It also requires that if they carry a passenger they be equipped with a seat, footrests, and handrails for the passenger. Current law prohibits a person from operating a motorcycle, all-terrain vehicle, or motor driven cycle equipped with handlebars that are positioned so that the operator's hands are above their shoulders when the operator is sitting and their hands are on the handlebar grips.

PROVISIONS

1. Eliminates the requirement for motorcycles to be equipped with handrails for passengers.
2. Removes the restriction which specifies that a person cannot operate a motorcycle, all-terrain vehicle or motor driven cycle equipped with handlebars positioned so the operator's hands are above their shoulders when the operator is sitting and their hands are on the handlebar grips.



HOUSE OF REPRESENTATIVES

HB 2408

towing contracts; DPS

Sponsor: Representative Stevens

DPA Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2408 requires the Arizona Department of Public Safety (DPS) to include a super heavy duty towing vehicle classification in its towing service pricing when contracting with a towing firm.

HISTORY

Arizona Revised Statutes (A.R.S.) § 28-1108 authorizes DPS, counties, cities and towns to form contractual agreements with towing firms for the purpose of providing towing and storage services. The towing vehicle classifications, required equipment and prices for services are regulated by the government entity entering into the contract.

DPS currently provides the following 12 towing vehicle classifications (Arizona Administrative Code Title 13, Chapter 3, Article 10):

- Light-duty Tow Truck
- Light-duty Tow Truck with Collision Recovery Capabilities
- Light-duty Flatbed Tow Truck
- Light-duty Flatbed Tow Truck with Collision Recovery Capabilities
- Light-duty Tow Truck-tractor and Semi-trailer Combination
- Medium-duty Tow Truck with Collision Recovery Capabilities
- Medium-duty Flatbed Tow Truck with Collision Recovery Capabilities
- Medium-duty Tow Truck-tractor and Semi-trailer Combination
- Heavy-duty Tow Truck
- Heavy-duty Tow Truck with Collision Recovery Capabilities
- Heavy-duty Flatbed Tow Truck with Collision Recovery Capabilities
- Heavy-duty Tow Truck-tractor and Semi-trailer Combination

The Transportation Services Index (TSI) is a monthly measure of the volume of services performed by the for-hire transportation sector, published by the U.S. Department of Transportation Bureau of Transportation Statistics. The TSI tells us how the output of transportation services has increased or decreased from month to month. The movement of the index over time can be compared with other economic measures to understand the relationship of transportation to long-term changes in the economy. Between July 2010 and July 2014, the TSI increased 16.7% (U.S. Department of Transportation Bureau of Transportation Statistics).

PROVISIONS

1. Requires DPS to include a super heavy duty towing vehicle classification in its pricing for towing services when entering into a contractual agreement with a towing firm.

2. Defines *super heavy duty towing vehicle* as a towing vehicle that:
 - a. has a manufacturer's gross vehicle weight rating above 52,000 pounds;
 - b. has a boom capable of moving to the side of the vehicle to perform recoveries;
 - c. has a boom rating of at least 40 tons; and
 - d. is equipped with air brakes and is capable of providing air to the towed vehicle's brakes.
3. Makes technical and conforming changes.

AMENDMENTS

Committee on Transportation and Infrastructure

1. Requires the Director of the Arizona Department of Transportation to establish maximum allowable rates for all towing vehicle classifications.
 - a. Stipulates that the maximum rate must include the base rate for each geographic towing area plus an increase equal to the percentage adjustment in the year-to-year July combined TSI from July 2010 to July 2014.
2. Requires the super heavy duty towing vehicle rate to be twice the base rate for the heavy duty towing vehicle classification.
3. States that beginning in Calendar Year 2016 the maximum allowable towing and storage service rates are subject to contractual agreements.
 - a. Specifies that on December 31 of each subsequent year, DPS must adjust the rates by an amount equal to the yearly percentage change in the TSI, or two percent, whichever is greater.
4. Prohibits the maximum allowable rates from decreasing below the amounts prescribed in the prior year.



HOUSE OF REPRESENTATIVES

HB 2411

defensive driving schools; eligibility

Sponsors: Representatives Stevens, Cardenas: Bowers, et al.

DP Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2411 reduces the length of time between traffic violations for eligibility to attend defensive driving school.

HISTORY

Arizona Revised Statutes (A.R.S.) § 28-3392 provides that a court shall allow a person to attend defensive driving school following a civil traffic moving violation. It also provides that the court may require a person with a commercial driver license who is found guilty of a moving violation to attend defensive driving school. An individual who commits a civil or criminal traffic violation resulting in death or serious physical injury is not eligible to attend a defensive driving school. However, the court may order the individual to attend defensive driving school in addition to another sentence imposed by the court on an adjudication or admission of the traffic violation.

Current law provides that a person is only eligible to attend defensive driving school once every 24 months. A.R.S. § 28-3396 provides that payment of the court diversion fee and surcharge replaces the payment of the civil penalty or criminal fine imposed for the traffic violation. It also requires a person to attend a court approved defensive driving school.

PROVISIONS

1. Reduces the length of time between traffic violations for eligibility to attend defensive driving school from 24 months to 12 months.



HOUSE OF REPRESENTATIVES

HB 2422

vehicle towing

Sponsor: Representative Fann

DPA Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2422 adjusts the length of validity of a towing firm's contract if the towing firm acquires another firm with a contractual agreement.

HISTORY

Arizona Revised Statutes § 28-1108 provides that a person may not operate a tow truck for the purposes of towing without registering with the director of the Department of Public Safety (DPS), obtaining a bond, and obtaining a permit pursuant to the rules that govern tow trucks and approved by DPS.

Current law allows the director of DPS or a county, city, or town to enter into a contract with towing firm or firms for towing or storage services, or both. Contracts are awarded on the basis of competitive bidding. Current law also provides that a towing firm may only have one contractual agreement per geographic towing area with DPS or a county, city, or town for towing or storage, or both. An agency may allow one towing firm to use resources from another towing firm if an agency deems the use of those resources is necessary for traffic incident management.

PROVISIONS

1. Changes a requirement to operate a tow truck from *obtaining a bond* to *providing proof of financial responsibility*.
2. Specifies that if a towing firm has a contractual agreement pursuant to law, and the towing firm acquires another firm with a contractual agreement, both remain valid for one year or the end of the agreement, whichever is shorter.

AMENDMENTS

1. Changes the requirement to provide proof of financial responsibility to include policies of *two million dollars in the aggregate*.



HOUSE OF REPRESENTATIVES

HB 2522

special plates; health sciences; hockey

Sponsors: Representative Gray, Senator Lesko: Representative Livingston, et al.

DPA Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2522 establishes the Health Sciences Educational Institution Special License Plate.

HISTORY

The Arizona Department of Transportation (ADOT) Motor Vehicle Division (MVD) provides one license plate to every motor vehicle owner for each vehicle registered. Vehicle license plates display both the state name and a number assigned to the vehicle and the owner, as well as MVD issued registration stickers. In addition to standard Arizona vehicle license plates, MVD issues special license plates for a variety of causes and organizations. The fee for obtaining or renewing a special license plate is \$25. From the \$25 fee, \$8 is an administrative fee that goes to ADOT, and \$17 is used as a donation to the respective organization. The cost of each new special license plate is \$32,000. The money is used for the production of the new special plate.

According to MVD, there are over 60 types of license plates available in Arizona including specialized license plates, with the most popular being the personalized license plate. There are six military special plates, two types of handicapped plates and plates for the three state universities. There are also license plates indicating the vehicle's status, such as a farm vehicle or historic vehicle.

Midwestern University was established in 1900 as the American College of Osteopathic Medicine and Surgery. Midwestern is an independent, not-for-profit corporation organized primarily to provide graduate and postgraduate education in the health sciences. The Glendale, Arizona Campus was founded in 1995 and has provided health science scholarships for students in every program at Midwestern.

PROVISIONS

1. Establishes the Health Sciences Educational Institution Special License Plate contingent upon an entity paying \$32,000 to ADOT by December 31, 2015.
 - a. Establishes that the entity providing the \$32,000 will choose the design and color of the plates with final approval coming from ADOT.
 - b. Allows a request for Health Sciences Educational Institution Special License Plate to be combined with a request for personalized plates.
2. Changes implementation date of the Arizona Professional Hockey Club Special Plate from 2011 to 2016.
3. Specifies that a Health Sciences Educational Institution Special License Plate will cost \$25 for originals and renewals:

- a. \$8 is an administration fee.
 - b. \$17 is an annual donation.
4. Requires ADOT to deposit all administration fees in the State Highway Fund (SHF) and all donations collected in the Health Sciences Educational Institution Fund (Fund).
 5. Establishes the Fund and allows the Director to administer the Fund.
 6. Specifies that no more than 10% of monies in the Fund be used for administering the Fund.
 7. Requires the first \$32,000 in the Fund to be reimbursed to the entity that paid the implementation fee.
 8. Requires the Director to annually allocate money from the Fund to a private entity that is recognized as a nonprofit corporation under section 501(c) of the United States Internal Revenue Code for Federal Income Tax Purposes and that solely provides graduate and postgraduate education in the health sciences and that has enrollment of at least 3,000 full-time students.
 9. Requires the State Treasurer to invest and divest monies from the Fund, as provided by law, on notice from the Director of ADOT.
 10. Makes technical and conforming changes.

AMENDMENTS

1. Changes the implementation date of the Arizona Professional Hockey Club Special Plate from 2016 to 2015.



HOUSE OF REPRESENTATIVES

HB 2523

towed vehicles; local authority

Sponsors: Representatives Gray, Stevens: Fann

DP Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2523 prohibits a county, city, or town from enacting a rule, ordinance, or law regarding towing that is more restrictive to the towing company than state law.

HISTORY

Arizona Revised Statutes (A.R.S.) § 28-1108 authorizes the Department of Public Safety, counties, cities and towns to form contractual agreements with towing firms for the purpose of providing towing and storage services. The towing vehicle classification, required equipment, and prices for services are regulated by the government entity entering into the contract.

A.R.S. § 28-4847 provides that unless otherwise directed by a law enforcement officer, the towing company can only tow a vehicle to either a location specified by the owner where the owner will be present, or the vehicle storage yard designated in the contract. It also provides that this section only applies to tows resulting from motor vehicle accidents. This section does not create a cause of action or a right to bring an action against a towing company for releasing a motor vehicle to a person other than the owner if the written authorization as prescribed in this section is provided to the towing company by the owner or an insurance company. A person who violates this section is guilty of a petty offense, and subsequent violations within 36 months after the first offense persons are guilty of a class 3 misdemeanor.

PROVISIONS

1. Specifies a county, city or town may not enact a rule, ordinance, or law regarding towing that is more restrictive to the towing firm than state law.
2. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2524

firefighters; professional golf; special plates

Sponsor: Representative Stevens

DP Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2524 establishes two new special license plates and funds: the Arizona Professional Golf and Firefighter Special License Plates.

HISTORY

The Arizona Department of Transportation (ADOT) Motor Vehicle Division (MVD) provides one license plate to every motor vehicle owner for each vehicle registered. Vehicle license plates display both the state name and a number assigned to the vehicle and the owner, as well as MVD issued registration stickers. In addition to standard Arizona vehicle license plates, MVD issues special license plates for a variety of causes and organizations. The fee for obtaining or renewing a special license plate is \$25. From the \$25 fee, \$8 is an administrative fee that goes to ADOT, and \$17 is used as a donation to the respective organization. The cost of each new special license plate is \$32,000. The money is used for the production of the new special plate.

According to MVD, there are over 60 types of license plates available in Arizona including specialized license plates, with the most popular being the personalized license plate. There are six military special plates, two types of handicapped plates and plates for the three state universities. There are also license plates indicating the vehicle's status, such as a farm vehicle or historic vehicle.

The Southwest PGA Foundation is one of forty-one sections of the Professional Golfers' Association of America. Its boundaries include the state of Arizona and Clark County, Nevada. The mission of the Southwest Section PGA Foundation is to grow the game of golf and strengthen our community through charitable giving. Funds are raised primarily through PGA Golf Day, gifts to foundation, and various charitable programs.

The Arizona Firefighters Fund was established at the Arizona Community Foundation in August of 2012. Each September, the Arizona State Fire School (ASFS) conducts classes for nearly 1,000 firefighters in metro-Phoenix. After state funding ended in 2009, efforts began to build a permanent endowment that would cover ASFS tuition costs for 500 rural firefighters each year. With a goal of \$1 million, the ongoing effort is aimed at guaranteeing that the hard work already accomplished by those before us lessens the effort required from those who follow.

PROVISIONS

1. Establishes the following special plates upon an entity paying \$32,000 to ADOT by December 31, 2015:
 - a. Arizona Professional Golf Special License Plate

- b. Firefighter Special License Plate
- 2. Establishes that the entity providing the \$32,000 will choose the design and color of the plates with final approval coming from ADOT.
- 3. Allows a request for Special License Plates to be combined with a request for personalized plates.
- 4. Specifies that a Special License Plate will cost \$25 for originals and renewals.
 - a. \$8 is an administration fee.
 - b. \$17 is an annual donation.
- 5. Requires ADOT to deposit all special plate administration fees in the State Highway Fund (SHF), and all donations collected in the Special Plate Fund (Fund), established by this legislation.
- 6. Establishes the Fund and allows the Director to administer the Fund.
- 7. Specifies that no more than 10% of monies in the Fund be used for administering the Fund for Arizona Professional Golf,
- 8. Specifies that no more than 5% of monies in the Fund be used for administering to the Firefighter Special License Plate Fund.
- 9. Requires the State Treasurer to invest and divest monies from the Fund, as provided by law, on notice from the Director of ADOT.

Firefighter Special License Plate Fund

- 10. Requires the Director to annually distribute money from the Firefighter Special License Plate Fund to the entity who paid the implementation fee so long as it meets the following requirements:
 - a. Be a charitable organization under 501(c)(3) of the U.S. Internal Revenue Code for federal income tax purposes.
 - b. Have a mission of leading, serving and collaborating to create philanthropy for a better state.
 - c. Must have been awarding grants since 1978.
 - d. Provide funding year-round to nonprofit organizations, government agencies and educational institutions to be used for general operating support, programmatic support and capacity building.
 - e. Provide scholarships for life safety training of firefighters in this State.

Arizona Professional Golf Fund

- 11. Requires the Director to annually distribute money from the Arizona Professional Golf Special License Plate Fund to the entity who paid the implementation fee so long as it meets the following requirements:
 - a. Be a charitable organization under 501(c)(3) of the U.S. Internal Revenue Code for federal income tax purposes.
 - b. Develops and operates youth golf programs in the State.
 - c. Holds golf programs to benefit intellectually and physically disabled individuals.
 - d. Teaches programs that instill values related to the game of golf such as sportsmanship, perseverance, honesty, respect, confidence, integrity, responsibility, courtesy and judgment.
 - e. Provides scholarships based on community involvement and academic excellence.
 - f. Assists allied organizations to teach the game of golf to youth.



HOUSE OF REPRESENTATIVES

HB 2151

DOR audits; three-year limit
Sponsor: Representative Weninger

DP Committee on
X Caucus and COW
House Engrossed

OVERVIEW

HB 2151 makes statutory changes based on the Joint Task Force on Income Tax Reform recommendations regarding audit periods for the Department of Revenue (DOR).

HISTORY

Pursuant to Arizona Revised Statutes (A.R.S) § 42-1004, the DOR has the power and duty to formulate policies and plans to provide tax administration and revenue collection systems for the state, in accordance with statutory guidelines. A.R.S. § 21-1108 allows the DOR to conduct audits by examining any return information, including books, papers, records or memoranda. The DOR must give taxpayers written notice of determined deficiencies, and such determinations are final 45 days after the notice is received unless an appeal is filed.

Pursuant to A.R.S. § 42-1104, tax deficiency notices must be prepared and mailed by the DOR within four years after the tax is required to be filed or within four years after the tax is filed, whichever period expires later. After a deficiency has been completely determined for a particular tax, no additional audit may be conducted for that tax, except in certain circumstances. Such circumstances include when: a taxpayer files a claim for refund, a taxpayer is required to report changes or corrections, a taxpayer fails to disclose material or falsified books, a taxpayer completes a managed audit or a court ruling causes initially proposed taxes to increase.

PROVISIONS

1. Requires notices of additional due taxes, not based on federal informant to be mailed within three years after the tax is required to be filed or within three years after the tax is filed.
2. Allows the DOR, for individual income taxes, to conduct an additional audit if corrections are based on federal information. Such additional audits are limited to federal information.
3. Allows the DOR to increase a proposed individual income tax assessment if the changes are based on federal information.
4. Contains a retroactivity clause beginning from and after December 31, 2014.
5. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2253

property tax assessments; one-year cycle
Sponsor: Representative Mitchell

DPA Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2253 modifies various property tax deadlines to establish a one-year tax cycle.

HISTORY

Arizona Revised Statutes (A.R.S.) Title 42, Chapter 11 outlines property tax provisions. Currently, real property is on a two-year tax cycle. Year one, referred to as the *valuation year*, is when a valuation is made on a property. Immediately following year two, the *tax year*, the valuation from the previous year is acknowledged.

Laws 1997, Chapter 150 § 172 established a two-year tax cycle in order to give counties adequate time to address the large amount of appeals. In 2012, the Arizona voters passed Proposition 117 which amended the Constitution to cap the annual increase in the value of real property to five percent over the value of the property for the previous year.

The table below outlines the schedule for the two-year property tax cycle:

<i>Valuation Year</i>	<i>Tax Year</i>
March 1 – notice of value delivered	October 1 – assessor to transmit values to compute levy limits
May 1 – appeal of valuation deadline	October 1 – first half of property tax due
August 15 – appeals must be addressed by the assessor	March 1 the following calendar year – second half of taxes due
December 20 – assessment roll completed by the assessor and submitted to the Board of Supervisors	

PROVISIONS

1. Revises the valuation, assessment, levy and collection schedule to establish a single-year property tax cycle, from an 18 month property tax cycle.
2. Removes the requirement for a county assessor to submit an electronic roll of assessed value by January 15.
3. Defines *valuation date* to include real and personal property:
 - a. valued by the Department of Revenue (DOR) - January 1 of the year preceding the year in which taxes are levied

- b. valued by the assessor - January 1 of the year taxes are levied.
4. Requires DOR to conduct sales-ratio studies and issue a letter listing concerns to the assessor, and requires the assessor to address the concerns by submitting complete data files to DOR.
 5. Removes language regarding cases of omission or change within the valuation year.
 6. Repeals a section of statute regarding the assessment process in new construction cases.
 7. Excludes the county BOE from utilizing the assessment roll abstract.
 8. Eliminates language regarding valuation appeals or classifications originating from supplemental notices.
 9. Clarifies revisions made to equalization orders are effective the year in which the order was issued.
 10. Prohibits a county or state BOE decision regarding a valuation from new construction from being appealed directly to the court.
 11. Removes language allowing a new owner to appeal a valuation if there was a change in ownership after December 15.
 12. Specifies that a notice of valuation for commercial personal property must be sent out by August 30, excluding mobile homes.
 13. Requires the assessor to complete a commercial personal property roll and submit it to the BOS.
 14. Authorizes the county and state board of equalization to utilize the commercial personal property roll for lawful purposes.
 15. Revises section short title to read *The Property Owner Protection Act*.
 16. Contains an effective date from and after December 31, 2016 for sections 1-10; and from and after December 31, 2017 for sections 11-34.
 17. Makes technical and conforming changes.

AMENDMENTS

Committee on Ways and Means

1. Requires a petition to be filed within 45 days, rather than 30 days, after the notice was delivered by the assessor.



HOUSE OF REPRESENTATIVES

HB 2254

municipal tax exemption; residential lease
Sponsor: Representative Mitchell

DP Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2254 restricts a city, town or other taxing jurisdiction from imposing a tax or fee on the business of renting or leasing real property for residential purposes.

HISTORY

Transaction Privilege Tax (TPT) is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. Business activities subject to TPT include, but are not limited to: retail, restaurants and bars, transient lodging (hotel/motel), commercial leasing, advertising, amusements, personal property rentals, real property rentals, construction contracting, owner/builders, manufactured building, severance (mining, timbering), transportation, printing, publishing, utilities, communications, air/railroad, and private cars/pipelines. Arizona Revised Statutes § 42-6004 outlines various items and services that are exempt from municipal TPT.

PROVISIONS

1. Restricts a city, town or other taxing jurisdiction from imposing TPT, Sales, Use, Franchise or a similar tax or fee on the business of renting or leasing real property for residential purposes.
2. Stipulates that a city, town or other taxing jurisdiction that impose a tax or fee as of January 1, 2015 must:
 - a) not increase rates.
 - b) annually reduce the rate by 25% for four consecutive years beginning July 1, 2016 and each July 1, thereafter.
3. Requires a city, town or other taxing jurisdiction, beginning July 1, 2019, to repeal any tax or fee on the business of renting or leasing real property for residential purposes.
4. Defines *real property for residential purposes*.
5. Applies retroactively from and after December 31, 2014.
6. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2325

charitable tax credit; inflation indexing

Sponsor: Representative Mesnard

DP Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2325 requires annually adjusting the maximum tax credit amount individuals may claim for donations to qualifying charities in accordance with the Metropolitan Phoenix Consumer Price Index (CPI).

HISTORY

Arizona Revised Statute (A.R.S.) § 43-1088 allows individuals to claim tax credits for contributions to qualifying charitable organizations. A single individual or head of household may not claim tax credits exceeding \$200 for donations to a qualified charitable organization, or \$400 for donations to qualifying foster care organization. Married couples filing joint returns may not claim tax credits exceeding \$400 for donations to a qualified charitable organization, or \$800 for donations to a qualifying foster care organization.

A.R.S. § 43-1088 requires qualified organizations to submit to the Department of Revenue a signed affidavit verifying:

- The organization has 501(c)(3) status or that the organization is a designated community action agency.
- Financial information regarding the budget amount spent on services for needy families, low-income residents, chronically ill persons or physically disabled children.
- The organization plans to continue using at least 50% of its budget for services to the above mentioned groups.
- The organization does not provide or pay for abortions or support another entity that provides or pays for abortions.

PROVISIONS

1. Adjusts the maximum tax credit amount individuals may claim for donations to qualified charitable and foster care organizations in accordance with the CPI.
2. Prohibits the maximum tax credit amount from being adjusted below the amount allowed in the prior taxable year.
3. Makes technical and conforming changes.



HOUSE OF REPRESENTATIVES

HB 2381

TPT; use tax exemption; aircraft
Sponsor: Representative Olson

DPA Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2381 exempts aircraft and aircraft equipment transferred to persons intending to sell or utilize the aircraft or equipment for transporting people or property from Transaction Privilege Tax (TPT) and use tax.

HISTORY

Pursuant to Arizona Revised Statutes (A.R.S.) § 42-5061 businesses in the retail classification for TPT purposes engage in selling tangible personal property at the retail level. The TPT base for retail classifications is the gross sale proceeds or gross income from sales transactions. This statute further prescribes certain sale items that are exempt from TPT. Examples of exempt items include: medical oxygen, medical eye glasses, insulin, university required text books, commercial agriculture seeds, groundwater measuring devices, machinery and equipment necessary for livestock milk production and more.

Use tax is assessed on items purchased in other states and brought into Arizona for storage, use, or consumption, and for which no tax or lesser tax has been paid in another state. The use tax serves to protect Arizona retailers from out-of-state competition by attempting to ensure that in-state and out-of-state purchases are taxed at an equal rate. A.R.S. § 42-5159 provides for use tax exemptions.

Aircraft, navigational and communication instruments, and aircraft accessories (aircraft equipment) are exempt from TPT and use tax if sold to persons holding a federal certificate of public convenience and necessity or a supplemental air carrier certificate, and the purchase is to be used in transporting persons or property. Aircraft and aircraft equipment are also exempt from TPT and use tax if sold to foreign governments or persons out of state.

PROVISIONS

1. Exempts aircraft and aircraft equipment from TPT and use tax if sold, leased or transferred:
 - a) To persons certificated or licensed under federal aviation regulations using the aircraft or equipment to transport persons or property in intrastate, interstate or foreign commerce.
 - b) To persons acquiring the aircraft or equipment for purposes of selling or leasing to a person described in the above section.
 - c) With the objective of placing the aircraft or aircraft equipment under the control of persons described in the above sections.
2. Makes technical and conforming changes.

AMENDMENTS

Committee on Ways and Means

1. Includes various provisions regarding refund claim requirements and deadlines.
2. Applies retroactively to taxable periods beginning from and after May 31, 1998.



HOUSE OF REPRESENTATIVES

HB 2383

contracting; TPT; land value
Sponsor: Representative Olson

DPA Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2383 alters language regarding the sale price of land when calculating deductions to the prime contracting classification.

HISTORY

Transaction Privilege Tax (TPT) is imposed on a vendor for the privilege of conducting business in Arizona. Under this tax, the seller is responsible for remitting to the state the entire amount of tax due based on the gross proceeds or gross income of the business. While the tax is commonly passed on to the consumer at the point of sale, it is ultimately the seller's responsibility to remit the tax. Business activities subject to TPT include, but are not limited to: retail, restaurants and bars, transient lodging (hotel/motel), commercial leasing, advertising, amusements, personal property rentals, real property rentals, construction contracting, owner/builders, manufactured building, severance (mining, timbering), transportation, printing, publishing, utilities, communications, air/railroad, and private cars/pipelines.

PROVISIONS

1. Replaces the *sales price of land* with *the value of any land included in the sales price* when calculating deductions from the prime contracting tax base.
2. Replaces *dealership of manufactured buildings* with *manufactured building dealer*.
3. Includes various provisions regarding refund claim requirements, deadlines and specifies that the aggregate amount of refunds may not exceed \$10,000.
4. Applies retroactively to taxable periods beginning from and after May 31, 2002.
5. Makes technical corrections.

AMENDMENTS

Committee on Ways and Means

1. Revises language regarding land calculations for deductions from prime contracting.
2. Stipulates that the sales price of real property that represents land must not exceed the fair market value of the land.
3. Restricts the Department of Revenue from permitting this deduction if specified provisions are met.



HOUSE OF REPRESENTATIVES

HB 2415

sanitary districts; bids; contractor

Sponsor: Representative Stevens

DP Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2415 increases the amount of time a sanitary district board (Board) has to order a contract not be entered into and instead elect to perform the work itself.

HISTORY

Arizona Revised Statutes (A.R.S.) § 48-2001 allows a sanitary district to be formed for the purpose of regulating, purchasing, establishing, constructing and operating a sewerage or garbage disposal system.

A.R.S. §§ 48-2049 and 48-2052 allows a Board to propose improvements and open a bidding process for contracts to carry out improvement. After a Board has proposed an improvement, the Board must publish a notice regarding the improvements and invite sealed bids from persons interested in constructing the improvement. The notice must be published at least twice in a daily newspaper circulating the sanitary district, or once in a weekly publication. Additionally, the notice must be posted near the door where the board meets and state the time when the bids must be filed, which must be at least 10 days after the notice is first published.

A.R.S. § 48-2053 allows a Board 10 days after the time fixed for opening bids to elect, by two-thirds vote, to not enter into a contract and instead perform the work itself. If it is ordered that the Board perform work itself, it may not assess a cost that exceeds the amount proposed by the lowest responsible bidder or in excess of the estimate amount.

PROVISIONS

1. Increases the number of days a sanitary district board has to elect to perform contractual work itself from 10 days to 30 days after the bidding period.



HOUSE OF REPRESENTATIVES

HB 2538

special districts; truth in taxation
Sponsor: Representative Mitchell

DP Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2538 requires county flood control, county free library, county jail, and public health service districts that wish to increase tax levies to provide notice and hold a Truth in Taxation hearing where the governing body must utilize a roll call vote to approve the tax levy.

HISTORY

Arizona Revised Statutes (A.R.S.) § 42-17107 requires governing bodies of counties, cities, or towns increasing primary property tax levies to provide notice and hold a Truth in Taxation hearing. The notice must be published twice in a general circulation newspaper at least 14 but not more than 20 days before the hearing date. The notice cannot be located in the classified or legal advertising section and must be at least one-fourth the page in size and be surrounded by a black border at least one-eighth inch wide. Alternatively, the notice may be mailed to all registered voters in the county, city or town.

The notice must follow specific statutory guidelines prescribing the notice's form and content, including the amount the property tax levy will to increase in dollars and percentages. The Body must consider motions to increase property tax levies by a roll call vote. Within three days after the Truth in Taxation hearing, the Body must mail a publication indicating the result of the Body's vote.

PROVISIONS

1. Requires county flood control, county free library, county jail, and public health service districts increasing secondary property tax levies, excluding increases attributable to new construction, provide notice of and hold a Truth in Taxation hearing.
2. Requires the Board to issue a press release prior to the Truth in Taxation hearing.
3. Requires the Truth in Taxation notice to either:
 - a. Be published twice in a general circulating newspaper; the first at least 14 but not more than 20 days before the hearing, and the second at least 7 but not more than 10 days before the hearing.
 - b. Be mailed at least 10 but not more than 20 days before the hearing.
4. Requires truth in taxation notices:
 - a. Be published in sections other than legal or classified ads.
 - b. Be at least one-fourth the page in size.
 - c. Have a black border with at least one-eighth inch width.
 - d. Indicate the amount property tax is going to increase in dollar and percent amounts.

- e. Follow prescribed content and form.
- 5. Stipulates that Bodies may only consider increasing tax levies with a roll call vote.
- 6. Defines *amounts attributable to new construction*.
- 7. Contain an effective date from and after December 31, 2015.