

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

MAJORITY CAUCUS CALENDAR #4

February 9, 2016

Bill Number	Short Title	Committee	Date	Action
Committee on Appropriations				
Chairman: Justin Olson, LD25		Vice Chairman: Vince Leach, LD11		
Analyst: Jennifer Thomsen		Intern: Brett Galley		
HB 2567	presidential preference election; appropriation; repeal.			
SPONSOR:	GOWAN, LD14	HOUSE APPROP	2/3	DP (8-6-0-0-0)
		(No: FERNANDEZ,MEYER,ALSTON,CARDENAS,UGENTI- RITA,MACH)		
Committee on Banking and Financial Services				
Chairman: Kate Brophy McGee, LD28		Vice Chairman: Jeff Weninger, LD17		
Analyst: Paul Benny		Intern: Jon Rudolph		
HB 2271	universities; commercial paper			
SPONSOR:	LIVINGSTON, LD22	HOUSE BFS	2/2	DP (7-0-0-1-0)
		(Abs: GABALDÓN)		
HB 2303	exempt transactions; securities registration			
SPONSOR:	WENINGER, LD17	HOUSE BFS	2/2	DP (8-0-0-0-0)
HB 2381	credit unions; meetings; actions			
SPONSOR:	FARNSWORTH E, LD12	HOUSE BFS	2/2	DPA (8-0-0-0-0)
HB 2448	audits; accountants; reciprocity privilege			
SPONSOR:	MITCHELL, LD13	HOUSE BFS	2/2	DP (8-0-0-0-0)
Committee on Children and Family Affairs				
Chairman: John M. Allen, LD15		Vice Chairman: Kate Brophy McGee, LD28		
Analyst: Ingrid Garvey		Intern: Alexandra Erickson		
HB 2269	DCS; child abuse; neglect; reports			
SPONSOR:	ALLEN J, LD15	HOUSE CFA	2/1	DP (8-0-0-1-0)
		(Abs: LOVAS)		
HB 2418	preadoption certification investigation			
SPONSOR:	ALLEN J, LD15	HOUSE CFA	2/1	DP (8-0-0-1-0)
		(Abs: LOVAS)		

Committee on County and Municipal Affairs**Chairman: Doug Coleman, LD16****Analyst: Amanda Barnes****Vice Chairman: Tony Rivero, LD21****Intern: Caitlynn Kestler**

HB 2146	municipalities; property sale threshold; election
SPONSOR: LEACH, LD11	HOUSE
	CMA 2/1 DP (6-0-0-2-0)
	(Abs: ALSTON,RIVERO)
HB 2247	county merit system; terms; hearings
SPONSOR: GRAY, LD21	HOUSE
	CMA 2/1 DP (6-0-0-2-0)
	(Abs: ALSTON,RIVERO)
HB 2255	service animals; licensing; fee waiver
SPONSOR: BROPHY MCGEE, LD28	HOUSE
	CMA 2/1 DP (6-0-0-2-0)
	(Abs: ALSTON,RIVERO)

Committee on Commerce**Chairman: Warren H. Petersen, LD12****Analyst: Diana Clay****Vice Chairman: Jill Norgaard, LD18****Intern: Kris Beecher**

HB 2081	personal property transfer; limitations prohibited
SPONSOR: STEVENS, LD14	HOUSE
	COM 2/3 DPA (5-3-0-0-0)
	(No: ESPINOZA,MACH,PLUMLEE)
HB 2268	construction contracts; bonds; notice requirements
SPONSOR: FANN, LD1	HOUSE
	COM 2/3 DPA (8-0-0-0-0)
HB 2292	barber licenses; education qualifications
	(COM S/E: education qualifications; barber licenses)
SPONSOR: BOYER, LD20	HOUSE
	COM 2/3 DPA/SE (8-0-0-0-0)
HB 2333	board of technical registration; exemptions
SPONSOR: BARTON, LD6	HOUSE
	COM 2/3 DP (5-3-0-0-0)
	(No: ESPINOZA,MACH,PLUMLEE)
HB 2478	licensing; waiver of rights; prohibition
SPONSOR: PETERSEN, LD12	HOUSE
	COM 2/3 DP (4-3-0-1-0)
	(No: ESPINOZA,MACH,PLUMLEE; Abs: RIVERO)
HB 2517	businesses; professions; regulation restrictions
SPONSOR: PETERSEN, LD12	HOUSE
	COM 1/27 DP (5-3-0-0-0)
	(No: ESPINOZA,MACH,PLUMLEE)

Committee on Education**Chairman: Paul Boyer, LD20****Analyst: Aaron Wonders****Vice Chairman: Jay Lawrence, LD23****Intern: Ellen Hill**

HB 2228	high schools; academic growth awards
SPONSOR: BOLDING, LD27	HOUSE
	ED 1/27 DPA (7-0-0-1-0)

[HB 2518](#) (Abs: MONTENEGRO)
schools; auxiliary operations fund; accounts
SPONSOR: BOYER, LD20 HOUSE
ED 1/27 DP (7-0-0-1-0)
(Abs: MONTENEGRO)

[HB 2642](#) JTED restoration and reforms.
SPONSOR: ACKERLEY, LD11 HOUSE
ED 2/8 DPA (7-0-0-0-0)

Committee on Energy, Environment and Natural Resources

Chairman: Franklin M. Pratt, LD8 **Vice Chairman: Russell "Rusty"**

Bowers, LD25

Analyst: Tom Savage **Intern: Shirley Springer**

[HB 2171](#) weights and measures; omnibus
SPONSOR: PETERSEN, LD12 HOUSE
EENR 2/1 DPA (7-0-0-2-0)
(Abs: SALDATE,CARTER)

[HB 2465](#) G&F; in-lieu fee; trust fund
SPONSOR: BROPHY MCGEE, LD28 HOUSE
EENR 2/1 DP (7-0-0-2-0)
(Abs: SALDATE,CARTER)

Committee on Elections

Chairman: Michelle B. Ugenti-Rita, LD23 **Vice Chairman: Javan D. "J.D."**

Mesnard, LD17

Analyst: Sharon Carpenter **Intern: Taylor McGrew**

[HB 2050](#) federal office; online signature collection
SPONSOR: STEVENS, LD14 HOUSE
ELECT 2/1 DP (6-0-0-0-0)

[HB 2083](#) multiple committees; exploratory committees; repeal
SPONSOR: STEVENS, LD14 HOUSE
ELECT 2/1 DP (6-0-0-0-0)

[HCR 2009](#) independent redistricting commission; elected membership
SPONSOR: PETERSEN, LD12 HOUSE
ELECT 2/1 DP (4-2-0-0-0)
(No: CLARK,LARKIN)

[HCR 2020](#) lieutenant governor; joint ticket
SPONSOR: MESNARD, LD17 HOUSE
ELECT 2/1 DP (4-2-0-0-0)
(No: CLARK,UGENTI-RITA)

Committee on Federalism and States' Rights

Chairman: Kelly Townsend, LD16 **Vice Chairman: Noel W. Campbell, LD1**

Analyst: Justin Riches **Intern: John Oyas**

[HB 2457](#) compact; balanced budget; convention
SPONSOR: MESNARD, LD17 HOUSE
FSR 2/3 DP (5-1-0-2-0)
(No: RIOS; Abs: WHEELER,VELASQUEZ)

[HCR 2010](#) application; Article V convention

SPONSOR: TOWNSEND, LD16 HOUSE
FSR 1/27 DP (5-3-0-0-0)
(No: WHEELER,VELASQUEZ,RIOS)
[HCR 2014](#) convention; amendment; balanced federal budget
SPONSOR: THORPE, LD6 HOUSE
FSR 1/27 DP (5-3-0-0-0)
(No: WHEELER,VELASQUEZ,RIOS)

[HCR 2029](#) Article V; natural born citizen
SPONSOR: TOWNSEND, LD16 HOUSE
FSR 2/3 DP (4-3-0-1-0)
(No: MITCHELL,WHEELER,RIOS; Abs: VELASQUEZ)

[HCR 2036](#) loyalty day
SPONSOR: ESPINOZA, LD19 HOUSE
FSR 2/3 DPA (5-0-0-3-0)
(Abs: WHEELER,VELASQUEZ,RIOS)

Committee on Government and Higher Education

Chairman: Bob Thorpe, LD6

Vice Chairman: J. Christopher

Ackerley, LD2

Analyst: Sharon Carpenter

Intern:

Taylor McGrew

[HB 2106](#) homeowners' associations; enforcement grace period
SPONSOR: LOVAS, LD22 HOUSE
GHE 1/21 DP (7-1-0-1-0)
(No: ALSTON; Abs: TOWNSEND)

[HB 2157](#) ASRS; political subdivision entities
SPONSOR: UGENTI-RITA, LD23 HOUSE
GHE 2/4 DP (5-4-0-0-0)
(No: ACKERLEY,ALSTON,SALDATE,LARKIN)

[HB 2160](#) ASRS; eligible rollovers
SPONSOR: THORPE, LD6 HOUSE
GHE 1/28 DP (6-0-0-3-0)
(Abs: TOWNSEND,LOVAS,PETERSEN)

[HB 2172](#) planned communities; architectural designs; approval
SPONSOR: PETERSEN, LD12 HOUSE
GHE 1/28 DP (9-0-0-0-0)

[HB 2202](#) JCCR; membership
SPONSOR: LIVINGSTON, LD22 HOUSE
GHE 1/28 DP (6-1-0-2-0)
(No: ALSTON; Abs: LOVAS,LARKIN)

[HB 2226](#) Juneteenth day; state holiday.
SPONSOR: BOLDING, LD27 HOUSE
GHE 1/28 DP (8-0-0-1-0)
(Abs: LOVAS)

[HB 2243](#) ASRS; LTD program; liability
SPONSOR: THORPE, LD6 HOUSE
GHE 1/28 DP (6-0-0-3-0)
(Abs: TOWNSEND,LOVAS,PETERSEN)

[HB 2252](#) lieutenant governor; duties; ballot
SPONSOR: MESNARD, LD17 HOUSE

		GHE	1/28	DPA	(7-2-0-0-0)
		(No: ALSTON,SALDATE)			
HB 2428	publicity pamphlets; arguments; electronic submittal				
SPONSOR:	STEVENS, LD14	HOUSE			
		GHE	2/4	DPA	(5-1-1-2-0)
		(No: ALSTON; Abs: PETERSEN,OLSON; Present: LARKIN)			
HB 2429	local financial disclosure; electronic filings				
SPONSOR:	STEVENS, LD14	HOUSE			
		GHE	2/4	DP	(7-0-0-2-0)
		(Abs: LOVAS,OLSON)			
HB 2431	government information technology; professional staff				
SPONSOR:	STEVENS, LD14	HOUSE			
		GHE	2/4	DP	(7-0-0-2-0)
		(Abs: LOVAS,OLSON)			
HB 2433	telecommunications fund; report; website				
SPONSOR:	STEVENS, LD14	HOUSE			
		GHE	2/4	DP	(6-0-0-3-0)
		(Abs: LOVAS,PETERSEN,OLSON)			
HB 2435	vocational and technical education; evaluation				
SPONSOR:	STEVENS, LD14	HOUSE			
		GHE	2/4	DP	(7-0-0-2-0)
		(Abs: PETERSEN,OLSON)			
HCR 2008	day of remembrance; murder victims				
SPONSOR:	BOYER, LD20	HOUSE			
		GHE	1/28	DP	(7-0-0-2-0)
		(Abs: TOWNSEND,PETERSEN)			
HCR 2011	tartan day				
SPONSOR:	TOWNSEND, LD16	HOUSE			
		GHE	1/28	DP	(7-0-0-2-0)
		(Abs: LOVAS,PETERSEN)			
HCR 2023	proposition 105; legislative authority				
SPONSOR:	THORPE, LD6	HOUSE			
		GHE	1/28	DP	(4-3-0-2-0)
		(No: ALSTON,SALDATE,LARKIN; Abs: TOWNSEND,PETERSEN)			
HCR 2033	Arizona pastor appreciation month				
SPONSOR:	MONTENEGRO, LD13	HOUSE			
		GHE	1/28	DP	(8-0-0-1-0)
		(Abs: OLSON)			

Committee on Health

Chairman: Heather Carter, LD15

Vice Chairman: Regina Cobb, LD5

Analyst: Ingrid Garvey

Intern: Alexandra Erickson

HB 2225	radiologic technology; out-of-state licensed practitioners				
SPONSOR:	LAWRENCE, LD23	HOUSE			
		HEALTH	1/26	DPA	(6-0-0-0-0)
HB 2353	regulatory boards; sunrise; draft legislation				
SPONSOR:	CARTER, LD15	HOUSE			

HEALTH 2/2 DPA (5-0-0-1-0)
 (Abs: BOYER)
[HB 2359](#) physician assistants; continuing medical education
 SPONSOR: CARTER, LD15 HOUSE
 HEALTH 2/2 DP (5-0-0-1-0)
 (Abs: BOYER)
[HB 2362](#) technical correction; AHCCCS; application process
 SPONSOR: CARTER, LD15 HOUSE
 HEALTH 2/2 DPA/SE (4-0-0-2-0)
 (Abs: MEYER,BOYER)
[HB 2363](#) personal information; breach; records; exception
 SPONSOR: CARTER, LD15 HOUSE
 HEALTH 2/2 DP (5-0-0-1-0)
 (Abs: BOYER)

[HB 2364](#) medical board; license renewal
 SPONSOR: CARTER, LD15 HOUSE
 HEALTH 2/2 DP (4-0-0-2-0)
 (Abs: MEYER,BOYER)
[HB 2461](#) lifespan respite care; program termination
 SPONSOR: BROPHY MCGEE, LD28 HOUSE
 HEALTH 2/2 DP (5-0-0-1-0)
 (Abs: BOYER)
[HB 2502](#) medical licensure compact
 SPONSOR: CARTER, LD15 HOUSE
 HEALTH 2/2 DP (5-0-0-1-0)
 (Abs: BOYER)

Committee on Insurance

Chairman: Karen Fann, LD1
Analyst: Paul Benny

Vice Chairman: David Livingston, LD22
Intern: Jon Rudolph

[HB 2002](#) insurance premium tax reduction
 SPONSOR: LIVINGSTON, LD22 HOUSE
 INS 1/27 DP (5-2-0-1-0)
 (No: OTONDO,MCCUNE DAVIS; Abs: ROBSON)
[HB 2129](#) uninsured and underinsured motorist coverage
 SPONSOR: FANN, LD1 HOUSE
 INS 1/27 DP (5-3-0-0-0)
 (No: OTONDO,LARKIN,MCCUNE DAVIS)
[HB 2149](#) domestic surplus lines insurance; fees
 SPONSOR: FANN, LD1 HOUSE
 INS 2/3 DPA (8-0-0-0-0)
[HB 2188](#) insurance; risk management; solvency assessment
 SPONSOR: FANN, LD1 HOUSE
 INS 1/27 DP (8-0-0-0-0)
[HB 2240](#) workers' compensation; modifications
 SPONSOR: FANN, LD1 HOUSE
 INS 2/3 DPA (8-0-0-0-0)
[HB 2306](#) healthcare providers; family members; coverage
 SPONSOR: COBB, LD5 HOUSE

	INS	2/3	DPA	(8-0-0-0-0)
HB 2342	insurance; licensed entities			
SPONSOR:	LIVINGSTON, LD22	HOUSE		
	INS	2/3	DPA	(8-0-0-0-0)
HB 2500	unlawful practices; auto glass repair			
SPONSOR:	LIVINGSTON, LD22	HOUSE		
	INS	2/3	DP	(8-0-0-0-0)

Committee on Judiciary

Chairman: Eddie Farnsworth, LD12

Vice Chairman: Sonny Borrelli, LD5

Analyst: Katy Proctor

Intern: Meagan Anglin

HB 2030	liquor premises; firearms; retired officers			
SPONSOR:	BORRELLI, LD5	HOUSE		
	JUD	2/3	DP	(4-1-1-0-0)
	(No: HALE; Present: FRIESE)			
HB 2154	failure to appear; arrest; fingerprinting			
SPONSOR:	BORRELLI, LD5	HOUSE		
	JUD	2/3	DPA	(6-0-0-0-0)
HB 2183	inmate body scans; contraband			
SPONSOR:	SHOPE, LD8	HOUSE		
	JUD	2/3	DP	(6-0-0-0-0)
HB 2224	private firearm transactions; prohibited encumbrances			
SPONSOR:	LAWRENCE, LD23	HOUSE		
	JUD	1/27	DPA	(4-2-0-0-0)
	(No: FRIESE,HALE)			
HB 2383	supreme court; reports; website posting			
	(JUD S/E: public records; law enforcement)			
SPONSOR:	FARNSWORTH E, LD12	HOUSE		
	JUD	2/3	DPA/SE	(6-0-0-0-0)
HB 2419	stalking; offense; definitions			
SPONSOR:	FARNSWORTH E, LD12	HOUSE		
	JUD	2/3	DPA	(6-0-0-0-0)

Committee on Military Affairs and Public Safety

Chairman: Sonny Borrelli, LD5

Vice Chairman: Mark Finchem, LD11

Analyst: Rick Hazelton

Intern: Thomas Lane

HB 2288	constables; duties; training; discipline			
SPONSOR:	BOWERS, LD25	HOUSE		
	MAPS	1/28	DPA	(7-0-0-1-0)
	(Abs: CARDENAS)			
HB 2451	release of prisoners; detainees; repeal			
SPONSOR:	MITCHELL, LD13	HOUSE		
	MAPS	1/28	DP	(5-2-0-1-0)
	(No: ANDRADE,MACH; Abs: CARDENAS)			
HCR 2001	Arizona veterans hall of fame			
SPONSOR:	BORRELLI, LD5	HOUSE		
	MAPS	1/28	DP	(7-0-0-1-0)
	(Abs: CARDENAS)			
HCR 2018	post-traumatic stress injury awareness day			
SPONSOR:	LAWRENCE, LD23	HOUSE		
	MAPS	1/28	DP	(7-0-0-1-0)

(Abs: CARDENAS)
[HCR 2025](#) purple heart state; day.
SPONSOR: THORPE, LD6 HOUSE
MAPS 1/28 DP (7-0-0-1-0)
(Abs: CARDENAS)

Committee on Rural and Economic Development

Chairman: Thomas "T.J." Shope, LD8 **Vice Chairman: Russell "Rusty" Bowers, LD25**
Analyst: Michael Madden **Intern: Kaitlyn Yanes**

[HB 2133](#) TPT; exemption; aerial applicators
SPONSOR: SHOPE, LD8 HOUSE
RED 1/26 DP (6-2-0-0-0)
(No: GONZALES,MENDEZ)

[HB 2182](#) liquor; sampling; eligibility; square footage
SPONSOR: SHOPE, LD8 HOUSE
RED 2/2 DP (5-3-0-0-0)
(No: GONZALES,MENDEZ,BOWERS)

[HB 2373](#) regional transportation authority; membership; election
SPONSOR: SHOPE, LD8 HOUSE
RED 2/2 DPA (8-0-0-0-0)

[HB 2533](#) charter aircraft; tax exemption
SPONSOR: SHOPE, LD8 HOUSE
RED 2/2 DP (6-2-0-0-0)
(No: GONZALES,MENDEZ)

Committee on Transportation and Infrastructure

Chairman: Rick Gray, LD21 **Vice Chairman: David W. Stevens, LD14**
Analyst: Amanda Barnes **Intern: Caitlynn Kestler**

[HB 2153](#) VLT exemption; military members; spouses
SPONSOR: BORRELLI, LD5 HOUSE
TI 2/2 DP (8-1-0-0-0)
(No: FERNANDEZ)

[HB 2248](#) autocycles; definition; class D licenses
SPONSOR: GRAY, LD21 HOUSE
TI 2/2 DP (9-0-0-0-0)

[HB 2250](#) ADOT advertising; sponsorship; nonhighway assets
SPONSOR: GRAY, LD21 HOUSE
TI 1/26 DP (8-1-0-0-0)
(No: FERNANDEZ)

[HB 2251](#) commercial motor vehicles
SPONSOR: GRAY, LD21 HOUSE
TI 1/26 DP (9-0-0-0-0)

[HB 2432](#) information technology; interoperable radio communications
SPONSOR: STEVENS, LD14 HOUSE
TI 2/2 DP (9-0-0-0-0)

Committee on Ways and Means

Chairman: Darin Mitchell, LD13 **Vice Chairman: Anthony Kern, LD20**
Analyst: Michael Madden **Intern: Kaitlyn Yanes**

HB 2008	extracurricular activity credit; optional fees				
SPONSOR:	NORGAARD, LD18	HOUSE			
	WM	1/25	DP	(8-0-0-1-0)	
	(Abs: WHEELER)				
HB 2025	utilities TPT; sales of propane				
SPONSOR:	MITCHELL, LD13	HOUSE			
	WM	1/25	DPA	(8-0-0-1-0)	
	(Abs: WHEELER)				
HB 2054	debt limitations; net assessed value				
SPONSOR:	MITCHELL, LD13	HOUSE			
	WM	2/1	DP	(8-0-0-1-0)	
	(Abs: UGENTI-RITA)				
HB 2125	district boundary modifications; parcel lines				
SPONSOR:	SHOPE, LD8	HOUSE			
	WM	1/25	DPA	(9-0-0-0-0)	
HB 2184	tobacco products; luxury tax refunds				
SPONSOR:	MITCHELL, LD13	HOUSE			
	WM	2/1	DP	(8-0-0-1-0)	
	(Abs: UGENTI-RITA)				
HB 2343	unclaimed property; revenue department contracts				
SPONSOR:	LIVINGSTON, LD22	HOUSE			
	WM	2/1	DP	(5-3-0-1-0)	
	(No: BOLDING,CARDENAS,WHEELER; Abs: UGENTI-RITA)				
HB 2354	tax credit; unified sports programs				
SPONSOR:	CARTER, LD15	HOUSE			
	WM	2/1	DP	(5-3-0-1-0)	
	(No: BOLDING,CARDENAS,WHEELER; Abs: UGENTI-RITA)				
HB 2402	bonds; disclosure; notice				
SPONSOR:	LEACH, LD11	HOUSE			
	WM	2/1	DP	(5-3-0-1-0)	
	(No: BOLDING,CARDENAS,WHEELER; Abs: UGENTI-RITA)				
HB 2449	taxation; self-reported errors; injured spouses				
SPONSOR:	MITCHELL, LD13	HOUSE			
	WM	2/1	DPA	(7-0-0-2-0)	
	(Abs: MESNARD,UGENTI-RITA)				
HB 2481	schools; primary property tax rates				
SPONSOR:	OLSON, LD25	HOUSE			
	WM	2/1	DPA	(5-2-1-1-0)	
	(No: CARDENAS,WHEELER; Abs: UGENTI-RITA; Present: BOLDING)				



House of Representatives

HB 2567

presidential preference election; appropriation; repeal.
Prime Sponsor: Representative Gowan, LD 14

DP Committee on Appropriations

X Caucus and COW

House Engrossed

OVERVIEW

HB 2567 repeals the Presidential Preference Election (PPE) and appropriates \$6,096,767 from the state General Fund (GF) to the Secretary of State (SOS) in Fiscal Year (FY) 2016 for the purpose of reimbursing expenses incurred by counties for administration of the 2016 PPE.

PROVISIONS

1. Repeals the PPE.
2. Appropriates \$6,096,767 from the GF to the SOS in FY 2016 for the purpose of reimbursing expenses incurred by counties for administration of the 2016 PPE.
3. Requires the SOS to reimburse counties based on the number of active voters in that county on January 1, 2016, as follows:
 - a. For counties with an official active voter registration total of 450,000 persons or more, the amount of the actual expenses incurred up to the amount of the estimated cost that was provided by the county to the SOS by October 30, 2015, or \$2.50 per registered voter, whichever is less.
 - b. For counties with an official active voter registration total of 35,000 to 449,999 persons, the amount of the actual expenses incurred up to the amount of the estimated cost that was provided by the county to the SOS by October 30, 2015, or \$3.00 per active registered voter, whichever is less.
 - c. For counties with an official active voter registration total of 34,999 persons or less, the amount of the actual expenses incurred up to the amount of the estimated cost that was provided by the county to the SOS by October 30, 2015, or \$3.50 per registered voter, whichever is less.
4. Requires a county to submit its certified claims to the SOS no later than June 1, 2016.
5. Prohibits, if reimbursing for actual expenses, the SOS from reimbursing counties for the following:
 - a. Regular pay and associated employer related expenses for permanent county employees.
 - b. Maintenance of infrastructure, machinery and equipment.
 - c. Any expenditure that is not reimbursable as prescribed by the State of Arizona Accounting Manual in effect on January 1, 2016.
6. Requires the SOS to submit a report to the Joint Legislative Budget Committee and the Office of Strategic Planning and Budgeting regarding reimbursements by October 1, 2016.
7. Requires, on completion of a political party national convention and the nomination of its candidates for President and Vice President, the chairman of the national political party to provide the following to the SOS by September 1 in the presidential election year:
 - a. Each nominee's name, residence address and mailing address.
 - b. The name of the political party that nominated the nominees.
 - c. The exact manner for printing the nominees' names on the ballot.
8. Exempts political party nominees for President and Vice President from statute pertaining to compliance with primary election law as prerequisite to printing names on the ballot.
9. Makes technical and conforming changes.

CURRENT LAW

A.R.S. Title 16, Chapter 2, Article 4 provides for a PPE to be held on the Tuesday immediately following March 15 of each year in which the President of the United States is elected. Only registered voters with a participating political party may vote in a PPE and no other election may appear on the same ballot.

ADDITIONAL INFORMATION

The 2016 PPE is scheduled to take place on March 22, 2016, with the Republican, Democratic and Green Parties participating.



HOUSE OF REPRESENTATIVES

HB 2271

universities; commercial paper

Prime Sponsor: Representative Livingston, LD 22

DP Committee on Banking and Financial Services

X Caucus and COW

House Engrossed

OVERVIEW

HB 2271 enables the Arizona Board of Regents (ABOR) to issue commercial paper and obtain lines of credit.

PROVISIONS

1. Authorizes ABOR to issue commercial paper to provide short term financing for capital projects, pay expenses, or provide for payment of commercial paper or other obligations previously issued.
2. States the commercial paper may be issued as notes or other obligations, to be issued as a single instrument or as a succession of instruments, which matures in less than 270 days.
3. Allows commercial paper to be issued pursuant to a resolution of ABOR or an ABOR authorized agreement.
4. Specifies ABOR's repayment obligations on commercial paper may be payable:
 - a. By a pledge of fees, tuitions, rentals, and other charges, rentals from any facility or building, or interest and earning on investments;
 - b. From amounts budgeted by ABOR for the current fiscal year.
5. Requires that commercial paper payable from amounts budgeted by ABOR to provide that:
 - a. The obligation of ABOR to make any payments related to the commercial paper is a current expense and is not a general obligation indebtedness of ABOR or this state; and
 - b. The obligation to make payments for commercial paper ceases at the end of the current fiscal year, and ABOR and the state are relieved of any subsequent payment obligation if ABOR fails to budget for any periodic payments or renewal terms for any future fiscal year.
6. Directs ABOR to establish a final maturity date and a maximum rate of interest for commercial paper.
7. States individual instruments for commercial paper may:
 - a. Bear interest not exceeding the established maximum rate,
 - b. Mature and be retired at intervals ending no later than the final maturity date, and
 - c. Retire with the proceeds of bonds or other obligations.
8. Allows commercial paper to be sold through an agent or dealer that is recognized in municipal finance.
 - a. Outlines other terms and conditions of commercial paper.
9. Permits ABOR, in connection with commercial paper requirements, to:
 - a. Contract with a bank, insurance or indemnity company to provide additional security for the commercial paper.
 - b. Pay the costs of the additional security from amounts provided by the commercial paper or from other available sources.
10. Prohibits the payment of interest in excess of the established maximum interest rate for commercial paper or a different established maximum interest rate for the reimbursement obligation.

11. States the reimbursement obligation may be payable from the same source as the commercial paper or other available monies of ABOR, but may not constitute a general obligation of ABOR or the state.
12. States the Joint Committee on Capital Review is not required to review or approve the issuance of commercial paper.
13. Requires any commercial paper issued by ABOR to be repaid within 270 days.
14. Directs ABOR to provide the President of the Senate, the Speaker of the House and the Governor, a report on any commercial paper issued during the previous fiscal year, before November 15 of each year.
15. Authorizes ABOR to obtain lines of credit for cash management or liquidity purposes.
16. Makes technical changes.

CURRENT LAW

[A.R.S. § 15-1682](#) prescribes certain powers to ABOR which include:

- a. Acquire financing for operating and maintaining facilities,
- b. Acquire by purchase, lease, or contract real or personal property.
- c. Accept grants, subsidies, or loans from a federal agency.
- d. Borrow monies, issue and refund bonds, and provide for the security and payments of such bonds.

[A.R.S. § 15-1683](#) allows ABOR to issue bonds for an institution provided the projected debt service on bonds for an institution do not exceed 8% of the institution's total projected expenditures and mandatory transfer, and the project to be acquired with the proceeds of the bonds is reviewed by the Joint Committee on Capital Review.

ADDITIONAL INFORMATION

According to the Federal Reserve, [commercial paper](#) consists of short-term, promissory notes issued primarily by corporations with maturities of up to 270 days but averaging about 30 days. Commercial paper is exempt from SEC registration if its maturity does not exceed 270 days.



HOUSE OF REPRESENTATIVES

HB2303

exempt transactions; securities registration

Prime Sponsor: Representative Weninger, LD 17

DP Committee on Banking and Financial Services

X Caucus and COW

House Engrossed

OVERVIEW

HB 2303 extends the securities transaction exemption relating to the issuance and delivery of securities from statutory registration requirements to a limited liability company or limited partnership.

PROVISIONS

1. Exempts, from statutory registration requirements, transactions relating to the issuance and delivery of securities of a limited liability company or limited partnership provided:
 - a. The securities are not acquired by the organizers or general partners for the purpose of selling to others, and
 - b. The securities are not sold to a third-party within 2 years unless an organizer or general partner experiences a bona fide change of financial circumstance and notifies the other organizers or partners the right to review the financial book and records of the business.

CURRENT LAW

[A.R.S. § 44-1844](#) exempts certain securities and securities transactions from statutory registration requirements. Specifically, provides an exemption for transactions relating to the issuance and delivery of securities of a corporation to the original incorporators, where the securities are not acquired for the purpose of sale to others or sold to a third-party with the exception of a bona fide change of financial circumstance.



HOUSE OF REPRESENTATIVES

HB 2381

credit unions; meetings; actions

Prime Sponsor: Representative Farnsworth E, LD 12

DPA Committee on Banking and Financial Services

X Caucus and COW

House Engrossed

OVERVIEW

HB 2381 authorizes a credit union's board of directors (BOD) to vote electronically and removes the investment cap on fixed assets.

PROVISIONS

Electronic Voting

1. Authorizes the BOD to take action without a meeting by electronic means provided a notice is given to each board member.
 - a. The notice must state the action to be taken and the time the director has to respond.
2. Stipulates action may be taken by electronic means if both of the following apply:
 - a. The votes received by electronic means and that are in favor of the action equal or exceed the minimum number of votes that would be necessary to take the action at a meeting at which all of the members were present and voted, and
 - b. The credit union has not received a written demand that an action not be taken without a meeting by a director.
3. States any director may demand an action not be taken without a meeting by delivering a signed writing to the president or secretary before the date in the notice requesting electronic voting.
4. Assets action taken by electronic means:
 - a. Has the same effect as action taken at a BOD's meeting, and
 - b. Must be included in the minutes of the BOD's next meeting.
5. Specifies all communication may be done by electronic means and each director's vote must be signed using an electronic signature employing a *security procedure* as defined in statute.

Board of Directors

6. Requires the BOD to meet annually at least 10 times in 10 different months.
7. Authorizes an officer, director, or committee member to receive compensation for services to the credit union.
8. Maintains that reasonable life, health, accident, and similar insurance protection is not considered compensation.
9. States an officer, director, or committee member may be reimbursed for necessary expenses associated with related duties.

Miscellaneous

10. Removes the 5% cap on capital investments a credit union makes in fixed assets.
11. Makes technical and conforming changes.

AMENDMENTS BY BANKING AND FINANCIAL INSTITUTIONS COMMITTEE

1. Authorizes a credit union to offer a savings promotion account.

CURRENT LAW

Title 6, Chapter 4, A.R.S., governs the formation, powers, and authority of a BOD. Currently, directors are prohibited from voting by proxy, absentee ballot, or by mail; however, a vote may be taken by a conference call if all directors present can speak to and be heard by one another.

[A.R.S. § 6-577](#) prescribes a credit union's authorized investments which include, certain securities, shares, stocks, and fixed assets. A credit union is limited to investing up to 5% of its capital in fixed assets, expect with written approval of the superintendent of the Department of Financial Institutions.



HOUSE OF REPRESENTATIVES

HB 2448

audits; accountants; reciprocity privilege
Prime Sponsor: Representative Mitchell, LD 13

DP Committee on Banking and Financial Services

X Caucus and COW

House Engrossed

OVERVIEW

HB 2448 allows a certified public accountant (CPA) who has a limited reciprocity privilege to perform certain audits and financial reviews.

PROVISIONS

1. Authorizes a CPA who has a limited reciprocity privilege to perform an audit or financial review with regards to:
 - a. Credit unions
 - b. Municipalities
 - c. Renewable energy tax incentive
 - d. Qualified facility income tax credit
 - e. School Tuition Organizations (Corporate and Individual)
2. Requires the Arizona Department of Administration and local governments to include in its database containing revenues and expenditures a comprehensive annual financial report made by a CPA who has a limited reciprocity privilege.
3. Reduces the number of copies of an audit report that a municipality must have on file from four to three.
4. Makes technical and conforming changes.

CURRENT LAW

In order to qualify for a limited reciprocity privilege, an individual must have a principal place of business outside the state, hold a valid registration, certificate, or license as a CPA issued by another state, and meet the qualifications for CPA licensure in this state. An individual who exercises a limited reciprocity privilege must comply with statutory rules and regulations regarding CPAs.



HOUSE OF REPRESENTATIVES

HB 2269

DCS; child abuse; neglect; reports

Prime Sponsor: Representative Allen J, LD 15

DP Committee on Children and Family Affairs

X Caucus and COW

House Engrossed

OVERVIEW

HB 2269 allows information from the Department of Child Safety's (DCS) case management information system to be used by DCS to license foster homes, certify adoptive homes or in DCS' employment decisions.

PROVISIONS

1. Allows DCS to utilize information from the Children's Information Library and Data Source (CHILDS) in order to license foster homes, certify adoptive homes or in DCS' employment decisions.
2. Makes conforming changes.

CURRENT LAW

A.R.S § 8-804.01 states that all reports of abuse and neglect and related records shall be maintained in CHILDS. In addition, reports and related records must be used by DCS only for assessing the safety and risk to a child when conducting an investigation or identification of abuse or neglect, determining placement for a child that is the least restrictive setting, determining the type and level of services and treatment provided to the child and the child's family, assisting in criminal investigation prosecution of child abuse or neglect and meeting the state and federal reporting requirements.



HOUSE OF REPRESENTATIVES

HB 2418

preadoption certification investigation
Prime Sponsor: Representative Allen J, LD 15

DP Committee on Children & Family Affairs

X Caucus and COW

House Engrossed

OVERVIEW

HB 2418 allows a child welfare agency licensed and contracted by the Department of Child Safety (DCS) to conduct an investigation of any prospective adoptive parent before that parent can become certified to adopt a child. Conforms current investigation requirements to include a child welfare agency.

PROVISIONS

1. Allows a child welfare agency licensed and contracted by the DCS to conduct an investigation of any prospective adoptive parent before that parent can become certified to adopt a child.
2. Permits a written application for adoption certification to be sent to a child welfare agency in the form and content required by that agency.
3. Requires a child welfare agency, upon receiving and accepting a written application of the prospective adoptive parent or parents, to conduct or cause to be conducted an investigation of the prospective parent
4. Requires the child welfare agency to submit a report to the juvenile court within 90 days of the original application, containing all relevant and material facts of the prospective parent's fitness to adopt children, including statutorily required information, and a definite recommendation for certifying the applicant.
5. Prohibits an applicant deemed nonacceptable to reapply for certification to the child welfare agency for one year.
6. Stipulates that a child welfare agency must only submit an updated report if an applicant has adopted a child within the preceding three years before the current application, and may only submit an updated report if the applicant has adopted another child more than three years before the current application.
7. Makes technical changes.

CURRENT LAW

A.R.S. § 8-105 requires that any prospective adoptive parent be investigated by an officer of the court, an agency or DCS before they can become certified as acceptable to adopt children. Written applications for certification are required to be sent to the court, an agency, or DCS.



HOUSE OF REPRESENTATIVES

HB 2146

municipalities; property sale threshold; election
Prime Sponsor: Representative Leach, LD 11

DP Committee on County and Municipal Affairs

X Caucus and COW

House Engrossed

OVERVIEW

HB 2146 increases the value threshold from \$500,000 to \$1,500,000 for the requirement to conduct a special election before the sale of a municipality's real property.

PROVISIONS

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

CURRENT LAW

A.R.S. § 9-402 (A) allows a municipality to sell and convey all or part of real or personal property, whether or not the property is dedicated to public use.

A.R.S. § 9-402 (B) states a sale of real or personal property by a city or town shall not be made until an invitation for bids for the purchase of the property has been published and posted as a notice 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.



HOUSE OF REPRESENTATIVES

HB 2247

county merit system; terms; hearings

Prime Sponsor: Representative Gray, LD 21

DP Committee on County and Municipal Affairs

X Caucus and COW

House Engrossed

OVERVIEW

HB 2247 permits the board of supervisors (BOS) to appoint a member of the county merit system commission (commission) to a five-year term if that individual is also appointed to the county merit system council (council).

PROVISIONS

1. Allows the BOS to appoint a member of the commission to a five-year term if the member of the commission is the same member that the BOS appoints to the council.
2. Requires a commission member's term to extend to the date which the member's current term on the council expires. The subsequent term of office will be five years.
3. Mandates a written order stating a reason any officer or employee was dismissed, suspended or demoted in rank or compensation to be filed in the officer's or employee's official county personnel record, rather than the clerk of the BOS.
 - a. Specifies that the officer or employee can appeal an order through the clerk of the commission within 10 *calendar* days after the order is presented to the officer or employee.
4. Specifies that the commission must set a date for an appeal hearing within 20 *calendar* days after receiving the order and appeal.
5. Requires an appeal hearing of a dismissal, suspension or demotion in which (1) a single hearing officer has been appointed by the commission; or (2) a single hearing officer or administrative law judge has been appointed by the council or appeals board that will conduct the appeal hearing to be open to the public unless both parties consent to a closed hearing or the hearing officer determines good cause exists to close the hearing.

CURRENT LAW

Currently, A.R.S. § 11-353 requires the BOS to appoint a county merit system commission, when a merit system is adopted, to assist in the administration of the merit system. The commission consists of five members who serve four year terms and until a successor is appointed. Commission members are selected among qualified electors of the county. Specifically, not more than three members of a commission can be from the same political party.

A.R.S. § 11-356 states that an officer or employee of the classified civil service can be dismissed, suspended or demoted in rank or compensation by the appointing authority after appointment or promotion is complete via written order. Currently, an order must be filed with the clerk of the BOS.



HOUSE OF REPRESENTATIVES

HB 2255

service animals; licensing; fee waiver

Prime Sponsor: Representative Brophy McGee, LD 28

DP Committee on County and Municipal Affairs

X Caucus and COW

House Engrossed

OVERVIEW

HB 2255 prohibits city, town, or county board of supervisors (BOS) from charging a license fee for a service dog to a person who trains the service animal.

PROVISIONS

1. Specifies that a city, town or county BOS may not charge a license fee for a service dog to a person that trains a service animal.
2. Adjusts the definition of *service animal* to include any dog or miniature horse in training to do the work of a service animal.
3. Makes technical and conforming changes.

CURRENT LAW

A.R.S. § 11-1024 (5) defines a *service animal* as any dog or miniature horse that is individually trained to do work or perform tasks for the benefit of an individual with a disability, including a physical, sensory, psychiatric, intellectual or other mental disability. A service animal does not include other species of animals, whether wild or domestic or trained or untrained.

A.R.S. § 9-500.32 (A) states a municipality is prohibited from charging an individual who has a disability and who uses a service animal, or an individual who uses a search and rescue dog a license fee for that dog.

A.R.S § 11-1008 (A) states the BOS of each county may set a license fee that shall be paid for each dog three months of age or older that is kept, harbored or maintained within the boundaries of Arizona for at least 30 consecutive days of a calendar year.



House of Representatives

HB 2081

personal property transfer; limitations prohibited
Prime Sponsor: Representative Stevens, LD 14

DPA Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

HB 2081 states that an owner of personal property cannot be required to search a federal or state database or use a third party for a private sale or transfer of personal property.

PROVISIONS

1. Asserts that this state and all of its political subdivisions cannot require owners of personal property to search databases or involve third parties to make private sales, gifts, donations or other transfers of personal property.

AMENDMENTS BY COMMERCE COMMITTEE

Removes the term “political subdivisions” and replaces it with “a city, town or county.”

CURRENT LAW

Not currently addressed in statute.



HOUSE OF REPRESENTATIVES

HB 2268

construction contracts; bonds; notice requirements

Prime Sponsor: Representative Fann, LD 1

DPA Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

HB 2268 clarifies the Preliminary 20-Day Notice to the construction contractor by the subcontractors and material suppliers may be sent by first class mail with certificate of mailing. Allows a 90-Day Notice to be given by any means that provides written verification of delivery.

PROVISIONS

1. Clarifies the written Preliminary 20-Day Notice to a contractor by subcontractors and material suppliers, may be sent by any of the following means: a) first class mail with certificate of mailing; b) certified mail; c) registered mail.
2. Asserts in the legislative findings and intent section, the construction industry's belief that a recent court decision incorrectly applied the Legislature's intent when interpreting the statutory notice requirements, thus the bill clarifies the means to provide the notice.
3. Stipulates that the 90-day notice is properly given to the contractor by any means that provides written, third-party verification of delivery.
4. Clarifies that an applicant must pay for the certified copies and the reasonable fees that the contractor or agent sets to cover the actual cost of preparing the certified copies.
5. Contains technical and conforming changes.

AMENDMENTS IN COMMERCE COMMITTEE

1. Includes a statement in the *Intent Section* relating to the additional acceptable methods to deliver the 90-day notice
2. Reinserts current law in the section relating to filing the suit.

CURRENT LAW

A.R.S. § 33-992.01 (private projects) and A.R.S. § 34-223 (public projects) require specific written notice to the general contractor by the subcontractors and material suppliers as a precondition to recover against the statutory payment bond.

A.R.S. § 33-992.01 requires that *private* construction project 20-day preliminary notices "...may be given by mailing the notice by first class mail sent with a certificate of mailing, registered or certified mail, postage prepaid in all cases..." The first option is the much less expensive means to provide notice than the other two forms. Likewise, A.R.S. § 34-223, subsection A, paragraph 1, references the aforementioned statute, and allows the notice for *public* construction projects to also be sent by first class mail with a certificate of mailing, registered or certified mail.

A.R.S. § 32-223 requires a written 90-day notice by certified or registered mail, postage prepaid, to the general contractor's office, business or residence. This notice must be given within 90-days after performing the last labor or supplying the last materials, state the amount being claimed and for whom the work was done or materials supplied.

ADDITIONAL INFORMATION

The Arizona Court of Appeals held in *Cemex Construction Materials South, LLC v. Falcone Brothers & Associates, Inc.* (2015) that the 20-day preliminary notice that contractors and their subcontractors and suppliers send as a precondition to recovering against statutory payment bonds must be sent by *certified* mail. HB 2268 clarifies that notice may be sent by first class mail with certificate of mailing, certified mail or registered mail. Further, the bill permits the 90-day notice to be sent by any means, as long as there is third party verification of its delivery.



HOUSE OF REPRESENTATIVES

HB 2292

barber licenses; education qualifications
Prime Sponsor: Representative Boyer, LD 20

DPA Committee on Commerce

X Caucus and COW

House Engrossed

STRIKE-EVERYTHING SUMMARY

HB 2292 requires a school to be recognized as a postsecondary educational institution if it meets certain admission and licensing requirements stipulated by the Board of Barbers (Board).

PROVISIONS

1. Designates a school as a postsecondary educational institution if the school meets the two following criteria:
 - a. Admits students who have a high school diploma or the equivalent, or have reached the age of compulsory education.
 - b. Offers one or more training programs beyond the secondary school level and the school is licensed by the Board to conduct the programs.
2. Instructs applicants for licensure by the Board to also submit satisfactory evidence that they are at least 16 years old.
3. Makes technical changes.

AMENDMENTS BY THE COMMERCE COMMITTEE

Adopted the strike-everything amendment.

CURRENT LAW

A.R.S. § 32-322 instructs applicants for licensure by the Board to file an application, submit evidence of qualifications and a signed photograph. The applicant must be at least 16 years old, have completed and received appropriate credits for at least two years of high school or its equivalent, pass an exam and pay the prescribed fees. Applicants must have graduated from a licensed barber school.

A.R.S. § 15-802 requires every child between the age of 6 and 16 to attend school.



HOUSE OF REPRESENTATIVES

HB 2333

board of technical registration; exemptions
Prime Sponsor: Representative Barton, LD 6

DP Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

HB 2333 adds certain design improvements by nonregistrants to the list of exemptions from licensure by the Arizona Board of Technical Registration (BTR)

PROVISIONS

1. Permits a nonregistrant to design improvements within tenant spaces that are nonbearing, nonshear walls to create office space or separation.
2. Contains technical and conforming changes.

CURRENT LAW

A.R.S. § 32-144 lists certain persons who do not require registration by the BTR in order to design, add to or alter a one or two-story building. For example, a nonregistrant may conduct such work on either a detached, single family home, or an individual unit in a multifamily dwelling, if the walls being added or designed are not bearing walls, shear walls or firewalls, as determined by a BTR registrant after an evaluation of the subject walls. Additionally, a nonregistrant may design additions or alterations to a building that does not exceed 3,000 square feet, if it is not intended for occupancy by more than 20 people on a continuous basis, and has specific floor and roofing requirements approved by a BTR-registered engineer.



HOUSE OF REPRESENTATIVES

HB 2478

licensing; waiver of rights; prohibition

Prime Sponsor: Representative Petersen, LD 12

DP Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

HB 2478 prohibits a government agency from requiring a waiver of any constitutional right or state law as a condition of licensure.

PROVISIONS

1. As a condition to approve a license, prohibits any requirement by a municipality, county, special taxing district, or state agency to require a person to waive any right granted by the constitution or the State of Arizona.
2. Contains technical and conforming changes.

CURRENT LAW

Currently, statute lists the prohibited acts by a municipality, county, special taxing district and state agency relating to licensing decisions. A government entity cannot make a licensing decision that is not specifically authorized by state law, administrative rule, ordinance or code. A general authority does not constitute a basis to impose a condition for licensure. Statute allows a government entity to be flexible in issuing licenses, adopting ordinances and codes, but it cannot request or initiate a conversation with any person relating to waiving that person's rights. A person may file a civil action and the court may award reasonable attorney's fees, damages and all fees associated with the license application to a prevailing party for a violation. Further, a government entity's employees cannot intentionally or knowingly violate the provisions of law relating to the prohibited acts, which is cause for disciplinary action or dismissal. Each government entity must prominently print the prohibited acts on all license applications, which may be in print or electronic format.



HOUSE OF REPRESENTATIVES

HB 2517

businesses; professions; regulation restrictions
Prime Sponsor: Representative Petersen, LD 12

DP Committee on Commerce

X Caucus and COW

House Engrossed

OVERVIEW

HB 2517 creates the *Right to Earn a Living Act* that requires municipalities, counties and agencies to limit entry regulations (regulations) and *public service restrictions* (restrictions) that apply to businesses and professions as necessary to ensure the public health, safety and welfare.

PROVISIONS

1. Establishes the *Right to Earn a Living Act* and declares the Legislature's finding that all individuals are entitled to pursue a business or profession free from government intrusion and excessive regulations.
2. Requires municipalities, counties and agencies to limit all regulations and restrictions that apply to businesses and professions only if they fulfill the public health, safety and welfare objectives.
3. Defines *entry regulations* to mean rules, regulations, policies, fees, permits, licenses, administrative practices or other provisions that relate to participation in a particular market. Excludes zoning ordinances that regulate the use of land or structures, or both.
4. Provides a definition of *public service restrictions* to mean rules, regulations, policies, fees conditions, tests, permits, licenses or other administrative practices, with or without user fees or public subsidies.
5. Directs municipalities, counties and agencies to review all regulations as outlined, within one year after the bill's effective date.
6. Provides direction for municipalities, counties and agencies to alter their conflicting regulations.
7. Requires municipalities, counties and agencies to report to the Legislature regarding their compliance within 15 months after enacting a new regulation.
8. Permits any person to petition municipalities, counties or agencies to repeal or modify their regulations or restrictions.
9. Within 90 days after a petition is filed, instructs the municipalities, counties and agencies to repeal, modify or state the basis for how the regulation or restriction complies with statute.
10. If the municipalities, counties or agencies do not act on a petition, after the 90-day period, authorizes the person to file a court action in the appropriate jurisdiction.
11. For a plaintiff to prevail, requires the court to find by a preponderance of the evidence, that the regulation on its face or in its effect, burdens the creation of a business, or entry into a particular market, profession or occupation, as outlined.
12. Describes the requirements for the plaintiff to prevail and the court to find by a preponderance of the evidence, that the restriction is necessary as stated.
13. On a finding for the plaintiff, directs the court to enjoin further enforcement of the challenged regulation or restriction and award reasonable attorney fees and costs to the plaintiff.

CURRENT LAW

Not currently addressed in statute.



HOUSE OF REPRESENTATIVES

HB 2228

high schools; academic growth awards
Prime Sponsor: Representative Bolding, LD 27

DPA Committee on Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2228 requires the Arizona State Board of Education (SBE) to annually present academic achievement awards to high schools demonstrating the highest level of academic growth.

PROVISIONS

1. Requires SBE to annually present an award to the public high school that demonstrates the highest levels of student academic growth within each classification, subject to available appropriations.
2. Requires awards to resemble the trophies presented for athletic accomplishments.
3. Directs SBE to adopt rules to establish the method of identifying schools that demonstrate the highest rate of student longitudinal growth in one or more years.
4. Directs the awards to be named for each classification and be known as the academic growth award for the classification.
5. Requires the Arizona Department of Education (ADE) to annually use up to \$1,000 to award trophies from appropriated monies or other monies received.
6. Defines *classification* as a grouping of schools that corresponds to the classification system for schools established by a statewide interscholastic association.

AMENDMENTS IN EDUCATION COMMITTEE

Requires ADE to present achievement awards with SBE.

CURRENT LAW

Not currently addressed in statute.



HOUSE OF REPRESENTATIVES

HB 2518

schools; auxiliary operations fund; accounts

Prime Sponsor: Representative Boyer, LD 20

DP Committee on Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2518 permits school districts to deposit auxiliary operations monies in more than one bank account.

PROVISIONS

1. Permits school districts to deposit auxiliary operations monies in more than one bank account.

CURRENT LAW

A school district's auxiliary operations fund consists of all monies raised in connection with school bookstores and athletic activities ([A.R.S. § 1125](#)). Auxiliary operations fund monies are required to be deposited in a bank account designated as the auxiliary operations fund or in an account with the county treasurer ([A.R.S. § 15-1126](#)).



HOUSE OF REPRESENTATIVES

HB 2642

JTED restoration and reforms.

Prime Sponsor: Representative Ackerley, LD 02

DPA Committee on Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2642 removes the reduction to Joint Technical Education Districts (JTED), school districts and charter schools enacted in the 2015 K-12 Budget Reconciliation Bill, establishes requirements for JTED reporting and administration, establishes the Career and Technical Education (CTE) Task Force and requires a special audit of JTEDs.

PROVISIONS

Definitions

1. Makes the following changes for a course to qualify as a *JTED course*:
 - a. Prohibits the course, or a variation the course, from being required under the minimum course of study to graduate from high school.
 - b. Requires a majority of instructional time to be conducted in a laboratory, field-based or work-based learning environment.
 - c. Requires the demonstration of a need for extra funding to provide the JTED course.
 - d. Requires specialized equipment to provide instruction that exceeds the cost of a standard educational course.
2. Makes the following changes for a program to qualify as a *JTED program*:
 - a. Modifies the examination requirements for qualification as a JTED program to require the student to obtain at least a 60% on an assessment that demonstrates the level of skills, knowledge and competencies necessary to be successful in the designated vocation.
To qualify as a JTED program, there must be an assessment demonstrating the level of skill or competency in a vocation or industry that leads to certification ([A.R.S. § 15-391](#)).
 - b. Requires a majority of instructional time to be conducted in a laboratory, field-based or work-based learning environment.
 - c. Requires the program to demonstrate alignment through a curriculum, instructional model and course sequence to meet CTE standards.
 - d. Requires specialized equipment to provide instruction that exceeds the cost of a standard educational course.
 - e. Requires the program to have a defined pathway in a specific vocation or industry as determined by the CTE Division of ADE.
 - f. Removes the 120 day requirement for approval as a JTED program.
JTEDs are required to be approved within 120 after submission of documentation to ADE ([A.R.S. § 15-391](#)).
 - g. Requires the program to fill a high-need vocational or industry need as determined by the CTE Division of ADE.
 - h. Directs a program to not require a student to obtain a baccalaureate degree or more than two semesters of postsecondary education to work in the vocation or industry after high school graduation and completion of the JTED program.
 - i. Requires the program to lead to certification or licensure in the vocation or industry that has been verified and accepted by the vocation or industry and that qualifies the recipient for employment that the student would not otherwise qualify for.

- i. Requires the student to qualify for employment that they would not otherwise qualify for without completion of the JTED program if there is no certification or licensure accepted by the vocation.
- j. Requires instruction and instructional materials in courses that are substantially different from and exceed the scope of standard instruction and include vocational skills, competencies and knowledge to be successful in the vocation or industry.
- k. Directs the program to obtain an agreement with an industry or vocation to provide financial or technical support to the JTED for a specific program, including in-kind contributions and donations.
- l. Requires the program to demonstrate a need for extra funding.

JTED Administration and Finance

3. Prohibits students who have graduated from high school, received a general equivalency diploma or are enrolled in any internship course as part of a JTED program from being included in the student count of a JTED for funding purposes.
4. Requires, beginning July 1, 2016, JTED intergovernmental agreements to outline the following:
 - a. Minimum services provided by the JTED for member districts:
 - i. Professional development of career and technical teachers in the JTED who are teaching programs or courses on a satellite campus
 - ii. Ongoing evaluation and support of satellite campus programs and courses to ensure quality and compliance
 - b. An itemized listing of other goods and services provided to the member district that are paid for by the retention of satellite campus student funding.
5. Removes the requirement for JTEDs to annually provide a report to ADE.
Statute requires each JTED to submit a detailed annual report to ADE containing specified information including Average Daily Membership (ADM), programs and costs ([A.R.S. § 15-393 \(M\)](#))
6. Prohibits member districts or charter schools from submitting requests for the approval or addition of satellite campus programs or courses directly to ADE.
 - a. Directs application documents and materials to be submitted to the JTED.
 - b. Instructs the JTED, on approval by the JTED board, to submit requests for approval or addition to ADE.
7. Removes an exemption for leased centralized campuses to calculate ADM.
A leased centralized campus may calculate an ADM up to 1.75 if conditions are met, including that the lease is established as fair market value as approved by the Joint Committee on Capitol Review. This requirement is currently scheduled to be exempted on January 1, 2017 ([A.R.S. § 15-393 \(R\)\(4\)](#)).
8. Removes the requirement for the Base Support Level (BSL) for charter schools or school districts and JTEDs to be funded at 92.5%.
[Laws 2015, Chapter 15](#), required JTEDs, charter schools and school districts to be funded at 92.5% of the BSL for satellite programs beginning in Fiscal Year 2017 and permitted school districts and charter schools to use a portion of the received JTED funds to offset the loss 7.5% reduction.
9. Removes the authority for school districts or charter schools to transfer monies from the JTED portion of the revenue to offset the 7.5% reduction in BSL.
10. Includes charter schools in the prohibition on discouraging students from attending JTED courses.
 - a. Stipulates that charter schools and school districts are prohibited from requiring students to generate a full 1.0 ADM or enrolling in more courses than needed for a student to graduate before enrolling in and attending JTED courses.
School districts are prohibited from discouraging or prohibiting students enrolled in the district from attending JTED courses ([A.R.S. § 15-393 \(T\)](#)).
11. Requires the CTE Division of ADE to review JTED programs and courses to ensure compliance, quality and eligibility every five years, beginning in 2020.
 - a. Prohibits programs or courses that do not meet statutory requirements from being funded for the preceding school year and directs those programs or courses to be removed from the approved program course list.
 - b. Permits ADE to establish a staggered review schedule.
12. Requires ADE to include JTEDs in annual achievement profiles.

13. Directs ADE, subject to Arizona State Board of Education approval, to develop specific criteria applicable to JTEDs and include JTEDs in the letter grade classification system.
14. Requires ADE to include the following performance indicators in achievement profiles and letter grade classifications.
 - a. The graduation rate of all students enrolled in CTE programs or courses.
 - b. The completion rate for each JTED program.
 - c. Performance on JTED assessments.
 - d. Post-graduation employment rates for students who complete a CTE program.
15. Stipulates that JTEDs are subject to school district performance audits.
16. Directs the Auditor General (OAG) to consider the differences and applicable laws for JTEDs when conducting a performance audit.
17. Directs the CTE Division of ADE to annually submit a JTED report by December 31 to the Governor, Speaker of the House of Representatives and President of the Senate and submit a copy to the Secretary of State.
 - a. Directs the CTE Division of ADE to submit a copy of the report to JLBC for review.
18. Requires the annual report to include:
 - a. The ADM of each JTED, including the ADM of each centralized campus, satellite campus and leased centralized campus.
 - b. The actual student count of each JTED, including the student count of each centralized campus, satellite campus and leased centralized campus.
 - c. The programs and courses offered by each JTED, including the location of the program or course.
 - d. The student enrollment of each program and course for each JTED, based on location.
 - e. The costs associated with each program.
 - f. A listing of any programs or courses discontinued by review of CTE ADE.
 - g. A listing of programs or courses added by CTE ADE.
 - h. Additional data or information deemed necessary by ADE.
19. Directs OAG, in consultation with ADE, to develop and establish uniform cost reporting guidelines, policies and procedures for JTED programs.
 - a. Requires any guideline, policy or procedure to allow for the effective comparison of cost between JTED programs.

CTE Task Force (Task Force)

20. Establishes, as session law, the Task Force consisting of:
 - a. Three members of the Senate, appointed by the President of the Senate, only two of whom may be of the same political party.
 - i. Requires the President of the Senate to designate one of the appointees as co-chair.
 - b. Three members of the House of Representatives, appointed by the Speaker of the House of Representatives, only two of whom may be of the same political party.
 - i. Requires the Speaker of the House of Representatives to designate one of the appointees as co-chair.
 - c. One member affiliated with a statewide policy and research organization with a background in school finance, school choice and education policy, appointed by the Governor.
 - d. One member affiliated with a major taxpayer organization, appointed by the Governor.
 - e. One member representing a high-need vocation or industry in the state, appointed by the Governor.
 - f. Two members representing different JTEDs, appointed by the President of the Senate.
 - i. Requires one member to be from a JTED with a majority of students enrolled in a centralized campus and the other from a JTED with a majority of students enrolled in a satellite campus.
 - g. Two members representing different JTEDs, appointed by the Speaker of the House of Representatives.
 - i. Requires one member to be from a JTED with more than 2,000 students and the other from a JTED with less than 1,100 students.
21. Prohibits Task Force members from being eligible to receive compensation, but determines members to be eligible for reimbursement of expenses.

22. Directs the CTE Division of ADE to lend technical support and provide data, research or information on request.
23. Directs the Task Force to study and analyze:
 - a. Uniformity in CTE course offerings and titles across JTEDs.
 - b. Uniformity in course sequencing for completing CTE programs across JTEDs.
 - c. Uniformity in certifications and licensure issued on the completion of CTE programs across JTEDs.
 - d. The establishment of open enrollment and school choice across JTEDs.
 - e. JTED financing and allocation of monies to member districts and charter schools for students enrolled in satellite campuses.
 - f. The reduction of duplicative CTE programs and courses based on locations of other campuses and community college CTE programs and courses.
 - g. Any other issues to reform, promote and enhance CTE.
24. Directs the Task Force to submit an annual report of its findings and recommendations for administrative and legislative action by December 15 to the Governor, President of the Senate and Speaker of the House of Representatives and provide a copy of the report to the Secretary of State.
25. Repeals the Task Force on January 1, 2019.

ADE and Joint Legislative Budget Committee (JLBC) Review

26. Directs, as session law, ADE to immediately begin reviewing the compliance and eligibility of all JTED programs and courses current in effect.
27. Requires ADE to submit quarterly reports to JLBC until January 1, 2019, on its progress and subsequent approval or rejection of currently eligible JTED programs and courses.
28. Prohibits JTED programs or courses that do not meet the requirements of this Act from receiving funding.

OAG Special Audit

29. Requires, as session law, OAG to conduct a special audit of JTEDs, as scheduled by the Joint Legislative Audit Committee, that includes the following:
 - a. The delivery of CTE for schools that are not included in JTEDs compared to the delivery of CTE in a JTED.
 - b. The delivery of CTE at a centralized campus compared to a satellite campus.
 - c. The growth in satellite campus programs compared to centralized campus programs.
 - d. The spending habits of JTEDs.
 - e. The efficiency of JTED practices and administrative spending.
 - f. The relationship between JTEDs and member districts and services provided to member districts.
 - g. The variety, scope and duplication of JTED program and course offerings.
 - h. Any follow-up issues arising since the previous audit or issues necessary for the completion of the audit, as determined by OAG.

Miscellaneous

30. Contains a retroactive effective date of July 1, 2016.
31. Contains an emergency clause.
32. Makes technical and conforming changes.

AMENDMENTS IN EDUCATION COMMITTEE

1. Reinserts the ability for a JTED to offer an assessment that is necessary for certification in and acceptance by a vocation to qualify as a *JTED program*.
2. Reinserts the requirement for JTED programs to require career and technical student organization participation.
3. Removes the prohibition on a JTED program requiring a student to obtain further postsecondary instruction to work in the vocation.

4. Directs JTED programs to require a single or stackable credential or a skill that will allow a student to obtain work before receiving an associate's or baccalaureate degree.
5. Modifies CTE Task Force membership qualifications.



HOUSE OF REPRESENTATIVES

HB 2171

weights and measures; omnibus

Prime Sponsor: Representative Petersen, LD 12

DPA Committee on Energy, Environment and Natural Resources

X Caucus and COW

House Engrossed

OVERVIEW

HB 2171, effective and retroactive to July 1, 2016, conforms statute to federal regulations and national standards for diesel and biodiesel fuel blends; revises requirements for price labeling; establishes training programs; and makes numerous technical and conforming changes to statute in order to transfer responsibilities of the Department of Weights and Measures to the Department of Agriculture and the Department of Transportation.

PROVISIONS

Weights and Measures Services Division

1. Establishes the Weights and Measures Services Division Council, which will consist of members from industries regulated by the Weights and Measures Division (Division).
 - a. Current law stipulates that division council members are appointed by the Director of the Department of Agriculture (ADA) and serve two-year terms.
2. Requires the Division to educate and provide weighing and measuring information to regulated persons and the public.
3. Permits the associate Director, the associate Director's agents or inspectors to issue a warning requiring corrective action to any violators of statute.
 - a. Current law allows the issuance of citations to violators but does not specify the ability to issue warnings.
4. Allows a person to request and the Division to conduct an informal hearing in person or over the phone to resolve a warning or citation. In addition, allows a formal hearing to be conducted, subject to statutory administrative hearing procedures, at the person's request or if the warning or citation was not resolved in the informal hearing.
 - a. Current law does not specify the ability to request an informal hearing.
5. Permits the associate Director to waive the examination required to receive a weighmaster or deputy weighmaster license.
6. Requires a public weighmaster to provide training to any deputy weighmaster.
7. Allows the associate Director to double the maximum civil penalty imposed on a pipeline, terminal or fuel transporter for violating motor fuel quality standards or producing product transfer documents that are incomplete, incorrect or produced in a manner to mislead or deceive.
 - a. Current law caps the maximum civil penalty at \$1,000 for each infraction, \$10,000 in a 30-day period for each business, registered service representative or public weighmaster, and at \$50,000 in a 30-day period for each person (A.R.S. § 3-3475).

Training Programs

8. Allows the associate Director of the Division to implement the following training programs:
 - a. A consultation and training program to provide training and advice on interpreting, applying and complying with statutes, rules, regulations, or standards; and
 - b. An inspection training program for Division inspectors and employees to ensure that all inspections and tests provided are conducted in a consistent manner.

Pricing

9. Allows packages to be displayed for sale without the price if:

- a. The package is at a service counter staffed by a sales person and requires assistance by a sales person in retrieving the package;
- b. The price is near the point of display of the product; or
- c. The package is offered for sale at a reduced price for the purchase of multiple items and the reduced price is displayed at or near the display of the package.

Fuels

10. Conforms statute to ASTM standards and federal regulations, which prohibit the sale of diesel fuel blends that contain sulfur content in excess of 15ppm.
 - a. Exempts locomotive and marine diesel fuel from this requirement if the fuel meets federal regulations.
11. Requires biomass-based diesel and bio-mass diesel blend dispensers to be labeled pursuant to federal regulations.
 - a. Adds that this requirement does to preclude labeling dispensers that provide diesel containing up to 5% biomass-based diesel.
12. Removes the requirement to include a notification of the percent of biodiesel on a product transfer document if the fuel contains 5% or less biodiesel.
13. Requires product transfer documents for biodiesel and biomass-based diesel to meet federal regulations.
14. Removes the requirement for the associate Director to determine the average level of constituents in the winter fuel sold in the Phoenix area and for the Department of Environmental Quality to determine the average reduction of carbon monoxide emissions during the winter season.
15. Requires all diesel fuel dispensers to be equipped with green nozzles and all retail ethanol flex fuels to be equipped with yellow grip guards on October 1, 2018.
16. Allows oxygenate blenders to petition the Division to be allowed to supply gas in western Pinal County that does not meet the federal Phase 2 or California Phase 2 reformulated gasoline standards if demonstrated that a shortage of supply is imminent.
 - a. Adds that the decision to grant the petition will apply to all oxygenate blenders.
17. Defines *biomass-based diesel* and *bio-mass based diesel blend*.
18. Transfers the definitions of *Area C* (western Pinal County), *gasoline*, *manufacturers proving ground*, *motor vehicle racing event*, *oxygenate*, *oxygenated fuel*, *product transfer document*, *supplier* and *vehicle emissions control area* from A.R.S. § 41-2121 to Title 3.
19. Amends the definition of *biodiesel* to mono-alkyl ester that meets [ASTM D6751](#).
20. Defines *gasoline provider*.
21. Transfers the definition of *fleet owner* from A.R.S. § 3-3491 to § 3-3401.
22. Replaces the definition of *E85* with *ethanol flex fuel* and defines *ethanol flex fuel* as an ethanol gasoline blend that meets the specifications of [ASTM D5798](#).
23. Applies the definitions of *Area A* (Phoenix metropolitan area) and *Area B* (Tucson metropolitan area) from A.R.S. § 49-541 to referenced sections in Title 3.

Taxi and Livery Vehicles

24. Removes the requirement that the Arizona Department of Transportation (ADOT) consider requirements established by the federal government or other states when adopting for-hire transportation rules.
25. Adds language prohibiting ADOT from issuing a taxi license unless the taxi obtains an in-service report from a registered service representative or registered service agency.
 - a. Current law requires taxis to have a motor vehicle license and be insured before receiving a taxi license.
26. Adds language that requires livery vehicles and limousines to be licensed by ADOT and insured.
27. Allows a registered service agency or representative to place a taxi meter out of service that does not meet standards.

28. Requires a registered service agency or representative to notify ADOT within 72 hours of any of the following actions by the agency:
 - a. Removal of rejection tag placed on a taxi meter;
 - b. Placing a taxi meter out of service; or
 - c. Placing a taxi meter in service previously rejected, placed out of service, or that has a pending application and official examination.
29. Defines *registered service agency* and *registered service representative*.
30. Changes the definition of *taxi meter*.

Miscellaneous

31. Exempts ADA and ADOT from statutory rulemaking requirements for 1 year after the effective date of this Act.
32. Makes numerous technical and conforming changes.
33. Contains an effective and retroactive date of July 1, 2016.

ADDITIONAL INFORMATION

Laws 2015, Chapter 244 ([HB 2480](#)) transferred the responsibilities of the Department of Weights and Measures to ADA and ADOT, effective July 1, 2016. The Act established the Weights and Measures Services Division in ADA, which will be responsible for inspection, testing and licensing of commercial devices, among other duties. Additionally, the Act transferred the regulation of for-hire transportation (taxis, limousines and livery vehicles) to ADOT.

AMENDMENTS IN ENERGY, ENVIRONMENT AND NATURAL RESOURCES COMMITTEE

1. Makes technical changes.



HOUSE OF REPRESENTATIVES

HB 2465

G&F; in-lieu fee; trust fund

Prime Sponsor: Representative Brophy McGee, LD 28

DP Committee on Energy, Environment and Natural Resources

X Caucus and COW

House Engrossed

OVERVIEW

HB 2465 establishes the Game and Fish In-Lieu Fee Program Restoration Endowment Trust Fund.

PROVISIONS

1. Establishes the Game and Fish In-Lieu Fee Program Restoration Endowment Trust Fund (Fund) to fulfill the Arizona Game and Fish Department's (Department) obligations as an in-lieu fee sponsor required by the Clean Water Act.
 - a. Monies received by the Arizona Game and Fish Commission (Commission) must be deposited in the Fund and may only be used for purposes authorized by the Commission, the Army Corps of Engineers and the Environmental Protection Agency.
2. Requires the Commission to administer the Fund as a trustee.
3. States that the Fund is a permanent endowment fund consisting of monies deposited from proceeds received by the Department as an in-lieu fee sponsor, interest and investment income earned on those monies, including:
 - a. Compensatory mitigation monies received as a result of in-lieu fee mitigation credits;
 - b. Monies received from the Army Corps of Engineers for other in-lieu programs; and
 - c. Monies received from the Army Corps of Engineers for unauthorized activities under a completed federal enforcement action.
4. Specifies that monies in the Fund are continuously appropriated, do not revert to the General Fund and are exempt from lapsing.
5. Requires the State Treasurer to invest, divest, hold in trust, accept and account for any Fund monies deposited in the state treasury.
6. Applies the definition of *Clean Water Act* in A.R.S. § 49-201.

ADDITIONAL INFORMATION

The Clean Water Act establishes laws governing the discharge of pollutants to protect waters of the United States. Discharges to jurisdictional waters are unlawful unless permitted by federal agencies responsible for implementing the Act. Section 404 of the Clean Water Act establishes a permit program administered by the Army Corps of Engineers, with guidance from the Environmental Protection Agency, which is required in order to discharge dredged and fill material. Activities deemed by the Army Corps of Engineers to impact jurisdictional waters, including infrastructure development, water resource projects and mining projects, require permitting and steps must be taken to minimize the impact to aquatic resources.

In certain cases, permitted projects will have unavoidable adverse impacts to jurisdictional waters. Section 404(b)(1) of the Clean Water Act establishes compensatory mitigation guidelines and requires project proponents to seek mitigation through in-lieu fee credits or a mitigation bank in order to restore wetland, stream or other aquatic resources impacted by a project. In Arizona, project proponents must purchase in-lieu fee credits from the Game and Fish Department, the state's in-lieu fee program sponsor, in order to offset the unavoidable impact. The Game and Fish department uses in-lieu fee payments collected from applicants to conduct aquatic restoration, enhancement and preservation activities.



HOUSE OF REPRESENTATIVES

HB 2050

federal office; online signature collection
Prime Sponsor: Representative Stevens, LD 14

DP Committee on Elections

X Caucus and COW

House Engrossed

OVERVIEW

HB 2050 stipulates that the Secretary of State (SOS) must provide a system for online nomination petition signatures beginning January 1, 2017.

PROVISIONS

1. Requires the SOS to provide a system through a secure internet portal for qualified electors to sign a nomination petition for candidates for the office of the U.S. Senator or Representative in Congress.
2. Requires the system to:
 - a. allow only eligible qualified electors to sign the petition;
 - b. provide a method to verify the electors identity; and
 - c. provide for the SOS to transmit those filings to the officer in charge of elections for the appropriate office.
3. Allows candidates to collect up to the full number of required petition signatures online.
4. Becomes effective January 1, 2017.

CURRENT LAW

Nomination petition is defined as the form or forms used for obtaining the required number of signatures of qualified electors, circulated by or on behalf of the person wishing to become a candidate for a political office ([A.R.S. § 16-314](#)). The SOS is required to provide a system for qualified electors to sign a nomination petition for statewide and legislative candidates by way of a secure internet portal. The system must: 1) allow only those qualified electors who are eligible to sign the nomination petition; and 2) provide a method for the qualified elector's identity to be properly verified. Statewide and legislative candidates may choose to collect up to an amount equal to ½ of the number of required signatures by use of the online signature collection system ([A.R.S. § 16-316](#)). Each signer can sign only one nomination petition for the same office unless more than one candidate is to be elected to such office ([A.R.S. § 16-321](#)).



HOUSE OF REPRESENTATIVES

HB 2083

multiple committees; exploratory committees; repeal
Prime Sponsor: Representative Stevens, LD 14

DP Committee on Elections

X Caucus and COW

House Engrossed

OVERVIEW

HB 2083 permits candidates to have an unlimited number of candidate's campaign committees for each election cycle and contains a Proposition 105 Clause.

PROVISIONS

1. Allows candidates to have any number of candidate's campaign committees for each election cycle.
2. Repeals exploratory committees.
3. Contains a Proposition 105 clause.
4. Makes technical and conforming changes.

CURRENT LAW

Each [candidate](#) who intends to receive [contributions](#) or make [expenditures](#) of more than \$500 in connection with a campaign for office must designate a [political committee](#) for each [election cycle](#) to serve as the candidate's campaign committee and file a statement of organization. A candidate who intends to receive contributions or make expenditures of \$500 or less is required to file a signed exemption statement before making any expenditures, accepting contributions, distributing campaign literature or circulating petitions. Once the \$500 limit has been exceeded, the candidate has five business days to file a statement of organization.

A candidate may establish an exploratory committee. An individual may have only one exploratory committee in existence at one time ([A.R.S. § 16-903](#)). An exploratory committee may transfer monies to a subsequent candidate's campaign committee of the individual designating the exploratory committee, subject to the contribution limitations prescribed for the office sought ([A.R.S. § 16-905](#)). *Exploratory committee* is defined as a political committee that is formed for the purpose of determining whether an individual will become a candidate and that receives contributions or makes expenditures of more than \$500 in connection with that purpose ([A.R.S. § 16-901](#)).



HOUSE OF REPRESENTATIVES

HCR 2009

independent redistricting commission; elected membership
Prime Sponsor: Representative Petersen, LD 12

DP Committee on Elections

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2009, upon voter approval, requires the members of the Independent Redistricting Commission (IRC) to be elected.

PROVISIONS

1. Requires the IRC to:
 - a. be elected at the regular general election held in each year that ends in a zero in the same manner as provided by law for other statewide offices;
 - b. meet the same eligibility requirements as prescribed for the office of the Governor; and
 - c. serve a term of 10 years.
2. Stipulates that vacancies must be filled as otherwise provided by law.
3. Requires the Secretary of State to submit this proposition to the voters at the next general election.
4. Makes technical and conforming changes.

CURRENT LAW

In November 2000, Arizona voters [passed Proposition 106](#) transferring the responsibility to draw congressional and state legislative districts from the Legislature to the IRC based on the 10-year census. The IRC is established by February 28 of each year that ends in one to provide for the redistricting of congressional and state legislative districts. The IRC consists of five members, no more than two of whom are members of the same political party, and of the four appointed, no more than two of whom are from the same county. The Commission on Appellate Court Appointments nominates candidates and of these nominees, four members are selected by the House of Representatives and Senate majority and minority leadership. These four members then select the final member, who cannot be affiliated with either of the two major political parties. During the term of office and three years thereafter, a member is ineligible for public office or for registration as a paid lobbyist ([Arizona Constitution, Article IV, Part 2, § 1](#)).

Eligibility requirements for office of the Governor include: 1) at least 25 years of age; 2) a U.S. resident for 10 years preceding election; and 3) an Arizona citizen for five years preceding election ([Arizona Constitution, Article V, § 2](#)).



HOUSE OF REPRESENTATIVES

HCR 2020

lieutenant governor; joint ticket

Prime Sponsor: Representative Mesnard, LD 17

DP Committee on Elections

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2020 establishes, upon voter approval, the office of Lieutenant Governor beginning in 2023, and modifies the Executive Department's line of succession.

PROVISIONS

Election of the Lieutenant Governor

1. Requires each nominee for the office of Governor to name a Lieutenant Governor nominee at least 60 days before the general election.
2. Stipulates the Lieutenant Governor nominee will run on a ticket as a joint candidate with their name appearing with or below the name of the joint nominee for Governor.
3. Asserts that a single vote for a nominee for Governor at the general election constitutes a vote for that nominee's ticket.
4. Declares the Lieutenant Governor nominated by the candidate winning Governor at the general election as the winning candidate for Lieutenant Governor.

Succession of Office

5. Alters the line of succession for the executive department by:
 - a. adding the Lieutenant Governor directly after the Governor; and
 - b. placing the Attorney General ahead of the State Treasurer.
6. Designates the Lieutenant Governor to immediately succeed the office of Governor instead of the Secretary of State (SOS) until a successor is elected and qualified.
7. Designates the SOS to succeed to the office of Governor if a vacancy occurs with or during a vacancy in the office of Lieutenant Governor.
8. Directs the Governor to appoint a person to serve as Lieutenant Governor for a vacancy in the office of Lieutenant Governor upon approval by a majority vote of each house of the Legislature.
9. Makes technical and conforming changes.

CURRENT LAW

The Executive Department consists of the Governor, SOS, State Treasurer, Attorney General and Superintendent of Public Instruction ([Arizona Constitution, Article V, § 1](#)). In the event of the death, resignation, removal from office, or permanent disability to discharge the duties of the office of the Governor, the SOS, if holding by election, succeeds to the office of Governor until the successor is elected and qualifies ([Arizona Constitution, Article V, § 6](#)).

In 2010, [Proposition 111](#) was referred to the ballot to rename the SOS as the Lieutenant Governor. Additionally it would have required the governor to run separately from the Lieutenant Governor for the primary election and then

as a team of candidates for the same political party in the general election ([S.C.R 1013](#)). [Proposition 111](#) was not passed by the voters.



HOUSE OF REPRESENTATIVES

HB 2457

compact; balanced budget; convention

Prime Sponsor: Representative Mesnard, LD 17

DP Committee on Federalism & States' Rights

X Caucus and COW

House Engrossed

OVERVIEW

HB 2457 establishes a compact among the states for the purpose of proposing a balanced budget amendment to the United States Constitution.

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:
13. 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

14. Notice of such state's status is received by the compact administrator, or each member state's chief executive officer.
15. 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:
16. Any difference regarding enacting the method of appointing its members to the commission;
17. Any difference regarding the obligation to fund the compact commission;
18. Any difference regarding the number and identity of delegates, except no more than three delegates shall attend and participate on behalf of any state;
19. 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.
20. 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.
21. 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.
22. 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

23. 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.
24. Outlines the powers and duties of the commission which include:
25. Appoint and oversee a compact administrator;
26. Encourage states to join the compact and Congress to call the convention in accordance with this compact;
27. Coordinate the performance of obligations under the compact;
28. Oversee its logistical operations as appropriate;
29. Oversee the defense and enforcement of the compact in appropriate legal venues;
30. Request and disburse funds to support the operations of the commission, administrator, and convention;
and
31. 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.
32. Restricts the commission's powers to only those that are essential to carrying out the aforementioned expressed powers and duties.
33. 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.
34. Allows the commission to adopt and publish bylaws and policies that correspond to the powers and duties of the commission.
35. 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.
36. 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.
37. 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.
38. Specifies the commission and administrator's activities be funded exclusively by each member state, or by voluntary donations.

Compact Administrator

39. 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.
40. Restricts the administrator's powers to only those that are essential to carrying out the aforementioned expressed powers and duties.
41. 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.
42. Specifies that the administrator serves at the pleasure of the commission.
43. Specifies notices from member states to the administrator are seasonably delivered by the administrator to each other member state's chief executive officer.
44. Requires the administrator to immediately send notices to all compact notice recipients, along with certified conforming copies of the chaptered 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.
45. 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.
46. 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

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

Convention Delegates

49. Stipulates that there are to be three delegates from the state.
50. 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.
51. Asserts the delegation will decide any issue by majority vote.
52. Authorizes a member state's legislature to replace or recall its appointed delegate at any time for good cause.

53. Requires the delegate to publicly take a prescribed oath prior to appointment.
54. Sets the delegate's term limit from the time of appointment to the permanent adjournment of the convention.
55. 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.
56. 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.
57. States any unlawful actions taken by a delegate are considered void ab initio.
58. 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.
59. 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.
60. Specifies that any delegate of a member state who violates any provision of the compact forfeits their appointment.
61. 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

62. Establishes the convention to be exclusively represented and constituted by the several states.
63. Limits the convention's actions to introducing, debating, voting upon, and rejecting or proposing the balanced budget amendment.
64. States the procedure for identifying each member states' and non-member states' delegate.
65. 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.
66. 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

67. Defines the following terms: *debt, outstanding debt, authorized debt, total outlays of the government of the United States, total receipts of the government of the United States, impoundment, general revenue tax, compact, convention, state, member state, compact notice recipients, notice and balanced budget amendment.*
68. Requires all notices be sent by U.S. certified mail, or at least an equivalent thereof, with a return receipt.
69. Specifies that the article relating to the compact commission and administrator is not effective until there are at least two member states.
70. Specifies that the article relating to the application for convention is not effective until at least three-fourths of the states are member states.
71. Outlines circumstances in which the convention is void ab initio.
72. Clarifies the convention must be governed by the compact and appropriately recognized by Congress in order for member states to participate in the convention.

73. Asserts that upon Congress referring the balanced budget amendment to the states' legislatures, the legislatures prospectively adopt and ratify the amendment.
74. 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.
75. Establishes the date, time, and location of the Article V Convention.
76. Directs each member state's chief law enforcement officer to defend the compact from any legal challenge.
77. 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.
78. Sets the conditions for the effective date of the compact.
79. Establishes the terms for the termination of the compact.
80. Provides for certain provisions to be severable.

CURRENT LAW

[Article V](#) of the United States Constitution states that amendments to the U.S. Constitution may be made. Proposed amendments may be done 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 then have to be formally approved by three-fourths of the states' legislatures or by three-fourths of the states' conventions. Congress may recommend the mode of ratification.

Additional Information

Alaska, Georgia, Mississippi and North Dakota enacted House Bill 284, House Bill 794, Senate Bill 2398, and House Bill 1138, respectively, to exercise the power of their legislatures in proposing a balanced budget amendment to the United States Constitution as permitted by Article V of the U.S. Constitution. Each of these balanced budget compacts are *substantially identical* to each other except for the identity and the number of representatives the respective state chooses to act as delegates for the National Convention. The enactment of these laws acknowledges that member states are bound to the balanced budget compact, and must comply with the expressed mutual promises and obligations indicated by each state's legislature.



HOUSE OF REPRESENTATIVES

HCR 2010

application; Article V convention

Prime Sponsor: Representative Townsend, LD 16

DP Committee on Federalism and States' Rights

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2010 urges Congress to call an Article V Convention of the states to propose amendments to the United States Constitution that impose fiscal restraints and limit the power and jurisdiction of the federal government.

PROVISIONS

1. Applies for an Article V Convention to propose amendments to the United States Constitution that will do the following:
 - a. Impose fiscal restraints on the federal government,
 - b. Limit the power and jurisdiction of the federal government,
 - c. Limit the terms of office for its officials and members of Congress.
2. Continues this application until at least two-thirds of the legislatures have made an application of the same subject.
3. Specifies that this application is revoked, withdrawn, nullified, and superseded if this resolution is used for conducting a convention for any other purpose.
4. Instructs the Arizona Secretary of State to transmit copies of the resolution to the to the President and Secretary of the United States Senate, the Speaker and Clerk of the United States House of Representatives, each member of Congress from the State of Arizona, and the presiding officers of each house of the several legislatures.

CURRENT LAW

[Article V](#) of the United States Constitution provides 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 then have to be ratified by three-fourths of the states' legislatures or by three fourths of the states' conventions. Congress may propose the mode of ratification.



HOUSE OF REPRESENTATIVES

HCR 2014

convention; amendment; balanced federal budget
Prime Sponsor: Representative Thorpe, LD 6

DP Committee on Federalism and States' Rights

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2014 calls for an Article V Convention to adopt an amendment to the United States Constitution that requires the federal government to have a balanced budget.

PROVISIONS

1. Requests Congress to propose and pass an amendment requiring that, in the absence of a national emergency, federal appropriations made by Congress for any fiscal year may not exceed the total of all estimated federal revenue for that fiscal year.
2. Specifies that this resolution covers the same subject matter as outstanding balanced budget applications from twenty-seven other specified states.
3. Continues this application until at least two-thirds of the legislatures have made an application on the same subject.
4. Specifies that this application supersedes all previous applications by this Legislature on the same subject.
5. Requires the Arizona Secretary of State to transmit copies of the resolution to the to the President and Secretary of the United States Senate, the Speaker and Clerk of the United States House of representatives, each member of Congress from the State of Arizona, and the presiding officers of each house of the several legislatures.

CURRENT LAW

[Article V](#) of the United States Constitution provides 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 then have to be ratified by three-fourths of the states' legislatures or by three fourths of the states' conventions. Congress may propose the mode of ratification.

Article I, Section 8 of the U.S. Constitution gives Congress the power to prescribe and collect taxes, to pay the debts, and to coin money and regulate its value. Article I, Section 9 of the Constitution states that no money shall be drawn from the Treasury, but in consequence of appropriations made by law; and a statement and account of the receipts and expenditures of all public money shall be published.



HOUSE OF REPRESENTATIVES

HCR 2029

Article V; natural born citizen

Prime Sponsor: Representative Townsend, LD 16

DP Committee on Federalism and States' Rights

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2029 calls for an Article V Convention to adopt an amendment to the United States Constitution to define the term "natural born citizen."

PROVISIONS

1. Requests Congress to propose and pass an amendment that defines the term "natural born citizen."
2. Continues this application until at least two-thirds of the legislatures of the several states have made an application of the same subject.
3. Specifies that this application is revoked, withdrawn, nullified, and superseded if this resolution is used for conducting a convention for any other purpose.
4. Instructs the Arizona Secretary of State to transmit copies of the Resolution to the President and Secretary of the United States Senate, the Speaker and Clerk of the United States House of Representatives, each member of Congress from the State of Arizona and the presiding officers of each house of the several legislatures.

CURRENT LAW

According to [Article V](#) of the United States Constitution, 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 then have to be approved and sanctioned formally by three-fourths of the states' legislatures or by three fourths of the states' conventions. Congress may propose the mode of ratification.

Pursuant to [U.S.C. Title 8 § 1401](#), federal law recognizes that the following have birth right citizenship in the United States: an individual born in the United States, and subject to jurisdiction thereof; an individual born in the United States to a member of an Indian, Eskimo, Aleutian, or other aboriginal tribe; an individual born outside of United States jurisdiction of parents both whom are nationals of the United States and one of whom has had residence in United States' jurisdiction; a person born in an outlying possession of the United States of parents one of whom is a citizen of the United States, or; a person born outside of the geographical reach of the United States' jurisdiction one of whom is an alien, and the other a citizen of the United States who, prior to birth of such person, was physically present in the jurisdiction of United States for a total of five years.



HOUSE OF REPRESENTATIVES

HCR 2036

loyalty day

Prime Sponsor: Representative Espinoza, LD 19

DPA Committee on Federalism and States' Rights

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2036 declares May 1st of each year as Loyalty Day in the State of Arizona.

PROVISIONS

1. Proclaims May 1 of each year as Loyalty Day in the State of Arizona.
2. Asserts that members of the Legislature reaffirm their allegiance to the United States and the flag of the United States.
3. Requests members support the efforts of the people of this State to observe Loyalty Day by proudly displaying the United States flag.

AMMENDMENTS IN FEDERALISM AND STATES' RIGHTS COMMITTEE

1. Adds language that reads "That the Members of the Legislature reaffirm their allegiance to the *Republic of the United States.*"
2. Makes technical changes.

CURRENT LAW

According to [U.S.C. Title 36 § 115](#), federal law recognizes May 1st as Loyalty Day. It is a day for the reaffirmation of allegiance to the United States, and for the acknowledgment of the culture of American freedom. On Loyalty Day, the Office of the President may issue a proclamation urging government officials to display the flag of the United States on all government buildings, and requesting the citizens of the United States to observe Loyalty Day with suitable ceremonies in schools and other appropriate places



HOUSE OF REPRESENTATIVES

HB 2106

homeowners' associations; enforcement grace period
Prime Sponsor: Representative Lovas, LD 22

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2106 lengthens the enforcement grace period for a notice of violation from a homeowners' association (HOA).

PROVISIONS

1. Increases the number of business days, from 10 to 30, a condominium unit owner or planned community member (member) has to provide the HOA with a written response to a notice of violation.
2. Prohibits an HOA from proceeding with any enforcement action 30 days after the exchange of information between the member and the HOA, regardless of whether the process to contest the notice was provided in the original notice of violation.
3. Makes technical changes.

CURRENT LAW

A member who receives written notice that the property condition is in violation of a condominium or community document requirement without regard to whether a monetary penalty is imposed by the notice may provide the HOA with a written response by certified mail within 10 business days. After receipt of the member's response, the HOA has 10 business days to provide a written response containing the following information, unless previously provided in the notice: 1) the provision of the document that has allegedly been violated; 2) the date of the violation or the date the violation was observed; 3) the first and last name of the person or persons who observed the violation; and 4) the process to contest the notice. Unless the process to contest the notice is provided in the violation, an HOA is prohibited from proceeding with any action to enforce the documents, including the collection of attorney fees, before or during the exchange of information between the member and the HOA (A.R.S. §§ [33-1242](#) and [33-1803](#)).



HOUSE OF REPRESENTATIVES

HB 2157

ASRS; political subdivision entities

Prime Sponsor: Representative Ugenti-Rita, LD 23

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2157 precludes any new employee of a political subdivision entity from enrolling in the Arizona State Retirement System (ASRS).

PROVISIONS

1. Modifies the definition of *member* for purposes of enrollment in ASRS by excluding any employee of a *political subdivision entity* hired after the effective date of this amendment.

CURRENT LAW

ASRS provides defined contribution retirement benefits to the employees of this state, participating political subdivisions and participating political subdivision entities. A *political subdivision entity* means an entity: 1) that is located in Arizona; 2) that is created in whole or in part by political subdivisions, including instrumentalities of political subdivisions; 3) where a majority of the membership of the entity is composed of political subdivisions; and 4) whose primary purpose is the performance of a government related service ([A.R.S. § 38-711](#)).

ADDITIONAL INFORMATION

An [Attorney General Opinion](#) issued November 5, 2003, concluded that voluntary associations of governments were not political subdivisions for the purposes of ASRS. [Laws 2004, Chapter 246](#) added political subdivisions to the definition of *employer*, allowing political subdivision entities to participate in ASRS and their employees to become members of ASRS (A.R.S. § 38-711).



HOUSE OF REPRESENTATIVES

HB 2160

ASRS; eligible rollovers

Prime Sponsor: Representative Thorpe, LD 6

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2160 allows direct transfers of rollovers into the Arizona State Retirement System (ASRS).

PROVISIONS

1. Allows the ASRS Board (Board) to accept a direct transfer from a member's Individual Retirement Account (IRA) or Individual Retirement Annuity (Annuity).
2. Removes the Board's ability to accept a member's rollover contribution of a distribution from an IRA or Annuity.
3. Makes a technical change.

CURRENT LAW

The Board may accept member contributions for payment for credited service purchases by any of the following methods: 1) lump sum payments; 2) direct transfer of any eligible rollover distribution or a contribution of an eligible rollover distribution; 3) rollover contribution of a distribution from an IRA or Annuity; and 4) installment payments over a period of time as provided by rule ([A.R.S. § 38-747](#)).

ADDITIONAL INFORMATION

According to the Internal Revenue Service ([IRS](#)), a direct rollover is completed by asking a plan administrator to make the payment directly to another retirement plan or to an IRA. Taxes will not be withheld from transfer amount in direct rollovers. A 60-day rollover is paid directly to the person for deposit into an IRA or retirement plan within 60 days. Taxes will be withheld from a distribution from a retirement plan so other funds will need to be used to rollover the full amount of the distribution.



HOUSE OF REPRESENTATIVES

HB 2172

planned communities; architectural designs; approval
Prime Sponsor: Representative Petersen, LD 12

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2172 prohibits the unreasonable withholding of a construction project's architectural designs, plans and amendments.

PROVISIONS

1. Stipulates that the approval of a construction project's architectural designs, plans and amendments may not be unreasonably withheld by the planned communities' design review committee, architectural committee or a committee that performs a similar function (review committee).

CURRENT LAW

A planned communities' review committee must include at least one member of the board of directors who serves as chairman of the committee. A planned community that has enacted design or architectural guidelines and also requires a security deposit for new construction or rebuilds of the main residential structure on a lot in a planned community must: 1) place the deposit in a trust account; 2) hold a final design approval meeting and provide written acknowledgement that the approved plans are in compliance with all rules and guidelines at the time of approval; 3) provide two on-site formal reviews; 4) provide written reports and follow the outlined procedures for the release of the security deposit; and 5) declare that neither the approval of the plans or approval of the actual construction constitutes a representation or warranty of compliance with applicable government requirements or engineering, design or safety standards ([A.R.S. § 33-1817](#)).



House of Representatives

HB 2202

JCCR; membership

Prime Sponsor: Representative Livingston, LD 22

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2202 modifies membership requirements for the Joint Committee on Capital Review (JCCR).

PROVISIONS

1. Removes the limitation that the President of the Senate and the Speaker of the House of Representatives (House) can only appoint members of the Appropriations Committees to JCCR.
2. Makes technical and conforming changes

CURRENT LAW

JCCR consists of the following 14 members: 1) the chairmen of the House and Senate Appropriations Committee; 2) the House and Senate Majority and Minority Leaders; 3) four members of the House Appropriations Committee appointed by the Speaker and four members of the Senate Appropriations committee appointed by the President ([A.R.S. § 41-1251](#)). JCCR is required to: 1) develop and approve a uniform formula for computing annual building renewal funding needs and a uniform format for the collection of data for the formula; 2) approve building systems for the purposes of computing and funding building renewal and for preparing capital improvement plans; 3) review the state capital improvement plan and make recommendations to the Legislature concerning funding for land acquisition, capital projects and building renewal; and 4) review the expenditure of all monies appropriated for land acquisition, capital projects and building renewal ([A.R.S. § 41-1252](#)).



HOUSE OF REPRESENTATIVES

HB 2226

Juneteenth day; state holiday.

Prime Sponsor: Representative Bolding, LD 27

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2226 establishes June 19 of each year as Juneteenth Day.

PROVISIONS

1. Designates June 19 of each year as Juneteenth Day.
2. States June 19 is not a legal holiday.

CURRENT LAW

Not currently addressed in statute.



HOUSE OF REPRESENTATIVES

HB 2243

ASRS; LTD program; liability

Prime Sponsor: Representative Thorpe, LD 6

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2243 exempts the Arizona State Retirement System (ASRS), the Board, any Board member, agent or employee of ASRS (employee) from being held liable for actions taken within their powers and duties.

PROVISIONS

1. Stipulates there is no liability on the part of an employee for any action taken in the performance of their powers and duties relating to the Long-Term Disability (LTD) Program unless the action was intended to cause injury or the employee was grossly negligent.

CURRENT LAW

The ASRS Board administers the LTD Program and ASRS officers, contractors and personnel are required to perform the prescribed duties. The Board may enter into a contract with an insurance company or another entity to administer all or part of the LTD Program and to determine eligibility for benefits. The Board may determine the LTD Program rights, benefits or obligations of any person and afford any person dissatisfied with the determination with a hearing ([A.R.S. § 38-797.03](#)). Employers, the Board or any Board member are not liable for any act or failure to act that is made in good faith. Additionally, employers are not responsible for any act or failure to act by the Board or any Board member and vice versa ([A.R.S. § 38-797.10](#)).



HOUSE OF REPRESENTATIVES

HB 2252

lieutenant governor; duties; ballot
Prime Sponsor: Representative Mesnard, LD 17

DPA Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2252 establishes the office of Lieutenant Governor.

PROVISIONS

1. Directs a candidate for Governor to submit to the Secretary of State (SOS) the name of the person who will be the joint candidate for Lieutenant Governor at least 60 days before the general election.
2. Specifies that the candidate's name for Lieutenant Governor will appear on the general election ballot jointly with the candidate for Governor.
3. Designates the Lieutenant Governor the Director of ADOA.
4. Conditions the enactment upon voter approval and passage of the accompanying House Concurrent Resolution.
5. Directs Legislative Council to prepare conforming legislation.
6. Contains technical and conforming changes.

AMENDMENTS IN GOVERNMENT AND HIGHER EDUCATION COMMITTEE

Adds the accompanying House Concurrent Resolution number ([HCR 2020](#)).

CURRENT LAW

The direction, operation and control of ADOA is the responsibility of the Director. The Director is appointed by the Governor with the advice and consent of the Senate and serves at the pleasure of the Governor ([A.R.S. § 41-701](#)).

ADDITIONAL INFORMATION

The SOS succeeds the Governor in event of death, resignation, removal from office or permanent disability. If the SOS fails to qualify as Governor, the Attorney General, State Treasurer or the Superintendent of Public Instruction succeeds the Governor ([Arizona Constitution Article V § 6](#)).

Arizona is one of five states that does not have a position of Lieutenant Governor. According to the [National Lieutenant Governors Association](#), 30 states require joint election of the Governor and Lieutenant Governor. Of the remaining four states, two designate the SOS and two designate the Senate President to succeed the Governor.

In 2010, [Proposition 111](#) was referred to the ballot to rename the SOS as the Lieutenant Governor and would have required the Governor to run separately from the Lieutenant Governor ([S.C.R. 1013](#)). [Proposition 111](#) was not passed by the voters.



HOUSE OF REPRESENTATIVES

HB 2428

publicity pamphlets; arguments; electronic submittal
Prime Sponsor: Representative Stevens, LD 14

DPA Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2428 requires electronic submission of filed petition arguments and corresponding deposit payments.

PROVISIONS

1. Stipulates each argument filed must also be submitted to the Secretary of State (SOS) in electronic format.
2. Requires the SOS to provide electronic submittal of deposit payments for the cost of filing an argument.
3. Makes technical changes.

AMENDMENTS IN GOVERNMENT AND HIGHER EDUCATION COMMITTEE

1. Allows the SOS to prescribe an alternative page and length width in the elections procedures manual for signature petition sheets.
2. Permits electronic filing for signature petition sheets and corresponding receipt.
3. Updates process to remove petition and ineligible signatures.
4. Specifies retention time frame and disposal of original sheets filed with the SOS.

CURRENT LAW

The person filing an initiative petition with the SOS may, at the same time, file an argument advocating the measure or constitutional amendment proposed in the petition. Not later than 48 days preceding the regular primary election, a person may file with the SOS an argument advocating or opposing the measure or constitutional amendment proposed in the petition or an argument advocating or opposing any measure that has been invoked, or any measure or constitutional amendment referred by the Legislature. The person filing an argument must deposit with the SOS, at the time of filing, an amount of money as prescribed by the SOS for the purpose of offsetting a portion of the proportionate cost of the purchase of the paper and the printing of the argument. If the person filing an argument requests that the argument appear in connection with more than one proposition, a deposit must be made for each placement requested. No deposit or payment is required for the analyses prepared and filed by Legislative Council. Any proportional balance remaining of the deposit, after paying the cost, must be returned to the depositor ([A.R.S. § 19-124](#)).



HOUSE OF REPRESENTATIVES

HB 2429

local financial disclosure; electronic filings
Prime Sponsor: Representative Stevens, LD 14

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2529 permits electronic filing of financial disclosure statements by local public officers beginning January 1, 2017.

PROVISIONS

1. Allows required financial disclosure statements to be filed by a local public officer in an electronic format as prescribed by the Secretary of State (SOS).
2. Becomes effective January 1, 2017.
3. Makes technical changes.

CURRENT LAW

Local public officer is defined as a person holding an elective office of an incorporated city or town, a county or a groundwater replenishment district ([A.R.S. § 38-541](#)). Every public officer, as a matter of public record, must file a verified financial disclosure statement covering the preceding calendar year with the SOS ([A.R.S. § 38-542](#)). Any local public officer who knowingly fails to file a financial disclosure statement, files an incomplete financial disclosure statement or files a false financial disclosure statement is guilty of a class 1 misdemeanor ([up to 6 months in jail, fine of \\$2,500 plus surcharges](#)). Any local public officer in violation is subject to a civil penalty of \$50 for each day of noncompliance but not more than \$500 may be imposed ([A.R.S. § 38-544](#)).

[Laws 2014, Chapter 149](#) permits *public officers*, beginning January 1, 2017, to file financial disclosure statements in a form prescribed by the SOS that includes authorization for future filings to be submitted in an electronic format.



HOUSE OF REPRESENTATIVES

HB 2431

government information technology; professional staff
Prime Sponsor: Representative Stevens, LD 14

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2431 requires the Director of the Arizona Department of Administration (ADOA) to provide guidance for professional development training of specified staff.

PROVISIONS

- I. Requires the Director of ADOA to:
 - a. provide direction for the professional development of budget unit information technology (IT) staff; and
 - b. oversee the professional development of ADOA staff.

CURRENT LAW

ADOA is responsible for developing, implementing and maintaining a coordinated statewide plan for IT. The Director of ADOA is required to: 1) appoint a chief information officer for IT; 2) establish minimum qualifications for each position; and 3) employ, determine employment conditions and prescribe the duties and powers of administrative, professional, technical, secretarial, clerical and other persons ([A.R.S. § 41-3503](#)). *Budget unit* is defined as a department, commission, board, institution or other agency of the state receiving, expending or disbursing state funds or incurring obligations of the state including the Arizona Board of Regents (ABOR), but excluding the universities under the jurisdiction of ABOR, community college districts and the legislative or judicial branches ([A.R.S. § 41-3501](#)).



HOUSE OF REPRESENTATIVES

HB 2433

telecommunications fund; report; website

Prime Sponsor: Representative Stevens, LD 14

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2433 requires the Director of the Arizona Department of Administration (ADOA) to post the annual report of the Telecommunications Fund (Fund) on their website.

PROVISIONS

1. Requires the Director of ADOA to post the Fund annual report on their website.

CURRENT LAW

The Fund is established for paying costs incurred in operating the Telecommunications Program Office (Office). The Director of ADOA is required to enter into a primary contract for the installation and maintenance of telecommunication systems and to act as Arizona's agent for telecommunication carrier services. Each office, department and agency must contract with the primary contractor through the Office and make payment to the primary contractor for its telecommunications needs ([A.R.S. § 41-712](#)).

ADOA is required to prepare and submit an annual consolidated telecommunications budget report to the Joint Legislative Budget Committee in connection with its annual budget request that: 1) accounts for all monies deposited in the Fund; 2) specifies the sources of monies received for deposit; 3) states the purpose and use of Fund monies during the preceding fiscal year (FY); and 4) stipulates the plans for the use of Fund monies during the next FY ([A.R.S. § 41-713](#)).



HOUSE OF REPRESENTATIVES

HB 2435

vocational and technical education; evaluation
Prime Sponsor: Representative Stevens, LD 14

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HB 2435 modifies the number of years between Vocational and Technical Education Program (Program) evaluations by a Community College District Board (Board).

PROVISIONS

1. Requires evaluation of the Program by a Board once every three years, rather than once every five years.
2. Makes technical changes.

CURRENT LAW

The Board is required to provide for the evaluation of Programs once every five years. The assessment must be conducted in cooperation with and with assistance from business, industry and labor representatives. The Board may conduct a self-evaluation ([A.R.S. § 15-1452](#)). *Community college* is defined as an educational institution that is operated by a district board and that provides a program not exceeding two years' training in the arts, sciences and humanities beyond the 12th grade of the public or private high school course of study or vocational education, including terminal courses of a technical and vocational nature and basic adult education courses ([A.R.S. § 15-401](#)).



HOUSE OF REPRESENTATIVES

HCR 2008

day of remembrance; murder victims

Prime Sponsor: Representative Boyer, LD 20

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2008 proclaims September 25, 2016, as Arizona Day of Remembrance for Murder Victims.

PROVISIONS

1. Announces September 25, 2016, as Arizona Day of Remembrance for Murder Victims.

CURRENT LAW

Not currently addressed in statute.



HOUSE OF REPRESENTATIVES

HCR 2011

tartan day

Prime Sponsor: Representative Townsend, LD 16

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2011 announces April 6, 2016, as Tartan Day in Arizona.

PROVISIONS

1. Declares April 6 2016, as Tartan Day in Arizona.
2. Encourages Members of the Legislature to promote, observe, celebrate and recognize the contributions that Scottish Americans have made to Arizona and the U.S.

CURRENT LAW

Not currently addressed in statute.



HOUSE OF REPRESENTATIVES

HCR 2023

proposition 105; legislative authority

Prime Sponsor: Representative Thorpe, LD 6

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2023, upon voter approval, modifies the Legislature's power to repeal, amend, supersede and transfer monies designated by initiative or referendum measures (Proposition 105).

PROVISIONS

1. Allows the Legislature to do any of the following with three-fifths votes of the members from each house of the Legislature by a roll call vote:
 - a. repeal or amend an initiative or referendum; and
 - b. adopt any measure that supersedes an initiative approved or referendum decided by a majority of votes cast.
2. Removes the requirement that the amending legislation or the appropriation or diversion of funds must further the purpose of the measure.
3. Requires the Secretary of State to submit this proposition to the voters at the next general election.

CURRENT LAW

In 1998 voters passed [Proposition 105](#) that amended the Arizona Constitution relating to initiative and referendum measures. The Legislature does not have the power to repeal an initiative or referendum measure decided or approved by a majority of the votes cast; however, the Legislature may amend, supersede or transfer funds designated by the initiative or referendum if: 1) the amending legislation furthers the purpose of the measure; and 2) receives at least three-fourths vote of the members of each house of the Legislature by a roll call vote ([Arizona Constitution, Article IV, Part 1, § 1](#)).

ADDITIONAL INFORMATION

In the House of Representatives, three-fourths equals 45 members and three-fifths equals 36 members. In the Senate, three-fourths equals 23 members and three-fifths equals 18 members.



HOUSE OF REPRESENTATIVES

HCR 2033

Arizona pastor appreciation month

Prime Sponsor: Representative Montenegro, et al., LD 13

DP Committee on Government and Higher Education

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2033 declares October 2016 as Arizona Pastor Appreciation Month.

PROVISIONS

1. Proclaims October 2016 as Arizona Pastor Appreciation Month.

CURRENT LAW

Not currently addressed in statute.



HOUSE OF REPRESENTATIVES

HB 2225

radiologic technology; out-of-state licensed practitioners
Prime Sponsor: Representative Lawrence, LD 23

DPA Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2225 clarifies that a person who holds a certificate to use ionizing radiation may do so under the direction of a licensed practitioner who is licensed in this state or any state, territory or district of the United States.

PROVISIONS

1. Clarifies that a person who holds a certificate to use ionizing radiation may do so under the direction of a licensed practitioner who is licensed in this state or any state, territory or district of the United States.

CURRENT LAW

A.R.S. § 32-2811 prohibits any person from using ionizing radiation on a human being unless the person is a licensed practitioner or the holder of a certificate. Ionizing radiation may only be used for diagnostic or therapeutic purposes while operating in each particular case at the direction of a licensed practitioner. The use of ionizing radiation and the direction to apply ionizing radiation are limited to those persons or parts of the human body specified in the laws under which the practitioner is licensed. Further, the provisions of the technologist's certificate govern the extent of application of ionizing radiation.

Amendments

Committee on Health

1. Allows a person holding a certificate to use ionizing radiation on human beings for diagnostic purposes only while operating in each particular case at the direction of a licensed practitioner who is licensed in any other state, territory or district of the United States.



HOUSE OF REPRESENTATIVES

HB 2353

regulatory boards; sunrise; draft legislation

Prime Sponsor: Representative Carter, LD 15

DPA Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2353 requires health and non-health applicant groups to submit draft legislation with a written report when requesting initial regulation and for health professions when requesting an expansion in scope of practice.

PROVISIONS

1. Requires health and non-health applicant groups to submit draft legislation with a written report when requesting initial regulation and for health professions when requesting an expansion in scope of practice.

Amendments

Committee on Health

1. States the report must be valid only for legislation to be introduced in a legislative session that is held on or before December 31 of the following calendar year.
2. Requires the Committee of Reference to submit a copy of the report to the Secretary of State.
3. Makes technical and conforming changes.

CURRENT LAW

Contained in Title 32, Chapters 31 and 44 respectively are the laws relating to the regulation of health professions and non-health professions and occupations. Outlined are provisions relating to applicant groups, written reports and factors to be considered when requesting regulation or an expansion in scope of practice.



HOUSE OF REPRESENTATIVES

HB 2359

physician assistants; continuing medical education
Prime Sponsor: Representative Carter, LD 15

DP Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2359 allows a licensee to use continuing medical education credits that were acquired for certification to satisfy their continuing medical education requirements.

PROVISIONS

1. Allows a licensee that holds a certification from a board approved certifying body to use their continuing medical education credits obtained for their certification to satisfy their continuing medical education requirements.

CURRENT LAW

A.R.S § 32-2523 states that each regular license holder must renew the license every other year on or before the licensee's birthday. This renewal is completed by paying the annual renewal fee and providing the board with necessary information. This includes proof of completion before the renewal date, and forty hours of category I continuing medical education that is approved by the American Academy of Physician Assistants, the American Medical Association, the American Osteopathic Association or any other accrediting organization that the board deems as acceptable. Physician assistants who are renewing their license but do not hold current national certifications may be subject to random audits conducted by the board in order to verify continuing medical education compliance. Regular license holders who fail to renew within thirty days after the licensee's birthday shall pay a penalty fee, and after ninety days, the licensee's license will automatically expire. Statute provides certain exceptions to this when the board receives written requests.



HOUSE OF REPRESENTATIVES

HB 2362

technical correction; AHCCCS; application process
Prime Sponsor: Representative Carter, LD 15

DPA/SE Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2362 makes a technical correction.

Summary of Proposed Strike-Everything Amendment to HB 2362

HB 2362 enacts the enhanced Nurse Licensure Compact (Compact) and repeals the current nurse compact.

PROVISIONS

Findings and Declaration of Purpose

1. Explains the findings of the party states as follows:
 - a. The health and safety of the public are affected by the degree of compliance with and the effectiveness of enforcement activities related to state nurse licensure laws;
 - b. Violations of nurse licensure laws and other laws regulating the practice of nursing may result in injury or harm to the public;
 - c. The expanded mobility of nurses and the use of advanced communication technologies as part of our nation's health care delivery system require greater coordination and cooperation among states in the areas of nurse licensure and regulation;
 - d. New practice modalities and technology make compliance with individual state nurse licensure laws difficult and complex;
 - e. The current system of duplicative licensure for nurses practicing in multiple states is cumbersome and redundant for both nurses and states; and
 - f. Uniformity of nurse licensure requirements throughout the states promotes public safety and public health benefits.
2. States the general purpose of this Compact is to:
 - a. Facilitate the states' responsibility to protect the public's health and safety;
 - b. Ensure and encourages the cooperation of party states in the areas of nurse licensure and regulation;
 - c. Facilitate the exchange of information between party states in the areas of nurse regulation, investigation and adverse actions;
 - d. Promote compliance with the laws governing the practice of nursing in each jurisdiction;
 - e. Invest all party states with the authority to hold a nurse accountable for meeting all state practice laws in the state in which the patient is located at the time care is rendered through the mutual recognition of party state licenses;
 - f. Decrease redundancies in the consideration and issuance of nurse licenses; and
 - g. Provide opportunities for interstate practice by nurses who meet uniform licensure requirements.

General Provisions and Jurisdiction

3. States that a multistate license to practice registered or licensed practical/vocational nursing issued by a home state to a resident in that state will be recognized by each party state as authorizing a nurse to practice as a registered nurse or as a licensed practical/vocational nurse, under a multistate licensure privilege in each party state.

4. Requires a state to implement procedures for considering the criminal history records of applicants for initial multistate license or licensure by endorsement. Such proceedings must include the submission of fingerprints or other biometric-based information by applicants for the purpose of obtaining an applicant's criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records.
5. Mandates each party state to require that, in order for an applicant to obtain or retain a multistate license in the home state, the applicant meets all of the following criteria:
 - a. Meets the home state's qualifications for licensure or renewal of licensure as well as all other applicable state laws;
 - b. Must have either graduated or is eligible to graduate from a licensing board-approved registered nurse or licensed practical/vocational nurse pre-licensure education program or has graduated from a foreign registered nurse or licensed practical/vocational nurse pre-licensure education program that both:
 - i. Have been approved by the authorized accrediting body in the applicable country; and
 - ii. Has been verified by an independent credentials review agency to be comparable to a licensing board-approved pre-licensure education program.
 - c. If a graduate of a foreign pre-licensure education program not taught in English or if English is not the individual's native language, has successfully passed an English proficiency examination that includes the components of reading, speaking, writing and listening;
 - d. Has successfully passed an NCLEX-RN® or NCLEX-PN® examination or recognized predecessor as applicable;
 - e. Is eligible for or holds an active, unencumbered license;
 - f. Has submitted, in connection with an application for initial licensure or licensure by endorsement, fingerprints or other biometric data for the purpose of obtaining criminal history record information from the Federal Bureau of Investigation and the agency responsible for retaining that state's criminal records;
 - g. Has not been convicted or found guilty, or has entered into an agreed disposition of a felony offense under applicable state or federal criminal law;
 - h. Has not been convicted or found guilty, or has entered into an agreed disposition, of a misdemeanor offense related to the practice of nursing as determined on a case-by-case basis;
 - i. Is not currently enrolled in an alternative program;
 - j. Is subject to self-disclosure requirements regarding current participation in an alternative program; and
 - k. Has a valid United States social security number.
6. Requires all party states to be authorized, in accordance with existing state due process law, to take adverse action against a nurse's multistate licensure privilege such as revocation, suspension or probation or any other action that affects a nurse's authorization to practice under a multistate licensure privilege, including cease and desist actions. If a party state takes action, it must promptly notify the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system must promptly notify the home state of any such actions by remote states.
7. Mandates a nurse practicing in a party state to comply with the state practice laws of the state in which the client is located at the time service is provided. The practice of nursing is not limited to patient care, but must include all nursing practice as defined by the state practice laws of the party state in which the client is located. The practice of nursing in a party state under a multistate licensure privilege must subject a nurse to the jurisdiction of the licensing board, the Courts and the laws of the party state in which the client is located at the time service is provided.
8. Requires individuals not residing in a party state to continue to be able to apply for a party state's single-state license as provided under the laws of each party state. However, the single-state license granted to these individuals must not be recognized as granting the privilege to practice nursing in any other state. This compact does not affect the requirements established by a party state for the issuance of a single-state license.
9. Permits any nurse holding a home state multistate license on the effective date of this Compact to retain and renew the multistate license issued by the nurse's then-current home state, provided that:
 - a. A nurse who changes the nurse's primary state of residence after this Compact's effective date must meet all applicable requirements to obtain a multistate license from a new home state; and
 - b. A nurse who fails to satisfy the multistate licensure requirements due to a disqualifying event occurring after this Compact's effective date must be ineligible to retain or renew a multistate license, and the nurse's

multistate license must be revoked or deactivated in accordance with applicable rules adopted by the Interstate Commission of Nurse Licensure Compact Administrators (Commission).

Applications for Licensure in a Party State

10. Requires the licensing board in the issuing party state to ascertain, through the coordinated licensure information system, whether the applicant has ever held, or is the holder of, a license issued by any other state, whether there are any encumbrances on any license or multistate licensure privilege held by the applicant, whether any adverse action has been taken against any license or multistate licensure privilege held by the applicant and whether the applicant is currently participating in an alternative program.
11. Allows a nurse to hold a multistate license, issued by the home state, in only one party state at a time.
12. States that if a nurse changes the nurse's primary state of residence by moving between two party states, the nurse must apply for licensure as follows in the new home state and the multistate license issued by the prior home state will be deactivated in accordance with the applicable rules adopted by the commission:
 - a. The nurse may apply for licensure in advance of a change in primary state of residence; and
 - b. A multistate license must not be issued by the new home state until the nurse provides satisfactory evidence of a change in the nurse's primary state of residence to the new home state and satisfies all applicable requirements to obtain a multistate license from the new home state.
13. States that if a nurse changes the nurse's primary state of residence by moving from a party state to a nonparty state, the multistate license issued by the prior home state must convert to a single-state license that is valid only in the former home state.

Additional Authorities Invested in Party State Licensing Boards

14. Mandates a licensing board to have the authority to:
 - a. Take adverse action against a nurse's multistate licensure privilege to practice within that party state as follows:
 - i. Only the home state must have the power to take adverse action against a nurse's license issued by the home state; and
 - ii. For purposes of taking adverse action, the home state licensing board must give the same priority and effect to reported conduct received from a remote state as it would if such conduct had occurred within the home state. In so doing, the home state must apply its own state laws to determine appropriate action.
 - b. Issue cease and desist orders or impose an encumbrance on a nurse's authority to practice within that party state;
 - c. Complete any pending investigation of a nurse who changes the nurse's primary state of residence during the course of such an investigation. The licensing board must also have the authority to take any appropriate action and must promptly report the conclusions of such investigations to the administrator of the coordinated licensure information system. The administrator of the coordinated licensure information system must promptly notify the new home state of any such actions;
 - d. Issue subpoenas for both hearings and investigations that require the attendance and testimony of witnesses as well as the production of evidence. Subpoenas issued by a licensing board in a party state for the attendance and testimony of witnesses or the production of evidence from another party state must be enforced in the latter state by any court of competent jurisdiction, according to the practice and procedure of that court applicable to subpoenas issued in proceedings pending before it. The issuing authority must pay any witness fees, travel expenses, mileage and other fees required by the service statutes of the state in which any witness or evidence is located;
 - e. Obtain and submit, for each nurse licensure applicant, fingerprint or other biometric-based information to the Federal Bureau of Investigation for criminal background checks, receive the results of the Federal Bureau of Investigation record search on criminal background checks and use the results in making licensure decisions;
 - f. Recover from the affected nurse the costs of investigations and disposition of cases resulting from any adverse action taken against that nurse, if otherwise permitted by state law; and
 - g. Take adverse action based on the factual findings of the remote state, provided that the licensing board follows its own procedures for taking such adverse action.
15. States that if adverse action is taken by the home state against a nurse's multistate license, the nurse's multistate licensure privilege to practice in all other party states must be deactivated until all encumbrances have been

removed from the multistate license. All home state disciplinary orders that impose adverse action against a nurse's multistate license must include a statement that the nurse's multistate privilege is deactivated in all party states during the pendency of the order.

16. Clarifies this Compact does not override a party state's decision that participation in an alternative program may be used in lieu of adverse action. The home state licensing board must deactivate the multistate licensure privilege under the multistate license of any nurse for the duration of the nurse's participation in an alternative program.

Coordinated Licensure Information System and Exchange of Information

17. Requires all party states to participate in a coordinated licensure information system of all licensed registered nurses and licensed practical/vocational nurses. This system must include information on the licensure and disciplinary history of each nurse, as submitted by party states, to assist in the coordination of nurse licensure and enforcement efforts.
18. Mandates the Commission, in consultation with the administrator of the coordinated licensure information system, to formulate necessary and proper procedures for the identification, collection and exchange of information under this Compact.
19. Requires all licensing boards to promptly report to the coordinated licensure information system any adverse action, any current significant investigative information, denials of applications with the reasons for such denials and nurse participation in alternative programs known to the licensing board regardless of whether such participation is deemed nonpublic or confidential under state law.
20. Specifies that current significant investigative information and participation in nonpublic or confidential alternative programs must be transmitted through the coordinated licensure information system only to party state licensing boards.
21. Permits all party state licensing boards contributing information to the coordinated licensure information system may designate information that may not be shared with nonparty states or disclosed to other entities or individuals without the express permission of the contributing state.
22. States that any personally identifiable information obtained from the coordinated licensure information system by a party state licensing board may not be shared with nonparty states or disclosed to other entities or individuals except to the extent permitted by the law of the party state contributing the information.
23. Specifies that any information contributed to the coordinated licensure information system that is subsequently required to be expunged by the laws of the party state contributing that information must also be expunged from the coordinated licensure information system.
24. Requires the Compact administrator of each party state to furnish a uniform data set to the Compact administrator of each other party state that includes, at a minimum:
 - a. Identifying information;
 - b. Licensure data;
 - c. Information related to alternative program participation; and
 - d. Other information that may facilitate the administration of this Compact, as determined by Commission rules.
25. Mandates the Compact administrator of a party state provide all investigative documents and information requested by another party state.

Establishment of the Interstate Commission of Nurse Licensure Compact Administrators

26. Declares the party states hereby create and establish a joint public entity known as the Commission as follows:
 - a. The Commission is an instrumentality of the party states;
 - b. Venue is proper, and judicial proceedings by or against the Commission must be brought solely and exclusively in a court of competent jurisdiction where the principal office of the Commission is located. The Commission may waive venue and jurisdictional defenses to the extent it adopts or consents to participate in alternate dispute resolution proceedings; and

- c. Nothing in this Compact must be construed to be a waiver of sovereign immunity.
27. Stipulates membership, voting and meetings are as follows:
- a. Each party state must have and be limited to one administrator. The head of the state licensing board or designee must be the administrator of this Compact for each party state. Any administrator may be removed or suspended from office as provided by the laws of the state from which the administrator is appointed. Any vacancy occurring in the Commission must be filled in accordance with the laws of the party state in which the vacancy occurs;
 - b. Each administrator must be entitled to one vote with regard to the adoption of rules and creation of bylaws and must otherwise have an opportunity to participate in the business and affairs of the Commission. An administrator must vote in person or by such other means as provided in the bylaws. The bylaws may provide for an administrator's participation in meetings by telephone or other means of communication;
 - c. The Commission must meet at least once during each calendar year. Additional meetings must be held as set forth in the bylaws or rules of the Commission;
 - d. All meetings must be open to the public, and public notice of meetings must be given in the same manner as required under the rulemaking provisions of this Compact;
 - e. The Commission may convene in a closed, nonpublic meeting if the Commission must discuss any of the following:
 - i. Noncompliance of a party state with its obligations under this Compact;
 - ii. The employment, compensation, discipline or other personnel matters, practices or procedures related to specific employees or other matters related to the Commission's internal personnel practices and procedures;
 - iii. Current, threatened or reasonably anticipated litigation;
 - iv. Negotiation of contracts for the purchase or sale of goods, services or real estate;
 - v. Accusing any person of a crime or formally censuring any person;
 - vi. Disclosure of trade secrets or commercial or financial information that is privileged or confidential;
 - vii. Disclosure of information of a personal nature if disclosure would constitute a clearly unwarranted invasion of personal privacy;
 - viii. Disclosure of investigatory records compiled for law enforcement purposes;
 - ix. Disclosure of information related to any reports prepared by or on behalf of the Commission for the purpose of investigation of compliance with this Compact; and
 - x. Matters specifically exempted from disclosure by federal or state law.
28. States if a meeting or portion of a meeting is closed the Commission's legal counsel or designee must certify that the meeting may be closed and must reference each relevant exempting provision. The Commission must keep minutes that fully and clearly describe all matters discussed in a meeting and must provide a full and accurate summary of actions taken, and reasons therefore, including a description of the views expressed. All documents considered in connection with an action must be identified in such minutes. All minutes and documents of a closed meeting must remain under seal, subject to release by a majority vote of the Commission or an order of a court of competent jurisdiction.
29. Provides the Commission, by a majority vote of the administrators, must prescribe bylaws or rules to govern its conduct as may be necessary or appropriate to carry out the purposes and exercise the powers of this Compact including:
- a. Establishing the fiscal year of the Commission;
 - b. Providing reasonable standards and procedures;
 - i. For the establishment and meetings of other committees; and
 - ii. Governing any general or specific delegation of any authority or function of the Commission.
 - c. Providing reasonable procedures for calling and conducting meetings of the Commission, ensuring reasonable advance notice of all meetings and providing an opportunity for attendance of such meetings by interested parties, with enumerated exceptions designed to protect the public's interest, the privacy of individuals and proprietary information, including trade secrets. The Commission may meet in closed session only after a majority of the administrators vote to close a meeting in whole or in part. As soon as practicable, the Commission must make public a copy of the vote to close the meeting revealing the vote of each administrator, with no proxy votes allowed;
 - d. Establishing the titles, duties and authority and reasonable procedures for the election of the officers of the Commission;

- e. Providing reasonable standards and procedures for the establishment of the personnel policies and programs of the Commission. Notwithstanding any civil service or other similar laws of any party state, the bylaws must exclusively govern the personnel policies and programs of the Commission;
 - f. Providing a mechanism for winding up the operations of the Commission and the equitable disposition of any surplus monies that may exist after the termination of this Compact after the payment or reserving of all of its debts and obligations.
30. Requires the Commission to publish its bylaws and rules, and any amendments, in a convenient form on the website of the Commission.
31. Mandates the Commission meet and take such actions as are consistent with the provisions of this Compact and the bylaws.
32. Bestows the following powers on the Commission;
- a. To adopt uniform rules to facilitate and coordinate the implementation and administration of this Compact. The rules must have the force and effect of law and must be binding on all member states;
 - b. To bring and prosecute legal proceedings or actions in the name of the Commission, provided that the standard of any licensing board to sue or be sued under applicable law must not be affected;
 - c. To purchase and maintain insurance and bonds;
 - d. To borrow, accept or contract for services of personnel, including employees of a party state or nonprofit organizations;
 - e. To cooperate with other organizations that administer state compacts related to the regulation of nursing, including sharing administrative or staff expenses, office space or other resources;
 - f. To hire employees, elect or appoint officers, fix compensation, define duties, grant such individuals appropriate authority to carry out the purposes of this Compact and establish the Commission's personnel policies and programs related to conflicts of interest, qualifications of personnel and other related personnel matters;
 - g. To accept any and all appropriate donations, grants and gifts of money, equipment, supplies, materials and services, and to receive, utilize and dispose of the same if at all times the Commission avoids any appearance of impropriety or conflict of interest;
 - h. To lease, purchase, accept appropriate gifts or donations of, or otherwise own, hold, improve or use, any property, whether real, personal or mixed if at all times the Commission avoids any appearance of impropriety;
 - i. To sell, convey, mortgage, pledge, lease, exchange, abandon or otherwise dispose of any property, whether real, personal or mixed;
 - j. To establish a budget and make expenditures;
 - k. To borrow money;
 - l. To appoint committees, including advisory committees composed of administrators, state nursing regulators, state legislators or their representatives, and consumer representatives and other such interested persons;
 - m. To provide and receive from, and to cooperate with, law enforcement agencies;
 - n. To adopt and use an official seal; and
 - o. To perform such other functions as may be necessary or appropriate to achieve the purposes of this Compact, consistent with the state regulation of nurse licensure and practice.
33. Provides for financing of the Commission as follows:
- a. The Commission must pay, or provide for the payment of, the reasonable expenses of its establishment, organization and ongoing activities;
 - b. The Commission may levy on and collect an annual assessment from each party state to cover the cost of its operations, activities and staff in its annual budget as approved each year. The aggregate annual assessment amount, if any, must be allocated based on a formula to be determined by the Commission, which must adopt a rule that is binding on all party states;
 - c. The Commission, may not incur obligations of any kind before securing the monies adequate to meet the same or pledge the credit of any of the party states, except by, and with the authority of, such party state; and
 - d. The Commission must keep accurate accounts of all receipts and disbursements. The receipts and disbursements of the Commission must be subject to the audit and accounting procedures established under its bylaws. However, all receipts and disbursements of monies handled by the Commission must be audited

yearly by a certified or licensed public accountant, and the report of the audit must be included in and become part of the annual report of the Commission.

34. Outlines qualified immunity, defense and indemnification as follows:
- a. The administrators, officers, executive director, employees and representatives of the Commission must be immune from suit and liability, either personally or in their official capacity, for any claim for damage to or loss of property or personal injury or other civil liability caused by or arising out of any actual or alleged act, error or omission that occurred, or that the person against whom the claim is made had a reasonable basis for believing occurred, within the scope of Commission employment, duties or responsibilities. This paragraph does not protect any such person from suit or liability for any damage, loss, injury or liability caused by the intentional, willful or wanton misconduct of that person;
 - b. The Commission must defend any administrator, officer, executive director, employee or representative of the Commission in any civil action seeking to impose liability arising out of any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties or responsibilities, or that the person against whom the claim is made had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities. This paragraph does not prohibit that person from retaining that person's own legal counsel if the actual or alleged act, error or omission did not result from that person's intentional, wilful or wanton misconduct; and
 - c. The Commission must indemnify and hold harmless any administrator, officer, executive director, employee or representative of the Commission for the amount of any settlement or judgment obtained against that person arising out of any actual or alleged act, error or omission that occurred within the scope of Commission employment, duties or responsibilities, or that such person had a reasonable basis for believing occurred within the scope of commission employment, duties or responsibilities if the actual or alleged act, error or omission did not result from the intentional, wilful or wanton misconduct of that person.

Rulemaking

35. Requires the Commission to exercise its rulemaking powers pursuant to the criteria set forth and in conjunction with the adopted rules. Rules and amendments must become binding as of the date specified in each rule or amendment and must have the same force and effect as other provisions of this Compact.
36. Provides rules or amendments to the rules must be adopted at a regular or special meeting of the Commission.
37. States before adoption of a final rule or rules by the Commission, and at least 60 days in advance of the meeting at which the rule will be considered and voted on, the Commission must file a notice of proposed rulemaking both:
- a. On the website of the Commission; and
 - b. On the website of each licensing board or the publication in which each state would otherwise publish proposed rules.
38. States the notice of proposed rulemaking must include all of the following:
- a. The proposed time, date and location of the meeting in which the rule will be considered and voted on;
 - b. The text of the proposed rule or amendment and the reason for the proposed rule;
 - c. A request for comments on the proposed rule from any interested person; and
 - d. The manner in which interested persons may submit notice to the Commission of their intention to attend the public hearing and any written comments.
39. Requires, the Commission before the adoption of a proposed rule, to allow persons to submit written data, facts, opinions and arguments that must be made available to the public.
40. Provides that the Commission must grant an opportunity for public hearing before it adopts a rule or amendment.
41. Mandates the Commission to publish the place, time and date of the scheduled public hearing. The following apply to hearings:
- a. Hearings must be conducted in a manner providing each person who wishes to comment a fair and reasonable opportunity to comment orally or in writing. All hearings must be recorded and a copy must be made available on request; and
 - b. A separate hearing is not required on each rule. Rules may be grouped for the convenience of the Commission at required hearings.

42. States, following the scheduled hearing date, or by the close of business on the scheduled hearing date if the hearing was not held, the Commission must consider all written and oral comments received.
43. Requires the Commission, by a majority vote of all administrators, to take final action on the proposed rule and must determine the effective date of the rule, if any, based on the rulemaking record and full text of the rule.
44. Stipulates that if it is determined that an emergency exists, the Commission may consider and adopt an emergency rule without prior notice or an opportunity for comment or hearing, provided the usual rulemaking procedures provided in this Compact and the section relating to rulemaking must be retroactively applied to the rule as soon as reasonably practicable, but not later than 90 days after the effective date of the rule. An emergency rule is one that must be adopted immediately in order to do any of the following:
 - a. Meet an imminent threat to public health, safety or welfare;
 - b. Prevent a loss of Commission or party state funds; and
 - c. Meet a deadline for the adoption of an administrative rule that is required by federal law or rule.
45. Allows the Commission to direct revisions to a previously adopted rule or amendment for purposes of correcting typographical errors, errors in format, errors in consistency or grammatical errors. Public notice of any revisions must be posted on the website of the Commission. The revision must be subject to challenge by any person for a period of 30 days after posting. The revision may be challenged only on grounds that the revision results in a material change to a rule. A challenge must be made in writing, and delivered to the Commission before the end of the notice period. If no challenge is made the revision must take effect without further action. If the revision is challenged, the revision may not take effect without the approval of the Commission.

Oversight, Dispute Resolution and Enforcement

46. Provides oversight as follows:
 - a. Each party state must enforce this Compact and take all actions necessary and appropriate to effectuate this Compact's purposes and intent; and
 - b. The Commission is entitled to receive service of process in any proceeding that may affect the powers, responsibilities or actions of the Commission and has standing to intervene in such a proceeding for all purposes. Failure to provide service of process in such proceeding to the Commission must render a judgment or order void as to the Commission, this Compact or adopted rules.
47. Outlines default, technical assistance and termination are as follows:
 - a. If the Commission determines that a party state has defaulted in the performance of its obligations or responsibilities under this Compact or the promulgated rules, the Commission must do both of the following:
 - i. Provide written notice to the defaulting state and other party states of the nature of the default, the proposed means of curing the default or any other action to be taken by the Commission; and
 - ii. Provide remedial training and specific technical assistance regarding the default.
 - b. If a state in default fails to cure the default, the defaulting state's membership in this Compact may be terminated on an affirmative vote of a majority of the administrators, and all rights, privileges and benefits conferred by this Compact may be terminated on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of default;
 - c. Termination of membership in this Compact must be imposed only after all other means of securing compliance have been exhausted. Notice of intent to suspend or terminate must be given by the Commission to the governor of the defaulting state and to the executive officer of the defaulting state's licensing board and each of the party states;
 - d. A state whose membership in this Compact has been terminated is responsible for all assessments, obligations and liabilities incurred through the effective date of termination, including obligations that extend beyond the effective date or termination;
 - e. The Commission may not bear any costs related to a state that is found to be in default or whose membership in this Compact has been terminated unless agreed on in writing between the Commission and the defaulting state; and
 - f. The defaulting state may appeal the action of the Commission by petitioning the United States District Court for the District of Columbia or the Federal District in which the Commission has its principal offices. The prevailing party must be awarded all costs of such litigation, including reasonable attorney fees.
48. Delineates dispute resolution as follows:

- a. On request by a party state, the Commission must attempt to resolve disputes related to the Compact that arise among party states and between party and nonparty states;
 - b. The Commission must adopt a rule providing for both mediation and binding dispute resolution for disputes, as appropriate;
 - c. If the Commission cannot resolve disputes among party states arising under this Compact:
 - i. The party states may submit the issues in dispute to an arbitration panel that is composed of individuals appointed by the Compact administrator in each of the affected party states and an individual who is mutually agreed on by the Compact administrators of all party states involved in the dispute; and
 - ii. The decision of a majority of the arbitrators is final and binding.
49. Outlines enforcement provisions as follows:
- a. The Commission, in the reasonable exercise of its discretion, must enforce the provisions and rules of the Compact;
 - b. By majority vote, the Commission may initiate legal action in the United States District Court for the District of Columbia or the Federal District in which the Commission has its principal offices against a party state that is in default to enforce compliance with this Compact and its adopted rules and bylaws. The relief sought may include both injunctive relief and damages. If judicial enforcement is necessary, the prevailing party must be awarded all costs of such litigation, including reasonable attorneys' fees; and
 - c. The remedies in this Compact are not the exclusive remedies of the Commission. The Commission may pursue any other remedies available under federal or state law.

Effective Date, Withdrawal and Amendment

50. Requires this Compact be effective and binding on the earlier of the date of legislative enactment of this Compact into law by at least 26 states or December 31, 2018. All party states to this Compact that also were parties to the prior nurse compact, superseded by this Compact, must be deemed to have withdrawn from the prior compact within six months after the effective date of this Compact.
51. Stipulates each party state to this Compact must continue to recognize a nurses' multistate licensure privilege to participate in that party state issued under the prior compact until the party state has withdrawn from the prior compact.
52. Provides that any party state may withdraw from this Compact by enacting a statute repealing the Compact. A party state's withdrawal must not take effect until six months after enactment of the repealing statute.
53. States that a party state's withdrawal or termination must not affect the continuing requirement of the withdrawing or terminated state's licensing board to report adverse actions and significant investigations occurring before the effective date of such withdrawal or termination.
54. Stipulates this Compact does not invalidate or prevent any nurse licensure agreement or other cooperative arrangement between a party state and a nonparty state that is made in accordance with the other provisions of this Compact.
55. Allows this Compact to be amended by the party states. An amendment to this Compact does not become effective and binding on the party states until it is enacted into the laws of all party states.
56. Specifies that representatives of nonparty states to this Compact must be invited to participate in the activities of the Commission, on a nonvoting basis, before the adoption of the Compact by all states.

Construction and Severability

57. Requires this Compact to be liberally construed so as to effectuate the purposes of the Compact. The provisions of this Compact must severable, and if any phrase, clause, sentence or provision of this Compact is declared to be contrary to the Constitution of any party state or the United States, or if the applicability of the Compact to any government, agency person or circumstance is held invalid, the validity of the remainder of this Compact and the applicability of the Compact to any government, agency, person or circumstance must not be affected. If this Compact is held to be contrary to the constitution of any party state, this Compact must remain in full force and effect as to the remaining party states and in full force and effect as to the party state affected as to all severable matters.

Other

58. Repeals the current existing nurse compact at A.R.S. §§ 32-1668 and 32-1669.

59. Requires legislative staff to prepare proposed legislation conforming the Arizona Revised Statutes to the provisions of this act for consideration by the legislature.
60. Contains a conditional enactment of the Compact as added by this act, and the repeal of A.R.S. §§ 32-1668 and 32-1669 become effective on the earlier of:
 - a. December 31, 2018; or
 - b. The legislative enactment into law of the Compact by at least 26 other states.
61. Requires the Arizona State Board of Nursing to notify in writing the director of the Arizona Legislative Council on or before January 15, 2019 of the date on which the condition was met.
62. Defines terms.

AMENDMENTS

COMMITTEE ON HEALTH

The strike-everything amendment was adopted.

CURRENT LAW

A.R.S. §§ 32-1668 and 32-1669 contain the current nurse compact.

ADDITIONAL INFORMATION

The National Council of State Nursing Boards has published information regarding the Compact [NCSBN](#).



HOUSE OF REPRESENTATIVES

HB 2363

personal information; breach; records; exception
Prime Sponsor: Representative Carter, LD 15

DP Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2363 extends exemptions for Health Insurance Portability and Accountability Act (HIPAA) covered entities to business associates, as defined by HIPAA.

PROVISIONS

1. Exempts *business associates* (as defined by HIPAA) from requirements regarding notification for compromised personal information.
2. Exempts *business associates* (as defined by HIPAA) from requirements regarding the discard and disposal of paper records and documents containing personal identifying information.
3. Makes technical and conforming changes.

CURRENT LAW

[A.R.S. §44-7501](#) exempts *covered entities*, as defined by HIPAA, from requirements regarding notification for compromised personal data.

[A.R.S. §44-7601](#) exempts *covered entities*, as defined by HIPAA, from requirements regarding notification in regard to the discard and disposal of paper records and documents containing personal identifying information.

ADDITIONAL INFORMATION

[45 C.F.R. §160.103](#) provides the following definitions:

“*Business associate*” is a person that participates, creates, receives, maintains, or transmits protected health information on behalf of a covered entity or healthcare arrangement where the provision of the service(s) involves the disclosure of protected health information from such covered entity or arrangement, or from another business associate of such covered entity or arrangement, to the person.

“*Covered entity*” is a health plan, health care clearinghouse or a health care provider who transmits any health information in electronic form in connection with a transaction covered by the Administrative Data Standards and Related Requirements under Title 45 of the C.F.R. Subtitle A.

[45 C.F.R. §164.410](#) provides regulations concerning the notification by a business associate following the discovery of a breach of unsecured protected health information (PHI).



HOUSE OF REPRESENTATIVES

HB 2364

medical board; license renewal

Prime Sponsor: Representative Carter, LD 15

DP Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2364 permits a person to apply for a license within a two year period after the expiration of their previous license.

PROVISIONS

1. Requires a person who submits an application for renewal within a two-year period after the expiration date of their previous license authorization period to complete all of the following:
 - a. Submit a completed application on a form provided by the Arizona Medical Board (Board);
 - b. Pay renewal and late renewal fees;
 - c. Provide proof of completion of continuing medical education requirements; and
 - d. Provide a notarized statement that describes any medical practice the person performed after the expiration of the previous licensure period.
2. Allows the Board to renew a license if all requirements noted above are met.
3. Authorizes the Board to assess a civil penalty of no more than one thousand dollars or impose other appropriate sanctions to a person who perform the unauthorized practice of medicine.

CURRENT LAW

A.R.S. § 32-1430 provides a person, who holds an active license to practice medicine in the state of Arizona, to renew their license every other year on or before the licensee's birthday. A licensee must pay the fees required accompanied by a completed renewal form. If a licensee does not renew their active license on or before thirty days after the licensee's birthday, a penalty fee must be paid. The license will automatically expire if the licensee does not renew within four months after the licensee's birthday. A person who practices medicine after their license has expired is in violation of this statute.

A person renewing their license must provide the Board with a report of any disciplinary actions placed against them by a state licensing or disciplinary agency of the federal government. The report must include the name and address of the sanctioning agency or health care institution, the nature of the action taken and a general statement of the charges leading to the action taken. The licensee must also submit proof of having completed a training unit prescribed by the Board along with their renewal form.



HOUSE OF REPRESENTATIVES

HB 2461

lifespan respite care; program termination

Prime Sponsor: Representative Brophy McGee, LD 28

DP Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2461 extends the Lifespan Respite Care Program's (Program) termination date to July 1, 2025.

PROVISIONS

1. Extends the Program's termination date to July 1, 2025.
2. Clarifies that the Program is for primary caregivers of individuals who do not currently receive other publicly funded respite services

ADDITIONAL INFORMATION

A.R.S. § 46-172 states that the Department of Economic Security (DES) must establish a program for primary caregivers of individuals who do not currently qualify for publicly funded respite services. Additionally, DES must coordinate with other respite services and support the growth and maintenance of a statewide respite coalition. The Program must also conduct a study on the need for respite care and help identify local training resources for respite care providers. In addition, the Program must link families with respite care providers and create an evaluation tool for recipients of respite care to assure quality of care. Currently, the Program sunsets on July 1, 2017.



HOUSE OF REPRESENTATIVES

HB 2502

medical licensure compact

Prime Sponsor: Representative Carter, LD 15

DP Committee on Health

X Caucus and COW

House Engrossed

OVERVIEW

HB 2502 enacts the Medical Licensure Compact (Compact).

PROVISIONS

Purpose

1. Declares that in order to strengthen access to health care, and in recognition of the advances in the delivery of health care, the member states of the Compact have allied in common purpose to develop a comprehensive process that complements the existing licensing and regulatory authority of state medical boards and provides a streamlined process that allows physicians to become licensed in multiple states, thereby enhancing the portability of a medical license and ensuring the safety of patients. This Compact creates another pathway for licensure and does not otherwise change a state's existing medical practice act. This Compact also adopts the prevailing standard for licensure and affirms that the practice of medicine occurs where the patient is located at the time of the physician-patient encounter, and therefore, requires the physician to be under the jurisdiction of the state medical board where the patient is located. State medical boards that participate in the Compact retain jurisdiction to impose an adverse action against a license to practice medicine in that state issued to a physician through the procedures in the Compact.

Eligibility

2. States a physician must meet the eligibility requirements of this Compact to receive an expedited license under the terms and provisions of this Compact.
3. Specifies that a physician who does not meet the requirements of this Compact may obtain a license to practice medicine in a member state if the individual complies with all laws and requirements, other than the Compact, relating to the issuance of a license to practice medicine in that state.

Designation of State of Principal License

4. Requires a physician to designate a member state as the state of principal license for purposes of registration for expedited licensure through the Compact if the physician possesses a full and unrestricted license to practice medicine in that state and the state is one of the following:
 - a. The state of primary residence of the physician;
 - b. The state where at least 25% of the physician's practice occurs;
 - c. The location of the physician's employer; and
 - d. If no state qualifies, the state designated as state of residence for purpose of federal income tax.
5. Allows a physician to redesignate a member state as state of principal residence license at any time, as long as the state meets the provisions outlined above.
6. Permits the Interstate Commission (Commission) to develop rules to facilitate the redesignation of another member state as the state of principal license.

Application and Issuance of Expedited License

7. Requires a physician seeking licensure through the Compact to file an application for an expedited license with the member board of the state selected by the physician as the state of principal license.

8. Provides that a member board, on receipt of an application for expedited license, within the state selected as the state of principal license must evaluate whether the physician is eligible for expedited licensure and issue a letter of qualification verifying or denying the physician's eligibility to the Interstate Commission as follows:
 - a. Static qualifications that are not be subject to additional primary source verification when already verified by the state of principal residence;
 - b. Requires the member board of the principal license state, in the course of verifying eligibility, to perform a criminal background check of an applicant; and
 - c. States that on appeal the determination of eligibility must be made to the member state where the application was filed and must be subject to the law of that state.
9. Specifies that after verification of a physician's qualifications by the member state, eligible physicians for an expedited license must complete the registration process established by the Commission to receive a license in a member state, including payment of applicable fees.
10. Sets forth that after verification of eligibility and payment of fees, a member board must issue an expedited license to the physician. This license must authorize the physician to practice medicine in the issuing state consistent with the medical practice act and all applicable laws and regulations of the issuing member board and member state.
11. States an expedited license must be valid for period consistent with the licensure period in the member state and in the same manner as required for physicians holding a full and unrestricted license within the member state.
12. Provides that an expedited license obtained through the Compact must be terminated if the physician fails to maintain a license in the state of principal license for a nondisciplinary reason, without designation of a new state of principal license.
13. Authorizes the Commission to develop rules regarding the application process, including payment of applicable fees and the issuance of an expedited license.

Fees for Expedited License

14. Allows a member state issuing an expedited license to impose a fee for the license issued or renewed through the Compact.
15. Permits the Commission to develop rules regarding fees for expedited licenses.

Renewal and Continued Participation

16. Outlines that a physician seeking to renew an expedited license must complete a renewal process with the Commission if the physician:
 - a. Maintains a full and unrestricted license in a state of principal license;
 - b. Has not been convicted, received adjudication, deferred adjudication or community supervision or deferred disposition for any offense by a court of appropriate jurisdiction;
 - c. Has not had a license subject to discipline by a licensing agency in any state, federal or foreign jurisdiction, excluding any action related to nonpayment of fees related to a license; and
 - d. Has not had a controlled substance license or permit suspended or revoked by a state or the United States Drug Enforcement Administration.
17. Mandates that physicians must comply with all continuing professional development or continuing medical education requirements for renewal of a license issued by a member state.
18. Requires the Commission to collect any renewal fees and distribute the fees to the applicable member board and upon receipt of any renewal fees the member board must renew the physicians license.
19. State that all physician information collected by the Commission during the renewal process must be distributed to all member boards.
20. Permits the Commission to develop rules to address renewal of licenses obtained through the Compact.

Coordinated Information System

21. Requires the Commission to establish a database of all physicians who are licensed or who have applied for licensure under the Compact.

22. States member boards must report to the Commission any public action or complaints against a licensed physician who has applied or received an expedited license through the Compact.
23. Specifies that member boards must report disciplinary or investigative information as necessary and proper by rule of the Commission.
24. Allows member boards to report any nonpublic complaint, disciplinary or investigative information to the Commission.
25. Requires member boards to share complaint or disciplinary information about a physician to other member boards on request.
26. States that all information provided to the Commission or distributed by board members must be confidential, filed under seal and used only for investigatory or disciplinary matters.
27. Allows the Commission to develop rules for mandated or discretionary sharing of information by member boards.

Joint Investigations

28. States that licensure and disciplinary records of physicians are deemed investigative.
29. Permits a member board to participate with other members boards in joint investigations of physicians licensed by the member boards.
30. Requires that a subpoena issued by a member state be enforceable in other member states.
31. Provides for member boards to share any investigative, litigation or compliance materials in furtherance of any joint or individual investigation initiated under the Compact.
32. Allows any member state to investigate actual or alleged violations of the statutes authorizing the practice of medicine in any other member state in which a physician holds a license to practice medicine.

Disciplinary Actions

33. Provides that any disciplinary action taken by any member board against a physician licensed through this Compact must be deemed unprofessional conduct that may be subject to discipline by other member boards. In addition to any violation of the medical practice act or regulations in that state.
34. Specifies that if a physician license granted by a member board in the state of principal license is revoked, surrendered or relinquished in lieu of discipline, or suspended, then all licenses issued to the physician by member boards must automatically be placed on the same status. If the member board in the state of principal license subsequently reinstates the physician's license, a license issued to the physician by any other member board must remain encumbered until that respective member board takes action to reinstate the license.
35. States that if disciplinary action is taken against a physician by a member board not in the state of principal license, any other member board may deem the action conclusive as to matter of law and fact decided, and either:
 - a. Impose the same or lesser sanctions against the physician so long as such sanctions are consistent with the medical practice act of that state; and
 - b. Pursue separate disciplinary action against the physician under its respective medical practice act, regardless of the action taken in other member states.
36. Stipulates that if a license granted to a physician by a member board is revoked, surrendered or relinquished in lieu of discipline, or suspended, any license issued to the physician by any other member board must be suspended automatically and immediately without further action necessary by the other member board, for 90 days on entry of the order by the disciplining board, to permit the member board to investigate the basis for the action under the medical practice act of that state. A member board may terminate the automatic suspension of the license it issued before the completion of the 90 day suspension period in a manner consistent with the medical practice act of that state.

Interstate Medical Licensure Compact Commission

37. Declares that the member states hereby create the Commission.
38. Provides that the purpose of the Commission is the administration of the Compact, which is a discretionary state

function.

39. Mandates that the Commission be a body corporate and joint agency of the member states and must have all the responsibilities, powers and duties set forth in this Compact, and such additional powers as may be conferred on it by a subsequent concurrent action of the respective legislatures of the member states in accordance with the terms of the Compact.
40. Requires the Commission to consist of two voting representatives appointed by each member state who must serve as commissioners. In states where allopathic and osteopathic physicians are regulated by separate member boards, or if the licensing and disciplinary authority is split between multiple boards within a member state, the member state must appoint one representative from each member board. A commissioner must be one of the following:
 - a. An allopathic or osteopathic physician appointed to a member board;
 - b. An executive director, executive secretary or similar executive of a member board; and
 - c. A member of the public appointed to a member board.
41. Mandates the Commission meet at least once each calendar year. A portion of this meeting must be a business meeting to address such matters as may properly come before the Commission, including election of officers. The chairperson may call additional meetings and must call a meeting on the request of the majority of the member states.
42. States the bylaws may provide for meetings of the Commission to be conducted by telecommunication or electronic communication.
43. Provides that each commissioner participating at a meeting of the Commission is entitled to one vote. A majority of commissioners constitute a quorum for the transaction of business, unless a larger quorum is required by the bylaws of the Commission. A commissioner must not delegate a vote to another commissioner. In the absence of its commissioner, a member state may delegate voting authority for a specified meeting to another person from that state who meets commissioner requirements.
44. Requires the Commission to provide public notice of all meetings, and all meetings must be open to the public. The Commission may close a meeting, in full or in part, if it determines by a two-thirds vote of the commissioners present that an open meeting would be likely to do any of the following:
 - a. Relate solely to the internal personnel practices and procedures of the Commission;
 - b. Discuss matters specifically exempted from disclosure by federal statute;
 - c. Discuss trade secrets or commercial or financial information that is privileged or confidential;
 - d. Involve accusing a person of a crime or formally censuring a person;
 - e. Discuss information of a personal nature for which disclosure would constitute a clearly unwarranted invasion of personal privacy;
 - f. Discuss investigative records compiled for law enforcement purposes; and
 - g. Specifically relate to the participation in a civil action or other legal proceeding.
45. Provides that the Commission must keep minutes that fully describe all matters discussed in a meeting and must provide a full and accurate summary of actions taken, including a record of all roll call votes.
46. State the Commission must make its information and official records, to the extent not otherwise designated in this Compact or by the Commission's rules, available to the public for inspection.
47. Requires the Commission to establish an executive committee, which must include officers, members and others as determined by the bylaws. The executive committee must have the power to act on behalf of the Commission, with the exception of rulemaking, during periods when the Commission is not in session. When acting on behalf of the Commission, the executive committee must oversee the administration of this Compact including enforcement and compliance with the provisions of this Compact, its bylaws, rules and other duties as necessary.
48. Permits the Commission to establish other committees for governance and administration of this Compact.

Powers and Duties of the Commission

49. Outlines the Commission's powers and duties as follows:
 - a. Oversee and maintain the administration of the Compact;
 - b. Promulgate rules that are binding to the extent and in the manner provided for in the Compact;

- c. Issue, on the request of a member state or member board, advisory opinions concerning the meaning or interpretation of this Compact, its bylaws, rules and actions;
- d. Enforce compliance with compact provisions, the rules promulgated by the Commission and the bylaws, using all necessary and proper means, including the use of judicial process;
- e. Establish and appoint committees, including an executive committee that must have the power to act on behalf of the Commission in carrying out its powers and duties;
- f. Pay, or provide for the payment of, expenses related to the establishment, organization and ongoing activities of the Commission;
- g. Establish and maintain one or more offices;
- h. Borrow, accept, hire or contract for services of personnel;
- i. Purchase and maintain insurance and bonds;
- j. Employ an executive director who must have powers and duties to employ, select or appoint employees, agents or consultants and to determine their qualifications, define their duties and fix compensation;
- k. Establish personnel policies and programs relating to conflicts of interest, rates of compensation and qualifications of personnel;
- l. Accept donations and grants of money, equipment, supplies, materials and services and receive, utilize and dispose of these in a manner consistent with the conflict of interest policies established by the Commission;
- m. Lease, purchase, accept contributions or donations of, or otherwise own, hold, improve or use, any property, real, personal or mixed;
- n. Sell, convey, mortgage, pledge, lease, exchange, abandon or otherwise dispose of property, real, personal or mixed;
- o. Establish a budget and make expenditures;
- p. Adopt a seal and bylaws governing the management and operation of the Commission;
- q. Report annually to the legislatures and governors of the member states concerning the activities of the Commission during the preceding year. Such reports must include reports of financial audits and recommendations that have been adopted by the Commission;
- r. Coordinate education, training and public awareness regarding the Compact and its implementation and operation;
- s. Maintain records in accordance with its bylaws;
- t. Seek and obtain trademarks, copyrights and patents; and
- u. Perform such functions as may be necessary or appropriate to achieve the purposes of the Compact.

Finance Powers

- 50. Permits the Commission to levy on and collect an annual assessment from each member state to cover the cost of the operations and activities of the Commission and its staff. The total assessment must be sufficient to cover the annual budget approved each year for which revenue is not provided by other sources. The aggregate annual assessment must be allocated on a formula to be determined by the Commission, which must promulgate a rule binding on the member states.
- 51. States the Commission must not incur obligations of any kind before securing the funds adequate to meet the same.
- 52. Specifies the Commission must not pledge the credit of any member state, except by and with the authority of the member state.
- 53. Provides that the Commission must be subject to a yearly financial audit conducted by a certified or licensed public accountant, and the report of the audit must be included in the annual report of the Commission.

Organization and Operation of the Commission

- 54. Delineates that the Commission, by a majority of commissioners present and voting, must adopt bylaws to govern its conduct as may be necessary or appropriate to carry out the purposes of the Compact within 12 months after the first Commission meeting.
- 55. Requires the Commission to elect or appoint annually from among its commissioners a chairperson, a vice chairperson and a treasurer, each of whom must have such authority and duties as may be specified in the bylaws. The chairperson or in the chairperson's absence or disability, the vice chairperson must preside at all meetings of the Commission.

56. States the officers must serve without remuneration from the Commission.
57. Specifies that the officers and employees of the Commission must be immune from suit and liability, either personally or in their official capacity, for a claim for damage to or loss of property or personal injury or other civil liability caused or arising out of, or relating to, an actual or alleged act, error or omission that occurred or that such person had a reasonable basis for believing occurred, within the scope of Commission employment, duties or responsibilities, except that such a person must not be protected from suit or liability for damage, loss, injury or liability caused by the person's intentional or willful or wanton misconduct as follows:
- a. The liability of the executive director and an employee of the Commission or a representative of the Commission, acting within the scope of that person's employment or duties for acts, errors or omissions occurring within that person's state, may not exceed the limits of liability set forth under the constitution and laws of that state for state officials, employees and agents. The Commission is considered to be an instrumentality of the states for the purposes of any such action. This does not protect such a person from suit or liability for damage, loss, injury or liability caused by the person's intentional or wilful and wanton misconduct;
 - b. The Commission must defend the executive director and the Commission's employees and subject to approval of the attorney general or other appropriate legal counsel of the member state represented by a Commission representative, must defend a Commission representative in any civil action seeking to impose liability arising out of an actual or alleged act, error or omission that occurred within the scope of Commission employment, duties or responsibilities or that the defendant had reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities, if the actual or alleged act, error or omission did not result from the person's intentional or wilful and wanton misconduct; and
 - c. To the extent not covered by the state involved, the member state or the Commission, a representative or employee of the Commission must be held harmless in the amount of a settlement or judgment, including attorney fees and costs, obtained against that person arising out of an actual or alleged act, error or omission that occurred within the scope of Commission employment, duties or responsibilities or that the person had a reasonable basis for believing occurred within the scope of Commission employment, duties or responsibilities, if the actual or alleged act, error or omission did not result from the person's intentional or wilful and wanton misconduct.

Rulemaking Functions of the Commission

58. Requires the Commission to promulgate reasonable rules in order to effectively and efficiently achieve the purposes of this Compact. If the Commission exercises its rulemaking authority in a manner that is beyond the scope of the purposes of this Compact, or the powers granted hereunder, such an action by the Commission must be invalid and have no force or effect.
59. States rules deemed appropriate for the operations of the Commission must be made pursuant to a rulemaking process that substantially conforms to the Model State Administrative Act of 2010, and subsequent amendments to.
60. Provides that not less than 30 days after a rule is promulgated, any person may file a petition for judicial review of the rule in the United States District for the District of Columbia or the Federal District where the Commission has its principal offices, provided that the filing of such a petition must not stay or otherwise prevent the rule from becoming effective unless the court finds that the petitioner has a substantial likelihood of success. The court must give deference to the actions of the Commission consistent with applicable law and must not find the rule to be unlawful if the rule represents a reasonable exercise of the authority granted to the Commission.

Oversight of the Compact

61. States the executive, legislative and judicial branches of state government in each member state must enforce the Compact and must take all actions necessary and appropriate to effectuate the Compact's purposes and intent. The provisions of the Compact and the rules promulgated under the Compact must have standing as statutory law but must not override existing state authority to regulate the practice of medicine.
62. Stipulates all courts must take judicial notice of the Compact and the rules in any judicial or administrative proceeding in a member state pertaining to the subject matter of the Compact that may affect the powers, responsibilities or actions of the Commission.
63. Requires that the Commission be entitled to receive all service of process in any such proceeding and must have standing to intervene in the proceeding for all purposes. Failure to provide service of process to the

Commission must render a judgment or order void as to the Commission, the Compact or promulgated rules.

Enforcement of the Compact

64. States the Commission, in the reasonable exercise of its discretion, must enforce the provisions and rules of this Compact.
65. Allows the Commission, by a majority vote of the commissioners, to initiate legal action in the United States District Court for the District of Columbia or, at the discretion of the Commission, in the Federal District where the Commission has its principal offices to enforce compliance with the provisions of this Compact and its promulgated rules and bylaws against a member state in default. The relief sought may include both injunctive relief and damages. If judicial enforcement is necessary, the prevailing party must be awarded all costs of such litigation, including reasonable attorney fees.
66. Provides that the remedies must not be the exclusive remedies of the Commission and the Commission may avail itself of any other remedies available under state law or the regulation of the profession.

Default Provisions

67. Stipulates that the grounds for default include failure of a member state to perform such obligations or responsibilities imposed on it by this Compact or the rules and bylaws of the Commission promulgated under this Compact.
68. States if the Commission determines that a member state has defaulted in the performance of its obligations or responsibilities under this Compact, the bylaws or promulgated rules, the Commission must:
 - a. Provide written notice to the defaulting state and other member states of the nature of the default, the means of curing the default and any action taken by the Commission. The Commission must specify the conditions by which the defaulting state must cure its default; and
 - b. Provide remedial training and specific technical assistance regarding the default.
69. Specifies that if the defaulting state fails to cure the default, the defaulting state must be terminated from this compact on an affirmative vote of a majority of the commissioners, and all rights, privileges and benefits conferred by this Compact must terminate on the effective date of termination. A cure of the default does not relieve the offending state of obligations or liabilities incurred during the period of the default.
70. Provides that the termination of membership in this compact must be imposed only after all other means of securing compliance have been exhausted. Notice of intent to terminate must be given by the Commission to the governor, the majority and minority leaders of the defaulting state's legislature and to each member state.
71. Requires the Commission to establish rules and procedures to address licenses and physicians that are materially impacted by the termination of a member state or the withdrawal of a member state.
72. States that a member state that has been terminated is responsible for all dues, obligations and liabilities incurred through the effective date of termination, including obligations, the performance of which extends beyond the effective date of termination.
73. Specifies that the Commission not bear any costs relating to any state that has been found to be in default or that has been terminated from this Compact, unless otherwise mutually agreed on in writing between the Commission and defaulting state.
74. Allows the defaulting state to appeal the action of the Commission by petitioning the United States District Court for the District of Columbia or the Federal District Court where the Commission has its principal offices. The prevailing party must be awarded all costs of such litigation, including reasonable attorney fees.

Dispute Resolution

75. Requires the Commission to attempt, on the request of a member state, to resolve disputes that are subject to the Compact and that may arise among member states or member boards.
76. Mandates the Commission to promulgate rules providing for both mediation and binding dispute resolution as appropriate.

Member States, Effective Date and Amendment

77. Provides that any state is eligible to become a member state of this Compact.

78. Stipulates that the Compact becomes effective and binding on legislative enactment of this Compact into law by no less than seven member states. Thereafter, it must become effective and binding on a state on enactment of this Compact into law by that state.
79. States the governors of nonmember states, or their designees, must be invited to participate in the activities of the Commission on a nonvoting basis before adoption of this compact by all states.
80. Provides the Commission may propose amendments to this Compact for enactment by the member states. An amendment must not become effective and binding on the Commission and the member states unless and until it is enacted into law by unanimous consent of the member states.

Withdrawal

81. Requires, once effective, that the Compact continue in force and remain binding on each and every member state, except that a member state may withdraw from this Compact by specifically repealing the statute that enacted this Compact into law.
82. States that withdrawal from this Compact must be by the enactment of a statute repealing the Compact, but must not take effect until one year after the effective date of such statute and until written notice of the withdrawal has been given by the withdrawing state to the governor of each other member state.
83. Requires the withdrawing state to immediately notify the chairperson of the Commission in writing on the introduction of the legislation repealing this Compact in the withdrawing state.
84. Stipulates that the Commission must notify the other member states of the withdrawing state's intent to withdraw within 60 days of its receipt of notice.
85. States the withdrawing state is responsible for all dues, obligations and liabilities incurred through the effective date of withdrawal, including obligations, the performance of which extend beyond the effective date of the withdrawal.
86. Provides that reinstatement following withdrawal of a member state must occur on the withdrawing state reenacting this Compact or on such later date as determined by the Commission.
87. Allows the Commission to develop rules to address the impact of the withdrawal of a member state on licenses granted in other member states to physicians who designated the withdrawing member state as the state of principal license.

Dissolution

88. Requires this Compact to dissolve effective on the date of the withdrawal or default of the member state that reduces the membership in the Compact to one member state.
89. States that on dissolution of this Compact, the Compact becomes void and must be of no further force or effect, and the business and affairs of the Commission must be concluded and surplus funds must be distributed in accordance with the bylaws.

Severability and Construction

90. Provides that the provisions of this Compact must be severable, and if any phrase, clause, sentence or provision is deemed unenforceable, the remaining provisions of the Compact must be enforceable.
91. States that the provisions of this Compact must be liberally construed to effectuate its purposes and this Compact must not be construed to prohibit the applicability of other interstate compacts to which the states are members.

Binding Effect of Compact and Other Laws

92. Provides that nothing in this Compact prevents the enforcement of any other law or a member state that is not inconsistent with this Compact. All laws in a member state in conflict with this Compact are superseded to the extent of the conflict.
93. Stipulates that all lawful actions of the Commission, including all rules and bylaws promulgated by the Commission, are binding on the member states. All agreements between the Commission and the member state are binding in accordance with their terms.
94. States if any provision of this compact exceeds the constitutional limits imposed on the legislature of any

member state, such provision must be ineffective to the extent of the conflict with the constitutional provision in question in that member state.

Other

95. Defines terms.

CURRENT LAW

Contained within Title 32, Chapters 13 and 17 respectively are laws relating to the practice of medicine for allopathic and osteopathic physicians. Included therein are licensing and education requirements along with applicable regulations.

ADDITIONAL INFORMATION

According to a press release issued by the Federation of State Medical Boards ([Hyperlink](#)) twelve states have enacted the Compact which offers a streamlined licensing process for physicians interested in practicing medicine in multiple states.



HOUSE OF REPRESENTATIVES

HB 2002

insurance premium tax reduction

Prime Sponsor: Representative Livingston, LD 22

DP Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2002 adjusts the tax rate reductions on all insurance premiums except fire, health service, and disability insurance.

PROVISIONS

1. Modifies the insurance premium tax rate reductions for all other insurance as follows:
 - a. For Calendar Year (CY) 2016 from 1.99% to 1.95%,
 - b. For CY 2017 from 1.98% to 1.90%,
 - c. For CY 2018 from 1.95% to 1.85%,
 - d. For CY 2019 from 1.92% to 1.80%,
 - e. For CY 2020 from 1.89% to 1.75%,
 - f. For CY 2021 from 1.86% to 1.70% and each CY thereafter.
2. Continues the current insurance premium tax rate on fire insurance, health care service, and disability insurance.

CURRENT LAW

Pursuant to A.R.S. § 20-224 insurers are required to file a report with the Director of the Department of Insurance showing total direct premium income from policy membership and all other considerations for insurance from all classes of business on or before March 1 of each year. Additionally, each insurer shall pay to the director for deposit a tax on certain net insurance premiums at the following rates:

- Fire Insurance
 - On property located in a city or town certified by the state fire marshal for utilizing the services of a private fire company, the rate is .66%.
 - For all other fire insurance premiums, the rate is 2.2%.
- Health care service plans
 - As prescribed by statute, the rate is 2%.
- Disability Insurance
 - The rate is 2%.
- Insurance premium tax rate for all other insurance is as follows:
 - 1.99% for Calendar Year (CY) 2016,
 - 1.98% for CY 2017,
 - 1.95% for CY 2018,
 - 1.92% for CY 2019,
 - 1.89% for CY 2020,
 - 1.86% for CY 2021,
 - 1.83% for CY 2022,
 - 1.80% for CY 2023,
 - 1.77% for CY 2024,
 - 1.74% for CY 2025,
 - 1.70% for CY 2026 and each CY thereafter.

ADDITIONAL INFORMATION

The legislature decreased the insurance premium tax rates incrementally over a period of 10 years as enacted by Laws of 2015, Chapter 220.



HOUSE OF REPRESENTATIVES

HB 2129

uninsured and underinsured motorist coverage

Prime Sponsor: Representative Fann, et al., LD 1

DP Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2129 asserts an insurance producer's offering of Uninsured Motorist (UM) and Underinsured Motorist (UIM) coverage satisfies the insurance producer's standard of care in offering and explaining the nature and applicability of coverage.

PROVISIONS

1. Asserts an insurance producer's offering of UM/UIM coverage satisfies the insurance producer's standard of care in offering and explaining the nature and applicability of coverage.
2. States the insured's selection of limits or rejection of coverage constitutes the insured's final decision in purchasing or rejecting the coverage.
3. Stipulates the final decision to purchase or reject coverage may not be contradicted by evidence of any prior communication regarding the desire to purchase the coverage.
4. Contains a legislative intent clause.

CURRENT LAW

Pursuant to [A.R.S. § 20-259.01](#), every insurer writing automobile liability insurance must offer the insured UM and UIM coverage which extends to and covers all persons insured under the policy. UM covers any amount up to the liability limits for bodily injury or death contained within the policy but not less than the limits prescribed in [statute](#). UIM covers any amount authorized by the insured up to the liability limits for bodily injury or death contained within the policy. Additionally, an insurer writing automobile liability insurance must offer UM and UIM insurance to owners and operators of motor vehicles that are used as public, livery conveyances, rentals, or business vehicles that are used to transport property or equipment.



HOUSE OF REPRESENTATIVES

HB 2149

domestic surplus lines insurance; fees
Prime Sponsor: Representative Fann LD 1

DPA Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2149 permits domestic insurers to be designated as a domestic surplus lines insurer for the purposes of writing surplus lines insurance.

PROVISIONS

1. Authorizes a domestic insurer who possesses policyholder surplus of at least \$15 million may be designated as a domestic surplus lines insurer.
 - a. Designation requires a resolution by its board of directors and written approval from the director of the Department of Insurance.
2. States a domestic surplus lines insurer is considered a qualified, unauthorized insurer for the purposes of writing surplus lines insurance coverage.
3. Specifies a domestic surplus lines insurer to only insure risks in this state that are procured from a surplus lines broker.
4. Subjects insurance written by a domestic surplus lines insurer to the premium tax on surplus lines, and provides an exemption from the premium tax as required under statute relating to the authorization of insurers and general requirements.
5. States a domestic surplus lines insurer is considered a non-admitted insurer.
6. Asserts surplus lines insurance issued by a domestic surplus lines insurer is not subject to the protection of Arizona Property and Casualty Insurance Guaranty Fund.
7. Exempts surplus lines insurance issued by a domestic surplus lines insurer from statutory requirements relating to the insurance rating and rating plans, policy forms and cancellation and nonrenewal in the same manner as a non-admitted insurer domiciled in another state.
8. Outlines the disclosure notice regarding insurance issued by a non-domestic surplus lines insurer and a domestic surplus lines insurer.
9. Allows insurance producers to charge a fee when referring an individual to a surplus lines broker.
10. Exempts surplus lines brokers transacting commercial insurance or surplus lines insurance from statutory requirements relating to prescribing fees or service charges in the transaction of insurance.
11. Excludes premiums for surplus lines insurance coverage issued by a domestic surplus lines insurer from *net direct written premiums*.
12. Defines *domestic surplus lines insurer*.

AMENDMENTS BY INSURANCE COMMITTEE

1. Modifies the definition of *unauthorized insurance*.
2. Clarifies a domestic insurer must have minimum capital and surplus of at least \$15 million for designation.

3. Adds that a domestic surplus lines insurer can write surplus lines insurance in an eligible jurisdiction provided the insurance complies with that jurisdiction's requirements.
4. Removes the provision allowing an insurance producer to charge a referral fee.
5. Adds that a surplus lines broker is not responsible for reporting any fees or remitting any premium taxes due on fees charged by an insurance producer in connection with the transaction of surplus lines insurance.
6. Removes the provision excluding domestic surplus lines insurance premium from *net direct written premiums*.
7. Makes technical and clarifying changes.

CURRENT LAW

An insurance coverage or type that is not readily procurable from authorized insurers is recognized as *surplus lines*. Surplus lines insurance maybe procured from an unauthorized insurer through a licensed surplus lines broker. Insurance obtained through a surplus lines broker is not protected under the Insurance Guaranty Fund.



HOUSE OF REPRESENTATIVES

HB 2188

insurance; risk management; solvency assessment
Prime Sponsor: Representative Fann, LD 1

DP Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2188 adopts the Own Risk and Solvency Assessment (ORSA) model law as developed by the National Association of Insurance Commissioner's (NAIC) requiring an insurer to maintain a risk management framework, conduct an ORSA, and file an ORSA summary report.

PROVISIONS

ORSA

1. Requires an insurer to maintain a risk management framework, unless the insurer is a member of an insurance group which maintains a risk management framework applicable to the insurer's operations.
2. Directs an insurer or the insurance group to conduct an ORSA at least annually and at any time there are significant changes to the risk profile of the insurer or the insurance group.
3. Requires an insurer or the insurance group, at the request of the director of the Department of Insurance (Director) but not more than once each year, to submit an ORSA summary report.
 - a. The insurer must submit the summary report to the lead state director or commissioner of the insurance group to which the insurer is a member.
4. Specifies the summary report must include a signature of the insurer or insurance group's chief risk officer attesting that the insurer applied the enterprise risk management process and submitted a copy of the summary report to the insurer's appropriate governing committee.
5. Stipulates that an insurer complies with the reporting requirements by providing the most recent and substantially similar report to the director of another state or regulator of a foreign jurisdiction if that report contains information that is comparable to the ORSA guidance manual. Reports must be translated to English as applicable.
6. States the summary report must be prepared consistent with the ORSA guidance manual and made available upon the Director's request.
7. Asserts the review of the summary report must be made using similar procedures currently used in examining multistate or global insurers or insurance groups.

Exemption

8. Provides an exemption if both apply:
 - a. The insurer has annual direct written and assumed premium less than \$500 million, and
 - b. The insurance group has annual direct written and assumed premium less than \$1 billion.
9. Stipulates that if an insurer qualifies for the exemption and the insurance group does not qualify, the summary report must include every insurer within the insurance group.
10. Stipulates that if an insurer does not qualify for the exemption but the insurance group qualifies, the only summary report to be submitted must be applicable to that insurer.
11. Permits an insurer to apply for a waiver from ORSA requirements and outlines the conditions for granting the waiver.

12. Authorizes the Director, aside from exemption status, to require an insurer to maintain a risk management framework, conduct an ORSA, and file an ORSA summary report:
 - a. Based on certain unique circumstances,
 - b. If the insurer has risk-based capital for a company action level event, deemed to be in hazardous financial condition, or exhibits qualities of a troubled insurer.
13. Stipulates an insurer who subsequently no longer qualifies for the exemption has one year to comply with the ORSA requirements.

Confidentiality of ORSA documents

14. Specifies the ORSA summary report, or other information relating to an ORSA, that is in the possession of, obtained by, or disclosed to the Director are considered proprietary and contain trade secrets.
15. Asserts documents relating to an ORSA are confidential and privileged and not subject to public record, subpoena, or discovery or admissible in private civil action.
16. States the Director may use documents relating to an ORSA for the furtherance of any regulatory or legal action as a part of the Director's official duties and may not make the document public without the written consent of the insurer.
17. States the Director, or anyone acting under the authority of the Director who receives documents relating to an ORSA, is not allowed or required to testify in any private civil action concerning any confidential ORSA-related documents.

Miscellaneous

18. Authorizes the Director to share ORSA-related documents with other state, federal and international regulatory agencies, NAIC, and with any third-party consultants designated by the Director.
19. Allows the Director to receive ORSA-related documents from regulatory officials of other foreign or domestic jurisdictions and from NAIC, and acknowledge the confidentiality of the documents.
20. Requires the Director to enter in written agreement with NAIC or a third-party consultant that do all of the following:
 - a. Specify procedures and protocols regarding the confidentiality and security of shared information.
 - b. Specify that ownership of information shared remains with the Director and to be used at the direction of the Director.
 - c. Prohibit the storing of information.
 - d. Require prompt notice be given to an insurer whose confidential information is subject to a request or subpoena for disclosure or production.
 - e. Require to consent to intervention by an insurer in any judicial action.
 - f. Provide the insurer's written consent of a third-party consultant involvement.
21. Asserts the sharing of information by the Director does not constitute a delegation of regulatory authority, and the Director is responsible for the administration, execution, and enforcement of the ORSA requirement.
22. Specifies a waiver of any applicable privilege or claim of confidentiality in the documents does not occur as a result of disclosure to the Director or as a result of sharing.
23. Asserts ORSA-related documents in the possession of NAIC or a third-party consultant are confidential and privileged, not considered public record, and not subject to subpoena or discovery in evidence in any private civil action.
24. States failure to submit an ORSA summary report, without just cause, results in a penalty of \$500 for each day's delay in filing, capped at \$100,000. Monies collected are deposited into the state General Fund.
 - a. The Director may reduce the penalty if the insurer demonstrates a financial hardship.
25. Define pertinent terms.
26. Contains a severability clause.
27. Contains a delayed effective date of January 1, 2017.

ADDITIONAL INFORMATION

In 2011, NAIC adopted a new insurance regulation – an Own Risk and Solvency Assessment (ORSA). According to NAIC an [ORSA](#) is an internal process undertaken by an insurer of insurance group to assess the adequacy of its risk management and current and prospective solvency positions under normal and severe stress scenarios.

The Risk Management and Own Risk and Solvency Assessment Model [Act](#) went into effect January 2015 and is intended to provide direction and uniformity to identifying, assessing, monitoring, prioritizing, and reporting on material and relevant risk to insurers and insurance groups. ORSA will apply to any insurer that writes more than \$500 million of annual direct and assumed premium and insurance groups that collectively write more than \$1 billion of annual direct and assumed premium. Additionally, the model act establishes confidentiality provisions for ORSA-related information that address the sensitive nature of the information contained in the reports including for proprietary and trade secret information ([America's Health Insurance Plans](#)).



HOUSE OF REPRESENTATIVES

HB 2240

workers' compensation; modifications
Prime Sponsor: Representative Fann, LD 1

DPA Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2240 authorizes the change of an administrative law judge as a matter of right and sets the designation of a vexatious litigant.

PROVISIONS

Administrative Law Judge Change

1. Entitles any interested party regarding a hearing for a worker's compensation claim to one administrative law judge change as a matter of right by filing a notice of change.
2. Specifies the notice of change must:
 - a. Be signed by the interested party or the party's authorized agent.
 - b. State the name of the administrative law judge to be changed.
 - c. Certify that the interested party has timely filed the notice of change.
 - i. The notice is timely if filed not more than 30 days after the date of the notice of hearing or not more than 30 days after the new administrative law judge is assigned to the claim if another interested party has filed a notice of change as a matter of right.
 - d. Certify that the interested party has not previously been granted a change for the claim.
3. Clarifies any interested party may file an affidavit that sets forth any of the grounds for an administrative law judge change for cause against a presiding administrative law judge.
4. States an affidavit for an administrative law judge change must be filed with the same time frames as a notice of change.
5. Asserts the employer and the employer's insurance carrier are considered a single party unless the employer's and the employer's insurance company's interest are in conflict.

Vexatious Litigants

6. Authorizes the chief administrative law judge to designate a pro se litigant a vexatious litigant, on the motion of a party in a worker's compensation case.
7. Requires the pro se litigant to respond within 30 days after the motion.
8. Directs the chief administrative law judge to issue an order within 30 days after the pro se litigant's response is received or the time for response has elapsed.
9. Prohibits a vexatious litigant from filing a new request for hearing, pleading, or motion without prior leave of the administrative law judge.
10. Suspends the designation of vexatious litigant during the time the litigant is represented by legal counsel.
11. Stipulates that a pro se litigant is a vexatious litigant if the commission finds the litigant has engaged in vexatious conduct.
12. Defines *vexatious conduct*.

Payment of Interest on Awards

13. Requires interest on the payment of benefits be paid at 10% or at the rate that is equal to 1% plus the prime rate as published by the Board of Governors of the Federal Reserve System, whichever is less.
14. Outlines the instances for when the interest is paid.

Miscellaneous

15. Makes technical and conforming changes.

AMENDMENTS BY INSURANCE COMMITTEE

1. Clarifies the designation of vexatious litigant only applies to the claim at issue before the judge.
2. Adds that only unemployment benefits received during the period of temporary partial disability are considered wages able to be earned.
3. Includes translation services as a medical, surgical and hospital benefit and provides parameters for selecting a translator.
4. Makes technical and conforming changes.

CURRENT LAW

[Pursuant to A.R.S. § 23-941](#), any interested party to a hearing regarding a worker's compensation claim may file an affidavit for change of administrative law judge against any hearing officer of the commission hearing such matter setting forth any of the grounds for the change. An administrative law judge must immediately transfer the matter to another officer of the commission. Statute limits one change to one party.

The grounds which may be alleged for an administrative law judge change are:

1. The judge has been engaged as counsel in the hearing prior to appointment.
2. The judge is otherwise interested in the hearing.
3. The judge is of kin or otherwise related to a party to the hearing.
4. The judge is a material witness in the hearing.
5. The party filing the affidavit has cause to believe that on account of the bias, prejudice, or interest of the judge a fair and impartial hearing cannot be obtained.



HOUSE OF REPRESENTATIVES

HB2306

healthcare providers; family members; coverage
Prime Sponsor: Representative Cobb, LD 5

DPA Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2306 asserts coverage for health care services must be provided regardless of a familial relationship with a health care provider.

PROVISIONS

1. Requires all contracts, or any evidence of coverage, issued, delivered or renewed by a corporation, or health care services organization, to provide coverage for health care services that are provided by a health care provider regardless of the familial relationship of the health care provider and the subscriber, or enrollee, if the health care service would be covered were it provided to a person who is not related to the health care provider.
2. Requires all policies issued, delivered or renewed by a disability insurer, or group or blanket disability insurer, to provide coverage for health care services that are provided by a health care provider regardless of the familial relationship of the health care provider to the insured if the health care services would be covered were it provided to an insured who is not related to the health care provider.
3. Allows the contract, evidence of coverage, or policy to limit the coverage to those health care providers who are members of the network.

AMENDMENTS BY INSURANCE COMMITTEE

1. Clarifies the requirements for services apply to contract and policies issued or renewed after July 1, 2017 and may only provide a lawful service.

CURRENT LAW

Title 20 defines *health insurance coverage* as a health care plan or arrangement that pays for or furnishes medical or health services and that is issued by a disability insurer, group disability insurer, blanket disability insurer, health care services organization, hospital service corporation, medical service corporation, medical, hospital, dental and optometric service corporation or a similar entity in another state.

Laws 2013, Chapter 70, requires all contracts, evidence of coverage, or policies issued, delivered or renewed by a health care service organization, disability insurer, or group or blanket disability insurer, to provide coverage for health care services that are provided through telemedicine if the health care service would be covered were it provided through in-person consultation between the health care provider and the person receiving coverage. Additionally, states the contract, evidence of coverage, or policy may limit the coverage to those health care providers who are members of the network.



HOUSE OF REPRESENTATIVES

HB 2342

insurance; licensed entities

Prime Sponsor: Representative Livingston, LD 22

DPA Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2342 requires an insurance producer to update any changes in the licensee's email address.

PROVISIONS

1. Requires an insurance producer to inform the director of the Department of Insurance (Director) of any change in the licensee's e-mail address within 30 days.
2. Modifies the definition of *adjuster*.
3. Modifies the definition of *vendor* regarding portable electronics insurance.

AMENDMENTS BY INSURANCE COMMITTEE

1. Removes provisions relating to adjuster.

CURRENT LAW

[A.R.S. § 20-286](#) directs the Director to issue a resident insurance producer license to a person who meets the requirements for licensure. An insurance producer may obtain a license to sell one or more types of insurance or lines of authority: Life, Accident and Disability, Property and Casualty (Commercial or Personal), Variable Annuity Products, Credit, or any other line of insurance authorized by the Director. Statute outlines the contents of the license which includes the licensee's name, address, and identification number, date of issuance, and lines of authority. A licensee is required to inform the Director of any change in residential or business address.

An *adjuster* is defined as a person who adjusts, investigates or negotiates settlement of claims arising under property and casualty contracts on behalf of the insurer or the insured for a fee or commission. In order to qualify for licensure a person must: be at least 18 years old; be a resident of this state, or of another state that allows resident of this state to act as adjusters in that state; pass an examination. [Statute](#) does not require an adjuster who is licensed in their domicile state to be licensed or meet statutory qualifications of this state provided the adjuster is sent to this state on behalf of an insurer for the purpose of investigating or making adjustment of a particular loss under an insurance policy resulting from a catastrophe common to all those losses.



HOUSE OF REPRESENTATIVES

HB 2500

unlawful practices; auto glass repair

Prime Sponsor: Representative Livingston, LD 22

DP Committee on Insurance

X Caucus and COW

House Engrossed

OVERVIEW

HB 2500 adds additional unlawful practices of auto glass repair.

PROVISIONS

1. Applies current unlawful practices regarding auto glass repair to an auto glass repair or replacement facility or any agent, contractor, vendor, representative or anyone acting on behalf of the person or facility.
2. Includes the following as unlawful practices relating to auto glass repair:
 - a. Represent to a policyholder what auto glass coverage is available under the insurance policy.
 - b. Threaten, coerce or intimidate an insured for the purpose of inducing the insured to file a claim for auto glass repair or replacement.
 - c. Induce an insured to file an auto glass repair or replacement claim if the damage to the auto glass is insufficient to warrant auto glass repair.
 - d. Waive or offer to waive the insured's deductible or offer anything of value to any person in exchange for either a referral of an insured to the auto glass repair facility in connection with an auto glass repair or replacement claim under an insurance policy or to induce the insured to file an auto glass repair or replacement claim under an insurance policy.
 - e. Represent verbally, electronically, including an advertisement or website or any marketing materials, that a claim for a windshield repair or replacement under an insurance policy is free.
 - f. Perform auto glass repair or replacement services without obtaining a transaction privilege tax license.
 - g. Perform work without providing a written estimate to the insured before the work begins that includes:
 - i. A statement whether the person agrees to accept the insurer's rate for parts, kits and labor.
 - ii. The actual rate that will be charged for that work and the difference between that rate and the insurer's rate.
 - iii. A statement that the insured may be financially responsible to pay the difference between the actual rate that will be charged and the insurer's rate.
 - iv. The signature of the insured.
 - v. The business's transaction privilege tax license number.
 - h. Perform auto glass repair or replacement services under the insurance policy without first obtaining the insured's and insurer's approval.
 - i. Transpose or duplicate an insured's signature onto a document that is required to authorize the repair or replacement of auto glass, other than for record retention purposes.
 - j. Bill the insurer for more than the repair or replacement cost agreed on with the insured, a third party administrator, or an agent representing the insurer for the written estimate.
3. Stipulates that if the person performing the repair or replacement fails to provide a statement to the insured stating financial responsibility for any difference in cost, the insured or the insurer is not responsible for payment of any amounts in excess of the repair or replacement estimate not expressly authorized.
4. Declares it is unlawful for a person who sells or repairs and replaces auto glass to fail to make the vehicle available for inspection at the request of the insurer before performing auto glass services on the vehicle.

CURRENT LAW

Laws 2010, Chapter 180, establishes an unlawful practices relating to auto glass repair which includes submitting a false claim, falsify certain information, misrepresent the cost of repairs, add to the damage or encourage the policyholder to add to the damage of auto glass repair, and perform work clearly beyond the work necessary to repair or replace the auto glass.

A person who commits an unlawful practice with the intent to injure, defraud, or deceive an insurer is guilty of a class 6 felony which holds a presumptive penalty of 1 year.



HOUSE OF REPRESENTATIVES

HB 2030

liquor premises; firearms; retired officers
Prime Sponsor: Representative Borrelli, LD 5

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2030 clarifies that an honorably retired law enforcement officer who meets specific criteria may possess a firearm while in a licensed establishment that sells, serves or furnishes liquor.

PROVISIONS

1. Permits an honorably retired law enforcement officer who has been issued a certificate of firearms proficiency by the Department of Public Safety (DPS) to carry a weapon on the licensed premises of an *on-sale retailer*.
2. Narrows the violation for a licensee or employee who knowingly allows a person to remain on the licensed premises of an *on-sale retailer* while carrying a firearm to exclude any person who is an honorably retired law enforcement officer. Maintains the prohibition on consuming alcohol while carrying a firearm.
3. Makes technical changes.

CURRENT LAW

[A.R.S. § 4-244](#) outlines unlawful acts in regards to the purchase, consumption, or sale of alcoholic beverages. Paragraph 29 makes it unlawful to possess a firearm while on a licensed premise of an on-sale retailer unless one of the following exceptions applies:

- 1) The person is a peace officer;
- 2) The person is a volunteer member of a sheriff's posse;
- 3) It is an hotel or motel guest room accommodation;
- 4) There is an exhibition of display of firearms in conjunction with a meeting, class, event or show;
- 5) The person has a permit to carry a concealed handgun on the licensed premises of any on-sale retailer.

A.R.S. § 4-244, paragraph 30 makes it unlawful for a licensee or person to knowingly permit a person with a firearm to remain on premises or to serve, sell or furnish liquor to the person in possession of a firearm. Violations under both paragraph 29 and paragraph 30 are Class 2 misdemeanors (up to 4 months in jail/fine up to \$750 plus surcharges).

A.R.S. § 4-244, paragraph 31 makes it unlawful for a person in possession of a firearm to consume liquor while on the licensed premises of an on-sale retailer. The only exception provided is if an undercover peace officer consumes small amounts of liquor while on assignment to investigate the establishment. A violation of Paragraph 31 is a Class 3 misdemeanor (up to 30 days in jail/fine up to \$500 plus surcharges).

[A.R.S. 4-101](#) provides relevant definitions, including *on-sale retailer* (paragraph 25) and *premises or licensed premises* (paragraph 27).

[A.R.S. § 13-3112](#), Subsection T allows DPS to issue [certificates of firearm proficiency](#) in accordance with the Arizona Peace Officer Standards and Training Board firearms qualification to implement the Law Enforcement Officer's Safety Act ([18 USC 926\(B\)](#) and [18 USC 926\(C\)](#)), commonly referred to as LEOSA.

[A.R.S. § 38-1113](#) outlines exceptions applicable to peace officers carrying weapons. Subsection C, paragraph 5 states that peace officers or retired peace officers may be prohibited from carrying a firearm when consuming alcohol at a licensed liquor establishment, unless authorized by the officer's employing agency.



HOUSE OF REPRESENTATIVES

HB 2154

failure to appear; arrest; fingerprinting
Prime Sponsor: Representative Borrelli, LD 5

DPA Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2154 outlines which criminal justice agencies are responsible for taking a person's 10-print fingerprints and submitting them to Central State Repository (Repository) of criminal history records.

PROVISIONS

1. Designates the following agencies as responsible for taking 10-print fingerprints for submittal to the Repository:
 - a. The booking agency in the case of an arrest;
 - b. The county sheriff in the case of an indictment or complaint;
 - c. The arresting agency for a misdemeanor that results in a citation and the release of the defendant.
2. Requires agencies to obtain a process control number and provide proof of fingerprinting to the person, including notice that the document must be presented in court.
3. Consolidates A.R.S. § 13-3904 (violation of promise to appear) and A.R.S. § 13-2506 (failure to appear in the second degree) into one section (both now under A.R.S. § 13-2506). Does not make any substantive changes to either offense.
4. Defines *booking agency*.
5. Makes clarifying, technical and conforming changes.

JUDICIARY COMMITTEE AMENDMENTS

1. Permits the issuance of a warrant if a defendant is charged with failure to appear.
2. Includes a written promise to appear on a uniform traffic ticket and complaint in the definition of *summoned*.
3. States that a person arrested by a city or town law enforcement agency for a misdemeanor requiring 10-print fingerprinting must report to the agency that arrested the person to provide fingerprints.
4. Contains a delayed effective date of January 1, 2017.

CURRENT LAW

[A.R.S. § 41-1750](#) charges the Arizona Department of Public Safety (DPS) with the effective operation of the Repository in order to collect, store and disseminate complete and accurate Arizona criminal history records. DPS must collect, and Arizona criminal justice agencies are required to provide, specific information for all persons who have been charged with, arrested for, convicted of or summoned to court for a:

- Felony offense,
- Offense involving domestic violence ([A.R.S. § 13-3601](#)),
- Sexual offense under [A.R.S. Title 13, Ch. 14](#), or
- DUI offense under [A.R.S. Title 28, Ch. 4](#).

The information that must be provided to DPS includes:

- Complete personal identification,
- Fingerprints,
- Charges,
- Process control numbers,
- Dispositions.

Prior to release, a person arrested for a misdemeanor or petty offense must provide the agency that arrested the person (arresting agency) with either one or two fingerprints. The agency provides the person with a mandatory fingerprint compliance form, which includes instructions for providing a 10-print fingerprints ([A.R.S. § 13-3903](#)).

The criminal code includes two statutes that address the failure of a person to appear for offenses that are not felonies. [A.R.S. § 13-2506](#) designates knowingly failing to appear in connection with any misdemeanor or petty offense as a Class 1 misdemeanor (up to 6 months in jail/fine of up to \$2,500 plus surcharges). [A.R.S. § 13-3904](#) makes the knowing violation of a written promise to appear a Class 2 misdemeanor (up to 4 months in jail/fine of up to \$750 plus surcharges).

ADDITIONAL INFORMATION

The DPS Records and Information Bureau oversees the Repository and the Arizona Automated Fingerprint Identification System (AZAFIS). Agencies transmit information to and access information in AZAFIS through a variety of digital options. More information on the process and equipment utilized can be found [here](#).



HOUSE OF REPRESENTATIVES

HB 2183

inmate body scans; contraband
Prime Sponsor: Representative Shope, LD 8

DP Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2183 allows correctional facilities and county jails to conduct low-dose ionizing radiation body scans of inmates.

PROVISIONS

1. Permits the Department of Corrections (ADC) or a county jail to perform a low-dose ionizing radiation body scan of an inmate to prevent contraband from entering into a correctional facility. An order from a licensed practitioner is not required.
2. Exempts employees or persons acting on behalf the ADC or a county jail who use a low-dose ionizing radiation body scanning device from the requirement to be a licensed practitioner or a holder of a radiology certificate to use the body scanning device.
3. Allows a county jail to request that a licensed practitioner order an x-ray on an inmate if there is reason to believe that inmate is in possession of contraband.
4. Makes technical, clarifying and conforming changes.

CURRENT LAW

[A.R.S § 13-2505\(E\)](#) allows ADC to request that a licensed practitioner order an x-ray if there is reason to believe that an inmate is in possession of contraband. The penalty for promoting prison contraband is as follows:

- A Class 2 felony for promoting contraband such as deadly weapon, dangerous instrument, explosive, dangerous drug, narcotic drug or marijuana (presumptive 5 years of incarceration);
- A Class 5 felony for all other cases promoting prison contraband (presumptive 1 ½ years of incarceration).

[A.R.S § 13-2501](#) defines *contraband* as any dangerous drug, narcotic drug, marijuana, intoxicating liquor of any kind, deadly weapon, dangerous instrument, explosive, wireless communication device, multimedia storage device or other article whose use or possession would endanger the safety, security, or preservation of order in a correctional facility, or a juvenile secure care facility, or of any person within a correction facility or juvenile secure care facility. This section also provides a definition of a *correctional facility*.

[A.R.S § 32-2811](#) requires a person to either be a *licensed practitioner* or a holder of a radiology certificate issued by the Medical Radiologic Board of Examiners to use ionizing radiation on a person and includes specific exemptions. [A.R.S § 32-2801](#) defines a *licensed practitioner* as a person licensed or otherwise authorized by law to practice medicine, dentistry, osteopathy, podiatry, chiropractic or naturopathic medicine in Arizona.



HOUSE OF REPRESENTATIVES

HB 2224

private firearm transactions; prohibited encumbrances
Prime Sponsor: Representative Lawrence, LD 23

DPA Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2224 states that private-party firearm transfers between persons who are allowed to possess a firearm under federal law are not subject to fees, taxes or assessments imposed by the state or political subdivisions.

PROVISIONS

1. Prohibits the state or any political subdivision from charging / levying a fee, tax, assessment, lien or other encumbrance on the transfer of a firearm between two private parties who are allowed to possess the firearm under federal law.
2. Defines *firearm*, *private party* and *transfer*.

AMENDMENTS IN JUDICIARY COMMITTEE

1. Modifies the definition of *firearm* by removing exclusions for specific types of weapons.
2. Modifies the definitions of *private party* and *transfer* by clarifying that persons engaging in the transfer of the firearm cannot be prohibited possessors under state or federal law.
3. Makes clarifying changes.

CURRENT LAW

[A.R.S. § 13-3108](#) prohibits any political subdivision of the state from enacting any ordinance, rule or tax relating to the sale, transfer, purchase, acquisition or gift of firearms, ammunition, related components or accessories. The statute exempts privilege or use tax on the retail sale, lease or rental of firearms, ammunition or related components at a rate that generally applies to other items of tangible personal property (Subsection G, paragraph 1). Additionally, [A.R.S. § 13-3118](#) prohibits any state agency or political subdivision from enacting or implementing any law, rule or ordinance relating to the possession, transfer or storage of firearms that isn't provided for in statute, with specific exemptions. The statute does not specifically address taxes, fees, assessments or encumbrances as related to firearm transfers.

Federal law ([18 USC § 922\(g\)](#)) designates certain persons as being unable to ship, transport or possess firearms. The federal statute is slightly different from the state definition of a *prohibited possessor* under ([A.R.S. § 13-3101\(7\)](#)). Included in the federal definition but not in the state definition are persons who:

- Use or are addicted to controlled substances;
- Have received a discharge from the Armed Forces under dishonorable conditions; or
- Are the subjects of an order of protection or have been convicted of a misdemeanor domestic violence offense. [A.R.S. § 13-3101](#) includes a person on probation for misdemeanor domestic violence as a *prohibited possessor*. The court, in issuing an order of protection, may prohibit a defendant from possessing a firearm for the duration of the order if the court finds that the defendant is a credible threat ([A.R.S. § 13-3602](#))



HOUSE OF REPRESENTATIVES

HB 2383

supreme court; reports; website posting
Prime Sponsor: Representative Farnsworth E, LD 12

DPA	Committee on Judiciary
S/E	
X	Caucus and COW
	House Engrossed

STRIKE EVERYTHING SUMMARY

The strike-everything amendment prohibits the disclosure of certain records related to victims and witnesses.

PROVISIONS

1. Prohibits the disclosure of any record related to a criminal investigation or prosecution that visually depicts an image of a minor witness or a victim unless a superior court judge determines the public's interest in disclosure outweighs the person's right to privacy.
 - a. Applies to records created, received by or in the possession of law enforcement or prosecution agencies.
 - b. The determination is made by the judge through an in-camera review.
 - c. A person must file a petition for an in-camera review and disclosure in the superior court in the county where the public body is located pursuant to court rule.
 - d. In any action, the presumption is against disclosure.
2. Permits a minor witness or a victim to examine and obtain any materials visually depicting the person's image and refers to the existing statutory process for seeking disclosure.
3. Grants a victim whose image is depicted in a record the right to be present and be heard in any disclosure action.
4. Prohibits the disclosure of a witness's personal identifying information unless:
 - a. The witness consents in writing; or
 - b. A court orders the disclosure.
5. Exempts officers and public bodies from having to pay attorney fees or legal costs when the other party prevails in a public records special action if the officer or public body reasonably relied on any of the following as the basis for denying access:
 - a. A judgment or order of any court;
 - b. A statute;
 - c. A published opinion of a state appellate court; or
 - d. A written opinion or letter from the Attorney General.
6. Clarifies that the disclosure process outlined in the bill does not affect any discovery or the conduct of trials.
7. Defines *personal identifying information*.

JUDICIARY COMMITTEE AMENDMENTS

The strike-everything amendment was adopted.

CURRENT LAW

[A.R.S. § 39-121](#) requires public records to be made available for inspection to any person during office hours. [A.R.S. § 39-121](#) requires all officers and public bodies to maintain all records that are reasonably necessary or appropriate to keep an accurate knowledge of their official activities and of any activities supported by monies of the state or a political subdivision. The statute states that public bodies and officers are responsible for preservation, maintenance and care of their public records. Any person may request to view or receive copies of any public record. [A.R.S. § 39-121.02](#) provides a process for a person whose request is denied to seek relief through a special action to the superior court. If the person substantially prevails in the action, the withholding entity may be

required to pay the prevailing party's attorney fees and legal costs. Any person who is wrongfully denied access to public records has a cause of action against the entity that withheld the records for any damages that resulted from the denial.



HOUSE OF REPRESENTATIVES

HB 2419

stalking; offense; definitions

Prime Sponsor: Representative Farnsworth E, LD 12

DPA Committee on Judiciary

X Caucus and COW

House Engrossed

OVERVIEW

HB 2419 modifies the criminal offense of stalking.

PROVISIONS

1. Defines the offense of stalking as intentionally or knowingly engaging in conduct that causes a victim to:
 - a. Suffer emotional distress or reasonably fear:
 - i. That the victim's property will be damaged/destroyed
 - ii. Physical injury to:
 - The victim,
 - A family member, domestic animal or livestock of the victim,
 - A person that the victim has or had a romantic or sexual relationship with.
 - A person who regularly resides in the victim's household or who resided there within the last six months.
 - b. Reasonably fear the death of:
 - The victim,
 - A family member, domestic animal or livestock of the victim,
 - A person that the victim has or had a romantic or sexual relationship with.
 - A person who regularly resides in the victim's household or who resided there within the last six months.
2. Classifies stalking as follows:
 - a. If the conduct caused emotional distress or fear, it is a Class 5 felony (presumptive 1 ½ years of incarceration).
 - b. If the conduct caused reasonable fear of death, it is a Class 3 felony (presumptive 3 ½ years of incarceration).
3. Expands the definition of *course of conduct* by including engaging in any of the outlined acts either directly or indirectly, in person or through one or more third persons, or by any other means. Requires the act to occur on more than one occasion (currently only certain acts require multiple occasions). Adds a new element covering electronic communications.
4. Defines *emotional distress*.
5. Makes technical and conforming changes.

JUDICIARY COMMITTEE AMENDMENTS

Clarifies that all components of *course of conduct* must occur on more than one occasion, except that the use of electronic, digital or GPS surveillance applies if the surveillance is continuous for 12 or more hours.

CURRENT LAW

[A.R.S. § 13-2923](#) outlines the offense of stalking, which is a Class 5 or Class 3 felony depending on the specific actions. A person commits stalking if intentionally or knowingly engaging in a course of conduct directed towards another person that either:

- Would cause a reasonable person to fear for the person's safety or the safety of the person's immediate family, and the person has that fear (Class 5 felony);

- Would cause a reasonable person to fear death or fear the death of the person's immediate family, and the person has that fear (Class 3 felony).

Course of conduct is defined as:

- Maintaining visual or physical proximity to a specific person or directing verbal, written or other threats (express or implied) to a specific person on two or more occasions.
- Using electronic, digital or global positioning system devices to surveil a person or a person's internet or wireless activity for either 12 or more hours or on two or more occasions, without authorization.

Immediate family member is defined as a spouse, parent, child or sibling or any other person who regularly resides in a person's household or did reside in the person's household within the past six months.



HOUSE OF REPRESENTATIVES

HB 2288

constables; duties; training; discipline

Prime Sponsor: Representative Bowers, LD 25

DPA Committee on Military Affairs and Public Safety

X Caucus and COW

House Engrossed

OVERVIEW

HB 2288 makes changes to statute relating to constables and the Constable Ethics Standards and Training Board (Board).

PROVISIONS

1. Requires constables, within their counties, to serve and return all criminal summonses and subpoenas directed or delivered to them by a Justice of the Peace of the county, or by a competent authority.
2. Expands the Board's ability to remedy inappropriate behavior by suspending a constable with or without pay.
3. Allows the Board to subpoena constables relating to any investigation or hearing.
4. Removes the requirement that the Board submit a report to the county attorney, if the Board is not satisfied with statutory remedies for inappropriate behavior by a constable.
5. Requires the Board to refer a criminal investigation and their findings to the appropriate county attorney's office, if the Board determines that a constable has committed a criminal act.
6. Specifies that the Board must adjudicate a complaint if the county attorney determines that a crime has not been committed.
7. Allows a constable to seek judicial review of a final order suspending the constable and the review must be conducted and commenced in accordance with statute.
8. Provides that a prosecuting agency is not precluded from filing charges against a constable.
9. Defines *constable*.
10. Makes conforming changes.

AMENDMENT BY MILITARY AFFAIRS AND PUBLIC SAFETY COMMITTEE

1. Requires the board of supervisors to withhold a constable's salary during the time that the constable is suspended without pay.
2. Makes a technical change.

CURRENT LAW

Constables are required to attend the courts of justices of the peace, within their respective precincts and counties, by serving, executing and returning all processes, warrants and notices directed to them by a justice of the peace or by a competent authority. Statute also outlines training requirements and salaries for constables (A.R.S. § 22-131). Constable training and administrative matters are overseen by the Board. Statute prescribes a variety of remedies that the Board may use to address inappropriate behavior by a constable. These remedies include mediating, issuing warnings or reprimands, instructing constables to take educational classes and urging a constable to retire. If the Board is not satisfied with the statutory remedies for misconduct, they must submit a report to the county attorney. The Board is also allowed to take and hear evidence, administer oaths and affirmations and subpoena witnesses and production of various records (A.R.S. § 22-131).



HOUSE OF REPRESENTATIVES

HB 2451

release of prisoners; detainees; repeal
Prime Sponsor: Representative Mitchell, LD 13

DP Committee on Military Affairs and Public Safety

X Caucus and COW

House Engrossed

OVERVIEW

HB 2451 repeals the law allowing the Director of the Arizona Department of Corrections (ADC) to release prisoners to United States Immigration and Customs Enforcement (ICE) custody.

PROVISIONS

1. Removes the ability of the Director of ADC to release prisoners to the custody of ICE.

CURRENT LAW

Not currently addressed in statute.

ADDITIONAL INFORMATION

[A.R.S. § 41-1604.14](#) allows the Director of ADC to release a prisoner to the custody and control of ICE if:

- a. ADC receives an order of deportation;
- b. The prisoner has served at least one-half of their sentence;
- c. The prisoner was convicted of a class 3, 4, 5 or 6 felony;
- d. The prisoner was not convicted of a homicide related offense under [title 13, chapter 11](#);
- e. The prisoner was not convicted of a sexual offense pursuant to section [13-1404](#), [13-1405](#), [13-1406](#) or [13-1410](#); and
- f. The prisoner was not a repeat or dangerous offender who was sentenced pursuant to section [13-703](#), section [13-704, subsection A, B, C, D or E](#), section [13-706, subsection A](#) or section [13-708, subsection D](#).



HOUSE OF REPRESENTATIVES

HCR 2001

Arizona veterans hall of fame

Prime Sponsor: Representative Borrelli, et al., LD 5

DP Committee on Military Affairs and Public Safety

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2001 asserts that the Legislature recognizes the Arizona Veterans Hall of Fame (AVHOF).

PROVISIONS

1. Asserts that the Legislature:
 - a. Recognizes the deeds and accomplishments of Arizona military veterans who have continued to serve their communities after their military service and have been inducted into the AVHOF; and
 - b. Recognizes the AVHOF and supports its endeavors to recognize these individuals.

CURRENT LAW

Not currently addressed in statute.

ADDITIONAL INFORMATION

AVHOF recognizes Arizona veterans for significant post-military contributions on a local, state or national level. The Unified Arizona Veterans created the AVHOF in 2001. Members are inducted into the AVHOF annually in a celebration of those veteran's continued contributions to Arizona, their communities and ongoing veteran initiatives.



HOUSE OF REPRESENTATIVES

HCR 2018

post-traumatic stress injury awareness day

Prime Sponsor: Representative Lawrence, et al., LD 23

DP Committee on Military Affairs and Public Safety

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2018 proclaims June 27, 2016 as Post-Traumatic Stress Injury Awareness Day.

PROVISIONS

1. Proclaims June 27, 2016 as Post-Traumatic Stress Injury Awareness Day.

CURRENT LAW

Not currently addressed in statute.

ADDITIONAL INFORMATION

Post-traumatic stress is an injury to the brain that causes individuals to feel stressed or frightened in the absence of danger and typically develops after experiencing a traumatic ordeal that involved physical harm or the threat of physical harm. Post-traumatic stress injuries can develop after enduring a variety of traumatic incidents. An estimated 7.8% of Americans will experience post-traumatic stress at some point in their lives.



HOUSE OF REPRESENTATIVES

HCR 2025

purple heart state; day.

Prime Sponsor: Representative Thorpe, et al., LD 6

DP Committee on Military Affairs and Public Safety

X Caucus and COW

House Engrossed

OVERVIEW

HCR 2025 proclaims December 7, 2016 as Arizona Purple Heart Day.

PROVISIONS

1. Proclaims December 7, 2016 as Arizona Purple Heart Day.
2. Designates Arizona as a Purple Heart state.
3. States that Arizona supports efforts to pay tribute to current and former Purple Heart recipients.

CURRENT LAW

Not currently addressed in statute.

ADDITIONAL INFORMATION

The Purple Heart is a combat decoration that is awarded to living members of the United States armed forces who are wounded by an instrument of war in the hands of the enemy or that is awarded posthumously to the next of kin in the name of those who were killed in action or died from wounds received in action. The Purple Heart is the oldest presently used military decoration in the United States. The Purple Heart was the first award made available to the common soldier to recognize outstanding valor or merit. There are approximately 1.7 million Purple Heart recipients in our nation's history, many of whom are from the State of Arizona.



HOUSE OF REPRESENTATIVES

HB 2133

TPT; exemption; aerial applicators

Prime Sponsor: Representative Shope, et al., LD 8

DP Committee on Rural and Economic Development

X Caucus and COW

House Engrossed

OVERVIEW

HB 2133 exempts the sale of agricultural aircrafts from transaction privilege tax (TPT) and use tax.

PROVISIONS

Agricultural Aircraft Exemption

1. Exempts the sale of agricultural aircrafts from TPT and use tax.
2. Defines *agricultural aircraft* as an aircraft that is built for agricultural use for the aerial application of pesticides or fertilizer or for aerial seeding.
3. Applies retroactively to April 18, 1985.

Department of Revenue (DOR) Refund Procedures

4. Specifies that claims for TPT refunds must be submitted by December 31, 2016.
5. Requires a taxpayer claiming a refund to provide proof of all paid taxes that are eligible for an exemption.
6. Requires DOR to review all timely filed claims, determine the correct amount of each claim and to notify the taxpayer of its determination.
7. Stipulates that DOR may not provide any refunds until the aggregate refund claim amount has been determined.
8. Authorizes DOR, if any taxpayers appeal their refund amount, to notify all other claimants of the nature of any delay and, if possible, estimate the extent of the delay.
9. Caps the aggregate amount of refunds that may be claimed at \$10,000.
 - a. Specifies that if that amount exceeds \$10,000, then DOR is required to reduce each claim proportionately so that the total refund amount equals \$10,000.
10. Stipulates that no interest is compounded on a refund if the refund is paid by June 30, 2017, but interest begins to accrue after that date.
11. Contains a non-severability clause.
12. Makes conforming changes.

ADDITIONAL INFORMATION

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.

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 a tax at a lesser rate has been paid in another state. Use tax is imposed on all transactions in which TPT was not.



HOUSE OF REPRESENTATIVES

HB 2182

liquor; sampling; eligibility; square footage
Prime Sponsor: Representative Shope, LD 8

DP Committee on Rural and Economic Development

X Caucus and COW

House Engrossed

OVERVIEW

HB 2182 strikes the requirement that a beer and wine store be 5,000 square feet in area in order to be eligible for sampling privileges.

PROVISIONS

1. Removes the requirement that a beer and wine store be 5,000 square feet in area to be eligible for sampling privileges.
2. Makes a technical change.

CURRENT LAW

A.R.S. Title 4, Chapter 2 authorizes a license applicant or licensee of a liquor store or beer and wine store to apply for alcohol sampling privileges. A beer and wine store must be at least 5,000 square feet in area in order to be eligible for sampling privileges. A liquor store under 5,000 square feet in area may be granted sampling privileges if 75% of the store's shelf space is dedicated to the sale of spirituous liquor.



HOUSE OF REPRESENTATIVES

HB 2373

regional transportation authority; membership; election
Prime Sponsor: Representative Shope, LD 8

DPA Committee on Rural and Economic Development

X Caucus and COW

House Engrossed

OVERVIEW

HB 2373 requires Regional Transportation Authority (RTA) members to be from the county that established the RTA and modifies requirements for adopting a new regional transportation plan.

PROVISIONS

RTA Membership

1. Requires members of a RTA that are part of the regional council of governments (COG) to be from the county that established the RTA.
2. Specifies that the executive director of a RTA serves at the discretion of the RTA board of directors (Board).
3. Requires members of the Board to be from the county that established the RTA.

Regional Transportation Plan Ballot Propositions

4. Specifies that if a proposed ballot proposition for a substantial transportation plan change is rejected by the voters, the previously approved regional transportation plan stays in place.
5. Clarifies that a *substantial change* means a change that resulted in estimated expenditures exceeding the greater of:
 - a. the estimated revenues by 10% or more; or
 - b. the original estimated revenue amount presented to the voters.
6. Stipulates that if a new regional transportation plan is approved by the voters, but the respective transaction privilege tax (TPT) is rejected, the plan is approved without the TPT.
 - a. Allows the Board to submit to the voters a subsequent TPT measure to fund the approved plan within 5 years of its approval.
 - i. If the TPT measure passes, the plan is implemented.

Miscellaneous

7. Requires a RTA Board, each fiscal year, to deposit the greater of \$300,000 or 1% of the revenues collected from the transportation excise tax in the construction account of the Regional Transportation Fund.
8. Contains a retroactive effective date of July 1, 2015.
9. Makes technical and conforming changes.

AMENDMENTS IN RURAL AND ECONOMIC DEVELOPMENT COMMITTEE

1. Specifies that if a RTA TPT is approved by the voters, the levy and collection of the tax begins on the following April 1st and cannot be in effect for more than 20 years.

CURRENT LAW

A.R.S. Title 48, Chapter 30 authorizes a county with a population between 400,000 and 1.2 million persons to establish a RTA. A RTA is a public improvement and taxing subdivision of the state and a municipal corporation. The membership of the RTA includes the county, each municipality in the county and any other members of the regional COG and is governed by a board of directors.

A RTA is required to adopt a 20-year regional transportation plan outlining transportation corridors by priority and the schedule for construction projects. Adoption of the plan and a TPT to provide for its costs are contingent on approval of the voters in the county. The plan and its respective TPT are proposed as two separate questions to the voters. If either measure fails, both measures fail.



HOUSE OF REPRESENTATIVES

HB 2533

charter aircraft; tax exemption

Prime Sponsor: Representative Shope, LD 8

DP Committee on Rural and Economic Development

X Caucus and COW

House Engrossed

OVERVIEW

HB 2533 exempts specified sales of aircraft and aircraft equipment from Transaction Privilege Tax (TPT) and use tax.

PROVISIONS

1. Exempts aircrafts and aircraft equipment from TPT and use tax if sold, leased or transferred to a person:
 - a. exempted by federal law from obtaining a federal certificate of public convenience and necessity;
 - b. that is certificated or licensed to use the aircraft or equipment to transport persons or property in intrastate, interstate or foreign commerce;
 - c. operating an aircraft for compensation; or
 - d. acquiring an aircraft or equipment for the purpose of selling, leasing or transferring operational control to other persons described above.
2. Clarifies that corporations not incorporated in this state that will not use the property other than to relocate are eligible for the exemptions granted by this Act.
3. Requires all TPT and use tax refund claims to be filed with the Department of Revenue (DOR) by December 31, 2016.
4. Caps the aggregate amount of refunds that may be claimed at \$1,000.
 - a. Specifies that if that amount exceeds \$1,000, DOR is required to reduce each claim proportionately so that the total refund amount equals \$1,000.
5. Contains a legislative intent clause.
6. Contains a retroactive effective date of June 1, 1998.
7. Makes technical and conforming changes.

CURRENT LAW

A.R.S. §§ 42-5061 and 42-5159 establish TPT and use tax exemptions for aircraft, navigational and communication instruments when sold to:

- a) a person holding a federal certificate of public convenience and necessity, a supplemental air carrier certificate or a foreign air certificate;
- b) any foreign government; or
- c) non-residents of this state that will not use the property in this state.

ADDITIONAL INFORMATION

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.

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 a tax at a lesser rate has been paid in another state. Use tax is imposed on all transactions in which TPT was not.



House of Representatives

HB 2153

VLT exemption; military members; spouses
Prime Sponsor: Representative Borrelli, et al., LD 5

DP Committee on Transportation and Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2153 exempts a surviving spouse and a dependent of a deceased United States military member from paying a vehicle license tax (VLT) or registration fee for a vehicle.

PROVISIONS

1. Exempts a surviving spouse or dependent of a deceased member of the United States military who was killed in the line of duty or as a result of injuries sustained in the line of duty from paying a VLT or registration fee.
2. Specifies that a surviving spouse or dependent may claim only one vehicle for this exemption.
3. Makes conforming changes.

CURRENT LAW

A vehicle license tax is required to be paid for all vehicles registered for operation upon highways ([Article IX, Section 11, Constitution of Arizona](#)). In addition, an eight dollar registration fee is required for all motor vehicles and a nine dollar fee is assessed for all motorcycles ([A.R.S. § 28-2003](#)). Currently, [A.R.S. § 28-5803.01](#) exempts surviving spouses and dependents of deceased law enforcement officers, firefighters or emergency responders killed in the line of duty or as a result of injuries sustained in the line of duty from paying a VLT or registration fee.



HOUSE OF REPRESENTATIVES

HB 2248

autocycles; definition; class D licenses

Prime Sponsor: Representative Gray, LD 21

DP Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2248 strikes the requirement that autocycles be completely enclosed and states that a Class D license is valid for operating an autocycle.

PROVISIONS

1. Expands the definition of *autocycle* to include three-wheeled motorcycles that are not completely enclosed.
2. Stipulates that a Class D license is valid for operating an autocycle.
3. Makes technical changes.

CURRENT LAW

Currently, statute defines an *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, antilock brakes and that is designed to be controlled with a steering wheel and pedals ([A.R.S. § 28-101](#)).



HOUSE OF REPRESENTATIVES

HB 2250

ADOT advertising; sponsorship; nonhighway assets
Prime Sponsor: Representative Gray, LD 21

DP Committee on Transportation & Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2250 allows the Arizona Department of Transportation (ADOT) to establish a program to sell or lease advertising on nonhighway assets and allow monetary sponsorship of facilities and other assets. Requires all revenues accrued as a result of this program to be deposited into the state highway fund.

PROVISIONS

1. Permits ADOT to establish a program to lease or sell advertising on nonhighway assets and allow monetary sponsorship of facilities and other assets of the department.
2. Stipulates that revenues generated from any advertisement and sponsorship program will be deposited in to the state highway fund.
3. Allows ADOT:
 - a. To establish rules to implement and administer the program.
 - b. Operate, modify, or terminate any advertising or sponsorship program.
 - c. Generate revenue from any advertising or sponsorship program.
 - d. Contract with a third party to perform any or all aspects of the program.
4. States that ADOT or a third party may negotiate and execute leases for variable terms, set lease rates, establish lease terms and prescribe forms for leases.
5. Requires the third party contracted with ADOT to include in the contract to compensation and the contractor's duties, including:
 - a. Furnishing, installing, maintaining and replacing the advertising and sponsorship space or media on ADOT assets and facilities.
 - b. Promoting and negotiating the leasing of advertising and sponsorship on the authorized assets and facilities of the department.
6. Allows ADOT and the third party to enter into a revenue sharing agreement.
7. Specifies that costs incurred under the program must be paid under agreements negotiated between ADOT or the third party and the advertisers or sponsors.
8. Terminates the program on July 1, 2026.
9. Defines *advertising*, *assets*, *facility* and *sponsorship*.
10. Makes conforming changes.

CURRENT LAW

ADOT is permitted to contract with a third party to install and maintain logo signs on any class of state highway or interstate highway system in the state, with all revenues being deposited into the state highway fund (A.R.S. § 28-7311).



HOUSE OF REPRESENTATIVES

HB 2251

commercial motor vehicles

Prime Sponsor: Representative Gray, LD 21

DP Committee on Transportation and Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2251 changes the single axel load limit for an over-the-road bus and modifies the disqualification standards for commercial driver license holders.

PROVISIONS

1. Exempts an over-the-road bus from the 20,000 pound single axel load limit, but requires the vehicle not to exceed 24,000 pounds.
2. Changes the timeframe for which a temporary international proportional registration and a temporary alternative proportional registration is valid from 90 days to 60 days.
3. Specifies that a commercial instruction permit holder is subject to the disqualification standards prescribed by statute.
4. Requires a commercial driver license or instruction permit be disqualified for at least 60 consecutive days if the Arizona Department of Transportation (ADOT) determines that the driver falsified information or documentation during the licensing process.
 - a. Mandates a commercial driver license or instruction permit be disqualified for at least one year if the driver is convicted of fraud related to the issuance of the license or permit.
 - b. States that a commercial driver license or instruction permit must be disqualified 10 days after ADOT receives a report of conviction or finding of responsibility.
5. Defines *over-the-road bus*.
6. Makes conforming changes.

CURRENT LAW

A.R.S. § 28-1099 states that the gross weight imposed on the highway by the wheels of any one axle of a vehicle must not exceed 20,000 pounds. The director of ADOT may issue a special permit for the purpose of moving road machinery that exceeds this limit. The move must be from job-to-job within the state and from job-to-place of servicing and return within the state.

Currently, the cost of a temporary international proportional registration (A.R.S. § 28-2239) and a temporary alternative proportional registration (A.R.S. § 28-2267) is \$1 and is valid for 90 days.

A.R.S. § 28-3312 outlines the disqualification standards regarding a commercial driver license. Specifically, section I requires the beginning date of the disqualification of a commercial license or permit to be the date ADOT receives a report of conviction or finding of responsibility.



HOUSE OF REPRESENTATIVES

HB 2432

information technology; interoperable radio communications
Prime Sponsor: Representative Stevens, LD 14

DP Committee on Transportation and Infrastructure

X Caucus and COW

House Engrossed

OVERVIEW

HB 2432 modifies the definition of *information technology* to include *interoperable radio communications systems*.

PROVISIONS

1. Includes *interoperable radio communications systems* to the definition of *information technology*.

CURRENT LAW

A.R.S. § 41-3501 defines *information technology* as computerized and auxiliary automated information processing, telecommunications, and related technology, including hardware, software, vendor support and related services, equipment and projects.

ADDITIONAL INFORMATION

Interoperable radio communications systems (systems) provide public safety personnel with the ability to communicate with each other on demand and in real time. The systems aim to create intercommunications for strategic management and effective tactical support between public safety personnel, the continuity in which will support operations during emergencies and catastrophic events (Arizona Public Safety Interoperable Communications Office).



HOUSE OF REPRESENTATIVES

HB 2008

extracurricular activity credit; optional fees

Prime Sponsor: Representative Norgaard, LD 18

DP Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2008 expands the Public School Tax Credit eligibility criteria to include voluntary participation fees paid for a public school extracurricular activity.

PROVISIONS

1. Modifies the definition of *extracurricular activity* to include school-sponsored activities for which students pay a voluntary participation fee.
2. Makes conforming changes.

CURRENT LAW

Established by Laws 1997, Chapter 48, the Public School Tax Credit permits a taxpayer to receive a tax credit in an amount equal to as much as \$200 for an individual or \$400 for a married couple for contributions for standardized testing fees, the career and technical education industry certification assessment, extracurricular activities and character education programs. In Tax Year 2014, the Arizona Department of Revenue reported 266,087 claims totaling \$50,991,999.

Extracurricular activities is defined as school-sponsored activities that require enrolled students to pay a fee in order to participate ([A.R.S. § 43-1089.01](#)).



HOUSE OF REPRESENTATIVES

HB 2025

utilities TPT; sales of propane

Prime Sponsor: Representative Mitchell, LD 13

DPA Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2025 exempts the sale of propane to a business that is engaged in manufacturing or smelting operations from transaction privilege tax (TPT) and use tax.

PROVISIONS

1. Deducts the gross proceeds of sales or gross income derived from the sale of propane to a business that is engaged in manufacturing and smelting operations and that uses at least 51% of the propane in manufacturing or smelting operations from the utilities classification of TPT.
2. Exempts the purchase price of propane used by a business that is engaged in manufacturing or smelting operations and that uses at least 51% of the propane in manufacturing or smelting operations from use tax.
3. Specifies that a municipality must either tax or exempt in whole the gross proceeds of sales or gross income from sales of propane to a business that uses at least 51% of the propane in manufacturing and smelting operations.
4. Makes conforming changes.

AMENDED IN WAYS AND MEANS COMMITTEE

1. Strikes use of the term *propane* and replaces it with *liquefied petroleum gas*.
2. Contains a delayed effective date of the first day of the month in the taxable period following the general effective date.

CURRENT LAW

Laws 2014, Chapter 7 created an exemption from use tax and TPT for the gross proceeds of sales or gross income derived from the sale of electricity and natural gas to a business that is engaged in manufacturing and smelting operation and that uses at least 51% of the electricity or natural gas in the manufacturing and smelting operations.

ADDITIONAL INFORMATION

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.

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 a tax at a lesser rate has been paid in another state. Use tax is imposed on all transactions in which TPT was not.



HOUSE OF REPRESENTATIVES

HB 2054

debt limitations; net assessed value

Prime Sponsor: Representative Mitchell, LD 13

DP Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2054 clarifies that joint technical education districts, school districts, counties, cities and towns are required to base bond indebtedness limits on the net assessed value (NAV) of the full cash value (FCV) of all properties within their jurisdiction.

PROVISIONS

1. Specifies that each of the following entities are to base bond indebtedness limits on the NAV of the FCV of all properties within their jurisdiction:
 - a. joint technical education districts
 - b. school districts
 - c. counties
 - d. cities and towns
2. Makes technical and conforming changes.

CURRENT LAW

Full Cash Value- synonymous with market value, the estimate of value that is derived annually by using standard appraisal methods and techniques.

Net Assessed Value- the value derived by applying the assessment ratio to the FCV or limited property value (LPV), minus any exempt property (A.R.S. § 42-11001).

ADDITIONAL INFORMATION

On July 31, 2015, Attorney General Mark Brnovich released an opinion ([No. I15-007](#)) regarding the calculation of bond indebtedness. The question asked of the Attorney General was whether school districts should base their bond indebtedness on the FCV or the LPV. The conclusion reached by Attorney General Brnovich was that the net assessed value of the full cash value should be used for the calculation of bond indebtedness.



HOUSE OF REPRESENTATIVES

HB 2125

district boundary modifications; parcel lines
Prime Sponsor: Representative Shope, LD 8

DPA Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2125 allows special taxing district (district) boundary lines to be adjusted if the current lines split a parcel.

PROVISIONS

1. Allows a property owner whose parcel is split by a district boundary line to request the county assessor, in writing, to modify the district boundary so that the entire parcel is contained within the district that governs the majority of the area of the parcel.
 - a. Specifies that if the parcel is split evenly between two parcels, the property owner may choose which district to join.
2. Authorizes a county assessor to initiate the consolidation of a parcel found to be split into two districts.
 - a. Requires the county assessor to provide a property owner of a split parcel with at least 30 days' notice of the consolidation.
 - b. Allows the property owner to accept or reject the consolidation.
3. Makes technical and conforming changes.

AMENDMENTS IN WAYS AND MEANS COMMITTEE

1. Exempts irrigation and water conservation districts from the provisions of this Act.
2. Specifies that a homeowner may only choose between districts of the same type when consolidating into one district.
3. Makes various technical clarifications.

CURRENT LAW

A.R.S. § 48-272 specifies that any proposed district formed after November 1, 2007 may only include entire parcels of real property within its boundary lines as determined by the county assessor and is prohibited from splitting any parcels.



HOUSE OF REPRESENTATIVES

HB 2184

tobacco products; luxury tax refunds

Prime Sponsor: Representative Mitchell, LD 13

DP Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2184 allows a tobacco distributor to receive a luxury tax refund for any reason if the luxury is returned to the manufacturer or importer.

PROVISIONS

1. Allows a tobacco distributor to receive a luxury tax refund for any reason if the luxury is returned to the manufacturer or importer.
2. Removes the six-month deadline for providing proof of a return of a luxury in order to receive a luxury tax refund from the Department of Revenue (DOR).
3. Makes a conforming change.

CURRENT LAW

A.R.S. § 42-3008 requires a distributor to provide proof of the return of a luxury to DOR within six months of the product's return to the manufacturer or importer in order to receive a luxury tax refund.

A *distributor* is any person who manufactures, produces, ships, or imports for the purpose of selling cigarettes without Arizona tax stamps affixed or roll-your-own tobacco or other tobacco products on which the taxes have not been paid (A.R.S. § 42-3001).



HOUSE OF REPRESENTATIVES

HB 2343

unclaimed property; revenue department contracts
Prime Sponsor: Representative Livingston, LD 22

DP Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2343 stipulates that the Department of Revenue (DOR) may not enter into a contract relating to unclaimed property with an auditor if the contract indicates that auditor's payment is dependent on auditor's recovery of the property.

PROVISIONS

1. Specifies that DOR may not enter into a contract with an auditor for an audit relating to unclaimed property if the contract indicates that the auditor's payment is dependent on auditor's recovering the property.
2. Contains an applicability clause.

ADDITIONAL INFORMATION

Unclaimed property is any intangible asset that is held, issued or owed in the course of a holder's business that has remained unclaimed by the owner for a statutory period of time, usually one to three years, after it became payable or distributable ([DOR](#)).



HOUSE OF REPRESENTATIVES

HB 2354

tax credit; unified sports programs

Prime Sponsor: Representative Carter, LD 15

DP Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2354 allows cash contributions made in support of unified sports programs to qualify under the Public School Tax Credit.

PROVISIONS

1. Expands the Public School Tax Credit eligibility criteria to include cash contributions made to unified sports programs.
2. Defines *unified sports program* as an inclusive program that combines students with intellectual disabilities and students without intellectual disabilities on sports teams for training and competition.
3. Makes technical and conforming changes.

CURRENT LAW

Established by Laws 1997, Chapter 48, the Public School Tax Credit permits a taxpayer to receive a tax credit in an amount equal to as much as \$200 for an individual or \$400 for a married couple for contributions for standardized testing fees, the career and technical education industry certification assessment, extracurricular activities and character education programs. In Tax Year 2014, the Arizona Department of Revenue reported 266,087 claims totaling \$50,991,999.



HOUSE OF REPRESENTATIVES

HB 2402

bonds; disclosure; notice

Prime Sponsor: Representative Leach, et al., LD 11

DP Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2402 specifies information that must be included in county and municipal bond election pamphlets and ballots.

PROVISIONS

1. Requires the following information to appear on bond election pamphlets distributed by a county or municipality:
 - a. The estimated tax impact of debt service for the bond, at the maximum interest rate authorized by the voters.
 - b. The estimated total cost of the bond, including principal and interest at the maximum interest rate authorized by the voters.
 - c. A disclosure that the expenditure authorized by the bond is governed by the general purposes of the bond and not the proposed projects listed in the pamphlet.
2. Requires a county or municipal bond election ballot to include a disclosure that a “yes” vote may increase the primary tax rate to pay for the maintenance and operation of projects funded by the bond.
3. Makes technical and conforming changes.

CURRENT LAW

A.R.S. § 35-454 establishes informational requirements for county and municipal bond election pamphlets and ballots. Counties and municipalities are required to distribute a bond election pamphlet at least 35 days before an election to each household under their jurisdiction, containing all of the following information:

- The amount of the bond authorization.
- The maximum interest rate of the bond.
- The estimated debt retirement schedule for the current amount of bonds outstanding and the proposed bond, the current net assessed value and the current adopted and estimated tax rates.
- The source of repayment.
- The estimated issuance costs.
- The estimated tax impact of debt service for the bond.
- The estimated total cost of the proposed bond.
- The current outstanding general obligation debt and constitutional debt limitation.
- Projects and expenditures for which the bond is to be issued.
- The purpose of the bond
- The polling location for the addressee.
- The hours during the day when the polls will be open.
- The arguments for and against the authorization of one or more of the bond propositions.



HOUSE OF REPRESENTATIVES

HB 2449

taxation; self-reported errors; injured spouses
Prime Sponsor: Representative Mitchell, et al., LD 13

DPA Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2449 requires the Department of Revenue (DOR) to provide and review forms for taxpayers to claim injured spouse relief and allows taxpayers to correct an underpaid tax return without penalty.

PROVISIONS

1. Allows a taxpayer to apply to DOR for protection of the taxpayer's share of any overpayment or refund from setoff for the past due state taxes, child support, spousal maintenance, debt to courts or debt to state agencies of the taxpayer's spouse incurred in this state or another state.
2. Holds harmless a taxpayer from penalty for underpaid taxes if the total additional tax paid and due represents a substantial understatement of tax liability.
3. Requires DOR to receive and prescribe forms for taxpayer's filing for injured spouse relief.
4. Specifies the amount of protected share is determined by a proration based on each spouse's estimated tax payments or taxes withheld from wages and may not exceed taxpayer's portion of the entire refund or overpayment.
5. Stipulates if the amount of protected share has already been distributed to an agency, political subdivision or court the taxpayer is allowed to file a request to recover the protected amount.
6. Contains an effective date of January 1, 2016.
7. Makes technical and conforming changes.

AMENDMENT OF WAYS AND MEANS COMMITTEE

1. Establishes the effective date to begin taxable year 2016.
2. Removes language allowing a taxpayer to apply for the protection for the taxpayer's share of their spouse's debt incurred in another state.

CURRENT LAW

Under A.R.S. Title 42, Chapter 2, Article 5, a taxpayer may seek relief from joint and several liability under the following circumstances:

- 1) there is an understatement of tax attributable to erroneous items of one of the taxpayers filing the joint return;
- 2) the taxpayer did not know of the understatement; and
- 3) taking in the facts and circumstances, it is inequitable to hold that taxpayer liable for the deficiency attributable to the understatement.

If a taxpayer qualifies for relief, the relief extends to the amount of liability for tax, interest and penalties that is attributable to the understatement. A qualified taxpayer, by signing the return, establishes that the taxpayer did not know and had no reason to know the extent of the understatement. The relief extends only to the extent of the liability for tax, interest and penalties attributable to the portion of the understatement of which the taxpayer did not know.



HOUSE OF REPRESENTATIVES

HB 2481

schools; primary property tax rates
Prime Sponsor: Representative Olson, LD 25

DPA Committee on Ways and Means

X Caucus and COW

House Engrossed

OVERVIEW

HB 2481 outlines the manner in which school district taxes are to be levied and eliminates the 4% cap on school district budget balance carryforwards.

PROVISIONS

1. Requires each county board of supervisors to annually levy school district taxes on the properties in each school district at a rate equal to the lesser of:
 - a. the Qualifying Tax Rate (QTR), and
 - b. the District Support Level/per \$100 of assessed value.
2. Directs each county board of supervisors to authorize any additional primary school district tax levy requests outside of the revenue control limit at rates that would result in a levy equaling each of the following:
 - a. The difference between the transportation revenue control limit and the transportation support level.
 - b. Expenses for excess utilities, desegregation, bond issues and registering warrants.
 - c. The necessary amount for tuition loss.
 - d. Small school adjustments.
 - e. Liabilities in excess of the school district budget.
 - f. Adjacent ways.
 - g. The amount not captured by QTR due to properties that pay a government property lease excise tax.
3. Eliminates the 4% cap on school district budget balance carryforwards.
4. Strikes the requirement for school districts to use any remaining maintenance and operation (M&O), unrestricted capital outlay and adjacent ways monies leftover after encumbrances to reduce taxes.
 - a. Eliminates district administrative responsibilities associated with this requirement.
5. Makes technical and conforming changes.

AMENDMENTS IN WAYS AND MEANS COMMITTEE

1. Reinserts language requiring a district to prepare a list of encumbrances before the end of each fiscal year and file and advice of encumbrance with its respective county board of supervisors.
2. Makes further technical and clarifying changes.

CURRENT LAW

A.R.S. § 15-943.01 allows a school district governing board to budget any M&O budget balance from the current fiscal year for use for M&O in the following budget year. The maximum amount that may be carried forward annually is 4% of the school district's Revenue Control Limit for the current year.

Each school district is required to prepare a list of encumbrances before July 1st of each year for the following budget year and file an advice of encumbrance with its respective county board of supervisors before July 18th. The county board of supervisors is required to encumber amounts included in year to date expenditures not exceeding the budget and that are available to pay liabilities. Any cash balance remaining for M&O, unrestricted capital outlay and adjacent ways after encumbrances will be budgeted for the following budget year and must be used to reduce school district taxes (A.R.S. § 15-906).

A.R.S. Title 15, Chapter 9 outlines school finance and budgeting. School districts annually determine their budget capacity through a weighted per-student statutory funding formula. A school district will levy a rate against its tax base to receive the amount needed to reach its determined budget capacity. The rate that may be levied for a school district is statutorily capped at the maximum QTR. If a district levies the maximum QTR and has not received sufficient monies to reach its budget capacity, the state provides the remainder as Equalization Assistance. The QTR is subject to Truth in Taxation requirements and in Fiscal Year 2016 is capped at \$2.0977 for high school and elementary districts and \$4.1954 for unified districts. Statute provides school districts additional taxation authority outside of the general budget limit for items such as adjacent ways, desegregation and small school adjustments.