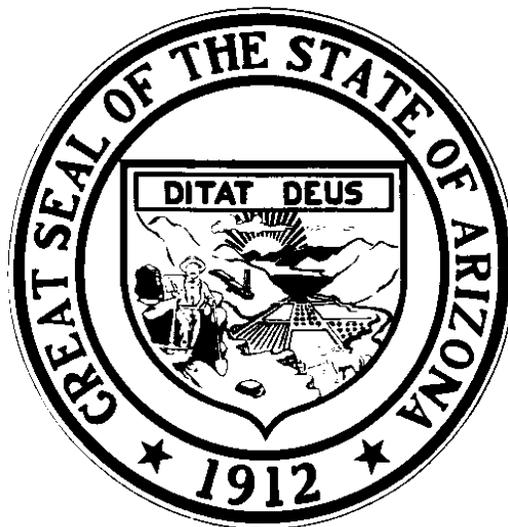


STATE OF ARIZONA HOUSE OF REPRESENTATIVES

SUMMARY OF LEGISLATION 2013



Fifty-First Legislature *First Regular Session* *First Special Session*

Prepared by
House Research Staff

PREPARED UNDER THE DIRECTION OF
THE HONORABLE ANDREW M. TOBIN
SPEAKER OF THE HOUSE
SUMMARY OF LEGISLATION
2013



Fifty-First Legislature
First Regular Session
First Special Session

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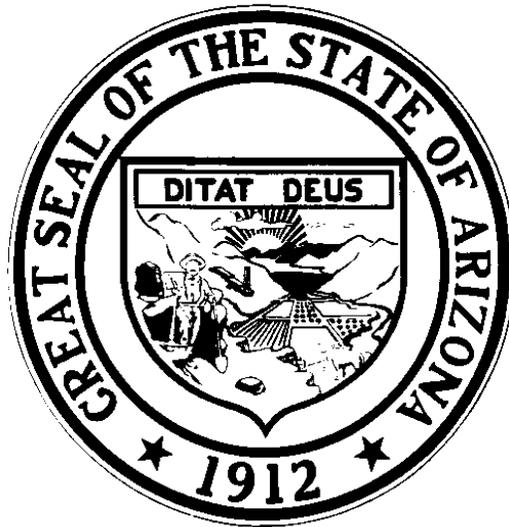
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GENERAL EFFECTIVE DATES



Fifty-First Legislature

FIRST REGULAR SESSION

Session Convened: January 14, 2013

Adjourned Sine Die: June 14, 2013

General Effective Date: September 13, 2013

FIRST SPECIAL SESSION

Session Convened: June 11, 2013

Adjourned Sine Die: June 13, 2013

General Effective Date: September 12, 2013

BILL INTRODUCTIONS

Fifty-First Legislature First Regular Session 2013

	<u>House</u>	<u>Senate</u>	<u>Total</u>
Bills Introduced	665	493	1,158
Memorials and Resolutions Introduced.....	48	28	76
<hr/>			
Total	713	521	1,234
Bills Transmitted to Governor	171	111	282
Bills Signed by Governor.....	155	101	256
Bills Vetoed by Governor.....	16	10	26
(HB's 2018, 2054, 2125, 2144, 2271, 2322, 2342, 2433, 2439, 2446, 2481, 2512, 2553, 2578, 2591, 2617) (SB's 1088, 1115, 1178, 1236, 1323, 1369, 1371, 1437, 1439, 1445)			
Chapters (Session Laws)	155	101	256
Memorials and Resolutions Transmitted to	8	12	20
Secretary of State			

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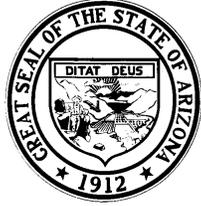
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SECTION I

STATE GENERAL FUND AND OTHER FUND APPROPRIATIONS SUMMARY TABLES OF BILLS

State of Arizona
Fifty-First Legislature
FY 2013-14



SECTION II

SUMMARY OF LEGISLATION *First Regular Session*

Session Convened: January 14, 2013
Adjourned Sine Die: June 14, 2013

General Effective Date: September 13, 2013

State of Arizona
Fifty-First Legislature
First Regular Session

COMMITTEE ON AGRICULTURE AND WATER

Representative Brenda Barton, Chairman
 Representative Frank Pratt, Vice-Chairman
 Gina Kash, Legislative Research Analyst
 Aaron Wonders, Assistant Legislative Research Analyst



* Strike-Everything Amendment
 [E] Emergency Clause
 [P 105] Proposition 105 Clause
 [P 108] Proposition 108 Clause
 [LIV] Line Item Veto
 [W/O] Without Emergency Clause
 [W/S] Without Signature

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HB 2118 – Chapter 38 – flood protection districts; property exclusion

Repeals statute that allows a flood protection district to exclude lands within its jurisdiction.

HB 2137 – Chapter 52 – veterinarians; dispensing drugs

Makes a technical clarification to the definition of *dispense* in A.R.S. § 32-2281 by adding the word *compounding*.

HB 2178 – Chapter 170 – flood control districts; administrative actions

Allows persons who violate flood control district statutes or rules to receive a nonmonetary penalty and changes the final decision review process.

HB 2355 – Chapter 56 – license fees; working dogs; waiver

Exempts disabled individuals from paying county, city or town licensing fees for service animals and individuals from paying county, city or town licensing fees for search or rescue dogs. Additionally requires an applicant for a license for a service animal to sign an affidavit.

SB 1092 – Chapter 161 – cotton research and protection council

Modifies the administration and enforcement roles of the ADAG and the Arizona Cotton Research and Protection Council in the abatement and plow up of nuisance cotton fields.

SB 1098 – Chapter 101 – marijuana; cultivation; county zoning

Allows county zoning ordinances to apply to the cultivation of cannabis or marijuana.

SB 1127 – Chapter 196 – agricultural employment relations board; continuation

Continues the Arizona Agriculture Employment Relations Board for eight years.

SB 1143 – Chapter 64 – golf course pesticide license; fee

Transfers regulatory authority of golf course *Not for Hire* pesticide applications from the Office of Pest Management to ADAG.

SB 1157 – Chapter 180 – grain research council; continuation

Continues the Arizona Grain Research and Promotion Council for 10 years.

SB 1288 – Chapter 247 – Arizona water protection fund; projects

Modifies the membership of the Arizona Water Protection Fund Commission and prohibits federal agencies from receiving funding through the Arizona Water Protection Fund.

SB 1322 – Chapter 248 – assured water supply requirements; exemption

Extends, as session law, the repeal date of Laws 2007, Chapter 51, from September 1, 2014, to September 1, 2024.

COMMITTEE ON APPROPRIATIONS

Representative John Kavanagh, Chairman
 Representative Justin Olson, Vice-Chairman
 Mike Huckins, Legislative Research Analyst
 Paul Benny, Senior Assistant Legislative Research Analyst



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HB 2034 – Chapter 13 [E] – nuclear emergency appropriation and assessment

An emergency measure that appropriates \$2,153,517 in FY 2014 and \$2,269,086 in FY 2015 from the GF to the Nuclear Emergency Management Fund (Fund) for various agencies within that Fund for additional staffing costs and other programs. The agencies receiving money include the following: ADAG, DEMA, and the Radiation Regulatory Agency. Levies an assessment against each consortium of public service corporations and municipal corporations engaged in constructing or operating a commercial nuclear generation station in an amount equal to that appropriated to the Fund, plus any interest.

HB 2069 – Chapter 14 – appropriations; named claimants

Appropriates \$283,681.96 from the GF to ADOA to pay outstanding claims against state agencies from previous FYs. Transfers \$44,371.73 from COSF, \$10,180.25 from SHF, and \$470.68 from the State Air Quality Fund to the GF.

HB 2154 – Chapter 118 – *supplemental appropriation; mortgage settlement monies

Appropriates the remaining funds received pursuant to the National Mortgage Settlement, excluding the \$50 million deposited in the GF, to the Department of Law in FY 2013 for distribution pursuant to applicable court orders. Exempts the appropriation from lapsing.

HB 2396 – Chapter 143 – attorney general; compromises; settlements; deposit

Mandates, with certain exemptions, that monies garnered as a result of compromises or settlements by the state be deposited into the GF, with certain exceptions. Prohibits funds consisting of monies other than those received for restitution, costs, or attorney fees from being established on the basis of a court order without prior legislative authorization. Creates the Consumer Restitution and Remediation Revolving Fund (Fund) and respective subaccounts. Makes changes to the Consumer Protection-Consumer Fraud Revolving Fund, and states any amount in excess of \$3,500,000 in the Consumer Remediation Subaccount is subject to legislative appropriation. Requires the AG to annually submit a full and complete account of the deposits into the state treasury pursuant to statute, as well as a full and complete account of the receipts and disbursements from the Fund by subaccount to the Governor, ADOA, the President of the Senate, the Speaker of the House of Representatives, the SOS, and JLBC by January 15, April 15, July 15, and October 15. Allows the AG to obtain an injunction from any court of competent jurisdiction.

HB 2502 – Chapter 1 – supplemental appropriation; CPS funding.

Provides \$4,409,200 in GF supplemental funding and 50 FTE positions to DES in FY 2013 for CPS staff. Contains reporting requirements.

HB 2503 – Chapter 2 – supplemental appropriation; IRC.

Provides \$500,000 in supplemental funding from the GF in FY 2013 to AIRC for payment of legal expenses.

HB 2644 – Chapter 99 – debt payoff; annual report

Requires ADOA to submit a report stating the cost and savings to the state to pay off the balance of state debt and defines *state debt and obligations*. Directs ADOA, by December 1, 2013 and each December thereafter, to submit a report to the President of the Senate, the Speaker of the House of Representatives, and JLBC that includes:

- The cost to the state to pay the remaining balance of state debt and obligations.
- An analysis focused on approaches that produce the highest cost savings and give the amount of savings if the state pays off outstanding debt under current economic conditions.
- The money that could be saved if those debts were paid based on current interest rates.
- A projection of the costs and savings under current economic conditions to the state, in increments of \$50 million up to \$200 million.

SB 1311 – Chapter 48 – public monies; investment

Permits the AST to invest trust and treasury monies in institutional common trust funds with underlying investments in securities. Changes the definition of *equity securities*.

SB 1482 – Chapter 158 – IRC; supplemental appropriation

Provides \$635,226 in supplemental funding from the GF in FY 2013 to AIRC.

COMMITTEE ON COMMERCE

Representative Tom Forese, Chairman
Representative T.J. Shope, Vice-Chairman
Diana Clay, Legislative Research Analyst
Stephanie Johnson, Senior Assistant Legislative Research Analyst



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HB 2096 – Chapter 5 – board of cosmetology

Modifies the definition of *threading* to mean hair removal from the eyebrows or parts of the face using a single strand of cotton thread and over-the-counter astringent. Consolidates the infection control and law review class into one required class for purposes of reciprocity to obtain a cosmetologist, aesthetician or nail technician license.

HB 2109 – Chapter 16 – biennial contractor license; annual renewal

Removes the two-year limit on an annual license renewal when a contractor is granted an exception by the ROC after submitting a written petition outlining the real and immediate hardship. Requires the contractor to include a detailed, current financial statement in the written petition and stipulates that failure to do so is grounds for denial. Assesses the annual license renewal fee at one-half the biennial license renewal fee.

HB 2147 – Chapter 17 – *eligibility; unemployment benefits

Requires the person filing for UI benefits to provide sufficient information and documentation at the time of filing the claim so DES can determine the person's eligibility. Authorizes DES to deem the claim invalid until the documents or information is produced. Shifts to the claimant the burden of providing documentation to determine eligibility for benefits if the employer provides proof an individual voluntarily resigned or abandoned employment. In the case of fraud, prohibits a person from receiving UI benefits until all overpayments, penalties and interest are fully paid back to DES.

HB 2176 – Chapter 187 – registrar of contractors

Requires applicants filing for compensation from the ROC Recovery Fund to first proceed against a contractor's surety bond. Clarifies the statutory language that prohibits a licensee from having a person's name on a license if that person was named on another license (either in-state or out-of-state) that is *or was* suspended or revoked. Permits the ROC to investigate a complaint without waiting the required 15 days. Defines *license* and modifies the definition of *alarm agent* to exclude a person acting on behalf of an alarm business if the person's duties do not include visiting the alarm installation site. Exempts alarm agents regulated by the BTR from the ROC statutes.

HB 2262 – Chapter 137 – scrap metal dealers; registration

Declares the Legislature's statewide concern for a scrap metal dealer to register with DPS in order to conduct business and outlines necessary registration, compliance and record-keeping requirements. Compels DPS to submit a report to the Legislature that identifies all registered dealers. Applies statutory record-keeping provisions to all transactions involving scrap metal, but exempts exclusive sellers of aluminum beverage containers. Requires payment to a physical address for all transactions, including those involving air conditioner cooling coils. Directs all state law enforcement to register with a free theft notification website that allows for the remission of detailed descriptions of stolen items to recycling operations and other law enforcement agencies. Requires the website to allow dealers to alert law enforcement when dealers are offered suspicious materials. Prescribes penalties and violations. Grants the President of the Senate and Speaker of the House of Representatives of the 56th Legislature, 1st Regular Session (2023), the option to appoint a *Joint Legislative Committee on Metal Theft* (Committee) to determine the effectiveness of these laws in deterring crime and to ascertain the costs of compliance to the metal industries. Permits the Committee to report its findings to the Legislature by December 1, 2023 and provides a repeal date of from and after January 1, 2024.

HB 2263 – Chapter 72 – *boxing commission; mixed martial arts

Modifies the current exemptions from regulation and stipulates the Commission must use rules for mixed martial arts consistent with the unified rules adopted by the New Jersey State Athletic Control Board. Clarifies a boxer or mixed martial arts contestant must submit the results of a current medical examination and outlines the additional information required before issuance of a license. Specifies the timeline for submitting license applications and pertinent documents.

HB 2267 – Chapter 40 – *public consignment auction dealer; requirements

Mirrors the current penalties for violations by a motor vehicle dealer and clarifies that a public consignment auction dealer must notify DOR within 15 days of sale with the necessary information outlined in statute on a form *jointly* prescribed by DOR and ADOT. Permits DOR to disclose to ADOT confidential information relating to penalties and requires a dealer to submit the required certificate to DOR and retain a copy.

HB 2272 – Chapter 138 – burial duties; designated person

Asserts that when a funeral director is *aware* of a criminal death charge against the person having authority over the disposition of the remains, the duty for decision-making falls to the next person statutorily in line. Adds *health care power of attorney* as it relates to the designated person having decision-making authority for the disposition of a deceased person's remains. Requires a crematory or a responsible cremationist to designate a licensed cremationist as an *interim* responsible cremationist and adds a responsible cremationist to the list of persons authorized to open a container holding human remains.

HB 2280 – Chapter 139 – employee benefits; state preemption

Declares the Legislature's statewide concern of regulating employee benefits, including compensation, paid/unpaid leave, other absences and meal breaks. Specifically prohibits further regulation by any city, town or political subdivision. Excludes employee benefits provided by a city, town or other political subdivision of the state.

HB 2457 – Chapter 234 – charitable organization filings

Repeals sections of law related to the registration with the SOS of charitable organizations and contracted fund raisers. Asserts that it is unlawful for a person to solicit money or other support on behalf of American veterans unless the veterans' organization files a registration statement with the SOS in the prescribed format. Specifically exempts from registering with the SOS for telephone solicitation: charitable organizations, the state, counties, municipalities, political parties, candidates for federal, state or local office or their campaign committees required to file financial information with the appropriate federal, state or local election agency.

HB 2525 – Chapter 61 – real estate licenses; cancellation.

Permits DRE to cancel a person's license, whether or not the license status is active.

HB 2645 – Chapter 218 – unemployment; employment definition; exception

Excludes from the statutory definition of *employment* persons working for a church educational system, child care service provider or other religious organization that includes religious instruction.

SB 1087 – Chapter 194 – drug testing records; taxi drivers

Requires an owner of a livery vehicle, taxi or limousine to have the drug testing records of any driver, whether the driver is an employee or lessee, available for inspection by DWM at all times. Stipulates that records must include pre-employment and random annual drug testing results for the driver.

SB 1107 – Chapter 163 – *theft; scrap metal

Amends the classifications of theft to include a person who, without lawful authority, knowingly: controls the metal of another with the intent to deprive the person; controls metal knowing or having reason to know that the metal was stolen; or purchases the metal of another knowing that the metal was stolen.

SB 1146 – Chapter 235 [E] – *racing; stewards

Eliminates the requirement for a license suspension by a track steward to commence immediately. Allows the Director of ADR to reduce the number of required kennels for a dog racing permittee. Directs ADR to obtain monthly lists of all racing related injuries and deaths to the animals reported to the track veterinarian. Strikes certain requirements for persons seeking to be licensed or employed as a steward for a commercial racing meet exceeding 45 days. Increases the population threshold to 700,000 persons relating to the restriction of common ownership of tracks racing the same breed. Lists conditions for simulcasts that may be received in a county of 1.5 million people or more and increases the minimum population to 700,000 persons in counties where simulcasts may be received at the racetrack enclosure when subject to certain conditions. Removes requirements relating to wagering on dark day simulcasts of horse and dog races. Increases the maximum civil penalty for suspension or revocation of a license to \$2,500.

SB 1148 – Chapter 34 – workers' compensation; reciprocity

Repeals, rewrites and modifies the section of law that specifies a worker's right to workers' compensation benefits in Arizona. Entitles to benefits as though the injury occurred in-state, a worker who is hired in Arizona, leaves the state temporarily for work incidental to the employment and is then *injured*, even if the injury happened in another state. Exempts from Arizona workers' compensation statutes as outlined, an employer and related workers from another state whose employees are performing temporary work in-state. Directs the courts to take judicial notice of the laws of another state if the construction of those laws is required during an appeal or other litigation. Entitles an injured worker to the full amount of compensation authorized by Arizona statutes as outlined. Applies to claims made after the effective date of this law, regardless of the date of any injury.

SB 1215 – Chapter 23 – office of Sonora; continuation

Continues the Office of Sonora for eight years until July 1, 2021.

SB 1238 – Chapter 165 – *benefit corporations; formation

Authorizes a new type of corporation known as a *benefit corporation* for the purpose of creating a general or specific public benefit. Outlines the incorporation process, election and termination of benefit corporation status. Directs the benefit corporation to prepare an annual report, and allows the ACC to establish a fee determined by a majority vote of the Commissioners. Provides a delayed effective date of January 1, 2015.

SB 1301 – Chapter 47 – *wineries; microbreweries; licenses

Enables DLLC to issue a domestic microbrewery license on the same parcel of land as a domestic farm winery. Requires the licenses be held by different persons, located in different buildings and licensed separately. Permits the licensees to share a common tasting room, indoor/outdoor premises for tasting or consumption of products. Prohibits a person who holds a domestic farm winery or a domestic microbrewery license with combined premises from holding any other liquor license.

SB 1316 – Chapter 184 – state board of appraisal

Revises the classifications of licensure to establish new positions and duties for *registered trainee appraisers* and *supervisory appraisers*. Appropriates \$42,880 from the Appraisal Board Fund in FY 2014 for one FTE to implement the regulation of the new appraiser positions. Permits the State Board of Appraisal (Board) to accept debit/credit card payments and impose a convenience fee. Summarizes requirements for an appraiser to be granted reciprocity. Exempts the Board from rule making for two years after the effective date of this new law. Contains an applicability clause and allows the Board to accept and spend federal monies and grants from any public/private source to perform their statutory duties and specifies such monies do not revert to the GF at the end of the FY.

SB 1342 – Chapter 249 – apprentice embalmers; removal

Eliminates statutory references to *apprentice embalmers* and repeals related obsolete language. Authorizes a funeral establishment to employ an intern trainee up to one year if a student has completed at least 16 hours of board-approved training in pertinent procedures, ethics, health and safety precautions. Dictates the intern trainee be of good moral character and work under direct supervision of an embalmer or funeral director.

SB 1345 – Chapter 219 – liquor licenses; synthetic cannabinoids; prohibition

Prescribes that it unlawful for a liquor licensee or employee to possess, distribute, use or sell synthetic cannabinoids on the licensed premises. Requires DLLC to adopt pertinent rules to enforce the directive. Incorporates the Arizona Criminal Code definition of *dangerous drug* into the liquor statutes.

SB 1384 – Chapter 81 – taxis; prearranged ground transportation service

Modifies the statutory definition of *taxi* to include prearranged ground transportation service for a predetermined fare without having to be additionally licensed as a livery vehicle, utilize a commercial device for fare, or use a taxi meter. Removes language requiring exterior signage for livery vehicles.

COMMITTEE ON EDUCATION

Representative Doris Goodale, Chairman
 Representative Doug Coleman, Vice-Chairman
 Brooke White, Legislative Research Analyst
 Ginna Carico, Assistant Legislative Research Analyst



* Strike-Everything Amendment
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HB 2071 – Chapter 11 – ADE; operations

Authorizes ADE to charge a convenience fee for transactions conducted using a credit or debit card or other means of electronic payment so long as another payment method is available that is not subject to the fee.

HB 2202 – Chapter 91 – school districts; leases

Extends the time period school district governing boards are allowed to enter into lease agreements from 5 to 10 years and allows certain school districts to call for an override election to exceed capital outlay revenue limits during periods of expending lease proceeds on capital outlay.

HB 2403 – Chapter 189 – teacher employment contracts; electronic signatures

Allows school district governing boards to accept electronic signatures on electronic teacher employment contracts for certificated employees. Requires an electronic contract to be submitted to both the employee's school district email as well as a personal email prior to the start of the next school year if a contract has not been transmitted to the employee by the end of the current school year.

HB 2425 – Chapter 20 – ELL task force replacement

Retroactive to December 31, 2012, eliminates the Arizona English Language Learners Task Force and directs SBE to take over its authority, powers, duties and responsibilities.

HB 2427 – Chapter 10 – schools; unification; consolidation; initial meetings

Retroactive to June 30, 2012, allows a unified school district governing board to be constituted on formation of a unified district for the purpose of conducting operations for the following year. Permits unified school boards to preliminarily file boundary information for new or existing taxing jurisdictions.

HB 2441 – Chapter 174 [E] – schools; electronic fingerprinting services

Allows the Fingerprinting Division within DPS to contract with an entity to provide electronic or internet-based fingerprinting services, including identity-verified fingerprints. Requires the contracted entity to comply with information privacy, security measures and submission standards set forth by DPS.

HB 2458 – Chapter 175 – empowerment scholarship accounts; fraud prevention

Outlines specific policies that ADE may adopt in order to administer an Empowerment Scholarship Account (ESA) and monitor fraudulent activity. Requires ADE to conduct quarterly and annual audits of ESAs, in addition to current random audits required by statute. Allows ADE to remove any parent or qualified student from ESA eligibility under certain conditions.

HB 2476 – Chapter 29 [E] – schools; isolation rooms; restrictions

Directs school district governing boards, beginning in school year 2013-14, to develop disciplinary policies for isolation rooms and outlines what these policies must include. Provides for an exemption from these policies if a student poses imminent physical harm to themselves or others.

HB 2494 – Chapter 147 – charter schools; enrollment preference

Gives charter school enrollment preference to the grandchildren or legal wards of employees of the school or charter holder, school board members or directors, officers, partners and board members of the charter holder. Removes the stipulation that charter schools that elect to give enrollment preference to a student or the siblings of a student that previously attended a charter

school that has the identical charter holder, board and governing board membership as the enrolling school from being treated as a single charter school for the purpose of establishing support level weights.

HB 2496 – Chapter 148 – schools; petition; regulatory exemptions

Allows charter schools, in addition to school districts, to be exempt from certain rules and statutes if a letter grade of A is maintained for two of the last three consecutive years. Specifies that the school district or charter school must never have received a C, D or F in the same three year period in order to qualify for exemptions.

HB 2499 – Chapter 229 – *per pupil funding calculation; JTEDs

Requires the ADM for 10th, 11th and 12th grade students enrolled at a centralized campus that is leased by a JTED to be calculated at 0.75 and no more than 1.75, if they meet certain requirements. Allows a student who attends a course or program at a satellite campus and who is not enrolled in the school district where the satellite campus is located to generate up to 1.25 ADM so long as the student is enrolled in a school district that is a member district in the same JTED. Allows a student enrolled at an accommodation school to be considered a student of the school district in which the student physically resides for the purposes of JTED enrollment and requires that student's ADM to count for either the JTED, the accommodation school or both.

HB 2500 – Chapter 149 – schools; teacher evaluations; dismissals

Makes the following changes to statute relating to the dismissal or nonrenewal of a certificated teacher:

- Replaces references to “certificated teacher who has not been employed by the school district for more than the major portion of three, or four, consecutive school years and who has been designated in one of the two lowest performance classifications” with *probationary teacher*.
- Regarding notice of a school board’s decision to not reemploy a teacher, removes the 90 day timeframe the board has to give the teacher written preliminary notice of inadequacy.
- Stipulates that a certificated teacher who is currently a continuing teacher but has been designated in the lowest performance classification after an evaluation for the current school year, must become a probationary teacher for the subsequent school year and remain so until their performance classification is designated in one of the two highest classifications.
- Requires teacher evaluation policies to contain the requisite descriptions by school year 2015-16 rather than beginning in school year 2015-16.
- Revises requisite teacher evaluation policy descriptions.
- Requires teacher evaluation policies to require that the school district issue the preliminary notice of inadequacy of classroom performance no later than the second consecutive year that the teacher is designated in one of the two lowest performance classifications, unless the teacher is in the first or second year of employment with the school district or has been reassigned to teach a new subject or grade level for the preceding or current school year.
- Permits the last of the two classroom observations to follow the issuance of a preliminary notice of inadequacy of classroom performance and be used to determine whether the teacher has corrected inadequacies and demonstrated adequate classroom performance.
- Prohibits an observation from being conducted within two instructional days of any scheduled period that school is not in session for one week or more.

- Requires teacher performance evaluation procedures to include training requirements for qualified evaluators and a plan for the appropriate use of quantitative data of student academic progress in all certificated teacher evaluations.
- Recommends that the plan make distinctions between certificated teachers who provide direct instruction to students and those that do not, as well as data for multiple school years. Limited use of data for certificated teachers who have taught for less than two complete school years can be used.
- Authorizes the school board to waive the requirement of a second classroom observation for a continuing teacher whose teaching performance, based on the first classroom observation, places the teacher in one of the two highest performance classification for the current school year, unless the teacher requests a second observation.
- Permits the qualified evaluator, in addition to a board designee, to confer with the teacher about their performance and provide professional development opportunities.
- Requires results of an annual evaluation to be in writing or provided in electronic format to the certificated teacher.
- Stipulates that a school district or charter school that receives information about a certificated teacher from the evaluation report and performance classification can solely use the information for employment purposes and cannot release to or allow access to the information by any other person, entity, school district or charter school.
- Requires written preliminary notice of inadequacy of classroom performance to be given at least 45 instructional days before notice of intention to dismiss or not reemploy, rather than 90 days.
- Prohibits a school board from issuing a notice of intent to dismiss or not reemploy until the district has completed an observation at the conclusion of a performance improvement plan.
- Increases from five to ten school days, the timeframe that a designated school board employee must report issuance of a preliminary notice of inadequate classroom performance to the school board.
- Requires the preliminary notice of inadequacy of classroom performance to be accompanied by a performance improvement plan designed to help the teacher correct inadequacies and demonstrate adequate classroom performance.
- Directs the school board to adopt a definition of inadequacy of classroom performance that aligns with the performance classifications in consultation with its certificated teachers, either in a public hearing, by forming an advisory committee or providing teachers the opportunity to respond to a proposed definition.
- Renames a certificated teacher who has been employed by the school district for more than the major portion of three consecutive school years and who is under contract of employment with the school district for the current year or who is not designated in the lowest performance classification and was offered a contract in the prior year as a *continuing teacher*.
- Applies retroactively to July 1, 2013.

HB 2611 – Chapter 191 – school district superintendent contracts; renegotiation

Revises the timeframe a school district governing board may extend or renegotiate a superintendent's contract from the May of the year preceding their final year to no earlier than 15 months before their contract expires.

SB 1100 – Chapter 195 – ASDB; continuation

Continues ASDB for 10 years until July 1, 2023.

SB 1103 – Chapter 178 – charter schools; zoning procedures

Allows a charter school to authorize a third party to apply to a municipality or county as its representative for any zoning application or action. Requires charter schools to be classified the same as public schools that are operated by a school district for zoning purposes and assessment of zoning, site plan and development fees, with certain stipulations.

SB 1204 – Chapter 68 [E] – charter schools; applications; renewals; revocations

Makes the following changes to statute relating to charter school establishment, renewal and revocation:

- Replaces the current requirements for charter school establishment applications and specifies that the application adopted by the sponsor must include a detailed education plan, business plan, operational plan and any other material required by the sponsor.
- Requires charter school establishment applications, application processes and application timeframes to be posted on a charter school sponsor's website.
- Directs the sponsor to make the renewal application available to the charter school upon notification of the charter's expiration.
- Allows a sponsor to deny a charter school's request for early renewal if, in the sponsor's judgment, the charter holder has failed to meet or make sufficient progress toward the academic performance expectations set forth in the performance framework, meet the operational performance expectations, complete the obligations of the contract or comply with any statutory requirements.
- Adds that a sponsor may revoke a charter at any time if the sponsor determines that the charter holder has failed to meet or make sufficient progress toward the academic performance expectations set forth in the performance framework, meet the operational performance expectations or comply with any statutory requirements.
- Reduces the timeframe, from 90 to 60 days, for a sponsor to give the operator of a charter school written notice of its intent to revoke the charter.
- Reduces the timeframe for a charter school to correct the problems associated with the reasons for the proposed revocation from 90 to 60 days.
- Requires the performance framework adopted by a charter school sponsor to be publicly available and placed on the sponsoring entity's website.
- Exempts SBCS from rule making requirements for two years to comply with these changes.

SB 1293 – Chapter 105 – schools; pilot; outcome-based funding

Establishes a four-year simulated outcome-based funding pilot program and allows school districts and charter schools to submit applications to SBE to participate in the simulated pilot program. Outlines specific requirements for ASU, UA and NAU to assist in the implementation of the simulated pilot program.

SB 1337 – Chapter 240 – schools; CPR training

Allows school districts and charter schools to provide public school students in grades 7-12 with one or more CPR training sessions through the use of psychomotor skills and outlines stipulations for these trainings. Contains a delayed effective date of June 30, 2015.

SB 1363 – Chapter 250 – empowerment scholarship accounts; expansion; funding

Expands ESA eligibility and funding as follows:

- Expands ESA eligibility to kindergarteners.
- Requires monies that would be allocated to a recipient's expected school district of attendance to be deposited into an ESA if the child is currently eligible to attend kindergarten.
- Increases ESA funding to 90% of the sum of the BSL and Additional Assistance (AA), if the student were attending a charter school.
- Includes AA in the current amount that ADE can retain and the subsequent amount transferred to the AST for costs of administering ESAs.
- Caps new ESAs through 2019 at 0.5% of the total number of students enrolled in school districts and charters schools during the previous school year. This growth cap is repealed on January 1, 2020.

SB 1447 – Chapter 251 – ADE; school finance revisions

Makes the following changes to statute:

School District Funding Adjustments

- Reallocates monies in the Assistance for Education Fund to ADE to fund solutions teams assigned to D and F schools.
- Allows ADE to adjust school district funding if actions that took place within the audit window resulted in the miscalculation of the budget limit for the school district.
- Allows adjustments to ADM for failure to provide sufficient instructional time to meet the requirements for a full-time student to be made proportionately according to the percentage by which the instructional time provided does not meet the required number of instructional hours prescribed for that grade level.
- Increases the number of days per year that a charter school and a JTED may operate from at least 175 to at least 180.
- Increases the total instruction time in order to be counted as 0.5 ADM for kindergarten students from between 346 and 692 hours per year to between 356 and 712 hours per year.
- Increases the minimum number of hours per year for high school students from 120 to 123.
- Decreases the age, from 22 to 21, for a student to be included in the student count of a JTED for budgetary purposes.

School District Accountability

- Directs ADE to publish criteria for a school or school district's exit status from a previous assignment of a letter grade of F and requires this criteria to:
 - Prescribe the necessary actions and results in order to comply with school improvement requirements, including the implementation of a school improvement plan.
 - Be provided to any school or school district that is assigned a letter grade of F.

JTEDs; Charter Schools

- Increases the ADM, from 1.25 to 1.75, for students enrolled at both a charter school and a JTED in order for the ADM to be calculated in the same manner statutorily prescribed for students enrolled in both a member school district and a JTED.

Preschool Programs; Charter Schools

- Allows charters schools to offer an educational program for preschool children with disabilities.
- Specifies that the amount of the Additional Assistance in the equalization assistance formula for charter schools is \$1,654.41 per student count in preschool programs for children with disabilities, as it currently is in kindergarten programs and grades 1-8.
- Requires SBE to include charter schools in its required annual distribution of at least 10% of the federal funding it receives for preschool programs for children with disabilities.
- Enables the appropriate approving body of a charter school to submit a proposal to SBE to receive federal funding.
- Prohibits charter schools from admitting a child to a preschool program for children with disabilities unless the child is appropriately evaluated and recommended for placement.
- Permits the appropriate approving body of a charter school to admit children who are within 90 days of their third birthday if it is determined to be in the best interest of the child.

School Bus Reporting Requirements

- Removes certain reporting requirements for school districts regarding school buses and adds language to the Transportation Support Level statute that requires school districts to provide the odometer reading for each bus as of the end of the current year and the total bus mileage during the current year.

Data Governance Commission (DGC)

- Adds the Director of ADOA, or the Director's designee, to the DGC.
- Broadens the DGC's guidelines to include the form and format of data elements that are required for state and federal reporting and interagency data sharing.

Student Accountability Information System

- Adds JTEDs to the Student Accountability Information System (SAIS).
- Includes statutory or regulatory references for each data element in the specific student level data elements that districts, charters and JTEDs are required to submit.
- Prohibits ADE from making any changes to the student level data elements unless the element has been reviewed and adopted by the DGC.
- Removes language relating to student attendance at a JTED or community college from the exceptions for ADE when making changes to student level data.
- Deletes the requirement that each student level data element must include a statutory reference to the law that necessitates its collection.
- Removes the requirement that ADE adopt guidelines to remove outdated student level data from SAIS.
- Allows student level data to additionally be used for providing access of the data to districts, charters, JTEDs, community colleges and universities.
- Requires ADE to adopt policies and procedures to allow access of student level data for current enrollment to districts, charters and JTEDs.

Red Mesa School District; ADM Overstatement Corrections

- Requires a school district that overstated its ADM during FYs 2008-09, 2009-10 and 2010-11 to correct the overstatement over a period of five years, beginning in FY 2012-13.

- Asserts that the repayment must be in equal installments in each of the four remaining FYs after FY 2012-13 and directs the SPI to determine the rate of accrued interest to be paid.
- Requires the school district to meet the following requirements:
 - The school district must be a unified school district that is located on an Indian Reservation and borders Utah and New Mexico.
 - The school district's ADM for school year 2011-12 must have been between 700 and 1000 students.
 - The ADM overstatement was the result of the school district enrolling and counting students who were residents of another state that were not eligible to be included pursuant to an audit finding published by ADE in August 2012.
 - The overstatement amount is more than \$2,000,000 and less than \$2,500,000.

Miscellaneous

- Stipulates that a student must be enrolled in the school or school district, or the county school superintendent is required to record the student's name, using the name on their birth certificate, other reliable proof of identity or a letter from an agency having custody of the student.
 - Indicates that this requirement does not prohibit a student from being called by the name designated by their parent or guardian.
- Adds *officiating services* to what school districts are authorized to prepay for.
- Modifies the definition of *full-time student*.

SB 1449 – Chapter 252 – schools; graduation; personal finance; entrepreneurship

- Requires the academic standards in social studies prescribed by SBE to include personal finance but clarifies that SBE cannot establish a separate personal finance course as a graduation requirement.
- Allows a school board or charter school to prescribe a separate personal finance course or incorporate personal finance instruction into an existing course or existing curricula for the graduation of high school students that is in addition to or higher than the course of study and competency requirements that SBE prescribes for graduation.
- Requires personal finance courses or incorporated instruction to include:
 - Explanations on how education, career choices and family obligations affect future income.
 - Analyses on the influence of advertising on consumer choices.
 - The determination of short-term and long-term financial goals and plans, including income, spending, saving and investing.
 - Comparisons of the advantages and disadvantages of using various forms of credit and the determining factors of credit history.
 - Explanations of the risk, return, and liquidity of short-term and long-term saving and investment choices.
 - Identification of investment options available to individuals and households.

SB 1450 – Chapter 253 – school districts; FERPA violations; penalty

Outlines a penalty process for school districts and charter schools determined to have knowingly violated the Family Educational Rights and Privacy Act (FERPA). Allows the SPI to inform the Family Policy Compliance Office of the US Department of Education if a possible FERPA violation is not corrected in the 60 day timeframe.

COMMITTEE ON ENERGY, ENVIRONMENT AND NATURAL RESOURCES

Representative Frank Pratt, Chairman
Representative Karen Fann, Vice-Chairman
Gina Kash, Legislative Research Analyst
Aaron Wonders, Assistant Legislative Research Analyst



* Strike-Everything Amendment
 [E] Emergency Clause
 [P 105] Proposition 105 Clause
 [P 108] Proposition 108 Clause
 [LIV] Line Item Veto
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HB 2087 – Chapter 106 – mining; claim maintenance fee affidavit

Revises current statute to recognize a federal maintenance fee requirement and provides a method of documenting payment in county records.

HB 2297 – Chapter 225 – performance and restoration account

Establishes the Performance and Restoration Account (Account) as a separate account of the State Trust Land Fund. Specifies that proceeds of any security imposed by the State Trust Land Commissioner as a condition of sale and the proceeds of a bond, collateral or security be deposited in the Account.

HB 2345 – Chapter 142 – weights and measures department; continuation

Continues the DWM for eight years.

HB 2544 – Chapter 230 – *Arizona Power Authority; financing

Adds the financing or refinancing of the costs of certain projects or works of the Hoover Dam facilities to the State Water and Power Plan.

SB 1080 – Chapter 244 – *underground storage tank program changes

Delays the repeal of the Underground Storage Tank Tax and the Underground Storage Tank Assurance Account until December 31, 2015. Extends the time period to submit claims for corrective action coverage and creates a study committee.

SB 1139 – Chapter 63 – *state day of the cowboy

Declares the fourth Saturday in July each year as National Day of the Cowboy.

SB 1223 – Chapter 197 [P 108] – license classifications; fees

Repeals statute relating to nonresident boating safety infrastructure fees, motorized watercraft registration fees, hunting and fishing license classifications and fees for licenses, permits, tags and stamps. Requires the G&F Commission to establish, by rule, new nonresident boating safety infrastructure fees, motorized watercraft registration fees, hunting and fishing license classifications and fees for licenses, permits, tags and stamps.

SB 1290 – Chapter 125 – office of pest management

Provides for the permanent transfer of administrative authority of the Office of Pest Management to ADAG and makes various changes to pest management statutes.

SB 1464 – Chapter 169 – mining advisory council; membership

Modifies the functions and membership of the Mining Advisory Council.

SB 1465 – Chapter 116 – solid waste facilities; general permit

Provides an exemption from ADEQ statutes and rules for waste facilities that obtain a general permit.

SB 1469– Chapter 117 – applying aquatic poisons

Prohibits G&F from using rotenone or antimycin A unless an impact analysis is conducted and approved by the G&F Commission.

COMMITTEE ON FEDERALISM AND FISCAL RESPONSIBILITY

Representative Justin Olson, Chairman
Representative Steve Smith, Vice-Chairman
Paul Benny, Senior Assistant Legislative Research Analyst



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HB 2445 – Chapter 144 – *AHCCCS; collection action; limitations period

States that the time for the state or AHCCCS to file a collection action for fraudulent claims is tolled to either:

- After any administrative action arising out of wrongful acts is commenced and until the action's final resolution, including legal challenges.
- While the state and AHCCCS had no knowledge, nor should not have been reasonably expected to know, that a claim was false, fraudulent or not provided as claimed.

COMMITTEE ON FINANCIAL INSTITUTIONS

Representative Kate Brophy McGee, Chairman
 Representative David Livingston, Vice-Chairman
 Stephanie Johnson, Senior Assistant Legislative Research Analyst



* Strike-Everything Amendment
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HB 2209 – Chapter 130 – industrial development authorities

Revises the population threshold for corporations to be granted the powers of an industrial development authority to counties or municipalities having more than 7% of the total state population. Exempts the corporations from ADOH approval on bond projects.

HB 2260 – Chapter 136 – certified public accountants

Reorganizes and further amends current laws relating to CPAs. Clarifies the qualifications for certification and examination while adding to the mobility privileges for CPA firms and further clarifying the fees the Board of Accountancy is authorized to collect. Modifies the requirements for certificates placed on inactive, expired or canceled status and adds requirements for placing a certificate on retired status. Clarifies current statute relating to the revocation or relinquishment of individual certificates.

HB 2277 – Chapter 121 – uniform commercial code; funds transfers

Applies the provisions to a funds transfer that is a remittance transfer, unless it is an electronic fund transfer. Specifies that when there is an inconsistency between an applicable provision of law and an applicable provision of the Electronic Fund Transfer Act, the provision of the Electronic Fund Transfer Act governs the inconsistency.

HB 2489 – Chapter 228 – bonds; financing; student loans

Creates a new student loan bond program. Authorizes a corporation to issue bonds in order to finance student loans made in a student loan program and issue refunding bonds. Outlines the powers of a corporation when furthering a student loan program and requires a corporation to submit a specified plan to the state program representative for review and approval before issuing bonds. Permits all industrial development authorities to issue revenue bonds to finance student loans in order to make the state's student loan program available to eligible students at educational institutions.

HB 2542 – Chapter 154 – Arizona health facilities authority

Modifies the definition of *bond* to include any obligation entered into by the Arizona Health Facilities Authority that pays interest that is exempt from gross income pursuant to federal law.

HB 2619 – Chapter 157 – public deposits; pooled collateral

Establishes the Statewide Collateral Pool Administrator (Administrator) under the AST and outlines their powers and duties. Exempts from participation a charter city with a population greater than one million persons, with written notice to the Administrator. Requires the prescribed report to include the current market value of the depository's pledged collateral. Expands accepted collateral to include letters of credit issued by a federal home loan bank if outlined requirements are met. Prescribes fees the Administrator is authorized to collect from an eligible depository for noncompliance and establishes the Public Deposit Administration Fund where such fees and penalties are to be deposited and provides definitions.

SB 1047 – Chapter 30 – mortgage insurance; repeal coverage limitation

Repeals statute that requires a mortgage guaranty insurance company to limit its coverage net of reinsurance to a maximum 25% of the entire debt to the insured or elect to pay the entire debt to the insured and acquire title to the real estate.

COMMITTEE ON GOVERNMENT

Representative Michelle Ugenti, Chairman
 Representative Warren Petersen, Vice-Chairman
 Michelle Hindman, Legislative Research Analyst
 Ginna Carico, Assistant Research Analyst



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HB 2031 – Chapter 49 – federal patent easements; counties; abandonment

Allows a county to abandon federal patent easements at the request of a property owner after notifying and obtaining the consent of all affected utilities and determining that the easement is no longer necessary or being used by the public. Prescribes a procedure for the abandonment and provides an exemption.

HB 2033 – Chapter 50 – foreclosures; deeds of trust; affidavits

Requires a beneficiary of a foreclosed trustee's deed to complete and submit to the county recorder within seven business days after receipt of payment, a *declaration of additional funds* on a form approved by DOR if they receive payment based on private mortgage insurance in addition to the proceeds of a sale. States that the recording of the deed shall constitute delivery of the deed to the purchaser and provides notification requirements.

HB 2138 – Chapter 127 – municipalities; right-of-way; transfer

Allows a county roadway or right-of-way to be transferred by mutual consent of the county and city governing bodies. Removes a requirement that the county roadway or right-of-way must be adjacent to the municipality for the entire length of the annexation and simply requires the transfer to be adjacent to the annexing municipality.

HB 2143 – Chapter 87 – joint tenancy severance

Codifies the process for severing the right of survivorship in the case of real property owned as joint tenants with the right of survivorship. Allows, with respect to a deceased joint tenant, the termination or extinguishment by death of that tenant's joint tenancy with right of survivorship under certain requirements.

HB 2212 – Chapter 131 – legal holidays; counties; courts

Allows the Friday after Thanksgiving to be designated as a legal county holiday.

HB 2242 – Chapter 134 – *road improvement and maintenance district

Allows petitioners to request that a road improvement and maintenance district allocate its assessments on a per-parcel basis, with each parcel assessed an equal amount without regard to the improvements, the size of the parcel or the assessed value of the parcel of real property. Specifies that petitioners must submit signatures from the owners of 100% of the total number of assessor's parcels contained in the district or proposed district.

HB 2335 – Chapter 8 – mobile homes; recreational vehicles; parks

Prohibits landlords from adopting rules that restrict tenants or tenant associations in mobile home and recreational vehicle parks from attending meetings in the park and stipulates that these meetings and any meeting notices cannot be deemed a solicitation. Allows meeting notices to be posted on a bulletin board in the park and in the park's newsletter.

HB 2341 – Chapter 171 – board of technical registration; exemptions

Allows a non-registrant who designs, alters or adds not bearing walls, shear walls or firewalls to an individual unit in a multifamily dwelling to be exempt from the BTR's compliance requirements. Directs a registrant to determine, after an evaluation of the walls, if the walls being designed, altered or added are not bearing walls, shear walls or firewalls.

HB 2346 – Chapter 226– *valuation; rural electric cooperatives

Prescribes the process DOR must use to determine a standard market value factor for the purposes of calculating the valuation of the property of electric distribution cooperatives and provides definitions.

HB 2443 – Chapter 74 – cities; counties; regulatory review

Modifies provisions of the municipal, county and flood control district Regulatory Bill of Rights by prescribing how application review timeframes may be changed, outlining the application request for corrections and the resubmission process and provides certain exemptions.

HB 2492 – Chapter 22 – municipalities; wastewater utility; acquisition; repeal

Removes the authority of a city or town to acquire all or any portion of wastewater utilities owned or operated by a county and provides a conditional enactment clause.

HB 2572 – Chapter 232 – *financial standards; fire districts

Reorganizes statute relating to a fire district's powers, duties and annual budget. Outlines standards for every budget adopted by a district as well as provides guidelines for the budget's monthly checks and balance.

HB 2599 – Chapter 190 – procurement code; amendments

Makes various changes to the Arizona Procurement Code by expanding the authority of the Director of ADOA, creating a non-compete clause for persons with a significant procurement role from soliciting and/or accepting certain employment positions, modifies the definition of *lobbying* and provides certain exemptions.

SB 1231 – Chapter 238 – public buildings; construction; indemnity

Asserts that the regulation and use of indemnity agreements in construction and design professional services contracts are of statewide concern. Allows a contracting agent, state purchasing agent, state governmental unit or property owner, respectively, to require an indemnity clause in construction and design professional services contracts and subcontracts. Provides exemptions for insurance coverage and federal governmental mandates in any contract. Clarifies that these provisions do not affect construction or design professional services contracts or subcontracts entered into before the general effective date of this Act.

SB 1278 – Chapter 103 – homeowners' associations; public roadways

Prohibits HOA's, whose declaration is recorded after December 31, 2014, from regulating any roadway otherwise owned or held by a government entity.

SB 1292 – Chapter 24 – fire districts; treasurer; authorization

Specifies that a designated fire district board member who has been given access to the financial books and records of the fire district may lawfully access those books and records.

SB 1302 – Chapter 166 – planned communities; design review process

Specifies that in order to be subject to statutory guidelines regarding security deposit monies, plan reviews, and meeting and reporting requirements, a building project must be new construction or a rebuild of the main residential structure on a lot in a planned community that has enacted architectural guidelines and the HOA must require a security deposit.

SB 1417 – Chapter 168 – reviser's technical corrections; 2013

Makes non-substantive technical changes to conflicting statutes.

SB 1466 – Chapter 82 – cities; towns; dilapidated buildings

Defines *dilapidated building* in the statutes governing cities and towns.

COMMITTEE ON HEALTH

Representative Carter, Chairman
 Representative Boyer, Vice-Chairman
 Ingrid Garvey, Legislative Research Analyst
 Ryan Sullivan, Assistant Legislative Research Analyst



* Strike-Everything Amendment
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HB 2042 – Chapter 83 – *schools; pupils with diabetes

Allows voluntary diabetes care assistants to administer insulin in addition to glucagon, assist the pupil with self-administration of insulin in an emergency situation or perform any combination of these actions under certain conditions.

HB 2045 – Chapter 202 – AHCCCS; hospital reimbursement methodology

Outlines provisions related to direct pay prices for health care providers and facilities and requires AHCCCS to adopt a hospital reimbursement methodology consistent with Title XIX of the Social Security Act, effective October 1, 2014.

HB 2066 – Chapter 84 – definitions; archaic language; removal

Removes an archaic definition relating to a mentally ill person.

HB 2164 – Chapter 6 – DHS; food inspection; exception

Specifies that all locations, rather than just locations that have a display area less than 10 linear feet, that sell only commercially prepackaged food or drink that is not potentially hazardous are exempt from rules relating to food and drink.

HB 2401 – Chapter 59 – service animal; definition

Updates the definition of *service animal*.

HB 2409 – Chapter 227 – dental hygienists; examinations

Makes changes to the licensing statutes for medical doctors and dental hygienists.

HB 2430 – Chapter 173 – *immunizations; reimbursement

Allows local health departments to receive reimbursement for immunizations.

HB 2490 – Chapter 60 – utilization review; requirements

Requires a utilization review agent to have a licensed chiropractor supervise or conduct utilization review activities for health care services that are performed by a chiropractor and within a chiropractor's scope of practice.

HB 2513 – Chapter 150 – dentistry

Adds to the definition of *unethical conduct*, prohibits the SBDE from acting on an alleged violation complaint that occurred more than six years before the complaint is received with exceptions. Outlines licensee requirements before filing a complaint with the SBDE relating to a registered business entity suspected of unethical conduct.

SB 1021 – Chapter 221 – board of massage therapy; continuation

Continues the State Board of Massage Therapy for 10 years until July 1, 2023.

SB 1023 – Chapter 193 – *optometry board; continuation

Continues the State Board of Optometry for 10 years until July 1, 2023.

SB 1044 – Chapter 108 – massage therapy board

Modifies statutes relating to the Arizona Board of Massage Therapy (Board) and revises the Board's administrative powers and duties.

SB 1102 – Chapter 33 – hearing aid dispensers; audiologists

Increases the licensure period for hearing aid dispensers, audiologists and speech language pathologists from one year to two years, makes changes to the statutes and eliminates the Hearing and Speech Professionals Fund.

SB 1105 – Chapter 109 – occupational therapy board

Modifies statutes relating to the Board of Occupational Therapy Examiners (Board) and revises the Board's administrative powers and duties.

SB 1188 – Chapter 43 – pharmacy board

Modifies statutes relating to licensure, emergency situations and disciplinary action for licensees of the Arizona State Board of Pharmacy.

SB 1235 – Chapter 164 – psychiatric security review board; continuation

Continues the Psychiatric Security Review Board for seven years until July 1, 2020.

SB 1286 – Chapter 37 [E] – nursing facility provider assessments

Exempts Arizona veterans' homes from the definition of *nursing facility*, effective October 1, 2012.

SB 1374 – Chapter 242 – behavioral health examiners board

Continues the Board of Behavioral Health Examiners (Board) for four years and makes a variety of changes to the Board's statutes related to licensing, Board membership and duties of the director. Eliminates Credentialing Committees and establishes Academic Review Committees.

SB 1421 – Chapter 243 – school personnel; emergency epinephrine administration

Requires school districts and charter schools to stock two juvenile doses and two adult doses of auto-injectable epinephrine at each school if the Legislature appropriates sufficient funding. Requires specified parties to establish policies, procedures and training requirements for auto-injectable epinephrine in schools.

SB 1433 – Chapter 186 – optometry board

Modifies the State Board of Optometry (Board) membership and increases the Board's authority and responsibilities regarding complaints and disciplinary actions.

COMMITTEE ON HIGHER EDUCATION AND WORKFORCE DEVELOPMENT

Representative Jeff Dial, Chairman
Representative Ethan Orr, Vice-Chairman
Brooke White, Legislative Research Analyst
GINNA CARICO, Assistant Legislative Research Analyst



* Strike-Everything Amendment
 [E] Emergency Clause
 [P 105] Proposition 105 Clause
 [P 108] Proposition 108 Clause
 [LIV] Line Item Veto
 [W/O] Without Emergency Clause
 [W/S] Without Signature

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HB 2169 – Chapter 53 – universities; student organizations; tuition; fees

Prohibits student organizations that are not under the jurisdiction of ABOR from receiving any portion of student tuition and fees.

HB 2265 – Chapter 223 – community colleges; STEM funding

Replaces capital outlay funding for community colleges with Science, Technology, Engineering and Mathematics (STEM) and workforce program funding and outlines the expenditures that can be made with monies in the STEM and Workforce Programs Fund. Requires community colleges to submit a biennial report of STEM and workforce program expenditures and activities.

HB 2543 – Chapter 155 – provisional community colleges; nonresident tuition

Requires a county in which a provisional community college district is formed to continue to provide reimbursement payments to community college districts until the FY that a qualifying levy is adopted in support of the provisional community college district. Appoints a nine-member study committee to research and report on the financing, distribution of monies and funding options regarding provisional community college districts.

SB 1208 – Chapter 237 – pilot; foster care tuition waiver

Establishes a five-year pilot program that expands eligibility for tuition waiver scholarships for those in foster care who meet certain conditions and attend any Arizona public university or community college.

SB 1443 – Chapter 199 – marijuana; postsecondary education; medical research

Allows medical research projects involving marijuana to be conducted on a public university, college, community college or postsecondary education institution campus as authorized by applicable federal approvals and on approval of any applicable university institutional review board.

COMMITTEE ON INSURANCE AND RETIREMENT

Representative Phil Lovas, Chairman
Representative John Allen, Vice-Chairman
Jeanine Jones, Legislative Research Analyst



* Strike-Everything Amendment
[E] Emergency Clause
[P 105] Proposition 105 Clause
[P 108] Proposition 108 Clause
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HB 2056 – Chapter 203 – PSPRS; amendments

Makes administrative changes to PSPRS including clarification of provisions governing disability, survivor benefits, employment of retired employees, local board duties, group health and accident coverage, and benefit eligibility.

HB 2173 – Chapter 204 [E] – unemployment insurance; omnibus

Makes a number of changes to the UI system in conformity with federal law, including: imposing a penalty of 15% of benefits received on those who fraudulently receive benefits, modifying notice requirements regarding base period employers, requiring DES to treat LLC's as corporations, and prohibiting DES from crediting employer accounts for erroneous benefit payments paid due to an employer's failure to timely and adequately respond to a DES request and that employer has a pattern of failing to respond timely and adequately. Defines *timely and adequately* and *pattern of failure*. Modifies the Shared Work Plan in conformity with federal law. Contains an emergency clause that provides for the establishment of UI Tax Anticipation Notes (Notes) to provide for the solvency of the UI Trust Fund and pay off debt owed to the US Department of Labor. States that Notes are capped at \$200 million and may only be issued during FY 2013-14. Requires the Director of DES to report quarterly to JLBC and OSPB regarding the Notes and status of the UI system.

HB 2279 – Chapter 18 – employer; exception; officiating services

Modifies the definition of *employee* to exclude individuals who officiate in recreational, interscholastic or intercollegiate sporting events, have the ability to accept or reject officiating assignments, who have the right to officiate contests for multiple entities, and who are not otherwise employed by the school sponsor of the sporting event or contest. In addition, sports officials who are not otherwise employed by the state or a political subdivision of the state that is sponsoring a sporting event are considered exempt employees. Defines *officiating services* as the overseeing of sporting events and contests to judge whether the rules are being followed and to penalize participants for violating the rules.

HB 2294 – Chapter 122 – *public pensions; court commissioners

Removes the condition that a full time superior court commissioner be included in Arizona's 218 agreement to be included as a member of ASRS as well as in the definition of *elected official* under provisions governing the EORP.

HB 2356 – Chapter 57 – insurance; prohibited inducements

Increases the value of prohibited tangible items, used for inducing entry into an insurance transaction, from \$10 to \$25.

HB 2357 – Chapter 96 – insurance; fees; exception

States that A.R.S. § 20-465 does not apply to *commercial insurance*.

HB 2358 – Chapter 160 – insurance; licensees; continuing education requirements

Establishes continuing education requirements for the renewal of insurance licenses. Specifies the number of hours and types of classes required, including ethics training. Includes a grandfather clause for certain agents continuously licensed since January 1, 2015.

HB 2534 – Chapter 152 – insurance; form filing

Allows for specified forms filed by corporations that hold a certificate of authority under Title 20, Chapter 4, Article 3 of A.R.S. to be deemed approved by DOI 30 days after being filed, unless the Director affirmatively approves or disapproves the form within the 30 day period. Becomes effective March 31, 2013.

HB 2546 – Chapter 214 – insurance; guaranty fund

Amends statutory provisions governing the Life and Disability Insurance Guaranty Fund (Fund) by adopting select provisions of the NAIC Model Act. Contains modified and new definitions, distinction between impaired and insolvent insurers, clarification of what persons and policies are covered and not covered, increased coverage limits, and guidance on the Fund's rights regarding alternative policies, reinsurance contracts, assessments, and subrogation rights.

HB 2550 – Chapter 215 – health insurance; policies; rating areas

Establishes seven rating areas within Arizona in conformity with the Patient Protection and Affordable Care Act (PPACA) and asserts that the Director of DOI will ensure DOI authority over health care in this state. Modifies time requirements regarding external independent review of coverage denials.

HB 2562 – Chapter 216 – public retirement systems; ineligible employees

Establishes guidelines for public employees who are otherwise ineligible for a state retirement plan to be enrolled in the ASRS Defined Contribution (DC) Plan, a tax qualified 401(a). Provides guidelines and procedures for determining an employee's eligibility for a state retirement system and authorizes placement in the DC plan for those employees whose eligibility is disagreed upon by the employer, the state retirement system or the SSA. Ineligible employees are required to enroll in the DC plan with an exception to this requirement when an employee and employer have entered into an alternative employment agreement, which is subject to restrictions under the IRC, or if the employee has already retired from a state system. Requires public employee be enrolled in the DC plan during an appeal of an eligibility determination for ASRS membership. Provides administrative procedures to ensure proper enrollment and collaboration between employers and the state systems. Appropriates the following amounts from the ASRS Administration Account to ASRS for FY 2013-14, which is non-lapsing: 1 FTE, \$72,400 for personal services, \$105,000 for professional services, and \$430,000 to cover the costs of expanded Long Term Disability coverage of 401(a) participants and IRS qualification processes.

HB 2565 – Chapter 156 – insurance; website posting of policies

Permits insurers to post policies and endorsements online in lieu of mailing a hard copy to the insured, provided the insurer abides by specified notice requirements on the declarations page. Enables the insured to request a hard copy of their policy or endorsement free of charge. Requires insurers to provide additional notice to customers regarding any changes in the posted forms or endorsements as well as the website address and access instructions.

HB 2608 – Chapter 217 – EORP; closure; defined contribution

Closes the current EORP and requires PSPRS to establish and administer the Elected Officials' Defined Contribution Retirement System (EODC). Allows elected officials who are members of EORP prior to January 1, 2014 to remain members of EORP. Allows elected officials who are members of ASRS prior to January 1, 2014 to continue or resume participation in ASRS in lieu of participation in the EODC. Requires all other elected officials who are elected or appointed on or after January 1, 2014 to participate in the EODC and the EODC disability program established by the provisions of this Act. Requires a member of the EODC to contribute 5% gross salary to an annuity account annually and requires employers to contribute 6% of gross salary to each member's annuity account. Requires an employer who participates in EORP and EODC to contribute 23.5% of payroll for all employees participating in either plan to cover the normal cost, amortize the current EORP accrued unfunded liability, and contribute to EODC annuity accounts. Appropriates \$5 million from the GF to EORP each fiscal year from FY 2013-14 through 2042-43.

SB 1149 – Chapter 42 – *insurance; principle-based valuation; reserves

Adopts and implements provisions of the NAIC Valuation Manual (VM) for principle-based reserves (PBR). Outlines requirements for DOI and insurance companies when applying PBR methods to value reserves. Specifies the types of insurance contracts to which PBR applies, the minimum standard of valuation, actuarial opinion requirements, treatment of confidential documents, and permissive actions of the Director of DOI. The VM becomes operative as of January 1 of the first calendar year following the first July 1 when the following has occurred:

- The NAIC adopts the VM.
- The VM has been enacted by states representing greater than 75% of direct premiums reported in 2008.
- At least 42 of the 55 US jurisdictions have adopted the VM.

SB 1170 – Chapter 110 – ASRS; amendments

Makes administrative changes to ASRS including:

- Allows the ASRS Board to adjust the past service funding requirement amortization period from a rolling 30 day period to a period determined by the Board and consistent with generally accepted actuarial standards.
- Provides for federal conforming changes consistent with IRC § 415.
- Clarifies spousal consent provisions.
- Provides protection for ASRS members' identities by limiting the type of information that may be shared by ASRS with third parties.
- Modifies survivor benefits for new survivors as of January 1, 2014.
- Removes the Permanent Benefit Increase for new members.
- Allows ASRS the option to establish a self-insured health insurance program.
- Appropriates \$200,000 from the ASRS administration fund to ASRS for FY 2013-14.

SB 1173 – Chapter 78 – CORP; amendments

Makes administrative changes to CORP. Modifies disability provisions, clarifies group health and accident coverage, modifies the definition of *physician*, and prohibits retroactive pension and disability payments going back more than 180 days. Requires local boards to meet twice a year, directs death benefits be paid directly to an eligible child at age 18, allows transfer of service via installments, and prohibits a member from accessing the monies in their account until retirement or termination.

SB 1174 – Chapter 111 – EORP; amendments

Makes administrative changes to EORP. Clarifies group health and accident coverage, modifies the definition of *physician*, requires death benefits be paid directly to an eligible child at age 18, allows transfer of service via installments, and prohibits a member from accessing the monies in their account until retirement or termination.

SB 1177 – Chapter 35 – insurance; accreditation; receivership liquidation fund

Codifies provisions adopted by the NAIC to meet accreditation standards. Additionally outlines procedures the Director of DOI may use in evaluating whether an insurance company is in a hazardous financial condition.

SB 1243 – Chapter 181 – *exemption; insurance regulation

Exempts certain non-profit military mutual aid associations who offer life insurance and annuities to their members from regulation under Title 20 of A.R.S. Requires each association and order to file proof of its non-profit status and specified financial information with DOI prior to beginning to do business in Arizona.

SB 1310 – Chapter 183 – special fund; workers' compensation

Directs ICA to publish a report detailing the amount of cash and assets in the Special Fund which are attributable or allocated to the payment of claims of insolvent insurers as of June 30, 2013. Contains an applicability clause stating that Laws 2013, Chapter 34 applies to any claim accepted or adjudicated as compensable as of the effective date of Laws 2013, Chapter 34.

SB 1353 - Chapter 70 – health insurance; telemedicine

Requires health care insurers to cover outlined health care services provided through telemedicine in rural regions, if those services would be covered if provided in-person, effective January 1, 2015. Requires all services provided through telemedicine to meet all licensure and accredited standards to ensure quality care. Allows a contract, policy or evidence of coverage to limit the coverage to providers who are members of the insurer's provider network. Permits deductibles, copayments, or coinsurance requirements to be imposed for telemedicine services, so long as such costs do not exceed those applicable to an in-person consultation. Specifies that telemedicine health care services do not apply to limited benefit plans.

- Defines *rural region* as either:
 - An area located in a county with a population less than 900,000.
 - A city or town in a county with more than 900,000 people whose nearest boundary is more than 30 miles away from a city with a population of 500,000 or more.

COMMITTEE ON JUDICIARY

Representative Eddie Farnsworth, Chairman
 Representative Justin Pierce, Vice-Chairman
 Magdalena Jorquez, Legislative Research Analyst
 Aaron Wonders, Assistant Legislative Research Analyst



* Strike-Everything Amendment
 [E] Emergency Clause
 [P 105] Proposition 105 Clause
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HB 2097 – Chapter 15 – *pawnshop restitution

Directs the court to order a defendant to make restitution to a pawnbroker or precious items dealer if the lawful owner of stolen property recovers the property from the pawnbroker or precious items dealer and the defendant is convicted of a violation relating to the stolen property.

HB 2156 – Chapter 88 – elections; public resources prohibited

Prohibits this state and all its political subdivisions from using public resources to influence an election and subjects violators to civil penalties. Identifies who may file an action in superior court to enforce the prohibition and ties the manner in which the civil penalties are paid to the office that filed the civil action. Defines *influence an election* and *government-sponsored forum or debate*.

HB 2157 – Chapter 159 – public declaration; resign to run

Allows an incumbent to make a formal declaration of candidacy for another office without having been deemed to have offered oneself up for nomination.

HB 2231 – Chapter 133 – *exoneration; appearance bonds

Requires a surety to be relieved of liability on an appearance bond under specified conditions and directs a surety to return the premium and collateral to the guarantor if the surety is relieved of liability due to a government transfer or release.

HB 2240 – Chapter 208 – small claims division; jurisdiction; limits

Raises the jurisdictional limit for cases within the small claims division of the justice courts from \$2,500 to \$3,500.

HB 2245 – Chapter 135 – *request to leave; criminal trespass

Determines that a request to leave by a law enforcement officer acting at the request of the person in lawful control of property to have the same legal effect as a request to leave by the property owner for the purpose of criminal trespass in the third degree.

HB 2305 – Chapter 209 – initiatives; filings; circulators

Makes numerous changes to the laws governing elections and electors, including the following:

- Creates a rebuttable presumption, in any court challenge to a circulator's eligibility, in favor of a political committee that conducts an arm's length criminal background check on its petition circulators.
- Requires political committees that file petitions with the SOS to organize and group signature sheets.
- Specifies to whom a filing officer must refer a campaign finance violation involving the AG, county attorney or city attorney and applies retroactively.
- States that the time-and-date marked text that accompanies the application for initiative, referendum or recall constitutes the official copy.
- Adds a legislative findings and intent section to the chapters governing initiative, referendum and recalls to declare that the constitutional and statutory requirements be strictly construed and that persons using any of those processes strictly comply with those requirements.
- Prohibits political committees or volunteer organization from collecting early ballots and classifies the violation as a Class 1 misdemeanor.
- Allows the counties to remove any PEVL registrant who has not voted a PEVL ballot in two consecutive voting cycles unless they have reaffirmed their intent to remain on PEVL or if

their records have been sealed. Directs the SOS to implement a statewide public information program.

- Amends the number of signatures required for nomination petitions and alters the basis from which the signatures are to be gathered to the total number of registered voters in the respective district. Validates signatures collected before the effective date.

HB 2307 – Chapter 94 – postconviction relief; fees

Removes the 200-hour limit for appointed counsel of postconviction relief proceedings as well as the necessary condition of establishing good cause for additional fees. Authorizes the court's designee to review and approve all reasonable fees and costs.

HB 2308 – Chapter 26 – probate; omnibus

Permits probate disputes to be arbitrated prior to the appointment of a fiduciary. Allows the court to require each person who seeks appointment as a guardian or conservator to submit a set of fingerprints for criminal background checks. Specifies requirements related to cost and procedure and exempts licensed fiduciaries and employees of financial institutions from the fingerprint requirement. Modifies when guardians and conservators must submit their written reports to the court.

HB 2309 – Chapter 55 – criminal offenses; sentencing

Broadens the applicability of victim's rights to juvenile offenses. Amends sentencing ranges for category one and two repetitive offenders for Class 3 and 6 felonies.

HB 2310 – Chapter 140 – *administrative office of courts; evaluation

Requires the AOC to establish methods and standards to evaluate the effectiveness, efficiency and accountability of mental health courts. Conditions enactment on an appropriation to the AOC.

HB 2311 – Chapter 19 – *restitution lien; administrative hearing

Permits the Director of ADOT to administratively remove a restitution lien from a vehicle record if the seller is an obligor under a restitution lien, the seller sold the vehicle without disclosing that it was subject to a restitution lien and the purchase was made without knowledge that the vehicle was subject to a restitution lien. Requires ADOT to restore the restitution lien on any vehicle that is subsequently titled or registered by the obligor. Requires ADOT to provide notice to the governmental agency that requested the lien, who shall notify any victim for whom restitution was ordered. Prohibits a lien created in favor of the state for fines, surcharges and fees from being perfected against a title.

HB 2325 – Chapter 123 – personal property; exemptions

Removes the itemized list of household furniture, furnishings and appliances that are exempt from execution, attachment or sale of the collections process. Specifies that exempted property includes household goods, including consumer electronic devices used by the debtor or debtor's dependent, up to \$6,000. Raises the aggregate value of exempted property related to personal belongings, miscellaneous items, vehicles, tools, equipment of a trade, bank account monies and prepaid rent that may be claimed as a personal property homestead.

HB 2326 – Chapter 141 – firearms; records; prohibited acts

Prohibits political subdivisions from requiring or maintaining records containing the identifying information of persons who own or possess a firearm, including transactions involving a federally licensed firearms dealer.

HB 2327 – Chapter 28 [E] – dangerous drugs; definition

Defines *dangerous drugs* to include specific chemical configurations that compose synthetic cannabinoids and bath salts and updates Schedule I of the Arizona Uniform Controlled Substances Act.

HB 2386 – Chapter 97 – utilities; tampering

Raises the mental culpability standard of tampering with utility property to *intentional* and provides a definition. Modifies the classification of criminal damage as a Class 4 felony to require the intentional tampering with utility property and the damage causes an imminent safety hazard to any person.

HB 2462 – Chapter 21 – bail bond agents; lists; loitering

Requires the clerk of the court to monthly update the list of persons authorized to post bail bonds, rotate the names and numbers on the list and transmit the list to the jails electronically. Directs jails to remain open 24 hours every day to accept specified items for the release of a person on bail. Expands the definition of *loitering* to include persons intentionally soliciting bail bond business inside a court or immediately near the entrance of a county or city jail and classifies the violation as a Class 3 misdemeanor.

HB 2517 – Chapter 213 – domestic violence; arrest

Establishes a minimum age requirement of at least 15 years before a peace officer is required to make an arrest in domestic violence cases involving a deadly weapon or dangerous instrument.

HB 2593 – Chapter 98 – *campaign finance; contribution limits

Separates the general election from the primary for the purposes of campaign finance. Increases the contribution limit for elections other than for statewide office and removes aggregate contribution limits on the amount a candidate may accept from all political committees and the amount an individual may contribute.

SB 1089 – Chapter 32 – arbitration bonds; discharge; application

Specifies that the 2012 legislative changes relating to the transfer of arbitration bond deposits by the clerk of the court to the GF apply to all monies in possession of the county on or after the 2012 general effective date.

SB 1094 – Chapter 77 – notaries public; impersonation; violation

Establishes that a person who knowingly acts as or intentionally impersonates a notary while not lawfully commissioned is guilty of impersonating a public servant. Raises the classification of a notary seal vendor who knowingly provides an official seal to a person who does not present a photocopy of the person's notarial commission to a Class 6 felony.

SB 1175 – Chapter 67 – vulnerable adult; duty

Establishes that, unless shown otherwise by clear and convincing evidence, a civil action brought by a person in a position of trust and confidence against a vulnerable adult regarding a governing instrument established by the vulnerable adult is presumed not to be for the benefit of the vulnerable adult. Requires the court to find a transaction by a person using a vulnerable

adult's assets to be for the benefit of the vulnerable adult and allows the court to order a person to forfeit their interest in any governing instrument for violations. Defines *for the benefit of the vulnerable adult, governing instrument* and *position of trust and confidence*.

SB 1209 – Chapter 245 – minors; tobacco-derived products

Expands the list of tobacco-related products to include vapor products as they pertain to offenses relating to furnishing tobacco-related products to a minor or the possession of tobacco-related products by a minor. Defines *vapor product* as a noncombustible tobacco-derived product containing nicotine that employs a mechanical heating element that can be used to heat a liquid nicotine solution contained in cartridges, but excludes products regulated by the US Food and Drug Administration.

SB 1216 – Chapter 45 – clerk of court; duties; records

Updates statutory language relating to clerks of the court and population threshold requirements. Modifies information required in renewal affidavits entered by the clerks of the court.

SB 1232 – Chapter 112 – trusts and estates

Increases the threshold value of a decedent's estate of which a successor may collect debts and real property via affidavit. Allows the court to approve or decline to disapprove a non-judicial settlement agreement, with specified exceptions. Limits when a creditor of a beneficiary may compel a distribution from an estate when a trustee's discretion is purely discretionary or otherwise limited by federal law. Restricts the power by which a settlor who is a trustee of a trust that confers on the trustee a power may make discretionary distributions to or for a beneficiary, in accordance with federal law. Exempts, with certain exceptions, a debtor's interest in a college savings plan under § 529 of the IRC (1986) from execution, attachment or sale.

SB 1233 – Chapter 198 – limited liability companies; ownership interests

Makes numerous changes to the statutes governing ownership interests in LLCs, including the following:

- Allows, unless otherwise prohibited or restricted in an operating agreement, an LLC ownership interest to be held by two or more people as joint tenants with right of survivorship or by a married couple as community property with right of survivorship.
- Specifies that an assignment or issuance of an interest in a LLC to two or more people creates a tenancy in common, unless the assignment or issuance is to a married couple.
- Delineates the actions by which a joint tenancy with right of survivorship is created.
- Prescribes the method by which a community property with a right of survivorship in an LLC may be created by a married couple.
- Declares that co-owners with an LLC interest as joint tenants with right of survivorship, community property or community property with right of survivorship own an equal undivided interest:
- Allows, with specified limitations, surviving co-owners to succeed to the decedent's interest in the LLC without any action being taken by the LLC.
- States that, unless otherwise provided in an operating agreement, if a co-ownership, held as joint tenants with right of survivorship or community property with right of survivorship, transfers part or all his share of that interest then the right of survivorship is extinguished and a subsequent interest as tenants in common is created.

- Specifies what actions operate to extinguish the right of survivorship in the case of community property with right of survivorship.
- Limits the application of any court order obtained against a co-owner's share to that co-owner's share or portion of the interest and not against the other co-owners.

SB 1266 – Chapter 246 – illegal dumping; penalties

Directs persons required to remove illegally dumped trash to provide the city, town or county with documentation of lawful disposal. Adds a mental culpability standard of reckless for illegal dumping violations and an exemption from penalties for persons who immediately remove the illegally dumped trash. Requires at least 50% of any assessed fine or penalty to be used for illegal dumping cleanup. Increases the penalty for knowing criminal littering violations involving certain amounts of litter to a Class 1 misdemeanor.

SB 1291 – Chapter 182 – *duty to report abuse; exception

Adds an exemption from mandatory reporting requirements if a minor is of elementary school age, a physical injury accidentally occurs during the course of typical playground activity on a school day on the premises, the incident is reported to the legal parent or guardian of the minor and the school maintains a written record of the incident. Allows a school to expunge a report in a student's school file on approval of the local school board. Defines *reportable offense*.

SB 1294 – Chapter 46 – grand jury; length of term

Increases the maximum term a grand jury in a county with a population of less than 200,000 persons may serve to 180 days.

SB 1312 – Chapter 222 – tobacco product manufacturers; cigarette machines

Makes numerous changes to requirements relating to participating and nonparticipating manufacturers of the Tobacco Settlement Fund, including the following:

- Establishes, with certain exceptions, the unlawful use, possession or making available for use of a tobacco product rolling vending machine as a Class 3 misdemeanor. Authorizes DOR to seize and forfeit the machine and all related materials and imposes civil and administrative penalties.
- Defines *units sold* as the number of individual cigarettes sold in the state as measured by collected state tobacco excise taxes and tribal luxury taxes collected by Indian tribes.
- Allows a nonparticipating manufacturer that elects to place funds into a qualified escrow account to make an irrevocable assignment of its interest to the state and outlines the requirements. Permits the withdrawal of funds assigned to the state on the approval by the AG and requires that any such withdrawal be deposited in the Consumer Protection-Consumer Fraud Revolving fund and calculated on a dollar-for-dollar basis as a credit against any judgment or settlement obtained against the manufacturer-assignor.
- Requires a nonparticipating manufacturer to post a bond for the benefit of the state under specified conditions. Stipulates that as a condition of being included in the state directory for that quarter, the nonparticipating manufacturer must post a bond in the prescribed amount. Permits the state to execute on the bond any remaining amount of the escrow due if a nonparticipating manufacturer has failed to make deposits in the full amount. Requires the AG to adopt rules necessary to implement the ability for the state to execute on the bond.
- Requires nonparticipating foreign Manufacturers to provide a declaration from each of its importers that it agrees to joint and several liability for all unpaid escrow deposits and any resulting penalties or judicial relief and to appoint a resident agent for service of process.

- Authorizes the AG to not retain or refuse to include in the directory any nonparticipating manufacturer that fails to comply with the requirements and exempts the AG from rulemaking requirements for one year.

SB 1314 – Chapter 79 – civil judgments; state; renewal

Exempts civil judgments obtained by the state from the judgment renewal statutory requirements.

SB 1346 – Chapter 241 – *class action; reform

Requires the court to determine whether class actions are to be maintained as such and permits the court to condition, alter, amend or withdraw its order at any time before the decision on the merits. Permits the court to prescribe measures related to the conduct of the proceedings and representation of the class members and parties. Specifies that a court's certification or refusal to certify as a class action is appealable and entitled to court preference. Directs all discovery and other proceedings to be stayed if an appeal is filed. Applies to actions filed after the effective date.

SB 1370 – Chapter 80 – municipal franchise elections; rates; estimate

Requires proposed franchise election ballots to include estimates of projected fees or taxes not related to franchise work or fees.

SB 1454 – Chapter 254 [P 105] – campaign finance; in-kind contributions; disclosures

Makes numerous changes to laws governing elections, including the following:

- Extends the timeframes for a political committee to obtain the necessary 500 contributions of \$10 each and maintain its certification status.
- Establishes criteria for emergency polling place designation and modifies procedures for the prohibition of electioneering at emergency polling places.
- Conforms sections of statute related to disclosure statements for independent expenditures by a political committee with disclosure requirements currently required for corporations, LLCs, and labor organizations.
- Expands the definition of *in-kind contribution*.
- Allows, as session law, a municipality to lengthen the term of office for its elected officials to comply with consolidated election dates and exempts local governments whose alternate expenditure limit are expiring from penalties in specified fiscal years so long as they seek voter approval for a new alternate expenditure limit in the next election.
- Establishes the City and Town Approval Voting Study Committee.

Modifies statutes governing HOAs, including the following:

- Prohibits a local government from requiring a developer to establish an HOA as part of a subdivision approval or zoning ordinance or that an HOA be formed for any purpose other than the maintenance of common area or community owned property.
- Specifies lawful actions for the officers and employees of a management company contracted with a HOA.
- Establishes statute governing property rental in a HOA.

COMMITTEE ON PUBLIC SAFETY, MILITARY AND REGULATORY AFFAIRS

Representative Justin Pierce, Chairman
Representative Darin Mitchell, Vice-Chairman
Courtney McKinstry, Legislative Research Analyst



* Strike-Everything Amendment
[E] Emergency Clause
[P 105] Proposition 105 Clause
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HB 2011 – Chapter 12 – liquefied petroleum gas containers; penalties

Increases the penalty from a petty offense to a class 3 misdemeanor when a person other than the owner or a person without authorization: 1) fills or refills a liquefied petroleum gas container with liquefied petroleum gas or any other gas compound, 2) evacuates a liquefied petroleum gas container, or 3) defaces, erases, obliterates, covers up or otherwise removes or conceals any name, initial or device on a liquefied petroleum gas container.

HB 2064 – Chapter 25 [E] – training permits; military health professionals

Requires the SBDE and Arizona Medical Board to issue a training permit to qualified military health professionals who are practicing in the US Armed Forces and discharging their official duties by participating in a clinical training program based at a civilian hospital affiliated with the US Department of Defense. Expands the exemption for an Arizona Regulatory Board of Physician Assistants' license to include a physician assistant who is a member of the US Armed Forces and is on official orders.

HB 2065 – Chapter 3 – community based residential treatment; placement

Clarifies that ADJC's consent to place a juvenile in a community based residential treatment center constitutes the necessary consent required by statute.

HB 2076 – Chapter 85 – *military applicants; license requirements

Permits ADOT to waive a specific required driving test for a commercial drivers' license to an applicant who is on active duty or has separated from the US Armed Forces under honorable conditions within the last 90 days if the applicant meets specific requirements. Outlines the qualifications and requirements a military service member who has not graduated from a State Board of Nursing approved program would be required to meet in order to obtain a license to practice as a practical nurse.

HB 2088 – Chapter 86 – interstate compact for juveniles

Requires the Governor to designate the Director of ADJC as the Interstate Compact Commissioner and the Compact Administrator and grants the Director of ADJC certain authorities related to the interstate compact.

HB 2136 – Chapter 51 – firefighter and EMT memorial

Authorizes ADOA to provide for the placement of a memorial in Wesley Bolin Plaza dedicated to firefighters and emergency medical technicians. Prohibits the use of any public monies in the placement of the memorial and requires the proponents of the memorial to organize fundraising, contracts for artistic design and construction.

HB 2174 – Chapter 205 – emergency response commission; fees

Permits the Arizona Emergency Response Commission to establish fees that will be deposited in the Emergency Response Fund in order to implement the Emergency Planning and Community Right-to-Know Act.

HB 2204 – Chapter 54 [E] – law enforcement; surviving spouse; insurance

Modifies eligibility requirements for receipt of health insurance payments by surviving spouses and dependents of law enforcement officers killed in the line of duty. Expands the definition of *law enforcement officer*.

HB 2303 – Chapter 200 – overtime compensation; law enforcement

Expands the definition of *person engaged in law enforcement activities* so that any DPS personnel who directly assist officers in law enforcement activities may be compensated for each hour worked in excess of 40 hours in one work week.

HB 2317 – Chapter 7 [E] – fingerprint clearance card; expired use

Authorizes the use of expired FPCC's with a signed affidavit from the holder of the card stating specific requirements have been met. Excludes an individual who owns a FPCC that has been denied, suspended or revoked or a person who has requested a good cause exception hearing.

HB 2389 – Chapter 211 – peace officers; omnibus

Limits certain information regarding a spouse and minor child of a deceased officer and a former public official from public record and makes various statutory changes related to law enforcement officers and firefighters:

- Specifies that health insurance premiums paid by an employer to the surviving spouse and dependents of an officer killed in the line of duty are effective on or after the following dates:
 - For family members of contracted correction officers and firefighters killed in the line of duty, April 5, 2013; and
 - For family members of all other officers or firefighters killed in the line of duty, April 5, 1933, but does not require pay before the general effective date or back pay.
- Allows an officer to terminate a rental agreement if that officer provides a landlord written notice that the officer is under an injunction against harassment, within 30 days of the injunction being issued.
- Requires an officer, who is released from a rental agreement, to repay the landlord for any lease concession or benefit received, before the officer vacates the dwelling.
- Asserts that all rights, remedies and obligations as provided in statute regarding early termination of a lease apply to the landlord and officer.
- Permits the state agency head or designee to reject the recommendations of the Law Enforcement Merit System Council after a hearing involving a peace officer employed by a state agency, if they are arbitrary and without justification.

HB 2392 – Chapter 172 – *protective orders; confidential information; injunctions

Requires a supplemental information form, utilized by the court or law enforcement agency for the purpose of service of process, to be provided in a petition for an injunction prohibiting harassment or workplace harassment or for a petition for an order of protection.

HB 2393 – Chapter 58 – state agencies; licensure; time frames

Permits a person who is required or could be required to obtain a license to petition GRRC to require an agency to consider including a recommendation for reducing a licensing time frame in the five-year report.

HB 2442 – Chapter 201 – fitness for duty; probation officers

Allows the employer of a probation officer to order a physical examination if the officer has acted or failed to act in an observable manner that indicates there is a physical condition materially limiting the probation officer's ability to perform the job within the probation officer's job description. Outlines the procedural requirements for the examination.

HB 2455 – Chapter 145 – unclaimed property; firearms; disposition

Requires agencies, rather than courts, to sell unclaimed or forfeited firearms and prevents a firearm from being returned to the person who found it. Prohibits the destruction of a firearm by any agency or political subdivision, unless the firearm is prohibited from being sold under federal or state law. Requires an agency that takes property from a person to provide the person with a detailed receipt for the property including a notice on how to retrieve the property from the agency.

HB 2459 – Chapter 212 – justice of the peace courts.

Updates the sections of statute related to justice and municipal courts. Rewrites statute in civil and criminal proceedings to clarify the grounds for which a change of venue may be granted and specifies that if a change of venue occurs in a justice court, a precinct with a close geographic proximity to the precinct of origin will be given preference.

HB 2461 – Chapter 124 – fireworks; NFPA; 2013 code; adoption

Directs the State Fire Marshal to adopt the 2013 edition of the National Fire Protection Safety Associate Code for the regulation of fireworks and pyrotechnic articles.

HB 2485 – Chapter 146 – health and safety audit privilege

Outlines requirements for health and safety audit reports, privileges and exceptions. Specifies that an audit report cannot be used as evidence or subject to discovery in a civil action or administrative hearing, except in limited circumstances.

HB 2516 – Chapter 177 – peace officers; firearms; court

Permits an officer acting in an official capacity to carry a firearm into the Arizona courts.

HB 2600 – Chapter 62 – judicial nominees; minimum requirements; records

Establishes the process for selecting judicial nominees and requires the voting record of all members of the judicial nominating commissions to be recorded in the minutes and made public.

SB 1022 – Chapter 192 – board of fingerprinting; continuation

Continues the Arizona Board of Fingerprinting until July 1, 2021.

SB 1128 – Chapter 41 – *Tuskegee airmen commemoration day

Establishes the fourth Thursday in March of each year as Tuskegee Airmen Commemoration Day.

SB 1205 – Chapter 44 – prisoner release money; procedures

Allows ADC to furnish monies to a prisoner who is released to the community on a stored value card or smart card instead of cash. Enables ADC to withhold items statutorily determined to be contraband when a prisoner is released. Requires ADC to deposit a percentage of a prisoner's wages into a dedicated discharge account until the account registers a \$100 balance, instead of a \$50 balance unless the prisoner is serving a natural life sentence. Stipulates that the percentage of earnings deposited into a dedicated discharge account is 25% of wages earned and not an amount determined by ADC.

SB 1234 – Chapter 102 – victim compensation fund; use

Removes the requirement that the County Attorney Victim Compensation Fund be used specifically for medical, counseling, funeral expenses and lost wages of crime victims.

SB 1237 – Chapter 36 – guardianships; conservatorships; transfer

Modifies the procedure for Arizona courts to transfer a guardianship or conservatorship to another state.

SB 1282 – Chapter 104 [E] – *countywide fire districts; study committee

Establishes a study committee on countywide fire districts and outlines membership and responsibilities.

SB 1324 – Chapter 69 – critical infrastructure; information disclosure

Expands the exemption from public disclosure any critical infrastructure and key resource information that is protected by the Critical Infrastructure Information Act of 2002 or is provided to, or in the possession of, any state agency or political subdivision of this state. Includes notification requirements and clarifies that all critical infrastructure and key resource information protected in statute is not only exempt from public disclosure but also confidential.

SB 1408 – Chapter 115 – *fingerprint clearance card; adoption

States that a FPCC satisfies the requirement for a state and federal criminal records check related to a social study conducted prior to an adoption hearing.

COMMITTEE ON REFORM AND HUMAN SERVICES

Representative Steve Montenegro, Chairman
Representative Kelly Townsend, Vice-Chairman
Ingrid Garvey, Legislative Research Analyst
Ryan Sullivan, Assistant Legislative Research Analyst



* Strike-Everything Amendment
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HB 2067 – Chapter 4 – CPS information; medical examiner; disclosure

Requires DES to disclose CPS information to a county medical or alternate medical examiner directing a death investigation.

HB 2074 – Chapter 126 – *licensing; foster homes

Changes the period of validity for a foster home license from one year to two years, allows a foster parent to change licensure renewal date and provides criteria allowing DES or child welfare agencies to place children in foster homes exceeding the maximum child limit.

HB 2205 – Chapter 207 – *electronic benefit transfer prohibitions; TANF

Restricts the use of an electronic benefit transfer card at automatic teller machines and point-of-sale terminals located at liquor, gaming and adult entertainment facilities.

HB 2259 – Chapter 120 – *orthodontic devices; transaction privilege tax

Exempts orthodontic devices from state and municipal TPT.

HB 2281 – Chapter 224 – foreclosure; tenant notification

States that if an owner receives notice of a trustee's sale or other notice of foreclosure on a property after a tenant has entered into a rental agreement, the owner must provide written notice to the tenant.

HB 2529 – Chapter 151 – child care personnel

Specifies that DHS must consult with licensed child care facility representatives when performing the comprehensive review of its rules every two years.

SB 1073 – Chapter 31 – parenting time hearings

Requires the court to hold an evidentiary hearing within 60 days after a party files a motion for temporary orders in any pre-decree matter.

SB 1108 – Chapter 179 [W/O] – foster home licensure; immunizations

States that DES must not require a foster parent to immunize the foster parent's natural or adoptive children as a condition of licensure.

SB 1341 – Chapter 185 – vulnerable adults; financial exploitation

Specifies that a vulnerable adult is not exploited if the person's assets are transferred to obtain or maintain eligibility for benefits under AHCCCS, Supplement Security Income, Medicaid, Medicare or Veterans' Administration Programs.

SB 1375 – Chapter 220 – behavioral health services; dependent children

Makes changes to CPS statutes and requires DES, in collaboration with DHS and AHCCCS, to determine the most efficient and effective way to provide comprehensive medical, dental and behavioral health services for children who are in a foster home, in the custody of DES or in the custody of a probation department.

COMMITTEE ON TECHNOLOGY AND INFRASTRUCTURE

Representative David Stevens, Chairman
Representative Bob Thorpe, Vice-Chairman
Jeanine Jones, Legislative Research Analyst



* Strike-Everything Amendment
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HB 2165 – Chapter 89 - public libraries; circulation records; privacy

Adds e-books to the types of records public libraries are prohibited from disclosing, subject to exceptions. Defines *e-books* and makes technical and conforming changes.

HB 2241 – Chapter 92 - *telecommunications infrastructure; records; nondisclosure

Prohibits the disclosure by a city, town or county, of any records containing wireline telecommunications construction information or the location of lines, equipment and plants used for telecommunications services along public streets or highways. Provides certain exceptions, including:

- Disclosure as part of a bid, design, or construction process for a capital project.
- Providing information of the availability of telecommunications services for economic purposes.
- Providing general information on construction activity to residents.

HB 2312 – Chapter 95 - solicitation; text message; prohibition

Prohibits the use of automated systems to send text messages used to solicit others to buy goods and services and further prohibits the use of automated systems to send text messages requesting survey information, if that information will be used to solicit others to purchase goods and services. Allows the use of automated systems to send text messages if the recipient gave prior express invitation or permission or the recipient has an existing business relationship with the sender.

HB 2482 – Chapter 176- public service corporations; assets transfer

Exempts telecommunications services classified as *competitive* by the ACC from the statutes governing restrictions, disposition, encumbrance, merger and stock purchase regarding public service corporations unless otherwise determined by an ACC order after the effective date of this Act.

SB 1081 – Chapter 100 - *special audit; information technology procurement

Requires the OAG to conduct a special audit of the procurement of IT services. Specifies that the audit must compare and contrast practices and procedures used in solicitations and contracts awarded in FY 2011-12 by four agencies chosen by the OAG, including comparison of methodology in this state and other states to determine best practices regarding warranties, indemnification, liability, insurance, standardization, and intellectual property.

COMMITTEE ON TRANSPORTATION

Representative Karen Fann, Chairman
 Representative Sonny Borrelli, Vice-Chairman
 Justin Riches, Legislative Research Analyst



* Strike-Everything Amendment
 [E] Emergency Clause
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HB 2170 – Chapter 71 – stopped school buses; lights

Requires a school bus operator to display a stop signal and alternately flashing lights on a private roadway or driveway when passengers are being received or discharged, and clarifies these safety provisions only apply to a school bus.

HB 2171 – Chapter 128 – driver licenses; driver training schools

Changes hearing requirements under implied consent laws, revises various definitions in the DUI statutes and modifies certain requirements for driving training schools, including but not limited to the following:

- Increases the time frame to within *60 days* from *30 days* for implied consent hearings.
- Makes statutory changes for commercial driver license regulations and professional driving training schools.
- Requires an applicant for an annual instructor license to provide a valid FPCC.

HB 2172 – Chapter 90 – ADOT Administration

Allows for the issuance of parity bonds by the Transportation Board to refund or refinance outstanding bonds and increases the upper limit of a surety bond to \$5,000,000. Requires 1.06% of motor vehicle fuel tax monies collected to be deposited into the SLIF and 1% of the monies retained to defray administrative expenses. Increases the limit on relocation assistance for a displaced farm, non-profit organization, or small business to \$25,000 from \$10,000.

HB 2180 – Chapter 206 – vehicle liens; certificates of title

Specifies the time and date stamp on liens, encumbrances, or other security instruments administered by a registering officer or authorized third party provider to be conclusive as to the time and date of delivery of the documents, and changes the time frame of delivery from *30 business days* to *30 days*.

HB 2182 – Chapter 119 – DUI; ignition interlock devices

Eliminates the ability of a person to be placed in a continuous alcohol monitoring program in lieu of getting an ignition interlock device, except for those already permitted by ADOT.

HB 2183 – Chapter 129 – *ADOT; authorized third parties

Requires the authorization of third party driver license providers and allows for alternatives to examinations for original applicants of motorcycle and motor vehicle driver licenses. Establishes procedures, requirements, and regulations for third party driver license providers, driver training schools, and ADOT's contracts with private entities.

HB 2186 – Chapter 39 – vehicle length; vehicle towing; exceptions

Prohibits a truck-semitrailer combination from exceeding an overall length of 65 feet, defines *drawbar* and articulates the point of connection with the trailer and with the towing vehicle.

HB 2188 – Chapter 107 – *procurement; construction-manager-at-risk

Establishes a two-step procurement process for construction-manager-at-risk horizontal construction services that takes into consideration qualitative, technical, and price proposals when the US Federal Aviation Administration or the US Federal Transit Administration is a source of monies for the project.

HB 2217 – Chapter 132 – extraordinary educators special plates

Establishes the Extraordinary Educators special plates and fund.

HB 2299 – Chapter 93 – all-terrain vehicles; definition

Removes statutory references to seat configurations and steering controls and increases the maximum acceptable width of an off-highway vehicle to 65 inches.

HB 2372 – Chapter 73 – motor vehicle dealers

Provides for the use of one-trip registration permits by wholesale auction dealers and exempts wholesale auction dealers from the typical three one-trip registration permits for a vehicle in a 12 month period. Specifies documentation requirements in relation to vehicle titling, the dealer's TPT license, and the submission of documents to ADOT. Prohibits selling a motor vehicle purchased at a wholesale motor vehicle auction by any person other than a licensed motor vehicle dealer and requires a sign reflecting this language be present at the wholesale motor vehicle auction dealer's place of business. Establishes procedures for ADOT's cancellation of a motor vehicle dealer's license and hearing requirements. Modifies statute in relation to the issuance and use of dealer license plates.

HB 2373 – Chapter 210 – railroad crossing; safety

Modifies statutes relating to drivers of a motor vehicle and pedestrians proceeding through railroad crossings.

HB 2477 – Chapter 75 – photo radar on state highways

Allows for the placement of photo enforcement systems on state highways by cities and towns if it is proven necessary for public safety and the city or town enters into a contract with ADOT. Prohibits the contract or permit from exceeding three years and allows ADOT to prevent renewal if the photo enforcement system does not maintain a positive impact on public safety.

HB 2551 – Chapter 231 – off-highway vehicles; use; authority; enforcement

Allows for the enforcement of wildlife habitat protection, as opposed to requiring it. Requires off-highway vehicle regulations to be enforced on land that is either solely under the jurisdiction of this state or subdivision thereof, or open as indicated by federal law

SB 1075 – Chapter 76 – *impoundment; immobilization of vehicles

Modifies the procedural requirements and hearing proceedings for the immobilization and impoundment of vehicles as well as standardizes administrative and storage fees.

SB 1093 – Chapter 162 – disability placards; nonprofit organization

Allows ADOT to issue up to three temporary or permanently disabled windshield placards to disabled individuals and three permanently disabled windshield placards to a nonprofit organization that provides assistance to senior citizens.

SB 1317 – Chapter 239 – tribal airports; state aviation fund

Adds *Indian Reservations* as eligible entities for the State Aviation Fund for projects related to publicly owned and operated airport facilities.

SB 1343 – Chapter 167 – girls' youth organization special plates

Establishes the Girls' Youth Organization special plates and fund.

COMMITTEE ON WAYS AND MEANS

Representative Debbie Lesko, Chairman
 Representative Adam Kwasman, Vice-Chairman
 Stephanie Jaffa, Legislative Research Analyst
 Ryan Sullivan, Assistant Legislative Research Analyst



* Strike-Everything Amendment
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HB 2111 – Chapter 255 – *transaction privilege tax changes

Simplifies TPT administration through changes regarding the collection of TPT monies, audits, and the prime contracting classification. Requires DOR to provide and administer an online portal on or before January 1, 2015, paid for by cities and towns without an intergovernmental agreement as of January 1, 2013, that includes the following:

- A single point for licensing, filing tax returns, and paying TPT.
- Data consolidated in a manner so that it is compatible with DOR systems and captured with sufficient specificity to meet the needs of all taxing jurisdictions.
- A non-electronic means of capturing data relating to taxpayers who do not pay TPT through the online portal.

Requires the following regarding audits:

- All audits be conducted in accordance with the DOR manual and performed by a DOR certified auditor.
- All audits include all taxing jurisdictions, regardless of which jurisdiction conducts the audit.
- DOR conducts all multi-city taxpayer audits, unless DOR authorizes a city or town to do so.
- Cities and towns may audit single-city taxpayers and any other taxpayer authorized by DOR.
- DOR issues a single notice to a taxpayer for all audit assessments, notifies all affected cities and towns prior to a resolution relating to taxes levied by them, and DOR handles all appeals.

Allows prime contractors who work for someone other than the property owner to be exempt from retail TPT for materials incorporated into a prime contracting project. Exempts service contractors who work directly for a property owner to maintain, repair, or replace existing property from prime contracting TPT and requires them to pay retail TPT on project materials. Allows DOR to adopt emergency rules. Requires JLBC to prepare a revenue impact analysis report by September 30, 2016. Contains a legislative intent clause and an effective date of January 1, 2015.

HB 2324 – Chapter 27 – *commercial lease exemption

Provides a municipal TPT exemption for the leasing of real property between affiliated companies, businesses, persons, or reciprocal insurers and specifies that *affiliated companies, businesses, persons, or reciprocal insurers* means there is direct or indirect ownership of at least 80% of the voting shares of a corporation or of the interests in a business with regard to the lessor and the lessee.

HB 2336 – Chapter 233 – taxation; retail classification; cash equivalents

Exempts the sale of cash equivalents from TPT under the retail classification, retroactive to January 1, 1999. Contains a legislative intent clause.

HB 2344 – Chapter 9 – property tax penalty waiver

Permits a county treasurer, in consultation with a BOS, to waive the penalty against a property owner for failure to respond to a request for information regarding the property's classification for tax purposes. Contains a retroactive effective date of July 1, 2012 and a repeal date of July 1, 2014.

HB 2347 – Chapter 188 – tax levy; bond costs

Prohibits property tax levies in excess of the net amount necessary to make the annual payment for bond principal and interest and expands the list of eligible investments for monies managed by treasurers of counties, noncharter cities, or towns.

HB 2531 – Chapter 256 – income tax; instant depreciation

Removes the \$25,000 cap on deductions from Arizona AGI with respect to property for which an expense deduction was taken under IRC § 179 for TYs after January 1, 2013.

HB 2535 – Chapter 153 – independent functional utility

Retroactive to July 1, 1997, deletes language limiting the state and municipal tax exemption for machinery and equipment to property that does not become a permanent attachment and specifies that machinery or equipment that is exempt from taxation under the retail classification and that has independent functional utility is not considered taxable under the prime contracting classification. States that *independent functional utility* means that the machinery or equipment can independently perform its function without attachment to real property, other than attachment for the following purposes:

- Assembling the machinery or equipment.
- Connecting items of machinery or equipment to each other.
- Connecting the machinery or equipment, whether as an individual item or as a system of items, to water, power, gas, communication, or other services.
- Stabilizing or protecting the machinery or equipment during operation by bolting, burying, or performing other similar non-permanent connections to either real property or real property improvements.

SB 1168 – Chapter 65 – internal revenue code conformity

Conforms Arizona tax statutes to the IRC as of January 3, 2013 and establishes a tax credit for TY 2013 in lieu of conforming to the retroactive provision of the Federal Aviation Administration Modernization and Reform Act, relating to rollover of amounts received in airline carrier bankruptcy.

SB 1169 – Chapter 66 – proposition 117; conformity

Makes changes to statute for purposes of conforming to the provisions of Proposition 117, passed in 2012.

SB 1179 – Chapter 236 – ignition interlock devices; TPT exemption

Makes changes relating to the taxation of certified ignition interlock devices; qualified destination management companies; sales of food; property used to manufacture biodiesel fuel; contributions to college savings plans pursuant to IRC § 529 and qualifying charitable organizations; multistate service providers; and enterprise zones. Contains retroactive and effective dates.

SB 1251 – Chapter 113 – irrigation districts; audit requirements

Modifies audit schedules for irrigation or water conservation districts based on the size of their annual budgets as follows:

- A district with a budget of at least \$5 million must be audited annually.
- A district with a budget between \$1 million and \$5 million must be audited every five years and undergo a financial review each year an audit is not performed.
- A district with a budget between \$100,000 and \$1 million must be audited every 10 years and undergo a financial review each year an audit is not performed.

SB 1313 – Chapter 114 – tax corrections

Corrects errors, strikes obsolete language, and makes clarifying and conforming changes to statutes relating to taxation based on recommendations made by DOR and Legislative Council.

VETOED BILLS



* Strike-Everything Amendment
 [E] Emergency Clause
 [P 105] Proposition 105 Clause
 [P 108] Proposition 108 Clause

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HB 2018	*school district budget errors; repayment	89
HB 2054	*preschool programs; charter schools	89
HB 2125	*property tax levy; community colleges	89
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SB 1437	music therapists; licensure.....	91
SB 1439	legal tender	91
SB 1445	school and school district accountability	91

HB 2018 – VETOED – *school district budget errors; repayment

Allowed the Saddle Mountain Unified School District to pay the remainder of its annual installments at 5% instead of 10%, and extended the repayment period by five years.

HB 2054 – VETOED – *preschool programs; charter schools

Allowed charter schools to offer an educational program for preschool children with disabilities. Required SBE to include charter schools in its required annual distribution of at least 10% of the federal funding it receives for preschool programs for children with disabilities.

HB 2125 – VETOED – *property tax levy; community colleges

Authorized a community college district to resubmit a primary property tax levy proposal to the voters if an initial proposal was approved between 20 and 35 years prior.

HB 2144 – VETOED – child protective services

Made changes to the CPS statutes that required the court to grant a petition to adopt a child even if the child's parent has filed an appeal to the termination of parental rights when certain circumstances apply and changed the age of a child from three to five for whom specified provisions justify the termination of parental rights.

HB 2271 – VETOED – funeral establishment intern trainees

Allowed a funeral establishment to employ a student or prospective student of good moral character of a college of mortuary science as an *intern trainee* for up to one year. Eliminated statutory references to *apprentice embalmers* and repealed obsolete language.

HB 2322 – VETOED – rule making; restrictions

Prohibited state agencies from adopting new rules or amending existing rules in a way that would restrain or burden the free exercise of vested rights. Stipulated that an agency may only adopt a new rule or an amendment to an existing rule that is strictly ministerial and consistent with the statutory delegation of authority. Restricted the adoption of rules under the agency's statutory delegation of authority if the law is insufficiently clear to allow for strictly ministerial rule making. Enabled any person who is subject to civil or criminal proceedings arising from the enforcement of a rule that violates the provisions of this Act to have a defense to the enforcement action. Required any court or adjudicatory body considering or reviewing the defense to rule on the merits without deference to legislative, administrative or executive finding concerning the rule.

HB 2342 – VETOED – increased research; tax credit refund

Effective January 1, 2014, limited to \$10 million in calendar year 2014 and \$15 million in calendar year 2015 and each calendar year thereafter, the maximum income tax refunds the ACA could award to taxpayers for increased research activities. Subject to the limitations, stipulated during the first six months of any calendar year, the ACA could not approve refunds greater than 50% of the total and permitted the remaining 50% plus any unused balance from the first six months to be approved during the second six months.

HB 2433 – VETOED – Arizona state guard; age

Removed the age limit for service in the Arizona State Militia and stipulated that service by persons who are at least 45 years old must be voluntary.

HB 2439 – VETOED – income tax brackets; inflation index

Required DOR to adjust the income dollar amounts for each tax bracket in accordance with the average annual change in the Metropolitan Phoenix CPI and prohibited the dollar amounts from being revised below the amounts prescribed in the previous TY, beginning in TY 2014.

HB 2446 – VETOED – *property tax; religious institution; exemption

Broadened the tax exemption for religious property to include any property held primarily for religious use, rather than religious worship, and exempted from taxation vacant land that is held but not currently used by a religious association if the property is not held for profit and the religious association certifies annually to the county assessor its intent to utilize the property for religious purposes.

HB 2481 – VETOED – permissible county fireworks; penalty

Classified as a petty offense, a penalty for a violation of a regulation relating to the use of permissible consumer fireworks within a county or an incorporated city or town.

HB 2512 – VETOED – trusts; beneficiary suits against settlor

Created a presumption, rebuttable by clear and convincing evidence, that property obtained by a beneficiary through a governing instrument is a gift. Limited the value of a beneficiary's claim arising from a governing instrument and prohibited a beneficiary claiming damages from a gift of property made through a governing instrument by a grantor in the beneficiary's family.

HB 2553 – VETOED – bail bond agents; bonds; prohibitions

Modified the time a bail bond agent must keep all records pertaining to transactions made under the license. Prohibited a bail bond agent from indemnifying a bail bond or securing the release of a person without a contract and fee agreement. Allowed bail bond agents to recover the defendant for the fees and amounts that are agreed upon in writing prior to the posting of a surety bond. Removed the requirement for bail bond agents to refund any premiums or fees if the defendant is arrested for a violation of release.

HB 2578 – VETOED – licensing, accountability; penalties; exceeding regulation

Established civil penalties on municipal, county, state and district employees who knowingly base a licensing decision in whole or part on a requirement or condition that is not specifically authorized by law.

HB 2591 – VETOED – governmental reporting; websites; budgets

Required the state government and any agencies maintained by a local government to post the previous year's actual budget total on the bottom right-hand corner of their website's home page. Stated that the state budget total shall specify the amount of monies that come from the general fund, federal funds and other appropriated funds. Mandated both the state government and local agency budget totals to be updated within ninety days after the end of the fiscal year.

HB 2617 – VETOED – school tuition organizations; preapproval; entities

Allowed a tax credit for a small business corporation that makes a contribution to an STO and outlines requirements associated with the credit. Provided a retroactive effective date of January 1, 2013.

SB 1088 – VETOED – constables; prohibited acts

Prohibited constables from engaging in any act as a private process server outside of their elected or appointed duties or from owning an interest in any private process serving business. Clarified that the restriction on constables only applies to future terms of office.

SB 1115 – VETOED – direct pay prices; healthcare

Required a health care professional and facility to make the direct pay price available for a specified number of their most common services.

SB 1178 – VETOED – *exercise of religion; definition

Allowed a person to assert a claim for an impending violation of religious exercise, regardless of whether the government is a party to the proceeding. Prohibited state action, rather than government, from burdening a person's exercise of religion and defined *exercise of religion* and *state action*.

SB 1236 – VETOED – domestic relations committee; membership

Made changes to the membership of the Domestic Relations Committee.

SB 1323 – VETOED – *school district duties; buses

Removed certain reporting requirements for school districts regarding school buses and added language to the Transportation Support Level statute that required school districts to provide the odometer reading for each bus as of the end of the current year and the total bus mileage during the current year.

SB 1369 – VETOED – unemployment insurance; reimbursable employers

Exempted employers who make reimbursement payments to the UI Fund in lieu of tax contributions from DES charges for UI benefits when such benefits are paid to a claimant whose employment terminated with the employer due to reasons not attributable to the employer.

SB 1371 – VETOED – municipal elections; ballot; disclosure

Required a municipal election for a bond, sales tax or property tax approval to include on the ballot an estimate of the property tax levy to repay the bond, the sales tax increase amount or a tax estimate of a home valued at \$100,000, a commercial property valued at \$250,000 and vacant land valued at \$100,000.

SB 1437 – VETOED – music therapists; licensure

Provided for the certification of Board Certified Music Therapists.

SB 1439 – VETOED – legal tender

Specified that legal tender in the state of Arizona included legal tender authorized by Congress, specie coin issued by the US government, and any other specie that a court rules to be within the scope of state authority to make a legal tender. Defined *legal tender* and *specie* and contained an effective date of 90 days from the adjournment sine die of the 51st Legislature, 2nd Regular Session.

SB 1445 – VETOED – school and school district accountability

Directed ADE to publish criteria relating to a school or school district's exit status from a previous letter grade of F and specified that this criteria must be provided to any school or school district currently assigned a letter grade of F.

MEMORIALS AND RESOLUTIONS



* Strike-Everything Amendment

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SR 1003	honoring Paul and Lorena Williams	96
SR 1004	death resolution; Bud Strom	96
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HCM 2007 – Cherrybell; mail processing center

Urges the US Congress to protest the proposed closing of Cherrybell Postal Processing and Distribution Center in Tucson, AZ.

HCR 2019 – national wear red day

Proclaims February 1, 2013 as National Wear Red Day in Arizona to increase awareness and show support for women fighting heart disease.

HCR 2020 – first responders recognition day

Establishes March 18, 2013 as First Responders Day in Arizona.

HCR 2034 – Arizona territory; 150th anniversary

Celebrates the 150th year anniversary of the passage of the enabling legislation that established the Territory of Arizona.

HCR 2035 – recognizing Arizona caregivers

Urges support for family caregivers statewide that care for older, vulnerable or disabled adults and recognizes caregiving as a vital and needed profession.

HCR 2036 – Boy Scouts of America

Recognizes the Boy Scouts of America and expresses support for their values, policies and public services.

HM 2002 – victims' rights amendment; federal constitution

Urges the US Congress to propose an amendment to the US Constitution that provides rights to crime victims and that incorporates certain principles, including the following:

- The right to be informed of and not excluded from any public proceedings relating to the crime.
- The right to be heard regarding any release from custody.
- The right to consideration for the safety and privacy of the victim, the victim's interest in avoiding unreasonable delay, and in restitution.
- The right to be heard regarding any negotiated plea.
- The right to receive notice of release or escape.

HR 2001 – recognizing autism organizations

Recognizes organizations in the state dedicated to providing support to people affected by autism and to advancing research efforts regarding autism spectrum disorder.

SCM 1001 – *clean air act

Requests the US Congress to amend the Clean Air Act to further clarify that states, not the EPA, have the primary role in developing plans for regulating air pollutants.

SCR 1009 – inmate labor and services

Affirms the Arizona Legislature's support for the use of inmate labor and services throughout the state and declares that the ADC is prepared to enter into a contract to provide inmate services and labor.

SCR 1012 – EPA actions; haze

Expresses the Legislature's opposition to the Federal Implementation Plan and support for Arizona's State Implementation Plan to reduce regional haze.

SCR 1013 – endangered species act

Expresses the Legislature's support of the efforts of the US Congress to update the Endangered Species Act.

SCR 1014 – Vietnam war; commemorative partner

Recognizes the Legislature's support in the effort for Arizona to become a Commemorative Partner in the commemoration of the Vietnam War.

SCR 1015 – support; second amendment

Expresses the Legislature's support of the rights provided by the Second Amendment of the US Constitution and rejects the consideration of new legislation that would infringe on such rights.

SCR 1016 – rejection of unconstitutional federal actions

Proposes an amendment to the Arizona Constitution permitting the state to exercise its sovereign authority to restrict the action of its personnel and the use of its financial resources to purposes that are consistent with the US Constitution through specifically defined methods. Prohibits the state from using any personnel or financial resources to enforce, administer, or cooperate with a federal action or program if the state exercises its authority pursuant to this Act.

SCR 1020 – Sheriff Larry Dever; death resolution

Expresses the Arizona Legislature's regret at the passing of Sheriff Larry Dever.

SCR 1021 – death resolution; Bill Konopnicki

Expresses the Arizona Legislature's regret at the death of the Honorable Bill Konopnicki.

SR 1003 – honoring Paul and Lorena Williams

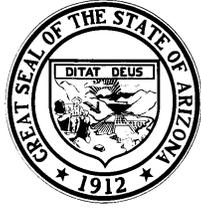
Honors Paul and Lorena Williams for their efforts on behalf of Navajo nation sovereignty.

SR 1004 – death resolution; Bud Strom

Expresses the Arizona Senate's regret at the passing of Bud Strom.

SR 1005 – partnership; Azerbaijan; U.S.

Expresses the Arizona Senate's support for the partnership and friendship between the US and the Republic of Azerbaijan.



SECTION III

SUMMARY OF LEGISLATION *First Special Session*

Session Convened: June 11, 2013
Adjourned Sine Die: June 14, 2013

General Effective Date: September 12, 2014

State of Arizona
Fifty-First Legislature
First Special Session

FIFTY-FIRST LEGISLATURE

1ST SPECIAL SESSION

2013



* Strike-Everything Amendment
 [E] Emergency Clause
 [P 105] Proposition 105 Clause
 [P 108] Proposition 108 Clause
 [LIV] Line Item Veto
 [W/O] Without Emergency Clause
 [W/S] Without Signature

Bill	Chapter	Short Title	Page
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HB 2001	1	2013-2014; general appropriations.	99
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HB 2003	3	2013-2014; K-12 education; budget reconciliation.	100
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HB 2005	5	2013-2014; criminal justice; budget reconciliation.	103
HB 2006	6	2013-2014; budget procedures.	105
HB 2007	7	2013-2014; higher education; budget reconciliation.	106
HB 2008	8	2013-2014; capital outlay.	106
HB 2009	9	2013-2014; revenue; budget reconciliation.	108
HB 2010	10	2013-2014; health; welfare; budget reconciliation.	110

HB 2001 – Chapter 1 – 2013-2014; general appropriations.

Makes GF and OF appropriations and transfers for FY 2013-14 for the operation of state government and makes various budget revisions and supplemental appropriations for FY 2012-13.

HB 2002 – Chapter 2 – 2013-2014; government; budget reconciliation.

Makes statutory and session law changes related to general government necessary to implement the FY 2013-2014 state budget.

Arizona Exposition & State Fair Board Permanent Revolving Fund (Fund)

- Increases the Fund cap from \$20,000 to \$60,000 for non-annual fair events and from \$50,000 to \$400,000 for the annual state fair. This Fund is exempt from lapsing.

ACC

- Eliminates a requirement that same day and next day services provided by the ACC not be offered unless all other expedited and regular filing service timeframes are met.

Museum Gift Shop Revolving Fund (Museum Fund)

- Establishes the Museum Fund consisting of gift shop proceeds and is administered by the director of the ASLAPR.
- Stipulates that monies in the Museum Fund are to be used to provide the public with goods for sale that are reflective of the themes of the Capitol Museum and the State of Arizona.
- States monies in the Museum Fund are continuously appropriated and exempt from lapsing.

DVS; Annual Report

- Requires DVS to submit a report on capital projects for which it has requested federal monies in the last 12 months by November 1 of each year to the directors of the JLBC and OSPB.

Professional Employer Organization (PEO); Registration; SOS

- Suspends the requirement that PEOs must register with the SOS until June 30, 2023.

Board of Massage Therapy (Board)

- Transfers any unexpended monies in the existing subaccount previously used by the Board to the newly-created Board of Massage Therapy Fund.

BTR; Alarm Business Certificates; Retroactivity

- Allows the BTR to issue alarm business certificates and alarm agent certificates that are valid for either one year or two years from the date of issuance at the discretion of the executive director.

DES; TANF

- Requires DES to screen and test each adult recipient who is otherwise eligible for TANF cash benefits and who DES has reasonable cause to believe engages in the illegal use of controlled substances.
- Stipulates that any recipient who is found to have tested positive for the use of a controlled substance not prescribed by a licensed health care provider is ineligible to receive benefits for a period of one year.

ACA; Loan

- Permits the ACA to approve a loan of up to \$2,000,000 from the Arizona Competes Fund no later than June 30, 2014 for the purpose of attracting or retaining business in a county with a population between 100,000 and 120,000.

- Stipulates that the loan be secured through a lien or other security interest held by the state with a value of at least 100% of the principal loan amount.
- Specifies the interest rate of the loan cannot exceed the annual rate prescribed in statute and the term of the loan cannot exceed seven years.

State Employee Benefits; ADOA

- Removes the requirement that new state employees work regularly for at least 90 days before receiving employee benefits.

HB 2003 – Chapter 3 – 2013-2014; K-12 education; budget reconciliation.

Makes statutory and session law changes related to K-12 education in order to implement the FY 2013-14 state budget.

School Funding Formulas

- As permanent law, increases the school district Transportation Support Level per route mile formula by 1.8%.
- As permanent law, increases the per-student Base Level amount for FY 2013-14 by 1.8% from \$3,267.72 to \$3,326.54.
- Eliminates CORL and the Soft Capital Allocation (SCA) and combines these two allocations into one per pupil allocation called *District Additional Assistance*.
- Establishes per-student District Additional Assistance amounts as follows:
 - \$544.58 for districts with a K-8 student count of less than 100.
 - \$389.25 multiplied by the corresponding weighted K-8 student count for districts with a K-8 student count of between 100-600 students.
 - \$450.76 for districts with a K-8 student count of more than 600 students.
 - \$601.24 for districts with a 9-12 student account of less than 100.
 - \$405.59 multiplied by the corresponding weighted 9-12 student count for districts with a 9-12 student count of between 100-600 students.
 - \$492.94 for districts with a 9-12 student count of more than 600 students.
 - \$450.76 for preschool programs for children with disabilities.
- Determines the amount added to District Additional Assistance for textbook allowance as the 9-12 student count multiplied by \$69.68.
- Repeals the SCA statute and as session law, requires school districts to transfer any budget capacity and cash remaining in its SCA Fund at the end of the current FY to its M&O Fund or its Unrestricted Capital Outlay Fund.
- Adds expenditures that may be budgeted in the Unrestricted Capital Fund to the items that the federal impact adjustment may be budgeted and expended for.
- Stipulates that a budget in excess of CORL that was approved by the voters in a school district before the effective date of this act remains in effect until the end of the period authorized pursuant to the previous election.
- Requires any school district, beginning in FY 2013-14, that over expended its SCA in FY 2012-13 or in a prior FY to apply any correction required for that over expenditure to its M&O or unrestricted capital budgets.
- Directs ADE to reduce the amount of Basic State Aid (BSA) by \$238,985,500 that otherwise would be apportioned to school districts for FY 2013-14 for District Additional Assistance and requires these school district budget limits to be reduced accordingly. For school districts that are not eligible to receive BSA funding, ADE must reduce District Additional

Assistance by the amount that it would be reduced if the district was eligible for BSA funding.

- Caps the sum of District Additional Assistance reductions in FY 2013-14 for school districts with less than 1,100 students at \$5 M.

Charter Additional Assistance

- As permanent law, increases the Charter Additional Assistance by 1.8% as follows:
 - For students in grades K-8, \$1,684.19.
 - For students in grades 9-12, \$1,962.90.
- As session law, requires ADE to reduce the amount of Charter Additional Assistance per student amount by \$15,656,000 that would otherwise be apportioned to charter schools and school districts for FY 2013-14. The reduction must be made on a proportional basis based on the Charter Additional Assistance funding that each charter school would have received minus the prescribed reduction. Reduces Charter Additional Assistance for FY 2013-14 for a school district that is not eligible to receive BSA funding for FY 2013-14 by the amount that it would have been reduced by if the district was eligible for BSA and requires the school district's budget limits to be reduced accordingly.

Early Graduation Scholarship Program

- Repeals the Early Graduation Scholarship Program and Fund and transfers all monies remaining in the Fund to the Commission for Postsecondary Education IGA and ISA Fund.

School District Overrides

- Requires ADE to electronically submit a report by November 30 of each year to JLBC and OSPB that lists the amount budgeted for school district overrides by individual school districts for each type of override conducted for the current FY.

Accommodation Schools

- Revises the definition of *accommodation school* and amends language for computing state aid to accommodation schools.

SFB

- Requires SFB to inventory and inspect all school buildings in order to develop a database to administer the Building Renewal Grant Fund and New School Facilities Formula and update the database annually. The database will be maintained and annually updated by SFB.
- Directs school districts to report information required for the administration of the Building Renewal Grant Fund and computation of the New School Facilities formula distributions to SFB no later than September 1 each year.
- Repeals the Building Renewal Fund. *Distribution of monies from this Fund has been suspended since FY 2008-09.*
- Excludes accommodation schools from eligibility for Building Renewal Grant Fund and New School Facilities Fund monies.
- Requires SFB to either approve enrollment projections as submitted or revise the projection by March 1 in order for a school district to qualify for New School Construction funding.
- Directs SFB to use actual enrollment counts rather than projected counts in order to determine eligibility for New School Construction funding.
- Allows SFB to enter into a refinancing or refunding agreement in FY 2013-14, after review by JCCR, that will reduce SFB's FY 2013-14 and FY 2014-15 lease-purchase payments by a combined total of at least \$4 million.

- Stipulates that this agreement cannot increase or decrease the total amount of SFB's lease-purchase payments in any other fiscal year by more than \$100,000.
- Requires SFB to revert any unexpended monies appropriated to the new school facilities debt service special line item in FY 2013-14 to the GF by June 30, 2014.

School District Bonded Indebtedness

- As permanent law, increases a non-unified school district's class B bonding capacity limit from 5% to 10% and a unified school district's class B bonding capacity limit from 10% to 20%. These limits apply to elections held both before and after the effective date of this act.

Performance Incentive Fund (Fund)

- As permanent law, establishes the Fund consisting of legislative appropriations for school districts and charter holder performance funding.
- Requires ADE to administer the Fund and exempts the monies from lapsing.
- Requires ADE to distribute monies to school districts and charter holders based on achievement and improvement on the assigned achievement profile beginning in FY 2014-15.
- Stipulates that the performance funding amount must be budgeted in separate subsections of the M&O and Capital Outlay sections of the budget and allows the unexpended budget balance to be carried forward to the following FYs.
- Limits eligibility to school districts and charter holders that have been assigned an achievement profile developed in accordance with the research based methodology outlined in statute.

School Emergency Pilot Program (Program)

- As session law, indicates that the \$3,646,400 appropriation to ADE for the School Safety Program for FY 2013-14 includes \$100,000 for a pilot program on school emergency readiness.
- Requires school districts to submit applications to ADE to participate in the Program by September 30, 2013 and ADE must select three school districts to participate by November 30, 2013.
- Prohibits participating school districts from collectively consisting of more than 31 individual school sites. The school districts must consist of:
 - One school district located in a county with less than 100,000 people.
 - One school district located in a county with between 100,000 and 800,000 people.
 - One school district located in a county with more than 800,000 people.
- Requires participating school districts to be provided a readiness and emergency management program that incorporates the following:
 - Education specific emergency management software that complies with the National Emergency Information Management System. All plans and critical emergency readiness information must be accessible both online and off-line through mobile device apps.
 - Training of teachers and administrators in the readiness and emergency management program.
 - The development, implementation and maintenance of a comprehensive crisis for the school districts and their teachers and administrators.
- Directs ADE to submit a report that summarizes the results of the Program by November 1, 2014.

JTEDs

- As session law, funds JTEDs with more than 2,000 students at 91% of State Aid that would otherwise be provided by law for FY 2013-14 and requires ADE to reduce its budget limits accordingly. *All JTEDs have been funded at 91% in prior FYs.*

Miscellaneous

- Repeals session law requiring the Legislature to reimburse the costs incurred in 2012 by county assessors for the Homeowner's Rebate Affidavit process.
- Requires ADE to transfer \$10 M to the GF from the Arizona Structured English Immersion Fund.

HB 2004 – Chapter 4 – 2013-2014; environment; budget reconciliation.

Makes session law changes related to the environment in order to reconcile the FY 2013-14 state budget.

DWR

- Authorizes the Arizona Water Protection Fund Commission to grant DWR up to \$336,000 of the unobligated balance in the Arizona Water Protection Fund to pay for department administrative costs.
- Authorizes DWR to increase fees for services for FY 2013-14.
 - Limits revenue generated from fees to \$100,200 and requires fee revenues to be deposited in the Water Resources Fund.
 - Exempts DWR from rule making for the purpose of establishing fees until July 1, 2014.

ASPB

- Continues the ASPB for ten years; requires the ASPB to submit a report on the implementation of the recommendations of the OAG to JLAC by December 31, 2017.
- Authorizes the ASPB to spend up to \$692,100 from its portion of the Off-Highway Vehicle Recreation Fund in FY 2014 for agency operating costs.

DEQ

- Suspends the statutory administrative cap on the Underground Storage Tank Revolving Fund Assurance Account (Account) in FY 2013-14 to allow DEQ to transfer a combined total of \$6,531,000 from the Account and the Regulated Substance Fund for department administrative expenses.
- Reduces the annual GF statutory appropriation of \$15,000,000 to \$7,000,000 to the Water Quality Assurance Revolving Fund for FY 2013-14.

Arizona Navigable Stream Adjudication Commission (ANSAC)

- Authorizes \$80,000 from the Risk Management Revolving Fund to be used for ANSAC's unpaid obligations related to legal fees in FY 2013-14.

HB 2005 – Chapter 5 – 2013-2014; criminal justice; budget reconciliation.

Enacts various statutory and session law changes to implement the FY 2013-14 state budget as it relates to criminal justice.

ADC

- Allows ADC to transfer \$2,500,000 annually from the Corrections Fund to the ADC Building Renewal Fund.
- Requires ADC to make annual fiscal reports in the same structure and detail and specifies that the information submitted for each line contain as much detail as previous years.

- Permits ADC to use monies from the Transition Program Fund or the Interagency Service Agreement Fund for operating expenses in FY 2014.
- Stipulates that ADC may award a contract for the remaining male medium security beds only if specific legislative authorization for the award is provided.

AG

- Raises the non-lapsing cap for the Collection Enforcement Revolving Fund from \$100,000 to \$500,000.
- Allows the AG to use monies contained in the State Aid to Indigent Defense Fund for activities related to capital post conviction prosecution for FY 2014.

BEC

- Sets compensation for board members to an hourly basis except the Executive Director and prohibits them from being eligible for paid leave.
- Allows board members to be eligible to receive employee benefits starting January 2014 and contains a retroactivity clause of June 30, 2013.

CPS

- States that when CPS receives a report of abuse or neglect, dependent, abused or abandoned children or a child who may be in need of protective services, that CPS, in addition to notifying the municipal or county law enforcement office, must also notify the Office of Child Welfare Investigations (OCWI).
- Specifies that CPS must make a prompt and thorough investigation unless the report contains a criminal conduct allegation being investigated by OCWI and assist OCWI as directed by the Director of DES.
- Adds to the definition of *person* to include a *child welfare investigator* and *child protective services worker* as it relates to mandatory reports.
- Allows specified records be made available to a child welfare investigator.
- Specifies that OCWI must receive a copy of mandatory reports.
- Provides that the duties of the OCWI include investigating criminal conduct allegations, coordinating with CPS and law enforcement, establishing task forces for the investigation of criminal conduct and other duties as may be assigned by the Director.
- Allows OCWI to employ research analysts and peace officers for the purpose of obtaining an originating agency identification number to have direct access to criminal history report information.
- Requires a child welfare investigator to assess, respond to or investigate all criminal conduct allegations which must be a priority, but not exercise the authority of a peace officer and to make a prompt and through investigation of the nature, extent and cause of any condition that would tend to support or refute the report of child abuse or neglect.
- Specifies that a child welfare investigator who is responding to or investigating a report containing a criminal conduct allegation must have the primary responsibility for making the decision whether to take a child into temporary custody.
- Provides that all records gathered or created by DES when conducting an investigation are confidential and must be protected and released as prescribed by statute, except DES must not release records if DES determines the release may compromise an ongoing investigation.

- Specifies that OCWI is not responsible for conducting the criminal investigation of the crimes outlined in A.R.S. § 8-801.

AST

- Limits the total amount that the AST may expend for JP compensation to the amount appropriated by the Legislature.

Judiciary

- For FY 2013-14, suspends the various provisions relating to supplanting of state monies and requires the Arizona Supreme Court (Court) to submit a report to JLBC identifying a decrease in county funding relating to suspended provisions.
- For FY 2013-14, limits the amount that the Court may reimburse the counties to the amount appropriated for that purpose in FY 2013-14 general appropriations act.

DPS

- Allows funds from the GIITEM Border Security and Law Enforcement Subaccount to be used for safety equipment that is worn or used by peace officers employed by a county sheriff.
- Establishes July 1 as the date in which GIITEM funds are to be distributed to county sheriffs according to the prescribed allocations.
- Suspends the statutory caps and transfers of HURF and SHF monies for FY 2013-14.
- Requires DPS to submit an expenditure plan to JLBC before it spends any monies appropriated in FY13-14 general appropriations act.

HB 2006 – Chapter 6 – 2013-2014; budget procedures.

Makes statutory and session law changes related to budget procedures in order to implement the FY 2013-14 state budget.

Strategic Plans

- Requires each executive branch budget unit, rather than each annual budget unit, to annually develop and submit a five-year strategic plan.
- Eliminates the requirement for the Senate and House of Representatives Appropriations Committees to annually review strategic plans.

Automation Projects Fund (Fund)

- Specifies monies in the Fund are subject to legislative appropriation retroactively to July 1, 2013.
- Allows ADOA to spend monies in the Fund above \$5.3 million remaining on June 30, 2013 in FY 2013-14, applies retroactively to July 1, 2013.

Annual Budgets

- Suspends statutes that require biennial budgeting for various state agencies for FY 2013-14.
- Removes provisions relating to biennial budget units' operating plan for programs.

Pro Rata Shares

- Reduces the pro rata share contributed by agencies for personnel administration services from 1.10% of total payroll to 0.86%.
- Exempts various state agencies from contributing a pro rata share of the overall cost of personnel administration services for FY 2012-13.

COSF

- Modifies COSF rental rates per square foot for state-owned buildings for FY 2013-14.

Miscellaneous

- Repeals statute relating to the Strategic Program Area Review.
- Requires all web portal usage fees collected by this state or under any agreement between this state and an independent contractor be deposited in the State Web Portal Fund minus the amount of fees collected for deposit in HURF pursuant to statute.
- States any unrestricted federal monies received from July 1, 2013 through June 30, 2014 be deposited in the GF for the payment of essential governmental services.

HB 2007 – Chapter 7 – 2013-2014; higher education; budget reconciliation.

Makes statutory and session law changes related to postsecondary education in order to implement the FY 2013-14 state budget.

ABOR

- Modifies ABOR's current student enrollment report to specify the number of in-state and out-of-state students who met or exceeded the undergraduate credit hour threshold during the previous FY.
- Directs ABOR to submit a report on university debt and obligations to JLBC and OSPB by November 1 of each year.
- Requires a student contracted with the Western Interstate Commission for Higher Education who fails to fulfill the requirement to work in Arizona after graduation to pay back the *entire* sum expended by the state, rather than *one-half*, to be discharged from their indebtedness.

Community Colleges

- As session law, appropriates capital outlay state aid for community colleges as specified in the General Appropriates Act (HB 2001). *The General Appropriations Act appropriates \$2M to community colleges for capital outlay state aid in FY 2013-14, excluding Pima and Maricopa counties. This formula has been suspended since FY 2008-09.*

Universities

- As session law, suspends the requirement that the Legislature provide a 2:1 match for every dollar of student registration fees deposited into the Arizona Financial Trust Fund. *This provision has been suspended since FY 2008-09.*

HB 2008 – Chapter 8 – 2013-2014; capital outlay.

Appropriates funds for FY 2013-14 to applicable agencies for the maintenance, repair, building renewal, and preventative maintenance of state buildings.

Building Renewal

- Appropriates the following amounts for major maintenance and repair activities for state buildings in FY 2014:
 - **ADOA**
 - \$9,000,000 from COSF
 - **ADC**
 - \$5,000,000 from the ADC Building Renewal Fund
 - **G&F Department**
 - \$547,600 from the G&F Fund
 - **ASLC**
 - \$90,300 from the ASLC Fund

- **ADOT**
 - \$3,000,000 from the SHF
 - \$188,200 from the State Aviation Fund

Capital Projects

Department	Project	Fund Sources	Amount
ADOA	Capitol Mall Security System	COSF	\$2,000,000
Total (ADOA)			\$2,000,000
ADC	Yuma Prison	ADC Building Renewal Fund	\$8,000,000
Total (ADC)			\$8,000,000
ASDB	Dormitory Renovations	GF	\$1,000,000
Total (ASDB)			\$1,000,000
G&F Department	Black Canyon Dam Repairs	G&F Capital Improvement Fund	\$327,000
Total (G&F)			\$327,000
ADOT	Statewide Highway Construction	SHF	\$220,293,000
	Airport Planning and Development	State Aviation Fund	\$21,123,700
	De-icer Buildings	SHF	\$2,280,000
	Vehicle Wash Systems	SHF	\$3,000,000
Total (ADOT)			\$246,696,700

Reporting Requirements

ADC

- Adds a footnote directing ADC to report monthly to JLBC on the status of building renewal projects and prohibiting ADC from using any of the funds appropriated for this purpose on personal services or overhead expenses relating to project management.

ADOT

- Modifies a footnote requiring ADOT to report the prior year, estimated current year, and upcoming budget year highway construction expenses from all sources to JCCR by November 1, 2013 and adds a requirement for ADOT to provide the report format to JLBC directors and OSPB for review.
- Adds a footnote requiring ADOT to report capital outlay information for FYs 2013, 2014, and 2015 to JLBC directors and OSPB and specifies that the information provided must appear in the same format as tables two, three, four, and six of the FY 2013 appropriations report.
- Adds a footnote requiring ADOT to report its estimated outstanding debt principal balance at the end of FY 2015 and the estimated debt service payment amount for FY 2015 to JLBC directors and OSPB.

ADOA

- Requires ADOA to report on the status of project specific FTE positions for capital projects in its annual capital budget request.

Miscellaneous

- Clarifies that if monies in COSF are insufficient to fund the appropriation to ADOA for building renewal, the appropriation must be reduced by the difference between the amount appropriated to ADOA from COSF and the balance in COSF.
- Allows ADOA to allocate FTE positions authorized for specific projects to other projects provided that the funding is cost allocated and requires ADOA to report on any FTE position reallocations to JCCR by December 31, 2013.
- Stipulates that the monies appropriated may not be used for personal services or employee-related expenditures of state employees, excluding services provided as part of the inmate construction program for correctional facilities.
- States that, unless otherwise specified, the appropriations do not lapse until the purpose for which the appropriation was made has been accomplished or abandoned, or the appropriation stands for a full FY without an expenditure or an encumbrance.
- Requires JCCR to examine the scope, purpose, and estimated cost of any new capital project that has an estimated cost of more than \$250,000.

HB 2009 – Chapter 9 – 2013-2014; revenue; budget reconciliation.

Makes temporary and permanent statutory changes relating to state revenues in order to implement the FY 2013-14 state budget.

Computer Data Centers (CDC)

- Establishes, effective September 1, 2013, tax relief during the qualification period of owners, operators, and collocation tenants of CDCs who are certified by the ACA.
- Stipulates that the owner or operator of a CDC, to qualify for tax relief, must submit a certification form to the ACA.
- Provides that a certification form is deemed approved within 60 days unless the ACA affirmatively approves or denies the form within that period and requires the ACA to issue a written certification within 14 days of approval.
- Prohibits the ACA from certifying a new CDC after December 31, 2023.
- Provides that an owner or operator may separate or aggregate one or more units in a facility into one or more CDCs, provided that CDC equipment is not part of more than one CDC.
- Requires, to qualify for tax relief as a *new CDC*, within 5 years of certification, that an owner or operator notify the ACA whether or not a CDC has created a minimum investment of:
 - \$25 M if located in a county with a population under 800,000 persons.
 - \$50 M if located in a county with a population greater than 800,000 persons.
- Requires, to qualify for tax relief as an *existing CDC*, within 5 years of certification, that an owner or operator notifies the ACA whether or not a CDC has created a minimum investment of \$250 M within the 72 months prior to September 1, 2013.
- States that the qualification period is 10 calendar years from when the certification form is filed, unless the CDC qualifies as a sustainable redevelopment project whereas the qualification period may then be up to 20 years.
- Stipulates that proprietary business information relating to a CDC is confidential, but may be disclosed to DOR.
- Requires the owner or operator to supply a list of qualified collocation tenants to ACA and DOR, and update changes within 30 days.

- Provides that certification is unaffected by future transfer, sale, or disposition of a CDC.
- Stipulates that a CDC cannot generate electricity for resale or generate, provide, or sell electricity outside of the CDC.
- Exempts CDC construction from prime contracting TPT.
- Exempts CDC equipment purchases from retail TPT and use tax.

Miscellaneous

- Codifies the ability of the ROC to expend up to 14% of the prior FY revenues from the Residential Contractor's Recovery Fund for employees, contracted services, equipment, and operational support.
- Provides that a technical college located on an Indian reservation shall receive 5% of TPT revenues received from sources located on the same Indian reservation, up to \$875,000 in a single FY.
- Exempts the following agencies from rule-making requirements relating to increasing fees for FY 2013-14, with the legislative intent that the generated revenue does not exceed the corresponding amount:
 - ADR - \$2,600,000
 - Office of Pest Management - \$525,000
 - Radiation Regulatory Agency - \$561,000
- Exempts the director of the ADAG from rule-making relating to the continuation of FY 2012-13 fees for FY 2013-14, with the legislative intent that the generated revenue does not exceed:
 - \$218,000 to the GF.
 - \$113,000 to the Pesticide Trust Fund.
 - \$26,000 to the Dangerous Plants, Pests and Diseases Trust Fund.
- Prohibits the director of DOI from revising fees or assessments in FY 2013-14 in order to meet the statutory requirement that DOI recover between 95% and 110% of its appropriated budget.
- Allows counties with a population of less than 200,000 persons, according to the 2010 census, to use any source of county revenue to meet its fiscal obligations in FY 2013-14 with the stipulation that the county report the specific source and amount of revenues the county intends to use to JLBC by October 1, 2013.
- Allows the Superintendent of the DFI to use monies from the DFI Receivership Revolving Fund for an electronic licensing system, with the legislative intent that such expenditures do not exceed \$850,000.
- Provides, retroactively to tax year 2013, that the tax credit for a voluntary cash contribution to a qualifying foster care charitable organization cannot exceed \$400 per single individual or head of household and \$800 for a married couple filing a joint tax return. Defines *qualifying foster care charitable organization*.
- Appropriates \$1 M each from the BSF to the ASPB and the Arizona Commission on the Arts for FY 2013-14.
- Appropriates \$1 M from the State Parks Revenue Fund to the ASPB for capital improvements for FY 2013-14.

HB 2010 – Chapter 10 – 2013-2014; health; welfare; budget reconciliation.

Makes statutory and session law changes related to health and welfare in order to implement the FY 2013-14 state budget.

AHCCCS

- Continues AHCCCS for ten years until July 1, 2023, contains a purpose section and a retroactivity clause to July 1, 2013.
- Contain a delayed repeal of the Healthcare Group statutes from and after December 31, 2013 and repeals the Healthcare Group Fund statute from and after December 31, 2014.
- Changes the title of the AHCCCS Fund, Long-term Care System Fund and the Third-party Liability Fund by adding *Recovery Audit*.
- Specifies, that in addition to monies paid by third-party payors and lien and estate recoveries, that the Third-Party Liability and *Recovery Audit Fund* is comprised of monies paid by first-party payors and medical services providers for recovery audit contractor findings.
- States for inpatient hospital services rendered on or after October 1, 2011 the prospective tiered per diem payment rates are permanently reset to the amounts payable for those services as of October 1, 2011.
- Codifies AHCCCS' authority to cover specified transplants and continues to exclude pancreas only transplants.
- Provides coverage for well exams.
- Repeals, from and after December 31, 2013, the section that allows AHCCCS, subject to approval of CMS, to authorize any political subdivision of this state to provide monies necessary to qualify for federal matching monies in order to provide health care coverage to persons who would have been eligible for AHCCCS coverage.
- Permits a freestanding children's hospital with more than 100 beds to continue to participate in the Safety Care Net Pool (SNCP) program through December 31, 2017, if approved by CMS and limits the growth of supplemental payments from the SNCP and DSH payments to 3% annually.
- Allows AHCCCS to continue the risk contingency rate setting, at funding levels that were imposed for contract year beginning October 1, 2010, for all managed care organizations for the contract year beginning October 1, 2013 and ending September 30, 2014.
- Allows AHCCCS to participate in any Special Disability Workload 1115 Demonstration Waiver offered by CMS and any credits must be used in the FY the credits are made available to fund the state share of any medical assistance expenditures that qualify for federal financial participation under the Medicaid program. AHCCCS must report the receipt of any credits to JLBC by December 31, 2013 and June 30, 2014.
- Mandates AHCCCS, on or before December 31, 2013, to report to JLBC and OSPB on the use of emergency departments for nonemergency purposes by AHCCCS enrollees.
- Requires AHCCCS, on or before December 31, 2013, to submit a report to the Governor, the Legislature and a copy to the Secretary of State on the use of air ambulance services by AHCCCS in the preceding five years.
- Declares the intent of the Legislature for FY 2013-14 that AHCCCS implement a program within the available appropriation.

- States it is the intent of the Legislature for FY 2013-14 that AHCCCS comply with the federal False Claims Act and maximize savings in AHCCCS programs.
- Provides for FYs 2014-15 and 2015-16 that it is the intent of the Legislature that AHCCCS' capitation rate increase not exceed 3%.
- Requires AHCCCS, its contractors and subcontractors to provide remuneration for ambulance services for persons covered by or enrolled in AHCCCS in an amount equal to 80% of the amount prescribed by DHS.
- Mandates AHCCCS to make annual adjustments to the fee schedule according to DHS' approved ambulance service rate in effect as of July 1 of each year and the rate adjustments are effective beginning October 1 of each year.
- Specifies that for dates of service, as amended by this act, on and after October 1, 2012 through September 30, 2014, AHCCCS and its contractors must reimburse ambulance service providers in an amount equal to 68.59% of the amounts prescribed by DHS.
- Requires AHCCCS and its contractors to reimburse ambulance service providers for dates of service on and after October 1, 2014 through September 30, 2015 in an amount equal to 74.74% of the amount prescribed by DHS of August 2, 2014.
- Allows AHCCCS to cover outpatient health services, medical supplies, durable medical equipment and prosthetic devices under certain condition. Requires AHCCCS to submit a report by January 1, 2016 on cost savings and repeals this from and after June 30, 2016.

Counties

- Sets the county ALTCS contributions for FY 2013-14 at \$244,696,100.
- Specifies that if the overall cost for the ALTCS line item exceeds the amount in the General Appropriations Act for FY 2013-14, the AST must collect from the counties the difference of the amount specified and the counties' share of the state's actual contribution.
- Requires AHCCCS to transfer to the counties such portion as may be necessary to comply with the Patient Protection and Affordable Care Act regarding the counties proportional share of the state's contribution on or before December 31, 2014 for FY 2013-14.
- Sets the County Acute Care Contributions for FY 2013-14 at \$47,851,000 and states it is the intent of the Legislature that the Maricopa County contribution be reduced to reflect changes in the GDP price deflator.
- Sets the amount of \$2,646,200 to be collected from the counties, other than Maricopa, for the County Acute Care Contribution for hospitalization and medical care services administered by AHCCCS. Specifies that the county contributions are excluded from the county expenditure limitations.
- Continues to exclude the Proposition 204 administration costs from the county expenditure limitations.

DHS

- Extends rule making authority, from July 1, 2013 to April 30, 2014 to adopt rules regarding health care institutions that reduce the monetary or regulatory costs on people and streamline the process; promote the use of deemed status for behavioral health organizations that are accredited by recognized national organizations; and facilitate licensure of integrated health programs that provide both behavioral and physical health services.

- Exempts DHS, for purposes related to rules regarding health care institutions, from the rule making requirements until April 30, 2014, except that DHS must provide public notice and an opportunity for public comment on proposed rules at least 30 days before a rule is adopted or amended. Applies retroactively to June 30, 2013.
- Allows DHS to determine the percentage of the costs to be reimbursed by a county for commitment of an individual deemed to be sexually violent and county contributions are excluded from the county expenditure limitations:
 - It is the intent of the Legislature that DHS set the percentage rate at a level that would increase the state share of the cost by \$1,800,000 in FY 2013-14.
- Requires a city or county to reimburse DHS for 100% of the costs of inpatient competency restoration treatment for FY 2013-14 and county contributions are excluded from the county expenditure limitations.
- Allows DHS to use monies in the Health Research Account in an amount specified in the General Appropriations Act for Alzheimer's disease research.
- Transfers all monies remaining in the Hearing and Speech Professionals Fund to the Health Services Licensing Fund on the effective date of this act.
- States it is the intent of the Legislature that DHS may increase behavioral health service provider rates up to 3% above the September 30, 2013 rates beginning on October 1, 2013.

Hospitals

- Establishes DSH payments for FY 2013-14.
- States for FY 2013-14, the DSH payment attributed to Maricopa County Special Health Care District must not exceed \$89,877,700.
- Continues to allow local governments, tribal governments and universities to contribute state match monies for DSH payments in FY 2013-14.

DES

- Permits DES to use monies in the long-term care system fund for any operational or programmatic expenses in FY 2013-14.
- Allows DES, for FY 2013-14, to reduce income eligibility levels for child care assistance, to manage within appropriated and available monies, and DES must notify JLBC of any changes in income eligibility levels within 15 days after implementing the change.
- Specifies, on or before September 1, 2013, the directors of JLBC, OSPB and DES must report to the Governor and the Legislature recommendations for consolidating into one report - the child welfare report, the financial and program accountability report and other child welfare reports required by DES and outlines provisions the report must address.
- Requires the OAG to provide to the Governor, the Legislature and the Directors of JLBC and OSPB specified reports relating to the expenditure of monies for children support services in DES.

Medicaid Expansion

Definition of Eligible Person

- Expands the definition of an *eligible person*, for purposes of AHCCCS eligibility, to include a person whose household's modified adjusted gross income is more than 100% but equal to or less than 133% of FPL, effective January 1, 2014 and includes:
 - Children under 19 years of years of age and whose family income does not exceed 133% FPL.

- Persons under 26 years of age and who were in the custody of the DES when the person became eligible.
- Requires AHCCCS to discontinue eligibility for persons between 100-133% FPL if the Federal Medicaid Assistance Percentage (FMAP) is less than 80% and AHCCCS must discontinue eligibility if the maximum amount that can be assessed under the hospital assessment without causing a reduction in federal financial participation, in combination with other funds is insufficient to cover the costs of the Proposition 204 and the adult expansion population.
- Conditionally repeals this section and requires the director to notify the director of Legislative Council if:
 - The FMAP drops below 80%.
 - The Patient Protection and Affordable Care Act is repealed.
 - The maximum amount that can be assessed under the hospital assessment without causing a reduction in federal financial participation, in combination with the monies from the Hospital Assessment Fund (Fund) and any other monies appropriated for the costs associated with the expansion and Proposition 204 populations, is insufficient to cover the costs.

Hospital Assessment

- Beginning January 1, 2014, requires the Director of AHCCCS to establish, administer and collect an assessment on hospital revenues, discharges or bed days for the purpose of funding the nonfederal share of the costs, except for costs related to persons for behavioral health services, that are incurred for AHCCCS eligible individuals and that are not covered by the Proposition 204 Protection Account and the Arizona Tobacco Litigation Settlement Fund or any other monies appropriated to cover these costs, for the following individuals:
 - Persons who are defined eligible pursuant to A.R.S. § 36-2901.07 (adult expansion population 100-133% FPL).
 - Persons who are defined eligible pursuant to Proposition 204.
- Requires the Director to adopt rules regarding the method for determining the assessment, the amount or rate of the assessment and modifications or exemptions from the assessment. The assessment is subject to approval by the federal government to ensure that the assessment is not established or administered in a manner that causes a reduction in federal financial participation.
- Allows the Director to establish modifications or exemptions to the assessment by considering factors such as the size of the hospital, the specialty services available to patients and the geographic location of the hospital.
- Stipulates that the Director, before implementing the assessment and annually thereafter if the assessment is modified, must present the methodology to JLBC for review.
- Specifies that AHCCCS must not collect an assessment for costs after the effective date of any reduction of the FMAP to less than 80%.
- Requires AHCCCS to deposit the revenues collected from the hospital assessment into the Fund.
- Prohibits that hospitals from passing the cost of the assessment on to the patients or third party payors and requires hospitals to submit to DHS an attestation to that effect.
- Allows the director of AHCCCS to suspend or revoke the hospital's AHCCCS provider agreement registration if the hospital does not comply with the provisions of the hospital assessment.

- States that if the hospital does not comply within 180 days after the Director of AHCCCS suspends or revokes the hospital's provider agreement, the Director must notify the Director of DHS, who must suspend or revoke the hospital's license.
- Allows the Director of DHS to suspend, revoke, in whole or in part, the license of any health care institution if its owners, officers, agents or employees fail to comply with the hospital assessment.
- Specifies the Director must only use Fund monies as necessary to supplement monies in the Proposition 204 Protection Account and the Arizona Tobacco Litigation Settlement Fund.
- Provides that monies in the Fund do not revert to the GF, are exempt from the lapsing of appropriations and are continuously appropriated.
- Exempts AHCCCS, for purposes of the hospital assessment, from the rule making provisions except that AHCCCS must provide notice and opportunity for public comment at least 30 days before establishing or implementing the administration of the hospital assessment.
- States it is the intent of the Legislature that the hospital assessment added by the provisions of this Act, be subject to approval by the federal government does not adopt federal law by reference.
- Specifies that the requirement for AHCCCS to establish a hospital assessment does not delegate legislative taxing authority to AHCCCS and the Director must impose the assessment in accordance with clear guidance as provided in this Act.
- Provides that the hospital assessment be used for the benefit of hospitals for the purpose of providing health care for persons eligible for coverage funded by the hospital assessment.
- States it is the intent of the Legislature that the provision added related to Medicaid and Medicaid expansion are for the support and maintenance of a state government department and institution.
- Conditionally repeals this section and requires the Director to notify the Director of Legislative Council if:
 - The FMAP drops below 80%.
 - The Patient Protection and Affordable Care Act is repealed.
 - The maximum amount that can be assessed under the hospital assessment without causing a reduction in federal financial participation, in combination with the monies from the Fund and any other monies appropriated for the costs associated with the expansion and Proposition 204 populations, is insufficient to cover the costs.

***Medicaid Federal Circuit Breaker & Outcomes Study Committee
(Study Committee)***

- Establishes the Study Committee, outlines membership and duties. Repeals the Study Committee from and after December 31, 2016.

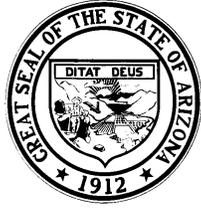
AHCCCS & DHS

- Mandates AHCCCS to establish work groups to study and provide input on the development of the hospital assessment. The work groups, at a minimum, must include representatives from the urban, rural and critical access hospitals.
- Provides that AHCCCS must pursue cost sharing requirements for members to the maximum extent allowed under federal law and AHCCCS is exempt, for purposes relating to cost sharing, from the rule making requirements for one year after the effective date of this act.

- Subjects the cost sharing requirements to approval by CMS and specifies beginning January 1, 2014 that AHCCCS must charge and collect from each enrollee the following:
 - A premium of not more than 2% of the person's household income.
 - A copayment of \$200 for nonemergency use of an emergency room if the person is not admitted to the hospital.
 - A copayment of \$200 for nonemergency use of an emergency room if there is a community health center, rural health center or urgent care center within 20 miles of the hospital.
- Requires the Directors of AHCCCS and DHS to jointly submit a report on hospital charge master transparency to the Governor, the Legislature and provide a copy to the SOS.
- Requires AHCCCS to provide a notice to new members at the time of enrollment that their eligibility may be dependent on the availability of federal financial participation.
- Specifies that AHCCCS, on or before October 1, 2013 and annually thereafter, must report to the Legislature and the Directors of JLBC and OSPB on the change in uncompensated hospital costs experienced by the hospitals and hospital profitability during the previous fiscal year and repeals this provision from and after January 1, 2018.
- Specifies that AHCCCS, on or before August 1, 2014 and annually thereafter, must report to the Legislature and the Directors of JLBC and OSPB the amount each hospital contributed for the provider assessment and the amount of estimated payments each hospital received from the coverage funded by the assessment. This section is repealed from and after January 1, 2018.
- Appropriates to AHCCCS sufficient monies, in addition to any other appropriations made in FY 2013-14, to implement the provisions of Medicaid and Medicaid Expansion.
- Appropriates to DHS sufficient monies, in addition to any other appropriations made in FY 2013-14, to implement the provisions of Medicaid and Medicaid Expansion.

Miscellaneous

- Specifies, effective from and after December 31, 2013, that a municipality must not levy or impose an assessment, fee or tax on hospital revenues, discharges, beds or services.



SECTION IV

ACRONYMS

INDEXES

ACRONYMS

(used in summaries)

A		C	
ABOC	Arizona Board of Cosmetology	CAGR	Central Arizona Groundwater Replenishment District
ABOR	Arizona Board of Regents	CAP	Central Arizona Project
ACPE	Arizona Commission for Postsecondary Education	CAWCD	Central Arizona Water Conservation District
ACA	Arizona Commerce Authority	CDHH	Commission for the Deaf and Hard of Hearing
ACC	Arizona Corporation Commission	CDL	Commercial Driver's License
ACJC	Arizona Criminal Justice Commission	CE	Continuing Education
ADA	Average Daily Attendance	CEDC	Commerce and Economic Development Commission
ADAG	Arizona Department of Agriculture	CJEF	Criminal Justice Enhancement Fund
ADC	Arizona Department of Corrections	CMS	Center for Medicare and Medicaid Services
ADE	Arizona Department of Education	COR	Committee of Reference
ADJC	Arizona Department of Juvenile Corrections	CORL	Capital Outlay Revenue Limit
ADM	Average Daily Membership	CORP	Corrections Officers Retirement Plan
ADOA	Arizona Department of Administration	COSF	Capital Outlay Stabilization Fund
ADOH	Arizona Department of Housing	CPA	Certified Public Accountant
ADOT	Arizona Department of Transportation	CPI	Consumer Price Index
ADR	Arizona Department of Racing	CPR	Cardiopulmonary Resuscitation
AG	Attorney General	CPS	Child Protective Services
AGR	Arizona Department of Agriculture		
AGI	Adjusted Gross Income	D	
AHCCCS	Arizona Healthcare Cost Containment System	DEMA	Department of Emergency and Military Affairs
AIMS	Arizona Instrument to Measure Standards	DEQ	Arizona Department of Environmental Quality
AIRC	Arizona Independent Redistricting Commission	DES	Arizona Department of Economic Security
ALTCS	Arizona Long Term Care System	DFBLS	Arizona Department of Fire, Building, and Life Safety
AMA	Active Management Area	DFI	Arizona Department of Financial Institutions
AOI	Arizona Online Instruction	DHS	Arizona Department of Health Services
AOT	Arizona Office of Tourism	DLLC	Arizona Department of Liquor Licenses and Control
APA	Administrative Procedure Act	DMMR	Arizona Department of Mines and Mineral Resources
ARRA	American Recovery and Reinvestment Act of 2009	DOI	Arizona Department of Insurance
A.R.S.	Arizona Revised Statutes	DOR	Arizona Department of Revenue
ASDB	Arizona State Schools for the Deaf and the Blind	DPS	Arizona Department of Public Safety
ASLAPR	Library, Archives, and Public Records	DRE	Arizona Department of Real Estate
ASLC	Arizona State Lottery Commission	DROP	Deferred Retirement Option Plan
ASLD	Arizona State Land Department	DSH	Disproportionate Share Hospital
ASPB	Arizona State Parks Board	DUI	Driving Under the Influence
ASRS	Arizona State Retirement System	DVS	Arizona Department of Veterans' Services
AST	Arizona State Treasurer	DWM	Arizona Department of Weights and Measures
ASU	Arizona State University	DWR	Arizona Department of Water Resources
AZGS	Arizona Geological Survey		
AZPOST	Arizona Peace Officer Standards and Training	E	
		EEC	Economic Estimates Commission
B		EORP	Elected Officials Retirement Plan
BEC	Board of Executive Clemency	EPA	Environmental Protection Agency
BLM	Bureau of Land Management	ESA	Empowerment Scholarship Accounts
BOD	Board of Directors		
BOS	Board of Supervisors		
BRB	Budget Reconciliation Bill		
BRITS	Business Reengineering Integrated Tax System		
BSL	Base Support Level		
BTR	Board of Technical Registration		

ACRONYMS

	F		P
FDIC	Federal Deposit Insurance Corporation	PEVL	Permanent Early Voter List
FPCC	Fingerprint Clearance Card	PPE	Presidential Preference Election
FPL	Federal Poverty Level	PSPRS	Public Safety Personnel Retirement System
FTE	Full-time Employee / Full-time Equivalent	PTOC	Property Tax Oversight Commission
FTSE	Full-time Equivalent Student Enrollment		
FY	Fiscal Year		R
	G	R&D	Research and Development
GDP	Gross Domestic Product	RCL	Revenue Control Limit
G&F	Game and Fish	RFI	Request for Information
GF	General Fund	RFP	Request for Proposals
GIITEM	Gang and Immigration Intelligence Team Enforcement Mission	RMRF	Risk Management Revolving Fund
GITA	Government Information Technology Agency	ROC	Registrar of Contractors
GPLET	Government Property Lease Excise Tax	RUCO	Residential Utility Consumers Office
GRRC	Governor's Regulatory Review Council		S
	H	SAFC	State Agency Fee Commission
HOA	Homeowner's Association	SBCS	State Board for Charter Schools
HURF	Highway User Revenue Fund	SBDE	State Board of Dental Examiners
	I	SBE	State Board of Education
ICA	Industrial Commission of Arizona	SBI	State Board of Investment
IGA	Intergovernmental Agreement	SBOE	State Board of Equalization
IRC	Internal Revenue Code	SCB	State Certification Board
IRS	US Internal Revenue Service	SCF	State Compensation Fund
IT	Information Technology	SFB	School Facilities Board
	J	SHF	State Highway Fund
JCCR	Joint Committee on Capital Review	SLE	Separate Legal Entity
JLAC	Joint Legislative Audit Committee	SLF	State Lottery Fund
JLBC	Joint Legislative Budget Committee	SMI	State Mine Inspector
JP	Justice of the Peace	SOS	Secretary of State
JPO	Juvenile Probation Officer	SPCC	Structural Pest Control Commission
JTED	Joint Technical Education District	SPI	Superintendent of Public Instruction
	L	SSA	Social Security Administration
LLC	Limited Liability Company	STA	Sports and Tourism Authority
LTAf	Local Transportation Assistance Fund	STAN	Statewide Transportation Acceleration Needs
	M	STO	School Tuition Organization
M&O	Maintenance and Operations		T
MCTC	Model City Tax Code	TANF	Temporary Assistance for Needy Families
MVD	Motor Vehicle Division	TPT	Transaction Privilege Tax
	N	TY	Tax Year
NAIC	National Association of Insurance Commissioners		U
	O	UI	Unemployment Insurance
OAG	(Office of the) Auditor General	US	United States
OAH	Office of Administrative Hearings	USC	United States Code
OF	Other Fund		V
OSPB	Office of Strategic Planning and Budgeting	VLT	Vehicle License Tax
			W
		WIFA	Water Infrastructure Finance Authority of Arizona

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