

COMMITTEE ON WATER AND ENERGY

HOUSE OF REPRESENTATIVES AMENDMENTS TO H.B. 2337

(Reference to printed bill)

1 Strike everything after the enacting clause and insert:

2 "Section 1. Title 9, chapter 4, article 6.4, Arizona Revised Statutes,  
3 is amended by adding section 9-469, to read:

4 9-469. Energy efficiency construction; report; definition

5 A. BEGINNING JANUARY 1, 2012, A CITY OR TOWN SHALL REPORT TO THE  
6 DEPARTMENT OF COMMERCE ENERGY OFFICE INFORMATION COLLECTED AS PART OF THE  
7 MUNICIPAL BUILDING PERMIT APPLICATION AND APPROVAL PROCESS WHETHER THE  
8 BUILDING WILL MEET THE REQUIREMENTS OF AN ENERGY EFFICIENT RESIDENTIAL OR  
9 COMMERCIAL BUILDING AND SHALL REPORT THE ENERGY RATING SYSTEM VALUE FOR THE  
10 BUILDING IF THE BUILDING RECEIVES AN ENERGY RATING.

11 B. ON OR BEFORE FEBRUARY 1, 2013 AND EACH YEAR THROUGH 2021, EACH CITY  
12 AND TOWN SHALL REPORT TO THE DEPARTMENT OF COMMERCE ENERGY OFFICE:

13 1. THE TOTAL NUMBER OF BUILDING PERMITS ISSUED IN THE CITY OR TOWN IN  
14 THE PRECEDING CALENDAR YEAR FOR ALL NEW RESIDENTIAL BUILDINGS AND FOR ALL NEW  
15 COMMERCIAL BUILDINGS.

16 2. THE NUMBER AND PERCENTAGE OF THOSE PERMITS THAT WERE ISSUED FOR NEW  
17 ENERGY EFFICIENT RESIDENTIAL AND COMMERCIAL BUILDINGS AND THE ENERGY RATING  
18 SYSTEM VALUES FOR NEW BUILDINGS FOR WHICH ENERGY RATINGS WERE PERFORMED.

19 C. FOR THE PURPOSES OF THIS SECTION AND FOR PURPOSES OF REPORTING  
20 ENERGY EFFICIENT BUILDINGS PURSUANT TO SECTION 41-1511, "ENERGY EFFICIENT  
21 BUILDING" MEANS NEW RESIDENTIAL AND COMMERCIAL BUILDINGS THAT MEET OR EXCEED  
22 THE ENERGY EFFICIENCIES PRESCRIBED BY THE UNITED STATES ENVIRONMENTAL  
23 PROTECTION AGENCY ENERGY STAR PROGRAM OR BY A LEADERSHIP IN ENERGY AND  
24 ENVIRONMENTAL DESIGN GREEN BUILDING RATING STANDARD DEVELOPED BY THE UNITED  
25 STATES GREEN BUILDING COUNCIL, OR AN EQUIVALENT GREEN BUILDING STANDARD, OR  
26 THAT ARE AT LEAST FIFTEEN PER CENT MORE ENERGY EFFICIENT THAN THE  
27 INTERNATIONAL ENERGY CONSERVATION CODE.



1 with a qualified provider through a competitive sealed proposal process as  
2 provided by the procurement practices adopted by the state board of  
3 education. ~~To the extent the qualified provider subcontracts with~~  
4 ~~contractors who will be involved in any construction associated with the~~  
5 ~~guaranteed energy cost savings contract, the qualified provider must follow~~  
6 ~~the provisions of section 41-2533 in selecting these contractors.~~

7 B. A school district may enter into a guaranteed energy cost savings  
8 contract with a qualified provider if it determines that the amount it would  
9 spend on the SUM OF ALL energy cost savings measures recommended in the  
10 proposal would not exceed the TOTAL amount to be saved in energy and  
11 operational costs over the expected life of the AGGREGATED energy cost  
12 savings measures implemented or within twenty-five years, whichever is  
13 shorter, after the date installation or implementation is complete, if the  
14 recommendations in the proposal are followed. THE SCHOOL DISTRICT SHALL  
15 RETAIN THE COST SAVINGS ACHIEVED BY A GUARANTEED ENERGY COST SAVING CONTRACT,  
16 AND THESE COST SAVINGS MAY BE USED TO PAY FOR THE CONTRACT AND PROJECT  
17 IMPLEMENTATION. A SCHOOL DISTRICT SHALL NOT USE EXCESS UTILITIES MONIES FOR  
18 THE CONTRACT OR FOR PROJECT IMPLEMENTATION.

19 C. The school district shall use objective criteria in selecting the  
20 qualified provider, including the ~~cost of the contract, the energy and~~  
21 ~~operational cost savings, the net projected energy savings, the quality of~~  
22 ~~the technical approach, the quality of the project management plan, the~~  
23 financial solvency of the qualified provider and the experience of the  
24 qualified provider with projects of similar size and scope, INCLUDING  
25 MAINTENANCE, OPERATION, MONITORING AND DATA COLLECTION ASSOCIATED WITH THOSE  
26 PROJECTS. The school district shall set forth each criterion with its  
27 respective numerical weighting in the request for proposal, AND THE SCHOOL  
28 DISTRICT MAY SEEK ASSISTANCE AND EXPERTISE FROM WATER AND POWER PROVIDERS.

29 D. In selecting a contractor to perform any construction work related  
30 to performing the guaranteed energy cost savings contract, the qualified  
31 provider may develop and use a prequalification process for contractors  
32 ~~wishing to bid on this work.~~ These prequalifications may require the

1 contractor to demonstrate that the contractor is adequately bonded to perform  
2 the work and that the contractor has not failed to perform on a prior job.  
3 ~~The qualified provider may use performance specifications in soliciting bids~~  
4 ~~from contractors.~~

5 E. ~~An in-depth feasibility~~ A study shall be performed by the selected  
6 qualified provider in order to establish the exact scope of the guaranteed  
7 energy cost savings contract, the fixed cost savings guarantee amount and the  
8 methodology for determining actual savings. This report shall be reviewed  
9 and approved by the school district ~~prior to~~ BEFORE the actual installation  
10 of any equipment. The qualified provider shall transmit a copy of the  
11 approved ~~in-depth feasibility~~ study to the superintendent of public  
12 instruction.

13 F. The guaranteed energy ~~COST~~ savings contract shall require that  
14 ~~a qualified provider perform an energy audit of the facility or facilities~~  
15 ~~one year after the energy cost savings measures are installed or implemented~~  
16 ~~and every three years thereafter for the length of the contract. The~~  
17 ~~qualified provider shall transmit a copy of the audit to the superintendent~~  
18 ~~of public instruction. The qualified provider shall pay the cost of the~~  
19 ~~audit.~~ in determining whether the projected energy savings calculations have  
20 been met, the energy or operational cost savings shall be computed by  
21 comparing the energy baseline before installation or implementation of the  
22 energy cost savings measures with the energy consumed and operational costs  
23 avoided after installation or implementation of the energy cost savings  
24 measures. The qualified provider and the school district may agree to make  
25 modifications to the energy baseline only for any of the following:

- 26 1. Changes in utility rates.
- 27 2. Changes in the number of days in the utility billing cycle.
- 28 3. Changes in the square footage of the facility.
- 29 4. Changes in the operational schedule of the facility.
- 30 5. Changes in facility temperature.
- 31 6. Significant changes in the weather.

1           7. Significant changes in the amount of equipment or lighting utilized  
2 in the facility.

3           8. SIGNIFICANT CHANGES IN THE NATURE OR INTENSITY OF ENERGY USE SUCH  
4 AS THE CHANGE OF CLASSROOM SPACE TO LABORATORY SPACE.

5           G. The information to develop the energy baseline shall be derived  
6 from actual energy measurements or shall be calculated from energy  
7 measurements at the facility where energy cost savings measures are to be  
8 installed or implemented. The measurements shall be taken in the year  
9 preceding the installation or implementation of energy cost savings measures.

10           H. When submitting a proposal for the installation of equipment, the  
11 qualified provider shall include information on the projected energy savings  
12 associated with each proposed energy cost savings measure.

13           I. A school district, or two or more school districts, may enter into  
14 an installment payment contract or lease-purchase agreement with a qualified  
15 provider for the purchase and installation or implementation of energy cost  
16 savings measures. The guaranteed energy cost savings contract may provide  
17 for payments over a period of not more than the expected life of the  
18 AGGREGATED energy cost savings measures implemented or twenty-five years,  
19 whichever is shorter. The contract shall provide that all payments, except  
20 obligations on termination of the contract before its expiration, shall be  
21 made over time.

22           J. The guaranteed energy cost savings contract shall include a written  
23 guarantee of the qualified provider that either the energy or operational  
24 costs savings, or both, will meet or exceed the costs of the energy cost  
25 savings measures over the expected life of the energy cost savings measures  
26 implemented or within twenty-five years, whichever is shorter. The qualified  
27 provider shall:

28           1. FOR THE FIRST THREE YEARS AFTER INSTALLATION OF THE MEASURES,  
29 PREPARE A MEASUREMENT AND VERIFICATION REPORT ON AN ANNUAL BASIS IN ADDITION  
30 TO AN ANNUAL RECONCILIATION OF SAVINGS AND TRANSMIT A COPY OF THE REPORT TO  
31 THE SUPERINTENDENT OF PUBLIC INSTRUCTION AND THE DEPARTMENT OF COMMERCE  
32 ENERGY OFFICE.

1           2. Reimburse the school district for any shortfall of guaranteed  
2 energy cost savings on an annual basis.

3           K. The school district may obtain any required financing as part of  
4 the original competitive sealed proposal process FROM THE QUALIFIED PROVIDER  
5 OR A THIRD-PARTY FINANCING INSTITUTION.

6           L. A qualified provider that is awarded the contract shall give a  
7 sufficient bond to the school district for its faithful performance of the  
8 equipment installment.

9           M. ~~When selecting subcontractors to perform construction work,~~ The  
10 qualified provider is required to make public information in the  
11 subcontractor's bids only if the qualified provider is awarded the guaranteed  
12 energy COST savings contract by the school district.

13           N. FOR ALL PROJECTS CARRIED OUT UNDER THIS SECTION, THE DISTRICT SHALL  
14 REPORT TO THE DEPARTMENT OF COMMERCE ENERGY OFFICE:

- 15           1. THE NAME OF THE PROJECT.
- 16           2. THE QUALIFIED PROVIDER.
- 17           3. THE TOTAL COST OF THE PROJECT.
- 18           4. THE EXPECTED ENERGY AND COST SAVINGS.

19           ~~N.~~ O. This section does not apply to the construction of new  
20 buildings, EXCEPT THAT GUARANTEED ENERGY COST SAVINGS CONTRACTS MAY BE USED  
21 TO FINANCE OR IMPLEMENT ENERGY COST SAVINGS MEASURES INSTALLED DURING  
22 CONSTRUCTION OF NEW BUILDINGS.

23           P. A SCHOOL DISTRICT MAY USE A SIMPLIFIED ENERGY PERFORMANCE CONTRACT  
24 FOR PROJECTS OF LESS THAN FIVE HUNDRED THOUSAND DOLLARS. SIMPLIFIED ENERGY  
25 PERFORMANCE CONTRACTS ARE NOT REQUIRED TO INCLUDE AN ENERGY SAVINGS GUARANTEE  
26 AND SHALL COMPLY WITH ALL REQUIREMENTS IN THIS SECTION EXCEPT FOR THE  
27 REQUIREMENTS THAT SPECIFICALLY RELATE TO THE ENERGY SAVINGS GUARANTEE AND THE  
28 MEASUREMENT AND VERIFICATION OF THE GUARANTEED SAVINGS.

29           ~~P.~~ Q. For the purposes of this section:

30           1. "Construction" means the process of building, altering, repairing,  
31 improving or demolishing any school district structure or building, or other  
32 public improvements of any kind to any school district real property.

1 Construction does not include the routine operation, routine repair or  
2 routine maintenance of existing structures, buildings or real property.

3 2. "Energy baseline" means a calculation of the amount of energy used  
4 in an existing facility before the installation or implementation of the  
5 energy cost savings measures.

6 3. "Energy cost savings measure" means a training program or facility  
7 alteration designed to reduce energy consumption or operating costs and may  
8 include one or more of the following AND ANY RELATED METERS OR OTHER  
9 MEASURING DEVICES:

10 (a) Insulating the building structure or systems in the building.

11 (b) Storm windows or doors, caulking or weather stripping,  
12 ~~multi-glazed~~ MULTIGLAZED windows or door systems, additional glazing,  
13 reductions in glass area, or other window and door system modifications that  
14 reduce energy consumption.

15 (c) Automated or computerized energy control systems.

16 (d) Heating, ventilating or air conditioning system modifications or  
17 replacements.

18 (e) Replacing or modifying lighting fixtures to increase the energy  
19 efficiency of the lighting system without increasing the overall illumination  
20 of a facility unless an increase in illumination is necessary to conform to  
21 the applicable state or local building code for the lighting system after the  
22 proposed modifications are made.

23 (f) Indoor air quality improvements to increase air quality that  
24 conform to the applicable state or local building code requirements.

25 (g) Energy recovery systems.

26 (h) Installing a new or retrofitting an existing day lighting system.

27 (i) Any life safety measures that provide long-term operating cost  
28 reductions and that comply with state and local codes.

29 (j) Implementing operation programs through education, training and  
30 software that reduce the operating costs.

31 (k) PROCUREMENT OF LOW-COST UTILITY SUPPLIES OF ALL TYPES, INCLUDING  
32 ELECTRICITY, NATURAL GAS, PROPANE AND WATER.

1 (l) DEVICES THAT REDUCE WATER CONSUMPTION AND WATER COSTS OR THAT  
2 REDUCE SEWER CHARGES.

3 (m) RAINWATER HARVESTING SYSTEMS.

4 (n) COMBINED HEAT AND POWER SYSTEMS.

5 (o) RENEWABLE AND ALTERNATIVE ENERGY PROJECTS AND RENEWABLE ENERGY  
6 POWER SERVICE AGREEMENTS.

7 (p) SELF-GENERATION SYSTEMS.

8 (q) ANY ADDITIONAL BUILDING SYSTEMS AND INFRASTRUCTURE THAT PRODUCE  
9 ENERGY, OR THAT PROVIDE UTILITY OR OPERATIONAL COST SAVINGS NOT SPECIFICALLY  
10 MENTIONED IN THIS PARAGRAPH, IF THE IMPROVEMENTS MEET THE LIFE CYCLE COST  
11 REQUIREMENT AND ENHANCE BUILDING SYSTEM PERFORMANCE OR OCCUPANT COMFORT AND  
12 SAFETY.

13 4. "Guaranteed energy cost savings contract" means a contract for  
14 implementing one or more energy cost savings measures.

15 5. "LIFE CYCLE COST" MEANS THE SUM OF PRESENT VALUES OF INVESTMENT  
16 COSTS, CAPITAL COSTS, INSTALLATION COSTS, ENERGY COSTS, OPERATING COSTS,  
17 MAINTENANCE COSTS AND DISPOSAL COSTS OVER THE LIFE OF THE PROJECT, PRODUCT OR  
18 MEASURE AS PROVIDED BY FEDERAL LIFE CYCLE COST RULES, REGULATIONS AND  
19 CRITERIA CONTAINED IN THE UNITED STATES DEPARTMENT OF ENERGY FEDERAL ENERGY  
20 MANAGEMENT PROGRAM "GUIDANCE ON LIFE-CYCLE COST ANALYSIS" REQUIRED BY  
21 EXECUTIVE ORDER 13122, APRIL 2005.

22 ~~5.~~ 6. "Operational savings" means reductions in actual budget line  
23 items currently being expended or savings realized from the implementation or  
24 installation of energy cost savings measures.

25 ~~6.~~ 7. "Qualified provider" means a person or a business experienced  
26 in PLANNING, designing, implementing, MONITORING or installing energy cost  
27 savings measures.

28 Sec. 4. Section 15-342, Arizona Revised Statutes, is amended to read:

29 15-342. Discretionary powers

30 The governing board may:

31 1. Expel pupils for misconduct.

1           2. Exclude from grades one through eight children under six years of  
2 age.

3           3. Make such separation of groups of pupils as it deems advisable.

4           4. Maintain such special schools during vacation as deemed necessary  
5 for the benefit of the pupils of the school district.

6           5. Permit a superintendent or principal or representatives of the  
7 superintendent or principal to travel for a school purpose, as determined by  
8 a majority vote of the board. The board may permit members and members-elect  
9 of the board to travel within or without the school district for a school  
10 purpose and receive reimbursement. Any expenditure for travel and  
11 subsistence pursuant to this paragraph shall be as provided in title 38,  
12 chapter 4, article 2. The designated post of duty referred to in section  
13 38-621 shall be construed, for school district governing board members, to be  
14 the member's actual place of residence, as opposed to the school district  
15 office or the school district boundaries. Such expenditures shall be a  
16 charge against the budgeted school district funds. The governing board of a  
17 school district shall prescribe procedures and amounts for reimbursement of  
18 lodging and subsistence expenses. Reimbursement amounts shall not exceed the  
19 maximum amounts established pursuant to section 38-624, subsection C.

20           6. Construct or provide in rural districts housing facilities for  
21 teachers and other school employees which the board determines are necessary  
22 for the operation of the school.

23           7. Sell or lease to the state, a county, a city or a tribal government  
24 agency, ~~any~~ school property required for a public purpose, provided the sale  
25 or lease of the property will not affect the normal operations of a school  
26 within the school district.

27           8. Annually budget and expend funds for membership in an association  
28 of school districts within this state.

29           9. Enter into leases or lease-purchase agreements for school buildings  
30 or grounds, or both, as lessor or as lessee, for periods of less than five  
31 years subject to voter approval for construction of school buildings as  
32 prescribed in section 15-341, subsection A, paragraph 8.

1           10. Subject to chapter 16 of this title, sell school sites or enter  
2 into leases or lease-purchase agreements for school buildings and grounds, as  
3 lessor or as lessee, for a period of five years or more, but not to exceed  
4 ninety-nine years, if authorized by a vote of the school district electors in  
5 an election called by the governing board as provided in section 15-491,  
6 except that authorization by the school district electors in an election is  
7 not required if one of the following requirements is met:

8           (a) The market value of the school property is less than fifty  
9 thousand dollars, **THE PROPERTY IS PROCURED THROUGH A GUARANTEED ENERGY COST**  
10 **SAVINGS CONTRACT, WHICH MAY INCLUDE A RENEWABLE ENERGY POWER SERVICE**  
11 **AGREEMENT OR A SIMPLIFIED ENERGY PERFORMANCE CONTRACT, OR THE PROPERTY IS**  
12 **PROCURED THROUGH AN ENERGY PERFORMANCE CONTRACT OR RENEWABLE ENERGY POWER**  
13 **SERVICE AGREEMENT PURSUANT TO SECTION 15-213.01.**

14           (b) The buildings and sites are completely funded with monies  
15 distributed by the school facilities board.

16           (c) The transaction involves the sale of improved or unimproved  
17 property pursuant to an agreement with the school facilities board in which  
18 the school district agrees to sell the improved or unimproved property and  
19 transfer the proceeds of the sale to the school facilities board in exchange  
20 for monies from the school facilities board for the acquisition of a more  
21 suitable school site. For a sale of property acquired by a school district  
22 prior to July 9, 1998, a school district shall transfer to the school  
23 facilities board that portion of the proceeds that equals the cost of the  
24 acquisition of a more suitable school site. If there are any remaining  
25 proceeds after the transfer of monies to the school facilities board, a  
26 school district shall only use those remaining proceeds for future land  
27 purchases approved by the school facilities board, or for capital  
28 improvements not funded by the school facilities board for any existing or  
29 future facility.

30           (d) The transaction involves the sale of improved or unimproved  
31 property pursuant to a formally adopted plan and the school district uses the  
32 proceeds of this sale to purchase other property that will be used for

1 similar purposes as the property that was originally sold, provided that the  
2 sale proceeds of the improved or unimproved property are used within two  
3 years after the date of the original sale to purchase the replacement  
4 property. If the sale proceeds of the improved or unimproved property are  
5 not used within two years after the date of the original sale to purchase  
6 replacement property, the sale proceeds shall be used towards payment of any  
7 outstanding bonded indebtedness. If any sale proceeds remain after paying  
8 for outstanding bonded indebtedness, or if the district has no outstanding  
9 bonded indebtedness, sale proceeds shall be used to reduce the district's  
10 primary tax levy. A school district shall not use ~~the provisions of~~ this  
11 subdivision unless all of the following conditions exist:

12 (i) The school district is the sole owner of the improved or  
13 unimproved property that the school district intends to sell.

14 (ii) The school district did not purchase the improved or unimproved  
15 property that the school district intends to sell with monies that were  
16 distributed pursuant to chapter 16 of this title.

17 (iii) The transaction does not violate section 15-341, subsection G.

18 11. Review the decision of a teacher to promote a pupil to a grade or  
19 retain a pupil in a grade in a common school or to pass or fail a pupil in a  
20 course in high school. The pupil has the burden of proof to overturn the  
21 decision of a teacher to promote, retain, pass or fail the pupil. In order  
22 to sustain the burden of proof, the pupil shall demonstrate to the governing  
23 board that the pupil has mastered the academic standards adopted by the state  
24 board of education pursuant to sections 15-701 and 15-701.01. If the  
25 governing board overturns the decision of a teacher pursuant to this  
26 paragraph, the governing board shall adopt a written finding that the pupil  
27 has mastered the academic standards. Notwithstanding title 38, chapter 3,  
28 article 3.1, the governing board shall review the decision of a teacher to  
29 promote a pupil to a grade or retain a pupil in a grade in a common school or  
30 to pass or fail a pupil in a course in high school in executive session  
31 unless a parent or legal guardian of the pupil or the pupil, if emancipated,  
32 disagrees that the review should be conducted in executive session and then

1 the review shall be conducted in an open meeting. If the review is conducted  
2 in executive session, the board shall notify the teacher of the date, time  
3 and place of the review and shall allow the teacher to be present at the  
4 review. If the teacher is not present at the review, the board shall consult  
5 with the teacher before making its decision. Any request, including the  
6 written request as provided in section 15-341, the written evidence presented  
7 at the review and the written record of the review, including the decision of  
8 the governing board to accept or reject the teacher's decision, shall be  
9 retained by the governing board as part of its permanent records.

10 12. Provide transportation or site transportation loading and unloading  
11 areas for any child or children if deemed for the best interest of the  
12 district, whether within or without the district, county or state.

13 13. Enter into intergovernmental agreements and contracts with school  
14 districts or other governing bodies as provided in section 11-952.

15 14. Include in the curricula which it prescribes for high schools in  
16 the school district career and technical education, vocational education and  
17 technology education programs and career and technical, vocational and  
18 technology program improvement services for the high schools, subject to  
19 approval by the state board of education. The governing board may contract  
20 for the provision of career and technical, vocational and technology  
21 education as provided in section 15-789.

22 15. Suspend a teacher or administrator from the teacher's or  
23 administrator's duties without pay for a period of time of not to exceed ten  
24 school days, if the board determines that suspension is warranted pursuant to  
25 section 15-341, subsection A, paragraphs 23 and 24.

26 16. Dedicate school property within an incorporated city or town to  
27 such city or town or within a county to that county for use as a public  
28 right-of-way if both of the following apply:

29 (a) Pursuant to an ordinance adopted by such city, town or county,  
30 there will be conferred upon the school district privileges and benefits  
31 which may include benefits related to zoning.

1           (b) The dedication will not affect the normal operation of any school  
2 within the district.

3           17. Enter into option agreements for the purchase of school sites.

4           18. Donate surplus or outdated learning materials to nonprofit  
5 community organizations where the governing board determines that the  
6 anticipated cost of selling the learning materials equals or exceeds the  
7 estimated market value of the materials.

8           19. Prescribe policies for the assessment of reasonable fees for  
9 students to use district-provided parking facilities. The fees are to be  
10 applied by the district solely against costs incurred in operating or  
11 securing the parking facilities. Any policy adopted by the governing board  
12 pursuant to this paragraph shall include a fee waiver provision in  
13 appropriate cases of need or economic hardship.

14           20. Establish alternative educational programs that are consistent with  
15 the laws of this state to educate pupils, including pupils who have been  
16 reassigned pursuant to section 15-841, subsection E or F.

17           21. Require a period of silence to be observed at the commencement of  
18 the first class of the day in the schools. If a governing board chooses to  
19 require a period of silence to be observed, the teacher in charge of the room  
20 in which the first class is held shall announce that a period of silence not  
21 to exceed one minute in duration will be observed for meditation, and during  
22 that time no activities shall take place and silence shall be maintained.

23           22. Require students to wear uniforms.

24           23. Exchange unimproved property or improved property, including school  
25 sites, where the governing board determines that the improved property is  
26 unnecessary for the continued operation of the school district without  
27 requesting authorization by a vote of the school district electors if the  
28 governing board determines that the exchange is necessary to protect the  
29 health, safety or welfare of pupils or when the governing board determines  
30 that the exchange is based on sound business principles for either:

31           (a) Unimproved or improved property of equal or greater value.

1           (b) Unimproved property that the owner contracts to improve if the  
2 value of the property ultimately received by the school district is of equal  
3 or greater value.

4           24. For common and high school pupils, assess reasonable fees for  
5 optional extracurricular activities and programs conducted when the common or  
6 high school is not in session, except that no fees shall be charged for  
7 pupils' access to or use of computers or related materials. For high school  
8 pupils, the governing board may assess reasonable fees for fine arts and  
9 vocational education courses and for optional services, equipment and  
10 materials offered to the pupils beyond those required to successfully  
11 complete the basic requirements of any other course, except that no fees  
12 shall be charged for pupils' access to or use of computers or related  
13 materials. Fees assessed pursuant to this paragraph shall be adopted at a  
14 public meeting after notice has been given to all parents of pupils enrolled  
15 at schools in the district and shall not exceed the actual costs of the  
16 activities, programs, services, equipment or materials. The governing board  
17 shall authorize principals to waive the assessment of all or part of a fee  
18 assessed pursuant to this paragraph if it creates an economic hardship for a  
19 pupil. For the purposes of this paragraph, "extracurricular activity" means  
20 any optional, noncredit, educational or recreational activity which  
21 supplements the education program of the school, whether offered before,  
22 during or after regular school hours.

23           25. Notwithstanding section 15-341, subsection A, paragraphs 8 and 10,  
24 construct school buildings and purchase or lease school sites, without a vote  
25 of the school district electors, if the buildings and sites are totally  
26 funded from one or more of the following:

27           (a) Monies in the unrestricted capital outlay fund, except that the  
28 estimated cost shall not exceed two hundred fifty thousand dollars for a  
29 district that utilizes ~~the provisions of~~ section 15-949.

30           (b) Monies distributed from the school facilities board established by  
31 section 15-2001.

1 (c) Monies specifically donated for the purpose of constructing school  
2 buildings.

3 Nothing in this paragraph shall be construed to eliminate the requirement for  
4 an election to raise revenues for a capital outlay override pursuant to  
5 section 15-481 or a bond election pursuant to section 15-491.

6 26. Conduct a background investigation that includes a fingerprint  
7 check conducted pursuant to section 41-1750, subsection G for certificated  
8 personnel and personnel who are not paid employees of the school district, as  
9 a condition of employment. A school district may release the results of a  
10 background check to another school district for employment purposes. The  
11 school district may charge the costs of fingerprint checks to its  
12 fingerprinted employee, except that the school district may not charge the  
13 costs of fingerprint checks for personnel who are not paid employees of the  
14 school district.

15 27. Sell advertising space on the exterior of school buses as  
16 follows:

17 (a) Advertisements shall be age appropriate and not contain promotion  
18 of any substance that is illegal for minors such as alcohol, tobacco and  
19 drugs or gambling. Advertisements shall comply with the state sex education  
20 policy of abstinence.

21 (b) Advertising approved by the governing board may appear only on the  
22 sides of the bus in the following areas:

23 (i) The signs shall be below the seat level rub rail and not extend  
24 above the bottom of the side windows.

25 (ii) The signs shall be at least three inches from any required  
26 lettering, lamp, wheel well or reflector behind the service door or stop  
27 signal arm.

28 (iii) The signs shall not extend from the body of the bus so as to  
29 allow a handhold or present a danger to pedestrians.

30 (iv) The signs shall not interfere with the operation of any door or  
31 window.

32 (v) The signs shall not be placed on any emergency doors.

1           (c) Establish a school bus advertisement fund that is comprised of  
2 revenues from the sale of advertising space on school buses. The monies in a  
3 school bus advertisement fund are not subject to reversion and shall be used  
4 for the following purposes:

5           (i) To comply with the energy conservation measures prescribed in  
6 section 15-349 in school districts that are in area A as defined in section  
7 49-541, and any remaining monies shall be used to purchase alternative fuel  
8 support vehicles and any other pupil related costs as determined by the  
9 governing board.

10           (ii) For any pupil related costs as determined by the governing board  
11 in school districts not subject to ~~the provisions of~~ item (i) of this  
12 subdivision.

13           28. Assess reasonable damage deposits to pupils in grades seven through  
14 twelve for the use of textbooks, musical instruments, band uniforms or other  
15 equipment required for academic courses. The governing board shall adopt  
16 policies on any damage deposits assessed pursuant to this paragraph at a  
17 public meeting called for this purpose after providing notice to all parents  
18 of pupils in grades seven through twelve in the school district. Principals  
19 of individual schools within the district may waive the damage deposit  
20 requirement for any textbook or other item if the payment of the damage  
21 deposit would create an economic hardship for the pupil. The school district  
22 shall return the full amount of the damage deposit for any textbook or other  
23 item if the pupil returns the textbook or other item in reasonably good  
24 condition within the time period prescribed by the governing board. For the  
25 purposes of this paragraph, "in reasonably good condition" means the textbook  
26 or other item is in the same or a similar condition as it was when the pupil  
27 received it, plus ordinary wear and tear.

28           29. Notwithstanding section 15-1105, expend surplus monies in the civic  
29 center school fund for maintenance and operations or unrestricted capital  
30 outlay, if sufficient monies are available in the fund after meeting the  
31 needs of programs established pursuant to section 15-1105.

1           30. Notwithstanding section 15-1143, expend surplus monies in the  
2 community school program fund for maintenance and operations or unrestricted  
3 capital outlay, if sufficient monies are available in the fund after meeting  
4 the needs of programs established pursuant to section 15-1142.

5           31. Adopt guidelines for standardization of the format of the school  
6 report cards required by section 15-746 for schools within the district.

7           32. Adopt policies that require parental notification when a law  
8 enforcement officer interviews a pupil on school grounds. Policies adopted  
9 pursuant to this paragraph shall not impede a peace officer from the  
10 performance of the peace officer's duties. If the school district governing  
11 board adopts a policy that requires parental notification:

12           (a) The policy may provide reasonable exceptions to the parental  
13 notification requirement.

14           (b) The policy shall set forth whether and under what circumstances a  
15 parent may be present when a law enforcement officer interviews the pupil,  
16 including reasonable exceptions to the circumstances under which a parent may  
17 be present when a law enforcement officer interviews the pupil, and shall  
18 specify a reasonable maximum time after a parent is notified that an  
19 interview of a pupil by a law enforcement officer may be delayed to allow the  
20 parent to be present.

21           33. Enter into voluntary partnerships with any party to finance with  
22 funds other than school district funds and cooperatively design school  
23 facilities that comply with the adequacy standards prescribed in section  
24 15-2011 and the square footage per pupil requirements pursuant to section  
25 15-2041, subsection D, paragraph 3, subdivision (b). The design plans and  
26 location of any such school facility shall be submitted to the school  
27 facilities board for approval pursuant to section 15-2041, subsection 0. If  
28 the school facilities board approves the design plans and location of any  
29 such school facility, the party in partnership with the school district may  
30 cause to be constructed and the district may begin operating the school  
31 facility before monies are distributed from the school facilities board  
32 pursuant to section 15-2041. Monies distributed from the new school

1 facilities fund to a school district in a partnership with another party to  
2 finance and design the school facility shall be paid to the school district  
3 pursuant to section 15-2041. The school district shall reimburse the party  
4 in partnership with the school district from the monies paid to the school  
5 district pursuant to section 15-2041, in accordance with the voluntary  
6 partnership agreement. Before the school facilities board distributes any  
7 monies pursuant to this subsection, the school district shall demonstrate to  
8 the school facilities board that the facilities to be funded pursuant to  
9 section 15-2041, subsection 0 meet the minimum adequacy standards prescribed  
10 in section 15-2011. If the cost to construct the school facility exceeds the  
11 amount that the school district receives from the new school facilities fund,  
12 the partnership agreement between the school district and the other party  
13 shall specify that, except as otherwise provided by the other party, any such  
14 excess costs shall be the responsibility of the school district. The school  
15 district governing board shall adopt a resolution in a public meeting that AN  
16 analysis has been conducted on the prospective effects of the decision to  
17 operate a new school with existing monies from the school district's  
18 maintenance and operations budget and how this decision may affect other  
19 schools in the school district. If a school district acquires land by  
20 donation at an appropriate school site approved by the school facilities  
21 board and a school facility is financed and built on the land pursuant to  
22 this paragraph, the school facilities board shall distribute an amount equal  
23 to twenty per cent of the fair market value of the land that can be used for  
24 academic purposes. The school district shall place the monies in the  
25 unrestricted capital outlay fund and increase the unrestricted capital budget  
26 limit by the amount of the monies placed in the fund. Monies distributed  
27 under this paragraph shall be distributed from the new school facilities fund  
28 pursuant to section 15-2041. If a school district acquires land by donation  
29 at an appropriate school site approved by the school facilities board and a  
30 school facility is financed and built on the land pursuant to this paragraph,  
31 the school district shall not receive monies from the school facilities board

1 for the donation of real property pursuant to section 15-2041, subsection F.  
2 It is unlawful for:

3 (a) A county, city or town to require as a condition of any land use  
4 approval that a landowner or landowners that entered into a partnership  
5 pursuant to this paragraph provide any contribution, donation or gift, other  
6 than a site donation, to a school district. This subdivision only applies to  
7 the property in the voluntary partnership agreement pursuant to this  
8 paragraph.

9 (b) A county, city or town to require as a condition of any land use  
10 approval that the landowner or landowners located within the geographic  
11 boundaries of the school subject to the voluntary partnership pursuant to  
12 this paragraph provide any donation or gift to the school district except as  
13 provided in the voluntary partnership agreement pursuant to this paragraph.

14 (c) A community facilities district established pursuant to title 48,  
15 chapter 4, article 6 to be used for reimbursement of financing the  
16 construction of a school pursuant to this paragraph.

17 (d) ~~For~~ A school district to enter into an agreement pursuant to this  
18 paragraph with any party other than a master planned community party. Any  
19 land area consisting of at least three hundred twenty acres that is the  
20 subject of a development agreement with a county, city or town entered into  
21 pursuant to section 9-500.05 or 11-1101 shall be deemed to be a master  
22 planned community. For the purposes of this subdivision, "master planned  
23 community" means a land area consisting of at least three hundred twenty  
24 acres, which may be noncontiguous, that is the subject of a zoning ordinance  
25 approved by the governing body of the county, city or town in which the land  
26 is located that establishes the use of the land area as a planned area  
27 development or district, planned community development or district, planned  
28 unit development or district or other land use category or district that is  
29 recognized in the local ordinance of such county, city or town and that  
30 specifies the use of such land is for a master planned development.

31 Sec. 5. Title 15, chapter 9, article 1, Arizona Revised Statutes, is  
32 amended by adding section 15-910.02, to read:

1           15-910.02. Energy and water savings accounts; definition

2           A. EACH SCHOOL DISTRICT AND CHARTER SCHOOL MAY ESTABLISH AN ENERGY AND  
3 WATER SAVINGS ACCOUNT THAT CONSISTS OF A DESIGNATED POOL OF CAPITAL  
4 INVESTMENT MONIES TO FUND ENERGY OR WATER SAVING PROJECTS IN SCHOOL  
5 FACILITIES. A SCHOOL DISTRICT OR CHARTER SCHOOL MAY DEPOSIT IN THE ACCOUNT  
6 MONIES FROM ONE OR MORE QUALIFIED PROVIDERS OR COMPANIES THAT PROVIDE  
7 UTILITY, ENERGY OR WATER SERVICES TO THE SCHOOL DISTRICT OR CHARTER SCHOOL  
8 PURSUANT TO CONTRACTS THAT ARE EXECUTED BETWEEN THE COMPANIES AND THE SCHOOL  
9 DISTRICT OR CHARTER SCHOOL AND THAT ARE DESIGNED TO SAVE ENERGY OR WATER IN  
10 SCHOOL FACILITIES. A SCHOOL DISTRICT OR CHARTER SCHOOL MAY USE MONIES IN THE  
11 ENERGY AND WATER SAVINGS ACCOUNT FOR PAYMENTS UNDER AN ENERGY COST SAVINGS  
12 CONTRACT, WHICH MAY INCLUDE A RENEWABLE ENERGY POWER SERVICE AGREEMENT OR A  
13 SIMPLIFIED ENERGY PERFORMANCE CONTRACT, ENTERED INTO PURSUANT TO SECTION  
14 15-213.01 OR FOR A CONTRACT ENTERED INTO PURSUANT TO THIS SECTION BETWEEN THE  
15 QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES COMPANY AND THE  
16 SCHOOL DISTRICT OR CHARTER SCHOOL.

17           B. THE AUDITOR GENERAL AND THE DEPARTMENT OF EDUCATION SHALL PRESCRIBE  
18 THE APPROPRIATE DESIGNATION OF THE ENERGY AND WATER SAVINGS ACCOUNTS IN THE  
19 UNIFORM SYSTEM OF FINANCIAL RECORDS AND SHALL PRESCRIBE REPORTING  
20 REQUIREMENTS ON THE APPROPRIATE BUDGET FORMS AND ANNUAL FINANCIAL REPORT  
21 FORMS.

22           C. MONIES DEPOSITED IN AN ENERGY AND WATER SAVINGS ACCOUNT SHALL BE  
23 USED AS A DESIGNATED POOL OF CAPITAL INVESTMENT MONIES TO PAY FOR THE  
24 INCREMENTAL COST OF ENERGY OR WATER SAVINGS MEASURES IN SCHOOL FACILITIES  
25 THAT ARE OWNED OR OPERATED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL. ANY  
26 CONTRACT ENTERED INTO PURSUANT TO THIS SECTION SHALL CONTAIN AN AGREEMENT  
27 BETWEEN THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES COMPANY  
28 AND THE SCHOOL DISTRICT OR CHARTER SCHOOL THAT EACH PARTY HAS PERFORMED A  
29 REASONABLE INVESTIGATION TO DETERMINE THAT THE MEASURES CONTEMPLATED BY THE  
30 CONTRACT WILL RESULT IN STATED ENERGY OR WATER SAVINGS. CONTRACT TERMS MAY  
31 EXTEND THE PERIOD OF THE CAPITAL INVESTMENT REPAYMENT SCHEDULE PRESCRIBED IN

1 SUBSECTION G OF THIS SECTION UP TO THE EXPECTED LIFE OF THE ENERGY OR WATER  
2 SAVINGS MEASURES, OR TWENTY-FIVE YEARS, WHICHEVER IS SHORTER.

3 D. EXPENDITURES FROM AN ENERGY AND WATER SAVINGS ACCOUNT SHALL BE USED  
4 ONLY FOR THE FOLLOWING:

5 1. GUARANTEED ENERGY COST SAVINGS CONTRACTS, WHICH MAY INCLUDE  
6 RENEWABLE ENERGY POWER SERVICE AGREEMENTS AND SIMPLIFIED ENERGY PERFORMANCE  
7 CONTRACTS PURSUANT TO SECTION 15-213.01.

8 2. ENERGY PERFORMANCE CONTRACTS AND RENEWABLE ENERGY POWER SERVICE  
9 AGREEMENTS PURSUANT TO SECTION 15-213.01.

10 3. PROJECTS OR MEASURES PURSUANT TO A CONTRACT PURSUANT TO THIS  
11 SECTION THAT SAVE ENERGY OR WATER IN SCHOOL FACILITIES THAT ARE OWNED OR  
12 OPERATED BY THE SCHOOL DISTRICT OR CHARTER SCHOOL. MONIES MAY BE USED  
13 PURSUANT TO THIS PARAGRAPH TO PROVIDE TECHNICAL ASSISTANCE REGARDING ENERGY  
14 OR WATER SAVINGS TO SCHOOL DISTRICTS AND CHARTER SCHOOLS BY A QUALIFIED  
15 PROVIDER OR A UTILITY, ENERGY OR WATER SERVICES COMPANY.

16 4. THE REPAYMENT TO THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER  
17 SERVICES COMPANY OF CAPITAL INVESTMENT MONIES DEPOSITED IN THE ACCOUNT PLUS  
18 REASONABLE CARRYING CHARGES PURSUANT TO THE TERMS OF THE CONTRACT. THE  
19 INTEREST RATE FOR REASONABLE CARRYING CHARGES FOR INVESTOR OWNED UTILITY  
20 COMPANIES SHALL BE EQUAL TO OR LESS THAN THE MOST RECENT AUTHORIZED RATE OF  
21 RETURN APPROVED BY THE ARIZONA CORPORATION COMMISSION.

22 E. SCHOOL DISTRICTS AND CHARTER SCHOOLS SHALL PROCURE ENERGY OR WATER  
23 SAVINGS MEASURES OR SERVICES WITH MONIES DISTRIBUTED FROM THE ENERGY AND  
24 WATER SAVINGS ACCOUNTS.

25 F. BEFORE THE IMPLEMENTATION OF THE ENERGY OR WATER SAVINGS MEASURES  
26 OR SERVICES, THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES  
27 COMPANY SHALL COMPUTE, AND THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL REVIEW  
28 AND APPROVE, THE ESTIMATED AMOUNT OF THE ENERGY OR WATER SAVINGS AND THE  
29 ASSOCIATED IMPACT ON ENERGY OR WATER COSTS TO BE ACHIEVED BY THE SCHOOL  
30 DISTRICT OR CHARTER SCHOOL ON AN ANNUAL AND MONTHLY BASIS OVER THE EXPECTED  
31 LIFE OF THE MEASURES AND SHALL INCLUDE THESE ESTIMATES IN THE CONTRACT. THE  
32 QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES COMPANY AND THE

1 SCHOOL DISTRICT OR CHARTER SCHOOL SHALL UPDATE THE ANNUAL AND MONTHLY ENERGY  
2 OR WATER SAVINGS AND ASSOCIATED COST IMPACT ESTIMATES ANNUALLY BASED ON  
3 ACTUAL EXPERIENCE.

4 G. BEFORE THE IMPLEMENTATION OF THE ENERGY OR WATER SAVINGS MEASURES  
5 OR SERVICES, THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES  
6 COMPANY AND THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL JOINTLY DEVELOP A  
7 SCHEDULE OF MONTHLY PAYMENTS FOR REPAYMENT OF THE CAPITAL INVESTMENT MONIES  
8 TO THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER SERVICES COMPANY. THE  
9 REPAYMENT SCHEDULE SHALL RESULT IN LOWER ENERGY OR WATER COSTS, WHICH SHALL  
10 INCLUDE THE COST OF THE INSTALLED ENERGY OR WATER SAVINGS MEASURES FOR THE  
11 SCHOOL DISTRICT OR CHARTER SCHOOL OVER THE LIFE OF THE INSTALLED MEASURES  
12 THAT THE SCHOOL DISTRICT OR CHARTER SCHOOL WOULD HAVE EXPERIENCED WITHOUT THE  
13 INSTALLATION OF THE MEASURES. THE REPAYMENT SCHEDULE SHALL BE INCLUDED IN  
14 THE CONTRACT.

15 H. THE SCHOOL DISTRICT OR CHARTER SCHOOL SHALL TRANSFER ON A MONTHLY  
16 BASIS THE AMOUNT OF THE MONTHLY PAYMENT PRESCRIBED PURSUANT TO SUBSECTION G  
17 OF THIS SECTION TO THE ENERGY AND WATER SAVINGS ACCOUNT FROM THE MAINTENANCE  
18 AND OPERATION PORTION OF THE SCHOOL DISTRICT'S OR CHARTER SCHOOL'S BUDGET TO  
19 REPAY ANY UNPAID BALANCE OF THE CAPITAL INVESTMENT PREVIOUSLY DEPOSITED IN  
20 THE ENERGY AND WATER SAVINGS ACCOUNT FROM THE QUALIFIED PROVIDER OR UTILITY,  
21 ENERGY OR WATER SERVICES COMPANY PLUS A REASONABLE CARRYING CHARGE. FOR THE  
22 PERIOD OF TIME THAT THE COMPANY'S CAPITAL INVESTMENT MONIES AND REASONABLE  
23 CARRYING CHARGE REMAIN UNPAID, THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR  
24 WATER SERVICES COMPANY SHALL PROVIDE A SEPARATE BILLING OR BILLING COMPONENT  
25 TO REPAY THE CAPITAL INVESTMENT ON A MONTHLY BASIS, PURSUANT TO THE REPAYMENT  
26 SCHEDULE PRESCRIBED PURSUANT TO SUBSECTION G OF THIS SECTION, WHICH SHALL BE  
27 PAID BY THE SCHOOL DISTRICT OR CHARTER SCHOOL FROM THE ENERGY AND WATER  
28 SAVINGS ACCOUNT. THE SCHOOL DISTRICT'S GENERAL BUDGET LIMIT SHALL BE REDUCED  
29 BY THE AMOUNT OF MONIES TRANSFERRED TO THE ENERGY AND WATER SAVINGS ACCOUNT  
30 PURSUANT TO THIS SECTION.

31 I. AFTER THE BALANCE OF THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR  
32 WATER SERVICES COMPANY'S CAPITAL INVESTMENT MONIES DEPOSITED IN THE ENERGY

1 AND WATER SAVINGS ACCOUNT PLUS A REASONABLE CARRYING CHARGE ARE REPAID IN  
2 FULL BY THE SCHOOL DISTRICT OR CHARTER SCHOOL, THE SCHOOL DISTRICT OR CHARTER  
3 SCHOOL MAY DISCONTINUE THE DEPOSIT IN THE ENERGY AND WATER SAVINGS ACCOUNT OF  
4 AMOUNTS THAT ARE PRESCRIBED IN SUBSECTION H OF THIS SECTION.

5 J. A SCHOOL DISTRICT OR CHARTER SCHOOL MAY RETAIN AND TRANSFER UP TO  
6 FIFTEEN PER CENT OF THE ENERGY OR WATER COST SAVINGS FROM AN ENERGY OR WATER  
7 SAVINGS PROJECT TO THE MAINTENANCE AND OPERATION PORTION OF THE SCHOOL  
8 DISTRICT'S OR CHARTER SCHOOL'S BUDGET, AND THE GENERAL BUDGET LIMIT MAY BE  
9 INCREASED BY THE AMOUNT TRANSFERRED.

10 K. ANY MONIES ASSOCIATED WITH AN ENERGY OR WATER SAVINGS PROJECT  
11 REMAINING IN THE ENERGY AND WATER SAVINGS ACCOUNT AFTER THE CAPITAL  
12 INVESTMENT MONIES OF THE QUALIFIED PROVIDER OR UTILITY, ENERGY OR WATER  
13 SERVICES COMPANY PLUS A REASONABLE CARRYING CHARGE ARE REPAID IN FULL MAY BE  
14 TRANSFERRED TO THE MAINTENANCE AND OPERATION PORTION OF THE SCHOOL DISTRICT'S  
15 OR CHARTER SCHOOL'S BUDGET, AND THE GENERAL BUDGET LIMIT MAY BE INCREASED BY  
16 THE AMOUNT TRANSFERRED.

17 L. SCHOOL DISTRICTS OR CHARTER SCHOOLS MAY DEPOSIT ENERGY-RELATED  
18 REBATE OR GRANT MONIES IN THE ENERGY AND WATER SAVINGS ACCOUNT TO ASSIST IN  
19 FUNDING ENERGY OR WATER SAVINGS PROJECTS. THESE REBATE OR GRANT MONIES SHALL  
20 BE USED TO REDUCE THE TOTAL COST OF ENERGY OR WATER SAVINGS PROJECTS AND TO  
21 REDUCE THE AMOUNT OF CAPITAL INVESTMENT MONIES RECEIVED FROM AND REPAID TO  
22 QUALIFIED PROVIDERS OR UTILITY, ENERGY OR WATER SERVICES COMPANIES. SCHOOL  
23 DISTRICTS OR CHARTER SCHOOLS ARE NOT REQUIRED TO REPAY THE REBATE OR GRANT  
24 MONIES IN THE MANNER DESCRIBED IN SUBSECTION H OF THIS SECTION, PURSUANT TO  
25 THE AGREEMENTS WITH THE PROVIDERS OF REBATE OR GRANT FUNDS.

26 M. SCHOOL DISTRICTS SHALL NOT USE OR DEPOSIT ANY EXCESS UTILITIES  
27 MONIES BUDGETED PURSUANT TO SECTION 15-910 OR 15-910.04 IN THE ENERGY AND  
28 WATER SAVINGS ACCOUNT.

29 N. SCHOOL DISTRICTS OR CHARTER SCHOOLS MAY DEPOSIT MONIES FROM OTHER  
30 FUNDING SOURCES, INCLUDING FROM CLEAN RENEWABLE ENERGY BONDS, IN THE ENERGY  
31 AND WATER SAVINGS ACCOUNT TO FUND ENERGY OR WATER SAVING PROJECTS IN SCHOOL  
32 FACILITIES. THESE MONIES SHALL BE REPAID IN A MANNER CONSISTENT WITH THIS

1 SECTION AND PURSUANT TO THE CONTRACT BETWEEN THE SCHOOL DISTRICT OR CHARTER  
2 SCHOOL AND THE PROVIDER OF THE FUNDING.

3 O. THIS SECTION DOES NOT IMPOSE AN OBLIGATION ON ANY ENERGY UTILITY,  
4 WATER UTILITY, PUBLIC SERVICE CORPORATION OR AGRICULTURAL IMPROVEMENT  
5 DISTRICT TO INVEST MONIES OR CONTRACT WITH ANY SCHOOL DISTRICT OR CHARTER  
6 SCHOOL.

7 P. FOR THE PURPOSES OF THIS SECTION, "QUALIFIED PROVIDER" HAS THE SAME  
8 MEANING PRESCRIBED IN SECTION 15-213.01.

9 Sec. 6. Section 34-201, Arizona Revised Statutes, is amended to read:

10 34-201. Notice of intention to receive bids and enter contract;  
11 procedure: doing work without advertising for bids;  
12 county compliance

13 A. Except as provided in subsections B through G and L of this  
14 section, every agent ~~shall, upon~~ ON acceptance and approval of the working  
15 drawings and specifications, SHALL publish a notice to contractors of  
16 intention to receive bids and contract for the proposed work. This notice  
17 shall be published by advertising in a newspaper of general circulation in  
18 the county in which the agent is located for two consecutive publications if  
19 it is a weekly newspaper or for two publications that are at least six but no  
20 more than ten days apart if it is a daily newspaper. The notice shall state:

21 1. The nature of the work required, the type, purpose and location of  
22 the proposed building, ~~and~~ and where the plans, specifications and full  
23 information as to the proposed work may be obtained.

24 2. That contractors desiring to submit proposals may obtain copies of  
25 full or partial sets of plans and specifications for estimate on request or  
26 by appointment. The return of such plans and specifications shall be  
27 guaranteed by a deposit of a designated amount which shall be refunded on  
28 return of the plans and specifications in good order.

29 3. That every proposal shall be accompanied by a certified check,  
30 cashier's check or surety bond for ten per cent of the amount of the bid  
31 included in the proposal as a guarantee that the contractor will enter into a  
32 contract to perform the proposal in accordance with the plans and

1 specifications. Notwithstanding ~~the provisions of~~ any other statute, the  
2 surety bond shall be executed solely by a surety company or companies holding  
3 a certificate of authority to transact surety business in this state issued  
4 by the director of the department of insurance pursuant to title 20, chapter  
5 2, article 1. The surety bond shall not be executed by an individual surety  
6 or sureties, even if the requirements of section 7-101 are satisfied. The  
7 certified check, cashier's check or surety bond shall be returned to the  
8 contractors whose proposals are not accepted, and to the successful  
9 contractor ~~upon~~ ON the execution of a satisfactory bond and contract as  
10 provided in this article. The conditions and provisions of the surety bid  
11 bond regarding the surety's obligations shall follow the following form:

12 Now, therefore, if the obligee accepts the proposal of the  
13 principal and the principal enters into a contract with the  
14 obligee in accordance with the terms of the proposal and gives  
15 the bonds and certificates of insurance as specified in the  
16 standard specifications with good and sufficient surety for the  
17 faithful performance of the contract and for the prompt payment  
18 of labor and materials furnished in the prosecution of the  
19 contract, or in the event of the failure of the principal to  
20 enter into the contract and give the bonds and certificates of  
21 insurance, if the principal pays to the obligee the difference  
22 not to exceed the penalty of the bond between the amount  
23 specified in the proposal and such larger amount for which the  
24 obligee may in good faith contract with another party to perform  
25 the work covered by the proposal then this obligation is void.  
26 Otherwise it remains in full force and effect provided, however,  
27 that this bond is executed pursuant to the provisions of section  
28 34-201, Arizona Revised Statutes, and all liabilities on this  
29 bond shall be determined in accordance with the provisions of the  
30 section to the extent as if it were copied at length herein.

31 4. That the right is reserved to reject any or all proposals or to  
32 withhold the award for any reason the agent determines.

1           B. If the agent believes that any construction, building addition or  
2 alteration contemplated at a public institution can be advantageously done by  
3 the inmates of the public institution and regularly employed help, the agent  
4 may cause the work to be done without advertising for bids.

5           C. Any building, structure, addition or alteration may be constructed  
6 either with or without the use of the agent's regularly employed personnel  
7 without advertising for bids, provided that the total cost of the work,  
8 excluding materials and equipment previously acquired by bid, does not  
9 exceed:

10           1. In fiscal year 1994-1995, fourteen thousand dollars.

11           2. In fiscal year 1995-1996 and each fiscal year thereafter, the  
12 amount provided in paragraph 1 of this subsection adjusted by the annual  
13 percentage change in the GDP price deflator as defined in section 41-563.

14           D. Notwithstanding ~~the provisions of~~ subsection C of this section, any  
15 street, road, bridge, water or sewer work, other than a water or sewer  
16 treatment plant or building, may be constructed either with or without the  
17 use of the agent's regularly employed personnel without advertising for bids,  
18 provided that the total cost of the work does not exceed:

19           1. In fiscal year 1994-1995, one hundred fifty thousand dollars.

20           2. In fiscal year 1995-1996 and each fiscal year thereafter, the  
21 amount provided in paragraph 1 of this subsection adjusted by the annual  
22 percentage change in the GDP price deflator as defined in section 41-563.

23           E. For the purposes of subsection D of this section, the total cost of  
24 water or sewer work does not include services provided by volunteers or  
25 donations made for the water or sewer project.

26           F. Notwithstanding ~~the provisions of~~ this section, an agent may:

27           1. Construct, reconstruct, install or repair a natural gas or electric  
28 utility and distribution system, owned or operated by such agent, with  
29 regularly employed personnel of the agent without advertising for bids,  
30 unless otherwise prohibited by charter or ordinance.

31           2. Construct recreational projects, including trails, playgrounds,  
32 ballparks and other similar facilities and excluding buildings, structures,

1 building additions and alterations to buildings, structures and building  
2 additions, with volunteer workers or workers provided by a nonprofit  
3 organization without advertising for bids for labor and materials, provided  
4 that the total cost of the work does not exceed:

5 (a) In fiscal year 2001-2002, one hundred fifty thousand dollars.

6 (b) In fiscal year 2002-2003 and each fiscal year thereafter, the  
7 amount provided in subdivision (a) ~~of this paragraph~~ adjusted by the annual  
8 percentage change in the GDP price deflator as defined in section 41-563.

9 G. A contribution by an agent for the financing of public  
10 infrastructure made pursuant to a development agreement is exempt from ~~the~~  
11 ~~provisions of~~ this section if such contribution for any single development  
12 does not exceed:

13 1. In fiscal year 1994-1995, one hundred thousand dollars.

14 2. In fiscal year 1995-1996 and each fiscal year thereafter, the  
15 amount provided in paragraph 1 of this subsection adjusted by the annual  
16 percentage change in the GDP price deflator as defined in section 41-563.

17 H. In addition to other state or local requirements relating to the  
18 publication of bids, each agent shall provide at least one set of all plans  
19 and specifications to any construction news reporting service that files an  
20 annual request with the agent. For the purposes of this subsection,  
21 "construction news reporting service" means a service that researches,  
22 gathers and disseminates news and reports either in print or electronically,  
23 on at least a weekly basis for building projects, construction bids, the  
24 purchasing of materials, supplies or services and other construction bidding  
25 or planned activity to the allied construction industry. The allied  
26 construction industry includes both general and specialty contractors,  
27 builders, material and service suppliers, architects and engineers, owners,  
28 developers and government agencies.

29 I. Any construction by a county under this section shall comply with  
30 the uniform accounting system prescribed for counties by the auditor general  
31 under section 41-1279.21. Any construction by a city or town under this  
32 section shall comply with generally accepted accounting principles.

1           J. Any construction, building addition or alteration project ~~which~~  
2           **THAT** is financed by monies of this state or its political subdivisions shall  
3           not use endangered wood species unless an exemption is granted by the  
4           director of the department of administration. The director shall only grant  
5           an exemption if the use of endangered wood species is deemed necessary for  
6           historical restoration or to repair existing facilities and the use of any  
7           substitute material is not practical. Any lease-purchase agreement entered  
8           into by this state or its political subdivisions for construction shall  
9           specify that no endangered wood species may be used in the construction  
10          unless an exemption is granted by the director. ~~As used in~~ **FOR THE PURPOSES**  
11          **OF** this subsection, "endangered wood species" includes those listed in  
12          appendix I of the convention on international trade in endangered species of  
13          wild flora and fauna.

14          K. All bonds given by a contractor and surety pursuant to ~~the~~  
15          ~~provisions of~~ this article, regardless of their actual form, will be deemed  
16          by law to be the form required and set forth in this article and no other.

17          L. Any building, structure, addition or alteration may be constructed  
18          without complying with this article if the construction, including  
19          construction of buildings or structures on public or private property, is  
20          required as a condition of development of private property and is authorized  
21          by section 9-463.01 or 11-806.01. For the purposes of this subsection,  
22          building does not include police, fire, school, library,~~—~~ or other public  
23          buildings.

24          M. Notwithstanding section 34-221, any agent may enter into a  
25          guaranteed energy cost savings contract with a qualified provider,~~—as those~~  
26          ~~terms are defined in section 15-213.01,~~ for the purchase of energy cost  
27          savings measures without complying with this article and may procure a  
28          guaranteed energy cost savings contract through the competitive sealed  
29          proposal process prescribed in title 41, chapter 23,~~—article 3~~ or any similar  
30          competitive proposal process adopted by the agent. ~~as long as the agent~~  
31          ~~follows any additional requirements set forth in section 15-213.01.~~

32          Sec. 7. Section 34-451, Arizona Revised Statutes, is amended to read:

1           34-451. Energy conservation standards for public buildings;  
2                           energy sources

3           A. The department of commerce ENERGY OFFICE in consultation with  
4 persons responsible for building systems shall adopt and publish energy  
5 conservation standards for construction of all new capital projects as  
6 defined in section 41-790, including buildings designed and constructed by  
7 THE SCHOOL FACILITIES BOARD, school districts, community college districts  
8 and universities. These standards shall be consistent with the recommended  
9 energy conservation standards of the American society of heating,  
10 refrigerating and air conditioning engineers and the international energy  
11 conservation code.

12           B. The standards shall be adopted to achieve energy conservation and  
13 shall allow for design flexibility.

14           C. The following state agencies THROUGH THE USE OF ENERGY PERFORMANCE  
15 CONTRACTING, OTHER SIMILAR PROCUREMENT MECHANISMS OR OTHER MECHANISMS shall  
16 reduce energy use in public buildings that they administer by ten per cent  
17 per square foot of floor area on or before July 1, 2008, and by fifteen per  
18 cent per square foot of floor area on or before July 1, 2011, BY TWENTY PER  
19 CENT PER SQUARE FOOT OF FLOOR AREA ON OR BEFORE JULY 1, 2015 AND BY THIRTY  
20 PER CENT PER SQUARE FOOT OF FLOOR AREA ON OR BEFORE JULY 1, 2020, using July  
21 1, 2001 through June 30, 2002 as the baseline year:

- 22           1. The department of administration for its building systems.
- 23           2. The Arizona board of regents for its building systems.
- 24           3. The department of transportation for its building systems.

25           D. ALL SCHOOL DISTRICTS THROUGH THE USE OF ENERGY PERFORMANCE  
26 CONTRACTING, OTHER SIMILAR PROCUREMENT MECHANISMS OR OTHER MECHANISMS SHALL  
27 ACHIEVE THE GOAL OF REDUCING SCHOOL DISTRICT-WIDE AVERAGE ENERGY USE IN  
28 BUILDINGS THAT THEY ADMINISTER BY TEN PER CENT PER SQUARE FOOT OF FLOOR AREA  
29 ON OR BEFORE JULY 1, 2012, BY FIFTEEN PER CENT PER SQUARE FOOT OF FLOOR AREA  
30 ON OR BEFORE JULY 1, 2016 AND BY TWENTY PER CENT PER SQUARE FOOT OF FLOOR  
31 AREA ON OR BEFORE JULY 1, 2019, USING THE SCHOOL DISTRICT-WIDE AVERAGE FOR  
32 JULY 1, 2001 THROUGH JUNE 30, 2002 AS THE BASELINE YEAR.

1           ~~D.~~ E. The ~~state~~ DEPARTMENT OF COMMERCE energy office shall provide  
2 technical assistance to the state agencies prescribed in subsection C of this  
3 section AND TO SCHOOL DISTRICTS. On or before ~~July~~ OCTOBER 1 of each year,  
4 the ~~state~~ DEPARTMENT OF COMMERCE energy office shall measure compliance with  
5 ~~subsection~~ SUBSECTIONS C AND D of this section, compile the results of that  
6 monitoring and report to the speaker of the house of representatives and the  
7 president of the senate as to the progress of attaining the goals prescribed  
8 in ~~subsection~~ SUBSECTIONS C AND D of this section. The ~~state~~ DEPARTMENT OF  
9 COMMERCE energy office shall include in its report an explanation of the  
10 reasons for any failure to achieve energy reductions in specific building  
11 systems as prescribed in ~~subsection~~ SUBSECTIONS C AND D of this section.

12           ~~E.~~ F. All state agencies, SCHOOL DISTRICTS, COMMUNITY COLLEGES AND  
13 UNIVERSITIES shall procure energy efficient products that ~~are certified by~~  
14 MEET OR EXCEED THE CERTIFICATIONS OF the United States department of energy,  
15 ~~or~~ the United States environmental protection agency ~~as~~ energy star  
16 CERTIFICATION or ~~that are certified under~~ the federal energy management  
17 program in all categories that are available unless the products are shown  
18 not to be cost-effective on a life cycle cost basis.

19           G. ON OR BEFORE JULY 1, 2015, THROUGH THE USE OF RENEWABLE ENERGY  
20 POWER SERVICE AGREEMENTS OR OTHER MECHANISMS, ALL STATE AGENCIES,  
21 UNIVERSITIES AND SCHOOL DISTRICTS SHALL USE OR PURCHASE AT LEAST TEN PER CENT  
22 OF THEIR AGGREGATE ENERGY REQUIREMENTS IN PUBLIC BUILDINGS THAT THEY  
23 ADMINISTER FROM RENEWABLE ENERGY SOURCES THAT INCLUDE SOLAR, WIND, BIOMASS,  
24 GEOTHERMAL, AGRICULTURAL WASTE, BIOGAS AND LOW IMPACT HYDROELECTRIC  
25 GENERATION PLANTS AND COMBINED HEAT AND POWER SYSTEMS. THE DEPARTMENT OF  
26 COMMERCE ENERGY OFFICE SHALL INCLUDE IN ITS REPORT PRESCRIBED BY SUBSECTION E  
27 OF THIS SECTION AN EXPLANATION OF THE REASONS FOR ANY FAILURE TO ACHIEVE THE  
28 ENERGY REQUIREMENTS IN SPECIFIC BUILDING SYSTEMS AS PRESCRIBED IN THIS  
29 SUBSECTION.

30           H. ALL STATE AGENCY BUILDINGS COMMENCING CONSTRUCTION ON OR AFTER JULY  
31 1, 2010 SHALL CONFORM TO THE LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN  
32 GREEN BUILDING RATING STANDARDS DEVELOPED BY THE UNITED STATES GREEN BUILDING

1 COUNCIL OR AN EQUIVALENT GREEN BUILDING RATING STANDARD IN A MANNER  
2 PRESCRIBED BY THE DEPARTMENT OF COMMERCE ENERGY OFFICE, UNLESS THE STANDARD  
3 CAN BE SHOWN NOT TO BE COST-EFFECTIVE ON A LIFE CYCLE COST BASIS. THE  
4 DEPARTMENT OF COMMERCE ENERGY OFFICE SHALL MONITOR THE UNITED STATES GREEN  
5 BUILDING COUNCIL AND DEVELOPERS OF EQUIVALENT GREEN BUILDING RATING STANDARDS  
6 FOR CHANGES TO THE RATING STANDARDS THAT IMPACT STATE BUILDINGS.

7 Sec. 8. Repeal

8 Section 34-453, Arizona Revised Statutes, is repealed.

9 Sec. 9. Section 34-454, Arizona Revised Statutes, is amended to read:

10 34-454. Establishment and use of life cycle cost methods and  
11 procedures: definition

12 A. The director of the department of administration, in consultation  
13 with the department of commerce ENERGY OFFICE, shall establish practical and  
14 effective present value methods for estimating and comparing life cycle costs  
15 for state capital projects, ~~using~~ the sum of all capital and operating  
16 expenses associated with the energy system of the building involved over the  
17 expected life of the system or during a period of twenty-five years,  
18 whichever is shorter, and using average fuel costs and a discount rate  
19 determined by the director. The director shall develop and prescribe the  
20 procedures to be followed in applying and implementing the methods and  
21 procedures established by this subsection.

22 B. THE DIRECTOR OF THE SCHOOL FACILITIES BOARD, IN CONSULTATION WITH  
23 THE DEPARTMENT OF COMMERCE ENERGY OFFICE, SHALL USE THE LIFE CYCLE COST  
24 METHODS ESTABLISHED IN SUBSECTION A, OR SHALL ESTABLISH PRACTICAL AND  
25 EFFECTIVE METHODS FOR ESTIMATING AND COMPARING LIFE CYCLE COSTS CONSISTENT  
26 WITH THE STANDARDS PRESCRIBED IN SUBSECTION A, FOR CAPITAL PROJECTS FOR THE  
27 SCHOOL FACILITIES BOARD UNDER TITLE 15, CHAPTER 16 SOLELY FOR PURPOSES OF  
28 SCHOOL DISTRICTS ENTERING INTO GUARANTEED ENERGY COST SAVINGS CONTRACTS UNDER  
29 TITLE 15.

30 ~~B.~~ C. The design of new capital projects and the application of  
31 energy ~~conservation~~ SAVINGS AND RENEWABLE ENERGY measures to existing capital

1 projects shall be made using life cycle cost methods and procedures  
2 established pursuant to subsection A.

3 ~~E.~~ D. In leasing buildings preference shall be given to buildings  
4 ~~which~~ THAT minimize life cycle costs.

5 ~~D.~~ E. For the purposes of this section, "life cycle cost" means the  
6 total cost of owning, operating and maintaining a building over its useful  
7 life, including such costs as fuel, energy, labor and replacement components  
8 determined on the basis of a systematic evaluation and comparison of  
9 alternative building systems, except that in the case of leased buildings,  
10 the life cycle costs shall be calculated over the effective remaining term of  
11 the lease.

12 Sec. 10. Section 34-455, Arizona Revised Statutes, is amended to read:  
13 34-455. Performance contracting; definitions

14 A. The department of administration, WITH TECHNICAL SUPPORT FROM THE  
15 DEPARTMENT OF COMMERCE ENERGY OFFICE, shall develop and implement a program  
16 to enter into ENERGY performance contracts ~~solely~~ for the purpose of  
17 achieving energy OR COST savings as measured in dollars and benefits  
18 ancillary to that purpose AND FOR THE PURPOSE OF IMPLEMENTING RENEWABLE  
19 ENERGY PROJECTS OR RENEWABLE POWER SERVICE AGREEMENTS. PERFORMANCE CONTRACTS  
20 MAY ALSO BE USED TO REDUCE WATER CONSUMPTION AND WATER COSTS, TO REDUCE SEWER  
21 COSTS AND FOR RAINWATER HARVESTING SYSTEMS. WATER AND SEWER MEASURES MAY BE  
22 COMBINED WITH ENERGY MEASURES IN THE SAME PERFORMANCE CONTRACT, OR WATER AND  
23 SEWER MEASURES MAY BE INCLUDED IN A SEPARATE WATER SAVINGS PERFORMANCE  
24 CONTRACT.

25 B. PURSUANT TO TITLE 41, CHAPTER 23, each contract may be for a period  
26 of not more than the expected life of the energy savings OR RENEWABLE ENERGY  
27 measures implemented or twenty-five years, whichever is shorter. The  
28 contract shall provide that the energy and operational savings generated  
29 cover all costs, after accounting for any financial incentives or assistance  
30 provided by utilities, associated with implementation of energy ~~conservation~~  
31 SAVINGS OR RENEWABLE ENERGY measures to include audits, design equipment,  
32 purchase and installation, metering, interest on monies borrowed and

1 training, and the contract shall include contractor profit. ~~The contractor~~  
2 ~~shall recover an amount not to exceed the summation of these costs and the~~  
3 ~~agreed upon profit. Energy dollar savings realized as a result of a~~  
4 ~~performance contract under this section shall be shared at a negotiated rate~~  
5 ~~between the state and the contractor, until such time as the contractor has~~  
6 ~~recovered the amount specified in the contract, at which time all savings~~  
7 ~~shall accrue to the state. Interest rates charged on each contract shall be~~  
8 ~~mutually agreed upon by the department of administration and the contractor.~~  
9 ~~Contracts shall contain contingency provisions agreed upon by the department~~  
10 ~~and the contractor for cases where measured energy dollar savings do not meet~~  
11 ~~predicted energy dollar savings.~~

12 ~~B.~~ C. For the purposes of this section:

13 1. "Combined heat and power" means any system that simultaneously or  
14 sequentially generates both electric or mechanical energy and useful thermal  
15 energy using the same unit of fuel.

16 2. "Energy ~~dollar~~ OR COST savings" means a reduction in the cost of  
17 energy, from a base energy cost established through a methodology set forth  
18 in the contract, utilized in an existing or new state owned or leased  
19 building as a result of ~~either~~ ANY OF THE FOLLOWING:

20 (a) The lease or purchase of operating equipment by the state or  
21 contractor, improvements made, altered operation and maintenance, technical  
22 services provided or renewable energy sources utilized.

23 (b) The increased efficient use of existing energy sources by  
24 cogeneration or combined heat and power.

25 (c) RENEWABLE ENERGY CONTRACTS OR RENEWABLE POWER SERVICE AGREEMENTS.

26 Sec. 11. Repeal

27 Section 34-456, Arizona Revised Statutes, is repealed.

28 Sec. 12. Title 41, chapter 10, article 1, Arizona Revised Statutes, is  
29 amended by adding section 41-1511, to read:

30 41-1511. Energy efficient buildings; report; definition

31 A. IT IS THE POLICY OF THIS STATE TO PROMOTE THE CONSTRUCTION OF  
32 ENERGY EFFICIENT BUILDINGS. IN ORDER TO ACCOMPLISH THE CONSTRUCTION OF

1 ENERGY EFFICIENT RESIDENTIAL AND COMMERCIAL BUILDINGS, THE FOLLOWING  
2 VOLUNTARY STATEWIDE GOALS ARE ESTABLISHED:

3 YEAR	PERCENTAGE BY WHICH NEW
4	BUILDINGS ON AVERAGE ARE
5	MORE ENERGY EFFICIENT
6	THAN THE 2006 INTERNATIONAL
7	ENERGY CONSERVATION CODE
8 2012	15%
9 2016	30%
10 2020	50%

11 B. THE DEPARTMENT OF COMMERCE ENERGY OFFICE SHALL TRACK THE NUMBER OF  
12 ENERGY EFFICIENT BUILDINGS THAT ARE CONSTRUCTED IN THIS STATE.

13 C. MUNICIPALITIES AND COUNTIES THAT COMPILE DATA ON ENERGY EFFICIENT  
14 BUILDINGS PURSUANT TO SECTIONS 9-469 AND 11-324 SHALL PROVIDE THAT  
15 INFORMATION TO THE ENERGY OFFICE ON OR BEFORE FEBRUARY 1 OF EACH YEAR AS  
16 PRESCRIBED BY THE ENERGY OFFICE.

17 D. BEGINNING IN 2010, THE ENERGY OFFICE SHALL SUBMIT TO THE  
18 LEGISLATURE AN ANNUAL REPORT OF INFORMATION COLLECTED PURSUANT TO SUBSECTIONS  
19 B AND C OF THIS SECTION, A DETERMINATION OF THE NUMBER AND PERCENTAGE OF  
20 ENERGY EFFICIENT BUILDINGS CONSTRUCTED IN THE PRECEDING YEAR AND AN ESTIMATE  
21 OF THE PERCENTAGE THAT ALL NEW RESIDENTIAL BUILDINGS IN THE AGGREGATE ON  
22 AVERAGE WERE MORE ENERGY EFFICIENT AND AN ESTIMATE OF THE PERCENTAGE THAT ALL  
23 NEW COMMERCIAL BUILDINGS IN THE AGGREGATE ON AVERAGE WERE MORE ENERGY  
24 EFFICIENT THAN THE INTERNATIONAL ENERGY CONSERVATION CODE. THE REPORT MAY  
25 INCLUDE ONLY AGGREGATE INFORMATION WITH RESPECT TO SPECIFIC BUILDERS.

26 E. IN ADDITION TO THE REPORT REQUIRED BY SUBSECTION D OF THIS SECTION,  
27 THE ENERGY OFFICE SHALL MAKE AN ANNUAL PRESENTATION TO THE HOUSE OF  
28 REPRESENTATIVES COMMITTEE ON WATER AND ENERGY AND THE SENATE COMMITTEE ON  
29 NATURAL RESOURCES, INFRASTRUCTURE AND PUBLIC DEBT, OR THEIR SUCCESSOR  
30 COMMITTEES.

31 F. FOR THE PURPOSES OF THIS SECTION, "ENERGY EFFICIENT BUILDINGS"  
32 MEANS NEW RESIDENTIAL AND COMMERCIAL BUILDINGS THAT MEET OR EXCEED THE ENERGY

1 EFFICIENCIES PRESCRIBED BY THE UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
2 ENERGY STAR PROGRAM OR BY A LEADERSHIP IN ENERGY AND ENVIRONMENTAL DESIGN  
3 GREEN BUILDING RATING STANDARD DEVELOPED BY THE UNITED STATES GREEN BUILDING  
4 COUNCIL, OR AN EQUIVALENT GREEN BUILDING STANDARD, OR THAT ARE AT LEAST  
5 FIFTEEN PER CENT MORE ENERGY EFFICIENT THAN THE INTERNATIONAL ENERGY  
6 CONSERVATION CODE.

7 Sec. 13. Title 41, chapter 23, article 3, Arizona Revised Statutes, is  
8 amended by adding section 41-2560, to read:

9 41-2560. Energy performance contracts

10 A. THE DIRECTOR SHALL ENTER INTO ENERGY PERFORMANCE CONTRACTS TO  
11 FINANCE ENERGY EFFICIENCY AND RENEWABLE ENERGY PROJECTS OR CONTRACTS FOR THE  
12 PURCHASING AGENCY PURSUANT TO SECTION 34-455. ENERGY EFFICIENT AND RENEWABLE  
13 ENERGY PROJECTS OR CONTRACTS TO BE FUNDED UNDER THIS SECTION SHALL USE  
14 GENERALLY AVAILABLE AND MARKET PROVEN COMMERCIAL TECHNOLOGIES AS DEFINED  
15 PROGRAMMATICALLY BY THE DEPARTMENT OF COMMERCE ENERGY OFFICE. THE FUNDING  
16 FOR SERVICES UNDER AN ENERGY PERFORMANCE CONTRACT ENTERED INTO PURSUANT TO  
17 THIS SECTION MAY INCLUDE APPROPRIATE LEASE-PURCHASE OR OTHER THIRD-PARTY  
18 AGREEMENTS. FUNDING FOR AN ENERGY PERFORMANCE CONTRACT ENTERED INTO PURSUANT  
19 TO THIS SECTION MAY INCLUDE APPROPRIATE LEASE-PURCHASE FINANCING AGREEMENTS  
20 OR THIRD-PARTY AGREEMENTS. THE QUALIFIED PROVIDER OR QUALIFIED ENERGY  
21 SERVICE COMPANY SHALL GUARANTEE THAT THE ENERGY OR COST SAVINGS TO BE  
22 GENERATED WILL BE AT LEAST SUFFICIENT TO COVER ANY DEBT SERVICE AND FEES  
23 ASSOCIATED WITH THE PROJECT FINANCING.

24 B. IF AN ENERGY PERFORMANCE CONTRACT HAS BEEN EXECUTED, OPERATING AND  
25 UTILITIES APPROPRIATIONS FOR A STATE AGENCY TO FUND ENERGY PERFORMANCE  
26 CONTRACTS SHALL NOT BE DECREASED OVER THE CONTRACT TERM ON THE EXCLUSIVE  
27 BASIS THAT THE PROJECT HAS BEEN IMPLEMENTED.

28 Sec. 14. Section 42-11054, Arizona Revised Statutes, is amended to  
29 read:

30 42-11054. Standard appraisal methods and techniques

31 A. Subject to subsection B of this section, the department shall:

1           1. Prescribe guidelines for applying standard appraisal methods and  
2 techniques that shall be used by the department and county assessors in  
3 determining the valuation of property.

4           2. Prepare and maintain manuals and other necessary guidelines,  
5 consistent with this section, reflecting the standard methods and techniques  
6 to perpetuate a current inventory of taxable property and the valuation of  
7 that property.

8           B. Before they are adopted, the department shall submit each  
9 substantive proposed guideline, table and manual that is developed, amended  
10 or otherwise modified from and after December 31, 2006 to the joint  
11 legislative oversight committee on property tax assessment and appeals. The  
12 department shall not finally adopt, amend or otherwise modify a substantive  
13 guideline, table or manual for at least thirty days after submitting the  
14 measure to the committee. The committee may hold one or more informational  
15 hearings on the proposed measure within thirty days after submission. In  
16 adopting, amending or modifying the measure the department shall consider the  
17 committee's comments. If the committee fails to hold a hearing within thirty  
18 days after submission, the department may adopt, amend or modify the measure  
19 without further consideration.

20           C. In applying prescribed standard appraisal methods and techniques:

21           1. Current usage shall be included in the formula for reaching a  
22 determination of full cash value.

23           2. Solar energy devices, as defined in section 44-1761, **GRID-TIED**  
24 **SOLAR PHOTOVOLTAIC SYSTEMS** and any other device or system designed for the  
25 production of solar energy **PRIMARILY** for on-site consumption are considered  
26 to add no value to the property.

27           3. **ENERGY EFFICIENT BUILDING COMPONENTS, RENEWABLE ENERGY EQUIPMENT**  
28 **AND COMBINED HEAT AND POWER SYSTEMS ARE CONSIDERED TO ADD NO VALUE TO THE**  
29 **PROPERTY, IF THE PROPERTY OWNER PROVIDES THE COUNTY ASSESSOR WITH**  
30 **DOCUMENTATION OF ALL ELEMENTS THAT QUALIFY PURSUANT TO THIS PARAGRAPH,**  
31 **INCLUDING DOCUMENTS SHOWING ACTUAL ACQUISITION AND INSTALLATION COSTS. THE**  
32 **DOCUMENTATION MUST BE SUBMITTED TO THE COUNTY ASSESSOR NO LATER THAN SIX**

1 MONTHS BEFORE THE NOTICE OF FULL CASH VALUE IS ISSUED FOR THE INITIAL  
2 EVALUATION YEAR PURSUANT TO SECTION 42-15101 OR, IF THE COMPONENT IS ADDED  
3 AFTER SEPTEMBER 30 OF THE PRECEDING YEAR, NO LATER THAN MARCH 31 OF THE  
4 INITIAL VALUATION YEAR. FOR THE PURPOSES OF THIS PARAGRAPH:

5 (a) "COMBINED HEAT AND POWER SYSTEM" MEANS A PROCESS FOR THE  
6 SIMULTANEOUS OR SEQUENTIAL GENERATION OF ELECTRICAL OR MECHANICAL ENERGY AND  
7 USEFUL THERMAL ENERGY USING THE SAME UNIT OF FUEL, WITH A TOTAL FUEL  
8 EFFICIENCY OF SEVENTY PER CENT OR GREATER. THE EQUIPMENT OR SYSTEM MUST  
9 DEMONSTRATE, OR BE CERTIFIED TO BE CAPABLE OF, AT LEAST SEVENTY PER CENT  
10 TOTAL FUEL EFFICIENCY CAPABILITY.

11 (b) "ENERGY EFFICIENT BUILDING COMPONENTS" MEANS HIGH PERFORMANCE  
12 SUSTAINABLE BUILDING COMPONENTS INSTALLED SO THAT THE BUILDINGS OR BUILDING  
13 COMPONENTS MEET OR EXCEED THE ENERGY EFFICIENCIES PRESCRIBED BY THE UNITED  
14 STATES ENVIRONMENTAL PROTECTION AGENCY ENERGY STAR PROGRAM OR BY A LEADERSHIP  
15 IN ENERGY AND ENVIRONMENTAL DESIGN GREEN BUILDING RATING STANDARD DEVELOPED  
16 BY THE UNITED STATES GREEN BUILDING COUNCIL, OR AN EQUIVALENT GREEN BUILDING  
17 STANDARD, OR THAT ARE AT LEAST FIFTEEN PER CENT MORE ENERGY EFFICIENT THAN  
18 THE INTERNATIONAL ENERGY CONSERVATION CODE IN EFFECT AT THE TIME OF BUILDING  
19 PERMIT ISSUANCE.

20 (c) "RENEWABLE ENERGY EQUIPMENT" MEANS EQUIPMENT THAT IS USED TO  
21 PRODUCE ENERGY PRIMARILY FOR ON-SITE CONSUMPTION FROM RENEWABLE RESOURCES,  
22 INCLUDING WIND, FOREST THINNINGS, AGRICULTURAL WASTE, BIOGAS, BIOMASS,  
23 GEOTHERMAL, LOW-IMPACT HYDROPOWER AND SOLAR ENERGY NOT INCLUDED UNDER  
24 PARAGRAPH 2 OF THIS SUBSECTION.

25 D. If the methods and techniques prescribe using market data as an  
26 indication of market value, the price paid for future anticipated property  
27 value increments shall be excluded.

28 E. For purposes of determining full cash value, the department and  
29 county assessors shall use and apply the ratio standard guidelines issued by  
30 the department for tax year 1993 in the same manner as they were applied in  
31 tax year 1993. This subsection does not apply to property that is valued

1 according to prescribed statutory methods or to property for which values are  
2 determined in the year after an appeal pursuant to section 42-16002.

3 Sec. 15. Repeal

4 Section 42-12056, Arizona Revised Statutes, is repealed.

5 Sec. 16. Section 44-1375, Arizona Revised Statutes, is amended to  
6 read:

7 44-1375. Definitions

8 In this article, unless the context otherwise requires:

9 1. "Automatic commercial icemaker" means a factory made assembly that  
10 is shipped in one or more packages, that consists of a condensing unit and  
11 icemaking section operating as an integrated unit, that makes and harvests  
12 ice cubes and that may store or dispense ice. Automatic commercial icemaker  
13 includes machines with capacities between fifty and two thousand five hundred  
14 pounds per twenty-four hours.

15 2. "Ballast" means a device used with an electric discharge lamp to  
16 obtain necessary circuit conditions such as voltage, current and waveform for  
17 starting and operating the lamp.

18 3. "Commercial clothes washer" means a soft mount horizontal or  
19 vertical axis clothes washer that both:

20 (a) Has a clothes container compartment no greater than three and  
21 one-half cubic feet in the case of a horizontal axis product or no greater  
22 than four cubic feet in the case of a vertical axis product.

23 (b) Is designed for use by more than one household, such as in  
24 multifamily housing, apartments or coin laundries.

25 4. "Commercial prerinse spray valve" means a handheld device designed  
26 to spray water on dishes, flatware and other food service items for the  
27 purpose of removing food residue prior to cleaning.

28 5. "Commercial refrigerator, freezer and refrigerator freezer" means  
29 self-contained refrigeration equipment that:

30 (a) Is not a consumer product as regulated pursuant to 42 United  
31 States Code chapter 77.

1 (b) Operates at a chilled, frozen, combination chilled-frozen or  
2 variable temperature for the purpose of storing or merchandising food,  
3 beverages or ice.

4 (c) May have transparent or solid or both transparent and solid hinged  
5 doors, sliding doors or a combination of hinged and sliding doors.

6 (d) Incorporates most components involved in the vapor-compression  
7 cycle and the refrigerated compartment in a single cabinet.

8 (e) Does not include:

9 (i) Units with eighty-five cubic feet or more of internal volume.

10 (ii) Walk-in refrigerators or freezers.

11 (iii) Units with no doors.

12 (iv) Freezers specifically designed for ice cream.

13 6. "High-intensity discharge lamp" means a lamp in which light is  
14 produced by the passage of an electric current through a vapor or gas and in  
15 which the light producing arc is stabilized by bulb wall temperature and the  
16 arc tube has a bulb wall loading in excess of three watts per square  
17 centimeter.

18 7. "Illuminated exit sign" means an internally illuminated sign that  
19 is designed to be permanently fixed in place to identify a building exit and  
20 that consists of an electrically powered integral light source that both  
21 illuminates the legend "exit" and any directional indicators and provides  
22 contrast between the legend, any directional indicators and the background.

23 8. "Large packaged air conditioning equipment" means electrically  
24 operated, air cooled air conditioning and air conditioning heat pump  
25 equipment that has cooling capacity greater than or equal to two hundred  
26 forty thousand Btu per hour but less than seven hundred sixty thousand BTU  
27 per hour and that is built as a package and shipped as a whole to end user  
28 sites.

29 9. "Low voltage dry type distribution transformer" means a transformer  
30 to which all of the following apply:

31 (a) Has an input voltage of six hundred volts or less.

32 (b) Is air cooled.

1 (c) Does not use oil as a coolant.

2 (d) Is rated for operation at a frequency of sixty hertz.

3 10. "Metal halide lamp" means a high intensity discharge lamp in which  
4 the major portion of the light is produced by radiation of metal halides and  
5 their products of dissociation, possibly in combination with metallic vapors.

6 11. "Metal halide lamp fixture" means a light fixture designed to be  
7 operated with a metal halide lamp and a ballast for a metal halide lamp.

8 12. "PORTABLE ELECTRIC SPA" MEANS A FACTORY-BUILT ELECTRIC SPA OR HOT  
9 TUB THAT IS SUPPLIED WITH EQUIPMENT FOR HEATING AND CIRCULATING WATER.

10 ~~12.~~ 13. "Probe start metal halide ballast" means a ballast used to  
11 operate metal halide lamps that does not contain an ignitor and which instead  
12 starts lamps by using a third starting electrode probe in the arc tube.

13 ~~13.~~ 14. "Pulldown refrigerator" means a commercial refrigerator  
14 specifically designed to rapidly reduce all integrated product temperatures  
15 from ninety degrees fahrenheit to thirty-eight degrees fahrenheit over a  
16 twelve hour period when fully loaded with beverage containers.

17 15. "RESIDENTIAL POOL PUMP" MEANS A PUMP THAT IS USED TO CIRCULATE AND  
18 FILTER RESIDENTIAL SWIMMING POOL WATER IN ORDER TO MAINTAIN CLARITY AND  
19 SANITATION AND THAT CONSISTS, IN PART, OF A MOTOR AND AN IMPELLER AND  
20 HOUSING.

21 16. "RESIDENTIAL POOL PUMP MOTOR" MEANS A DEFINITE PURPOSE MOTOR  
22 DESIGNED FOR USE IN A RESIDENTIAL POOL PUMP.

23 ~~14.~~ 17. "Single voltage external AC to DC power supply" means a device  
24 that:

25 (a) Is designed to convert line voltage AC input into lower voltage DC  
26 output.

27 (b) Is able to convert to only one DC output voltage at a time.

28 (c) Is sold with, or intended to be used with, a separate end use  
29 product that constitutes the primary power load.

30 (d) Is contained within a separate physical enclosure from the end use  
31 product.

1 (e) Is connected to the end use product via a removable or hard wired  
2 male/female electrical connection, cable, cord or other wiring.

3 (f) Does not have batteries or battery packs, including those that are  
4 removable and that physically attach directly to the power supply unit.

5 (g) Does not have a battery chemistry or type selector switch and  
6 indicator light or does not have a battery chemistry or type selector switch  
7 and a state of charge meter.

8 (h) Has a nameplate output power less than or equal to two hundred  
9 fifty watts.

10 ~~15.~~ 18. "Torchiere" means a portable electric lighting fixture with a  
11 reflective bowl that directs light upward onto a ceiling so as to produce  
12 indirect illumination on the surfaces below. A torchiere may include  
13 downward directed lamps in addition to the upward, indirect illumination.

14 ~~16.~~ 19. "Traffic signal module" means a standard eight inch or twelve  
15 inch traffic signal indication, consisting of a light source, a lens and all  
16 other parts necessary for operation.

17 ~~17.~~ 20. "Transformer" means a device that consists of two or more  
18 coils of insulated wire and that is designed to transfer alternating current  
19 by electromagnetic induction from one coil to another to change the original  
20 voltage or current value. Transformer does not include:

21 (a) Transformers with multiple voltage taps, with the highest voltage  
22 tap equaling at least twenty per cent more than the lowest voltage tap.

23 (b) Transformers, such as those commonly known as drive transformers,  
24 rectifier transformers, auto transformers, uninterruptible power system  
25 transformers, impedance transformers, regulating transformers, sealed and  
26 nonventilating transformers, machine tool transformers, welding transformers,  
27 grounding transformers or testing transformers, that are designed to be used  
28 in a special purpose application and that are unlikely to be used in general  
29 purpose applications.

30 ~~18.~~ 21. "Unit heater" means a self-contained, vented fan type  
31 commercial space heater that uses natural gas or propane and that is designed  
32 to be installed without ducts within a heated space, except that unit heater

1 does not include any products covered by federal standards established  
2 pursuant to 42 United States Code chapter 77 or any product that is a direct  
3 vent, forced flue heater with a sealed combustion burner.

4 Sec. 17. Section 44-1375.01, Arizona Revised Statutes, is amended to  
5 read:

6 44-1375.01. Applicability

7 A. This article applies to the following types of new products sold,  
8 offered for sale or installed in this state:

- 9 1. Automatic commercial icemakers.
- 10 2. Commercial clothes washers.
- 11 3. Commercial prerinse spray valves.
- 12 4. Commercial refrigerators, freezers and refrigerator freezers.
- 13 5. Illuminated exit signs.
- 14 6. Large packaged air conditioning equipment.
- 15 7. Low voltage dry type distribution transformers.
- 16 8. Metal halide lamp fixtures.
- 17 9. Single voltage external AC to DC power supplies.
- 18 10. Torchieres.
- 19 11. Traffic signal modules.
- 20 12. Unit heaters.
- 21 13. PORTABLE ELECTRIC SPAS.
- 22 14. RESIDENTIAL POOL PUMPS AND RESIDENTIAL POOL PUMP MOTORS.

23 B. This article does not apply to:

- 24 1. New products manufactured in this state and sold outside this  
25 state.
- 26 2. New products manufactured outside this state and sold at wholesale  
27 inside this state for final retail sale and installation outside this state.
- 28 3. Products installed in mobile manufactured homes at the time of  
29 construction.
- 30 4. Products designed expressly for installation and use in  
31 recreational vehicles.

1           5. Products installed in a laundry facility located within an  
2 apartment complex or mobile home park at the time of construction or  
3 replacement. For the purposes of this paragraph, "apartment complex" means  
4 any real property that has one or more structures and that contains four or  
5 more dwelling units for rent or lease that are subject to the Arizona  
6 residential landlord and tenant act prescribed by title 33, chapter 10.

7           Sec. 18. Section 44-1375.02, Arizona Revised Statutes, is amended to  
8 read:

9           44-1375.02. Standards

10          A. Except as provided in subsection ~~B~~ C, the following standards  
11 apply beginning January 1, 2008:

12           1. Automatic commercial icemakers shall meet the requirements of  
13 section 1605.3 of the California Code of Regulations, title 20: division 2,  
14 chapter 4, article 4, in effect on ~~the effective date of this article~~ AUGUST  
15 12, 2005.

16           2. Commercial clothes washers shall meet the requirements of section  
17 1605.3 of the California Code of Regulations, title 20: division 2, chapter  
18 4, article 4, in effect on ~~the effective date of this article~~ AUGUST 12,  
19 2005.

20           3. Commercial prerinse spray valves shall have a flow rate equal to or  
21 less than 1.6 gallons per minute.

22           4. Commercial refrigerators, freezers and refrigerator freezers shall  
23 meet the requirements of section 1605.3 of the California Code of  
24 Regulations, title 20: division 2, chapter 4, article 4, in effect on ~~the~~  
25 ~~effective date of this article~~ AUGUST 12, 2005, except that pulldown  
26 refrigerators with transparent doors shall meet a requirement five per cent  
27 less stringent than shown in the California regulations.

28           5. Illuminated exit signs shall have an input power demand of five  
29 watts or less per illuminated face and shall either have a power factor of at  
30 least 0.70 or meet the power factor product specification of the energy star  
31 program requirements, whichever is higher.

1           6. Large packaged air conditioning equipment shall meet a minimum  
2 energy efficiency ratio of 10.0 for air conditioning without an integrated  
3 heating component or with electric resistance heating integrated into the  
4 unit, 9.8 for air conditioning with heating other than electric resistance  
5 integrated into the unit, 9.5 for air conditioning heat pumps without an  
6 integrated heating component or with electric resistance heating integrated  
7 into the unit and 9.3 for air conditioning heat pump equipment with heating  
8 other than electric resistance integrated into the unit. Large packaged air  
9 conditioning heat pumps shall meet a minimum coefficient of performance in  
10 the heating mode of 3.2 measured at a high temperature rating of forty-seven  
11 degrees Fahrenheit.

12           7. ~~THROUGH DECEMBER 31, 2010,~~ low voltage dry type distribution  
13 transformers shall meet the class 1 efficiency levels for low voltage  
14 distribution transformers specified in table 4-2 of the guide for determining  
15 energy efficiency for distribution transformers, published by the national  
16 electrical manufacturers association (NEMA standard TP-1-2002), in effect on  
17 ~~the effective date of this article~~ AUGUST 12, 2005.

18           8. Metal halide lamp fixtures designed to be operated with lamps rated  
19 greater than or equal to one hundred fifty watts but less than or equal to  
20 five hundred watts shall not contain a probe start metal ~~halid~~ HALIDE lamp  
21 ballast.

22           9. Single voltage external AC to DC power supplies shall meet the tier  
23 one energy efficiency requirements of section 1605.3 of the California Code  
24 of Regulations, title 20: division 2, chapter 4, article 4, in effect on ~~the~~  
25 ~~effective date of this article~~ AUGUST 12, 2005. This standard applies to  
26 single voltage AC to DC power supplies that are sold individually and to  
27 those that are sold as a component of or in conjunction with another product.

28           10. Torchieres shall not use more than one hundred ninety watts. A  
29 torchiere shall be deemed to use more than one hundred ninety watts if any  
30 commercially available lamp or combination of lamps can be inserted in its  
31 socket and cause the torchiere to draw more than one hundred ninety watts  
32 when operated at full brightness.

1           11. Traffic signal modules shall meet the product specification of the  
2 energy star program requirements for traffic signals developed by the United  
3 States environmental protection agency that took effect in February 2001,  
4 shall have a power factor of at least 0.90 and shall be installed with  
5 compatible, electrically connected signal control interface devices and  
6 conflict monitoring systems.

7           12. Unit heaters shall be equipped with an intermittent ignition device  
8 and shall have either power venting or an automatic flue damper.

9           B. BEGINNING JANUARY 1, 2012, THE FOLLOWING STANDARDS APPLY:

10           1. PORTABLE ELECTRIC SPAS SHALL NOT HAVE A NORMALIZED STANDBY POWER  
11 GREATER THAN FIVE TIMES THE SPA'S FILL VOLUME IN GALLONS RAISED TO THE TWO-  
12 THIRDS POWER.

13           2. RESIDENTIAL POOL PUMPS AND RESIDENTIAL POOL PUMP MOTORS SHALL  
14 COMPLY WITH BOTH OF THE FOLLOWING:

15           (a) MOTORS SHALL NOT BE SPLIT-PHASE OR CAPACITOR START-INDUCTION RUN  
16 TYPE MOTORS, EXCEPT FOR THE FOLLOWING:

17           (i) THE LOW-SPEED SECTION OF TWO-SPEED MOTORS MAY BE CAPACITOR  
18 START-INDUCTION RUN TYPE.

19           (ii) FORTY-EIGHT-FRAME MOTORS DESIGNED FOR USE WITH ABOVE-GROUND POOLS  
20 ARE EXEMPT FROM THIS REQUIREMENT.

21           (b) MOTORS WITH A TOTAL HORSEPOWER CAPACITY OF ONE OR MORE SHALL HAVE  
22 THE CAPABILITY OF OPERATING AT TWO OR MORE SPEEDS WITH A LOW SPEED HAVING A  
23 ROTATION RATE THAT IS NO MORE THAN ONE-HALF OF THE MOTOR'S MAXIMUM ROTATION  
24 RATE AND SHALL BE OPERATED WITH A PUMP CONTROL WITH THE CAPABILITY OF  
25 OPERATING THE PUMP AT TWO OR MORE SPEEDS. RESIDENTIAL POOL PUMP MOTOR  
26 CONTROLS THAT ARE SOLD FOR USE WITH A TWO OR MORE SPEED MOTOR SHALL HAVE A  
27 DEFAULT CIRCULATION SPEED SETTING NO MORE THAN ONE-HALF OF THE MOTOR'S  
28 MAXIMUM ROTATION RATE. ANY HIGH SPEED OVERRIDE CAPABILITY SHALL BE FOR A  
29 TEMPORARY PERIOD NOT TO EXCEED ONE TWENTY-FOUR HOUR CYCLE WITHOUT RESETTING  
30 TO THE DEFAULT SETTING.

1           ~~B.~~ C. The standards prescribed by subsection A apply beginning  
2 January 1, 2010, if the product is a commercial refrigerator, freezer or  
3 refrigerator freezer or large packaged air conditioning equipment.

4           ~~C.~~ D. Beginning on May 31, 2008, and every three years thereafter,  
5 the department of commerce energy office shall conduct a comparative review  
6 and assessment of the standards prescribed by subsection A and energy  
7 efficiency standards adopted in other states. The department of commerce  
8 energy office shall:

9           1. Submit a report of its findings and recommendations to the speaker  
10 of the house of representatives and president of the senate.

11           2. Provide a copy of the report to the director of the Arizona state  
12 library, archives and public records."

13 Amend title to conform

and, as so amended, it do pass

LUCILLE L. MASON  
Chairman

2337-se-we  
3/5/09  
H:jmb

2337LM  
3/3/2009  
12:03 PM  
C: myr