

Government Committee

Senator John Kavanagh, Chairman



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GOVERNMENT COMMITTEE

LEGISLATION ENACTED

reviser's technical corrections; 2017 (S.B. 1010) – Chapter 76

Makes annual non-substantive technical reviser's corrections to correct defective or conflicting statutory text from the previous session's legislative enactments.

governor's regulatory review council; continuation (S.B. 1016) – Chapter 101

Continues the Governor's Regulatory Review Council for eight years, until July 1, 2025, retroactive to July 1, 2017.

expedited rulemaking (S.B. 1055) – Chapter 185

Amends conditions in which state agencies may conduct expedited rulemaking and prohibits a final expedited rule that is substantially different from the proposed rule from being submitted to the Governor's Regulatory Review Council (GRRC). Stipulates that approved rules are effective immediately upon filing the notice of final expedited rulemaking and GRRC's certificate of approval with the Secretary of State instead of 30 days after filing. Requires both the agency and GRRC to post notice of the proposed expedited rulemaking on their website.

municipal codes; publication; online (S.B. 1056) – Chapter 144

Adds online electronic reproduction to the definition of *published* as it pertains to municipal codes.

repeal; regional attraction districts (S.B. 1058) – Chapter 7

Repeals provisions relating to regional attraction districts and makes conforming changes.

homeowners' associations; dispute process (S.B. 1060) – Chapter 77

Makes technical changes regarding the transfer of the administrative hearing dispute resolution process to the Arizona Department of Real Estate for unit owners' associations and homeowners' associations.

personal property transfer; limitations prohibited (S.B. 1122) – Chapter 238

Prohibits a city, town, county and the state from requiring that the owner of any personal property search or facilitate the search of any federal or state databases or involve a third party as a condition of a private sale, gift, donation or other transfer of personal property.

state contract lobbyists; prohibition (S.B. 1123) – Chapter 145

Prohibits any state agency, office, department, board or commission from contracting with an entity for lobbying services and prohibits spending on lobbying unless the person is directly employed by a state governmental unit and lobbying is part of the employee's job description. Exempts governmental units headed by an elected official or exempt from the Arizona Procurement Code from these prohibitions.

vendor; payment by warrant; fee (S.B. 1137) – Chapter 239

Allows the Director of the Arizona Department of Administration to establish by rule and collect a fee on warrants issued to vendors for payment for materials, services or construction to the state. The fees must be deposited into the state General Fund.

encumbrance documents; exceptions (S.B. 1138) – Chapter 109

Raises the limit for expenses eligible to be paid without prior submittal of encumbrance documents from \$1,000 to \$5,000. Allows reimbursements to employees for travel or other expenses incurred, eligibility payments and required non-discretionary payments to be issued without prior submittal of encumbrance documents.

~~courthouse security; fund~~ (NOW: improvement districts; retention; detention basins) (S.B. 1161) – Chapter 300

Allows municipalities to establish improvement districts for the sole purpose of operation, maintenance, repair and improvements of a retention and detention basin.

Arizona procurement code; amendments (S.B. 1164) – Chapter 111

Requires the Director of the Arizona Department of Administration to establish specifications based on national standards for procurement of energy consumptive materials and eliminates cashier's checks as an acceptable form of bid security.

fire districts; electronic funds transfers (S.B. 1176) – Chapter 16

Allows the chairman of the board of directors of a fire district, including a noncontiguous county island fire district, to draw funds from the county treasurer via substitute checks or electronic funds transfers. Requires fire districts to record any substitute checks or electronic funds transfers in its monthly financial reports.

political parties; notice; meetings (S.B. 1191) – Chapter 241

Requires a district party committee, upon the first meeting after a general election or legislative district boundary change, to elect state committeemen. Specifies that if no legislative district committee exists for a district within a particular county, the county committee is required

to elect the state committeemen. Requires the chairman of a legislative district or county committee to provide notice of meetings to each precinct committeeman by U.S. mail at least 10 days before the meeting, but requires the chairman to provide notice by e-mail if authorized by a precinct committeeman who has provided a valid e-mail address.

~~local governments; smallcell equipment permitting~~ (NOW: microcell equipment; local governments) (S.B. 1214) – Chapter 205

Specifies requirements for political subdivisions to allow for the installation, operation and maintenance of microcell equipment, small wireless facilities and Wi-Fi radio equipment and outlines stipulations for charging fees. Conditions the enactment of this legislation on H.B. 2365 which was signed by the Governor on May 31, 2017.

~~state lands; perpetual rights of way~~ (NOW: Wesley Bolin memorial; Rick Lavis) (S.B. 1245) – Chapter 259

SEE THE NATURAL RESOURCES, ENERGY & WATER COMMITTEE.

~~jail districts; maintenance of effort~~ (S.B. 1316) – Chapter 181

States that if a county experiences a negative net new assessed valuation in any year after 2015 and within three years of the imposition of a community corrections tax, the county may make maintenance of effort payments equal to 25 percent, rather than 100 percent, of the total amount expended for maintenance and operation of correctional facilities in the most recent fiscal year. Counties with a population greater than 500,000 persons may not utilize alternate maintenance of effort payments. A county that does utilize alternate maintenance of effort payments may not levy an excise tax in excess of 6.6 percent of prescribed statutory tax bases.

~~Gold Star memorial~~ (S.B. 1327) – Chapter 19

Authorizes the Arizona Department of Administration to provide for the placement of a Gold Star memorial in Wesley Bolin Plaza and stipulates that responsibility for fundraising and contracts for design and construction belongs to the proponents of the memorial. Repeals the authority for the placement of the memorial on October 1, 2020.

~~firearms; state preemption; independent contractors~~ (NOW: firearms; state preemption; employees) (S.B. 1344) – Chapter 148

Prohibits a political subdivision in Arizona from regulating the lawful possession, carry, transportation or storage of a firearm by an employee or independent contractor acting within the scope of his or her employment or contract, as long as the employee or independent contractor is: 1) on real property owned by the employee or independent contractor; 2) in or on a vehicle or craft owned by the employee or independent contractor unless the regulation violates applicable state or federal law; or 3) acting in accordance with state statute relating to transporting or storing firearms in a vehicle.

counties; municipalities; euthanizing animals (S.B. 1408) – Chapter 275

Prohibits the use of T-61 euthanasia solution or its generic equivalent for the euthanasia of any animal impounded in a county, city or town pound.

municipalities; annexation; roadway maintenance (S.B. 1413) – Chapter 86

Requires an annexation petition to identify the entity that will be responsible for maintaining the existing rights-of-way and roadways within or contiguous to the exterior boundaries of an area of proposed annexation.

road signage; counties (S.B. 1414) – Chapter 276

Allows a county to place a sign on a road the county does not maintain reading: *Enter or proceed with caution. Use at your own risk. This surface is not maintained by the county.*

agencies; review; GRRC; occupational regulation (S.B. 1437) – Chapter 138

Expands a person's right to petition the Governor's Regulatory Review Council (GRRC) to review a final rule based on the belief the final rule was not made in compliance with rulemaking procedures and stipulates that, upon request of at least four GRRC members, GRRC must, within 90 days, investigate whether the rule is in compliance with rulemaking procedures. Requires the agency to submit a statement addressing whether the rule is in compliance with rulemaking procedures within 30 days of receiving notice from GRRC. Requires GRRC's decision to contain findings of fact and conclusions of law. If GRRC determines the rulemaking requirements were not met, the practice, policy statement or rule is invalidated. Stipulates all state agencies and the Secretary of State must prominently post a notice regarding an individual's right to petition GRRC on their websites.

Requires state agencies to limit all occupational regulation to only those necessary to fulfill a specific public health, safety or welfare concern. An individual harmed by an occupational regulation may petition an agency to repeal or modify the regulation. The agency must repeal, modify or recommend legislative action to comply within 90 days or state the basis on which the regulation complies. An individual may file a petition challenging the occupational regulation in court. In order for the plaintiff to prevail, the court must find by a preponderance of evidence that the regulation burdens entry or participation in an occupation and that the state has failed to prove that the regulation is necessary to fulfill a public health, safety or welfare concern. The court is required to stop any further enforcement of the challenged regulation and award reasonable attorney fees and costs to the plaintiff if the court finds for the plaintiff.

state treasurer; public monies; procedures (S.B. 1448) – Chapter 277

Allows state agencies that contract with an authorized agent to impose a service fee or a surcharge for the electronic processing of transactions, if approved by the State Treasurer and deposited in the appropriate state fund. If electronic transactions exceed 30 percent of an agency's total transactions, the agency must perform a cost-benefit analysis of the imposed service fees or surcharges.

Allows the State Treasurer to invest in repurchase agreements collateralized with securities if the authorized counterparties have adequate capital and liquidity. Collateral posted in the form of securities must be in an amount of at least 102 percent of the market value of the loaned securities. Allows investments to be made in investment grade commercial paper.

fallen firefighter memorial; committee (H.B. 2025) – Chapter 21

Replaces the Arizona Firefighters and Emergency Paramedics Board with the Fallen Firefighter Memorial Committee (Committee) and stipulates duties, membership and meeting requirements. Terminates the Committee on July 1, 2027.

secretary of state; omnibus (H.B. 2026) – Chapter 223

Modifies the duties of the Secretary of State (SOS) and provides the SOS reasonable discretion to determine the form and style for rules filed with the SOS. Alters the posting and distribution requirements for the Arizona Administrative Register and the Arizona Administrative Code.

Establishes the Arizona Uniform Laws Commission (Commission), stipulates Commission membership and allows for the reimbursement of expenses. Requires the Commission to review national efforts to enact uniform laws and make recommendations to the Governor and Legislature on legislation the Commission deems desirable. Repeals the Commission on July 1, 2025.

Renames the Uniform Athlete Agent Act to the Revised Uniform Athlete Agent Act and removes the requirement for a student athlete agent to register and receive a certificate of registration from the SOS.

Repeals the requirement for dance studios to post a bond or cash deposit of \$5,000 with the SOS.

incorporation; urbanized areas (H.B. 2088/S.B. 1125) – Chapter 1

Allows an urbanized area to incorporate without an approved resolution from all incorporated municipalities within the statutorily defined radius if the urbanized area has a population of 15,000 or more persons and a population larger than the municipality opposing incorporation. An area that is covered by a planned community association during the period of declarant control otherwise meeting the criteria to incorporate without a resolution is excluded from this ability until January 1, 2021.

municipal zoning; rezoning protests (H.B. 2116) – Chapter 290

Requires a three-fourths vote by the governing body of a municipality to approve a municipal zoning amendment if 20 percent of the owners of the property by area and number within the zoning area file a protest. Defines *zoning area* as the area of the proposed change or within 150 feet of the proposed change, including all rights-of-way.

ombudsman-citizens aide; reports (H.B. 2186) – Chapter 30

Requires each department, commission, board, institution or agency of the state which receives state funds and maintains a website to include a link on its website to the ombudsman-citizens aide's website and the following statement: *The ombudsman-citizens aide helps citizens to resolve ongoing issues with state agencies.* Requires the ombudsman-citizens aide annual report to include a description of the public awareness and outreach activities conducted by the ombudsman-citizens aide.

prohibited firearm tracking; classification (H.B. 2216) – Chapter 165

Classifies, as a Class 6 felony, requiring a person to use, subject themselves to or disclose information related to a person or the person's firearm for the use of electronic firearm tracking technology. Stipulates this prohibition does not apply to the following: 1) a criminal justice employee in possession of a search warrant; 2) a pawnbroker or similar entity that uses electronic firearm tracking technology to report information to the county sheriff pursuant to statutory requirements; 3) a probation, parole or surveillance officer while in the execution of official duties; 4) a law enforcement database or similar system that tracks lost or stolen firearms; and 5) the owner of a firearm if the owner consents to the use of such technology in writing.

Defines *electronic firearm tracking technology* as a platform, system or device or a group of systems or devices that uses a shared ledger, distributed ledger or block chain technology or any other similar form of technology or electronic database for the purpose of storing information in a decentralized or centralized way, that is not owned or controlled by any single person or entity and that is used to locate or control the use of a firearm.

legislators; mileage rate (H.B. 2227) – Chapter 321

Requires the members of the Legislature to be reimbursed at the federal mileage reimbursement rate as determined by the U.S. General Services Administration.

municipal zoning; rezoning protest requirements (H.B. 2262) – Chapter 93

Requires a protest to a change to a municipal zoning ordinance to be signed by the property owners opposing the amendment and to be filed in the office of the clerk of the municipality no later than noon one business day before the date the governing body is scheduled to vote on the proposed change or on an earlier time and date established by the governing body of the municipality.

~~public debt; reporting; penalties~~ (NOW: administration department; reporting; public debt) (H.B. 2367) – Chapter 156

Transfers annual debt reporting requirements relating to debt incurred by state and local governments and bonds issued by all political subdivisions in Arizona from the State Treasurer to

the Arizona Department of Administration (ADOA). Transfers the Debt Oversight Commission from the State Treasurer to ADOA.

repeal; state boards and committees (H.B. 2369) – Chapter 315

Repeals the Conservation Advisory Committee; Citizens Transportation Oversight Committee; Special Assistant for Regional Transportation Plan; Advisory Board of the Arizona State Library, Archives and Public Records; Agricultural Best Management Practices Advisory Committee; Arizona Agricultural Protection Act and the Water Quality Assurance Revolving Fund Advisory Board. Further, removes specified requirements of the Regional Planning Agency.

Modifies the State Forester duties by requiring the development of minimum standards for protecting life and property from fire.

Requires the State Historic Preservation Officer to submit its annual report on the activities of the Historic Sites Review Committee to the Arizona Secretary of State.

Prohibits the Arizona Board of Regents (ABOR) or a university under the jurisdiction of ABOR from using state General Fund appropriations for contracting with individuals or entities for lobbying services.

counties; municipal land acquisition; limitation (H.B. 2406) – Chapter 296

Allows a county with a population of greater than 900,000 persons but fewer than 1,500,000 persons that has adopted a habitat conservation plan to acquire land located within a city or town only if the acquisition is part of an intergovernmental agreement entered into by the county and governing body of the city or town. Prohibits a county from acquiring land located within a city or town unless the acquisition of the land is part of a management agreement approved by the governing body of the city or town. Exempts land purchased or acquired for the primary purpose of public safety, healthcare or court operations.

homeowners' associations; open meetings (H.B. 2411) – Chapter 217

Requires the notice for annual and special meetings of a homeowners' association (HOA) or unit owners' association (UOA) to state the purpose for the meeting, including any proposed changes and the meeting date. Any closed portion of a meeting must cite the reason the meeting is closed and board members may only act on emergency items if an emergency meeting is held without 48 hours advanced notice. Removes the requirement that the envelope used to hold an absentee or proxy ballot contain the name, address and signature of the person voting. Further stipulates if secret ballots are used, then only the envelope must contain the name, address and signature of the person voting. Resale documents prepared by an HOA or UOA may not exceed \$400 for the preparation and delivery of the documents. Allows audio or video tapes to be used as evidence in any dispute resolution process and specifies the board of directors (Board) may not require advance notification of audio or video taping of meetings unless the Board also audio or video tapes meetings and makes them available to members upon request. Encourages the board

and community managers to hold open meetings when there are agenda items to be discussed prior to a vote of the board or the members.

state fleet; inventory reduction (H.B. 2440) – Chapter 297

Requires the Arizona Department of Administration (ADOA) to establish a demonstration project to reduce the size of the state motor vehicle fleet, and increase the use of transportation network companies and other public-private partnerships. Requires ADOA and agencies excluded from the state motor vehicle fleet to collectively reduce the inventory of light motor vehicles by up to 10 percent in FY 2019 and FY 2020. Requires ADOA to determine the most cost effective method of employee travel and submit a report of the demonstration project to the Legislature in FYs 2019 and 2020. Requires the Department of Child Safety (DCS) to complete a study of current initiatives to reduce light motor vehicle costs and submit a report to the Legislature in FYs 2019 and 2020, rather than reduce the inventory of light motor vehicles. Exempts community college districts from participation in the project.

governor appointees; criminal records checks (H.B. 2515) – Chapter 327

Requires gubernatorial nominees, appointees and applicants for specific positions to submit a full set of fingerprints for a state and federal criminal history records check. Permits the exchange of this information between the Arizona Department of Public Safety and the Federal Bureau of Investigation.

appointment; ombudsman-citizens aide (H.B. 2536/S.B. 1521) – Chapter 49 E

An emergency measure, effective March 22, 2017, that appoints Dennis Wells as the ombudsman-citizens aide for a term ending June 30, 2022.

VETOED LEGISLATION

JLAC; auditor general (H.B. 2128) – VETOED

Modifies the powers and duties of the Office of the Auditor General (OAG) relating to: 1) audits of state agencies, county transportation excise taxes, school districts and community colleges; 2) the uniform expenditure reporting system for community college districts; 3) investigations of political subdivisions; and 4) reports on the implementation of audit recommendations. Requires the Joint Legislative Audit Committee to meet annually, instead of quarterly, and removes the requirement to receive and designate various reports to the appropriate committee of reference.

The Governor indicates in his veto message that the bill includes potentially vague and ambiguous language that could result in unintended consequences.

homeowners' associations; cumulative voting; prohibition (H.B. 2321) – VETOED

Prohibits the use of cumulative voting by members of a unit owners' association or homeowners' association when voting for members of the board of directors in the association.

The Governor indicates in his veto message that it is not the role of government to regulate the way homeowners' associations vote in their board meetings.