

State of Arizona
House of Representatives
Fiftieth Legislature
Second Regular Session
2012

CHAPTER 110
HOUSE BILL 2319

AN ACT

AMENDING SECTION 12-821.01, ARIZONA REVISED STATUTES; RELATING TO ACTIONS
AGAINST PUBLIC ENTITIES OR PUBLIC EMPLOYEES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 12-821.01, Arizona Revised Statutes, is amended to
3 read:

4 12-821.01. Authorization of claim against public entity or
5 public employee

6 A. Persons who have claims against a public entity or a public
7 employee shall file claims with the person or persons authorized to accept
8 service for the public entity or public employee as set forth in the Arizona
9 rules of civil procedure within one hundred eighty days after the cause of
10 action accrues. The claim shall contain facts sufficient to permit the
11 public entity or public employee to understand the basis upon which liability
12 is claimed. The claim shall also contain a specific amount for which the
13 claim can be settled and the facts supporting that amount. Any claim which
14 is not filed within one hundred eighty days after the cause of action accrues
15 is barred and no action may be maintained thereon.

16 B. For purposes of this section, a cause of action accrues when the
17 damaged party realizes he or she has been damaged and knows or reasonably
18 should know the cause, source, act, event, instrumentality or condition which
19 caused or contributed to the damage.

20 C. Notwithstanding subsection A, any claim which must be submitted to
21 a binding or nonbinding dispute resolution process or an administrative
22 claims process or review process pursuant to a statute, ordinance,
23 resolution, administrative or governmental rule or regulation, or contractual
24 term shall not accrue for the purposes of this section until all such
25 procedures, processes or remedies have been exhausted. The time in which to
26 give notice of a potential claim and to sue on the claim shall run from the
27 date on which a final decision or notice of disposition is issued in an
28 alternative dispute resolution procedure, administrative claim **PROCESS** or
29 review process. This ~~provision~~ **SUBSECTION** shall not be construed to prevent
30 the parties to any contract from agreeing to extend the time for filing such
31 notice of claim.

32 D. Notwithstanding subsection A, a minor or an insane or incompetent
33 person may file a claim within one hundred eighty days after the disability
34 ceases.

35 E. A claim against a public entity or public employee filed pursuant
36 to this section is deemed denied sixty days after the filing of the claim
37 unless the claimant is advised of the denial in writing before the expiration
38 of sixty days.

39 F. This section shall apply to all causes of action which accrue on or
40 after ~~the effective date of this section~~ **JULY 17, 1994**.

41 **G. THIS SECTION DOES NOT APPLY TO ANY CLAIM FOR JUST COMPENSATION**
42 **PURSUANT TO CHAPTER 8, ARTICLE 2.1 OF THIS TITLE.**

1 Sec. 2. Legislative findings

2 The legislature finds that the purpose of this act is to address the
3 February 22, 2011, court of appeals decision in *Turner v. City of Flagstaff*,
4 226 Ariz. 341, 247 P.3d 1011 (App. 2011). The court held that a property
5 owner seeking just compensation pursuant to the Arizona Private Property
6 Rights Protection Act (PPRPA), title 12, chapter 8, article 2.1, Arizona
7 Revised Statutes, must send both a written demand pursuant to section
8 12-1134, subsection E, Arizona Revised Statutes, and a notice of claim
9 pursuant to section 12-821.01, Arizona Revised Statutes, before filing a
10 lawsuit. The legislature finds that compelling a property owner to comply
11 with both pre-suit requirements rather than just PPRPA's requirements burdens
12 property rights and appears to contravene PPRPA's intent to secure greater
13 protection for property rights.

APPROVED BY THE GOVERNOR MARCH 28, 2012.

FILED IN THE OFFICE OF THE SECRETARY OF STATE MARCH 29, 2012.