REFERENCE TITLE: reviser's technical corrections; 2016

State of Arizona Senate Fifty-second Legislature Second Regular Session 2016

SB 1251

Introduced by Senator Biggs

AN ACT

REPEALING SECTION 36-2021, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015. CHAPTER 195, SECTION 47; AMENDING SECTION 36-2021, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 276, SECTION 6; REPEALING SECTION 36-2907. ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 195, SECTION 57; AMENDING SECTION 36-2907, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 264, SECTION 1; REPEALING SECTION 41-2501, ARIZONA REVISED STATUTES. AS AMENDED BY LAWS 2015, CHAPTER 195, SECTION 82; AMENDING SECTION 41-2501, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 257, SECTION 30; REPEALING SECTION 41-3803, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 195, SECTION 83; AMENDING SECTION 41-3803, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 167, SECTION 1; REPEALING SECTION 41-3804, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 195, SECTION 84; AMENDING SECTION 41-3804, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 167, SECTION 2; REPEALING SECTION 41-3955.01, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 195, SECTION 85; AMENDING SECTION 41-3955.01, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 312, SECTION 1; AMENDING SECTION 41-3955.01, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 312, SECTION 2; REPEALING SECTION 49-123, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 208, SECTION 25; AMENDING SECTION 49-123, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2013, CHAPTER 205, SECTION 1; REPEALING SECTION 49-127, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 208, SECTION 26; AMENDING SECTION 49-127, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1989, CHAPTER 238, SECTION 5; REPEALING SECTION 49-128, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 208, SECTION 27; AMENDING SECTION 49-128, ARIZONA REVISED STATUTES,

AS AMENDED BY LAWS 2011, CHAPTER 36, SECTION 1; REPEALING SECTION 49-129, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 208, SECTION 28; AMENDING SECTION 49-129, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1989, CHAPTER 238, SECTION 7; REPEALING SECTION 49-130, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 208, SECTION 29; AMENDING SECTION 49-130, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2002, CHAPTER 138, SECTION 1; REPEALING SECTION 49-131, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 208, SECTION 30; AMENDING SECTION 49-131, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1989, CHAPTER 238, SECTION 9; REPEALING SECTION 49-132, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 2015, CHAPTER 208, SECTION 31; AMENDING SECTION 49-132, ARIZONA REVISED STATUTES, AS AMENDED BY LAWS 1991, CHAPTER 315, SECTION 4; REPEALING LAWS 2015, CHAPTER 208, SECTION 35; APPROPRIATING MONIES; RELATING TO MULTIPLE, DEFECTIVE AND CONFLICTING LEGISLATIVE DISPOSITIONS OF STATUTORY TEXT.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona: 2 Section 1. Purpose

3 Section 36-2021, Arizona Revised Statutes, was amended by Laws 1. 4 2015, chapter 195, section 47 and chapter 276, section 6. The chapter 195 5 version could not be blended because of the delayed effective date. In order 6 to combine these versions, this act amends the Laws 2015, chapter 276 version 7 of section 36-2021, Arizona Revised Statutes, to incorporate the amendments 8 made by Laws 2015, chapter 195, and the chapter 195 version is repealed.

9 2. Section 36-2907, Arizona Revised Statutes, was amended by Laws 2015, chapter 195, section 57 and chapter 264, section 1. The chapter 195 10 version could not be blended because of the delayed effective date. In order 11 12 to combine these versions, this act amends the Laws 2015, chapter 264 version 13 of section 36-2907, Arizona Revised Statutes, to incorporate the amendments 14 made by Laws 2015, chapter 195, and the chapter 195 version is repealed.

15 3. Section 41-2501, Arizona Revised Statutes, was amended by Laws 16 2015, chapter 195, section 82 and chapter 257, section 30. The chapter 195 17 version could not be blended because of the delayed effective date. In order 18 to combine these versions, this act amends the Laws 2015, chapter 257 version 19 of section 41-2501, Arizona Revised Statutes, to incorporate the amendments 20 made by Laws 2015, chapter 195, and the chapter 195 version is repealed.

21 4. Section 41-3803, Arizona Revised Statutes, was amended by Laws 22 2015, chapter 167, section 1 and chapter 195, section 83. The chapter 195 23 version could not be blended because of the delayed effective date. In order 24 to combine these versions, this act amends the Laws 2015, chapter 167 version 25 of section 41-3803, Arizona Revised Statutes, to incorporate the amendments made by Laws 2015, chapter 195, and the chapter 195 version is repealed. 26

27 5. Section 41-3804, Arizona Revised Statutes, was amended by Laws 28 2015, chapter 167, section 2 and chapter 195, section 84. The chapter 195 29 version could not be blended because of the delayed effective date. In order 30 to combine these versions, this act amends the Laws 2015, chapter 167 version 31 of section 41-3804, Arizona Revised Statutes, to incorporate the amendments 32 made by Laws 2015, chapter 195, and the chapter 195 version is repealed.

33 6. Section 41-3955.01, Arizona Revised Statutes, was amended by Laws 34 2015, chapter 195, section 85 and chapter 312, sections 1 and 2. The chapter 35 195 version could not be blended because of the delayed effective date. In 36 order to combine these versions, this act amends the Laws 2015, chapter 312, 37 section 1 and section 2 versions of section 41-3955.01, Arizona Revised 38 Statutes, to incorporate the amendments made by Laws 2015, chapter 195, and 39 the chapter 195 version is repealed.

40 7. Section 26-343, Arizona Revised Statutes, was transferred and 41 renumbered as section 49-123, Arizona Revised Statutes, by Laws 2015, chapter 42 208, section 12, and, as renumbered, was amended by Laws 2015, chapter 208, 43 section 25. However, the amendment of section 49-123, Arizona Revised 44 Statutes, was not included in the title of the act. In order to comply with 45 article IV, part 2, section 13, Constitution of Arizona, this act amends

section 49-123, Arizona Revised Statutes, as amended by Laws 2013, chapter
 205, section 1, to incorporate the amendments made by Laws 2015, chapter 208,
 and the chapter 208 version is repealed.

4 Section 26-347, Arizona Revised Statutes, was transferred and 8. 5 renumbered as section 49-127, Arizona Revised Statutes, by Laws 2015, chapter 6 208, section 12, and, as renumbered, was amended by Laws 2015, chapter 208, 7 section 26. However, the amendment of section 49-127, Arizona Revised 8 Statutes, was not included in the title of the act. In order to comply with 9 article IV, part 2, section 13, Constitution of Arizona, this act amends section 49-127, Arizona Revised Statutes, as amended by Laws 1989, chapter 10 11 238, section 5, to incorporate the amendments made by Laws 2015, chapter 208, 12 and the chapter 208 version is repealed.

13 9. Section 26-348, Arizona Revised Statutes, was transferred and 14 renumbered as section 49-128, Arizona Revised Statutes, by Laws 2015, chapter 15 208, section 12, and, as renumbered, was amended by Laws 2015, chapter 208, 16 section 27. However, the amendment of section 49-128, Arizona Revised 17 Statutes, was not included in the title of the act. In order to comply with 18 article IV, part 2, section 13, Constitution of Arizona, this act amends 19 section 49-128, Arizona Revised Statutes, as amended by Laws 2011, chapter 20 36, section 1, to incorporate the amendments made by Laws 2015, chapter 208, 21 and the chapter 208 version is repealed.

10. Section 26-349, Arizona Revised Statutes, was transferred and 22 23 renumbered as section 49-129, Arizona Revised Statutes, by Laws 2015, chapter 24 208, section 12, and, as renumbered, was amended by Laws 2015, chapter 208, 25 section 28. However, the amendment of section 49-129, Arizona Revised 26 Statutes, was not included in the title of the act. In order to comply with 27 article IV, part 2, section 13, Constitution of Arizona, this act amends section 49-129, Arizona Revised Statutes, as amended by Laws 1989, chapter 28 29 238, section 7, to incorporate the amendments made by Laws 2015, chapter 208, 30 and the chapter 208 version is repealed.

31 11. Section 26-350, Arizona Revised Statutes, was transferred and 32 renumbered as section 49-130, Arizona Revised Statutes, by Laws 2015, chapter 33 208, section 12, and, as renumbered, was amended by Laws 2015, chapter 208, 34 section 29. However, the amendment of section 49-130, Arizona Revised 35 Statutes, was not included in the title of the act. In order to comply with 36 article IV, part 2, section 13, Constitution of Arizona, this act amends 37 section 49–130, Arizona Revised Statutes, as amended by Laws 2002, chapter 38 138, section 1, to incorporate the amendments made by Laws 2015, chapter 208, 39 and the chapter 208 version is repealed.

40 12. Section 26-351, Arizona Revised Statutes, was transferred and 41 renumbered as section 49-131, Arizona Revised Statutes, by Laws 2015, chapter 42 208, section 12, and, as renumbered, was amended by Laws 2015, chapter 208, 43 section 30. However, the amendment of section 49-131, Arizona Revised 44 Statutes, was not included in the title of the act. In order to comply with 45 article IV, part 2, section 13, Constitution of Arizona, this act amends section 49-131, Arizona Revised Statutes, as amended by Laws 1989, chapter
 238, section 9, to incorporate the amendments made by Laws 2015, chapter 208,
 and the chapter 208 version is repealed.

4 13. Section 26-352, Arizona Revised Statutes, was transferred and 5 renumbered as section 49-132, Arizona Revised Statutes, by Laws 2015, chapter 208, section 12, and, as renumbered, was amended by Laws 2015, chapter 208, 6 7 section 31. However, the amendment of section 49-132, Arizona Revised 8 Statutes, was not included in the title of the act. In order to comply with 9 article IV, part 2, section 13, Constitution of Arizona, this act amends section 49-132, Arizona Revised Statutes, as amended by Laws 1991, chapter 10 11 315, section 4, to incorporate the amendments made by Laws 2015, chapter 208, 12 and the chapter 208 version is repealed.

13 14. Laws 2015, chapter 208, section 35 transferred monies, but this 14 appropriation was not included in the title of the act. In order to comply 15 with article IV, part 2, section 13, Constitution of Arizona, this act 16 repeals Laws 2015, chapter 208, section 35 and reenacts the transfer of 17 monies.

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Sec. 2. <u>Repeal</u>

Section 36-2021, Arizona Revised Statutes, as amended by Laws 2015, chapter 195, section 47, is repealed.

21 Sec. 3. Section 36-2021, Arizona Revised Statutes, as amended by Laws 22 2015, chapter 276, section 6, is amended to read:

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36-2021. <u>Definitions</u>

In this chapter, unless the context otherwise requires:

25 1. "ADMINISTRATION" MEANS THE ARIZONA HEALTH CARE COST CONTAINMENT26 SYSTEM ADMINISTRATION.

27 1. 2. "Alcoholic" means a person who habitually lacks self-control 28 with respect to the use of alcoholic beverages or who uses alcoholic 29 beverages to the extent that his THE PERSON'S health is substantially 30 impaired or endangered or his social or economic functions are substantially 31 disrupted.

32 2. 3. "Approved private treatment facility" means a private agency
 33 meeting the standards established by the division DEPARTMENT and approved
 34 pursuant to sections 36-2023 and 36-2029.

35 3. 4. "Approved public treatment facility" means a treatment agency 36 operating under the directions and control of a county, providing treatment 37 through a contract with a county, meeting the standards established by the 38 division DEPARTMENT and approved pursuant to sections 36-2023 and 36-2029.

39 4. 5. "Chronic alcoholic" means an alcoholic who is incapacitated by 40 alcohol and who during the preceding twelve months has been admitted to a 41 local alcoholism reception center on ten or more occasions or has been 42 admitted for three or more episodes of inpatient or residential alcoholism 43 treatment. 1 5. 6. "Court" means the supreme court, the court of appeals, a 2 superior court, a justice of the peace court, a municipal court or a city 3 court authorized by charter.

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6. 7. "Department" means the department of health services.

5 7. "Deputy director" means the deputy director of the division of
6 behavioral health in the department of health services.

7 8. "Director" means the director of the department of health services
8 ADMINISTRATION.

9 9. "Division" means the division of behavioral health in the 10 department of health services.

11 10. 9. "Evaluation" means A multidisciplinary professional analysis of 12 a person's medical, psychological, social, financial and legal conditions. 13 Persons providing evaluation services shall be properly qualified 14 professionals and may be full-time employees of an approved treatment 15 facility providing evaluation services or may be part-time employees or may 16 be employed on a contractual basis.

17 11. 10. "Incapacitated by alcohol" means that a person as a result of 18 the use of alcohol is unconscious or has his judgment otherwise so impaired 19 that he THE PERSON is incapable of realizing and making a rational decision 20 with respect to his THE PERSON'S need for evaluation and treatment, is unable 21 to take care of his basic personal needs or safety such as food, clothing, 22 shelter or medical care or lacks sufficient understanding or capacity to make 23 or communicate rational decisions concerning himself.

24 12. 11. "Intoxicated person" means a person whose mental or physical 25 functioning is substantially impaired as a result of the immediate effects of 26 alcohol in his THE PERSON'S system.

27 13. 12. "Local alcoholism reception center" or "center" means an 28 initial reception agency for a person who is intoxicated or who is 29 incapacitated by alcohol to receive initial evaluation and processing for 30 assignment for further evaluation or into a treatment program.

31 14. 13. "Treatment" means the broad range of emergency, outpatient, 32 intermediate and inpatient services and care, including diagnostic 33 evaluation, medical, psychiatric, psychological and social service care, 34 vocational rehabilitation and career counseling, which may be extended to 35 alcoholics and intoxicated persons.

Sec. 4. <u>Repeal</u>

37 Section 36-2907, Arizona Revised Statutes, as amended by Laws 2015, 38 chapter 195, section 57, is repealed.

39 Sec. 5. Section 36-2907, Arizona Revised Statutes, as amended by Laws 40 2015, chapter 264, section 1, is amended to read:

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36-2907. <u>Covered health and medical services; modifications;</u> related delivery of service requirements; definition

43 A. Subject to the limitations and exclusions specified in this 44 section, contractors shall provide the following medically necessary health 45 and medical services: 1. Inpatient hospital services that are ordinarily furnished by a 2 hospital for the care and treatment of inpatients and that are provided under 3 the direction of a physician or a primary care practitioner. For the 4 purposes of this section, inpatient hospital services exclude services in an 5 institution for tuberculosis or mental diseases unless authorized under an 6 approved section 1115 waiver.

Outpatient health services that are ordinarily provided in
hospitals, clinics, offices and other health care facilities by licensed
health care providers. Outpatient health services include services provided
by or under the direction of a physician or a primary care practitioner.

11 3. Other laboratory and x-ray services ordered by a physician or a 12 primary care practitioner.

4. Medications that are ordered on prescription by a physician or a dentist licensed pursuant to title 32, chapter 11. Persons who are dually eligible for title XVIII and title XIX services must obtain available medications through a medicare licensed or certified medicare advantage prescription drug plan, a medicare prescription drug plan or any other entity authorized by medicare to provide a medicare part D prescription drug benefit.

5. Medical supplies, durable medical equipment, insulin pumps and prosthetic devices ordered by a physician or a primary care practitioner. Suppliers of durable medical equipment shall provide the administration with complete information about the identity of each person who has an ownership or controlling interest in their business and shall comply with federal bonding requirements in a manner prescribed by the administration.

6. For persons who are at least twenty-one years of age, treatment of medical conditions of the eye, excluding eye examinations for prescriptive lenses and the provision of prescriptive lenses.

29 7. Early and periodic health screening and diagnostic services as
30 required by section 1905(r) of title XIX of the social security act for
31 members who are under twenty-one years of age.

32 8. Family planning services that do not include abortion or abortion 33 counseling. If a contractor elects not to provide family planning services, 34 this election does not disqualify the contractor from delivering all other 35 covered health and medical services under this chapter. In that event, the administration may contract directly with another contractor, including an 36 37 outpatient surgical center or a noncontracting provider, to deliver family 38 planning services to a member who is enrolled with the contractor that elects 39 not to provide family planning services.

9. Podiatry services ordered by a primary care physician or primarycare practitioner.

42 10. Nonexperimental transplants approved for title XIX reimbursement.

43 11. Ambulance and nonambulance transportation, except as provided in44 subsection G of this section.

45 12. Hospice care.

1 13. Orthotics, if all of the following apply: 2 (a) The use of the orthotic is medically necessary as the preferred 3 treatment option consistent with medicare guidelines. 4 (b) The orthotic is less expensive than all other treatment options or 5 surgical procedures to treat the same diagnosed condition. 6 (c) The orthotic is ordered by a physician or primary care 7 practitioner. B. The limitations and exclusions for health and medical services 8 9 provided under this section are as follows: 1. Circumcision of newborn males is not a covered health and medical 10 11 service. 12 2. For eligible persons who are at least twenty-one years of age: 13 (a) Outpatient health services do not include occupational therapy or 14 speech therapy. 15 (b) Prosthetic devices do not include hearing aids, dentures, bone anchored BONE-ANCHORED hearing aids or cochlear implants. Prosthetic 16 17 devices, except prosthetic implants, may be limited to twelve thousand five 18 hundred dollars per contract year. 19 (c) Percussive vests and orthotics are not covered health and medical 20 services. 21 (d) Durable medical equipment is limited to items covered by medicare. 22 (e) Podiatry services do not include services performed by a 23 podiatrist. 24 (f) Nonexperimental transplants do not include pancreas only 25 PANCREAS-ONLY transplants. (g) Bariatric surgery procedures, including laparoscopic and open 26 27 gastric bypass and restrictive procedures, are not covered health and medical 28 services. 29 C. The system shall pay noncontracting providers only for health and 30 medical services as prescribed in subsection A of this section and as 31 prescribed by rule. 32 D. The director shall adopt rules necessary to limit, to the extent 33 possible, the scope, duration and amount of services, including maximum 34 limitations for inpatient services that are consistent with federal 35 regulations under title XIX of the social security act (P.L. 89-97; 79 Stat. 344; 42 United States Code section 1396 (1980)). To the extent possible and 36 37 practicable, these rules shall provide for the prior approval of medically 38 necessary services provided pursuant to this chapter. 39 E. The director shall make available home health services in lieu of 40 hospitalization pursuant to contracts awarded under this article. For the 41 purposes of this subsection, "home health services" means the provision of 42 nursing services, home health aide services or medical supplies, equipment 43 and appliances that are provided on a part-time or intermittent basis by a 44 licensed home health agency within a member's residence based on the orders 45 of a physician or a primary care practitioner. Home health agencies shall

1 comply with the federal bonding requirements in a manner prescribed by the 2 administration.

3 F. The director shall adopt rules for the coverage of behavioral 4 health services for persons who are eligible under section 36-2901, paragraph 5 6, subdivision (a). The administration shall contract with the department of health services for the delivery of all medically necessary behavioral health 6 7 services to persons who are eligible under rules adopted pursuant to this 8 subsection. The division of behavioral health in the department of health 9 SERVICES THE ADMINISTRATION ACTING THROUGH THE REGIONAL BEHAVIORAL HEALTH 10 AUTHORITIES shall establish a diagnostic and evaluation program to which 11 other state agencies shall refer children who are not already enrolled 12 pursuant to this chapter and who may be in need of behavioral health 13 services. In addition to an evaluation, the division of behavioral health 14 ADMINISTRATION ACTING THROUGH REGIONAL BEHAVIORAL HEALTH AUTHORITIES shall 15 also identify children who may be eligible under section 36-2901, paragraph 16 6, subdivision (a) or section 36-2931, paragraph 5 and shall refer the 17 children to the appropriate agency responsible for making the final 18 eligibility determination.

19 G. The director shall adopt rules for the provision of transportation 20 services and rules providing for copayment by members for transportation for 21 other than emergency purposes. Subject to approval by the centers for medicare and medicaid services, nonemergency medical transportation shall not 22 23 be provided except for stretcher vans and ambulance transportation. Prior 24 authorization is required for transportation by stretcher van and for 25 medically necessary ambulance transportation initiated pursuant to a 26 physician's direction. Prior authorization is not required for medically 27 necessary ambulance transportation services rendered to members or eligible 28 persons initiated by dialing telephone number 911 or other designated 29 emergency response systems.

H. The director may adopt rules to allow the administration, at the director's discretion, to use a second opinion procedure under which surgery may not be eligible for coverage pursuant to this chapter without documentation as to need by at least two physicians or primary care practitioners.

35 I. If the director does not receive bids within the amounts budgeted or if at any time the amount remaining in the Arizona health care cost 36 37 containment system fund is insufficient to pay for full contract services for 38 the remainder of the contract term, the administration, on notification to 39 system contractors at least thirty days in advance, may modify the list of 40 services required under subsection A of this section for persons defined as 41 eligible other than those persons defined pursuant to section 36-2901, 42 paragraph 6, subdivision (a). The director may also suspend services or may 43 limit categories of expense for services defined as optional pursuant to 44 title XIX of the social security act (P.L. 89-97; 79 Stat. 344; 42 United 45 States Code section 1396 (1980)) for persons defined pursuant to section 36-2901, paragraph 6, subdivision (a). Such reductions or suspensions do not
 apply to the continuity of care for persons already receiving these services.

J. Additional, reduced or modified hospitalization and medical care benefits may be provided under the system to enrolled members who are eligible pursuant to section 36-2901, paragraph 6, subdivision (b), (c), (d) or (e).

K. All health and medical services provided under this article shall
be provided in the geographic service area of the member, except:

9 1. Emergency services and specialty services provided pursuant to 10 section 36-2908.

11 2. That the director may permit the delivery of health and medical 12 services in other than the geographic service area in this state or in an 13 adjoining state if the director determines that medical practice patterns 14 justify the delivery of services or a net reduction in transportation costs 15 can reasonably be expected. Notwithstanding the definition of physician as 16 prescribed in section 36-2901, if services are procured from a physician or 17 primary care practitioner in an adjoining state, the physician or primary 18 care practitioner shall be licensed to practice in that state pursuant to 19 licensing statutes in that state similar to title 32, chapter 13, 15, 17 or 20 25 and shall complete a provider agreement for this state.

L. Covered outpatient services shall be subcontracted by a primary care physician or primary care practitioner to other licensed health care providers to the extent practicable for purposes including, but not limited to, making health care services available to underserved areas, reducing costs of providing medical care and reducing transportation costs.

M. The director shall adopt rules that prescribe the coordination of medical care for persons who are eligible for system services. The rules shall include provisions for the transfer of patients, the transfer of medical records and the initiation of medical care.

N. For the purposes of this section, "ambulance" has the same meaning prescribed in section 36-2201.

Sec. 6. <u>Repeal</u>

33 Section 41-2501, Arizona Revised Statutes, as amended by Laws 2015, 34 chapter 195, section 82, is repealed.

Sec. 7. Section 41-2501, Arizona Revised Statutes, as amended by Laws 2015, chapter 257, section 30, is amended to read:

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41-2501. <u>Applicability</u>

A. This chapter applies only to procurements initiated after January 1, 1985 unless the parties agree to its application to procurements initiated before that date.

B. This chapter applies to every expenditure of public monies, including federal assistance monies except as otherwise specified in section 41-2637, by this state, acting through a state governmental unit as defined in this chapter, under any contract, except that this chapter does not apply to either grants as defined in this chapter, or contracts between this state and its political subdivisions or other governments, except as provided in chapter 24 of this title and in article 10 of this chapter. This chapter also applies to the disposal of state materials. This chapter and rules adopted under this chapter do not prevent any state governmental unit or political subdivision from complying with the terms of any grant, gift, bequest or cooperative agreement.

7 C. All political subdivisions and other local public agencies of this 8 state may adopt all or any part of this chapter and the rules adopted 9 pursuant to this chapter.

D. Notwithstanding any other law, sections 41-2517 and 41-2546 apply to any agency as defined in section 41-1001, including the office of the governor.

13 E. The Arizona board of regents and the legislative and judicial 14 branches of state government are not subject to this chapter except as 15 prescribed in subsection F of this section.

F. The Arizona board of regents and the judicial branch shall adopt rules prescribing procurement policies and procedures for themselves and institutions under their jurisdiction. The rules must be substantially equivalent to the policies and procedures prescribed in this chapter.

20 The Arizona state lottery commission is exempt from this chapter G. 21 for procurement relating to the design and operation of the lottery or purchase of lottery equipment, tickets and related materials. The executive 22 23 director of the Arizona state lottery commission shall adopt rules 24 substantially equivalent to the policies and procedures in this chapter for 25 procurement relating to the design and operation of the lottery or purchase 26 of lottery equipment, tickets or related materials. All other procurement 27 shall be as prescribed by this chapter.

28 The Arizona health care cost containment system administration is Η. 29 exempt from this chapter for provider contracts pursuant to section 36-2904, 30 subsection A and contracts for goods and services, including program 31 contractor contracts pursuant to title 36, chapter 29, articles 2 and 3 AND 32 CONTRACTS WITH REGIONAL BEHAVIORAL HEALTH AUTHORITIES PURSUANT TO TITLE 36, 33 CHAPTER 34. All other procurement, including contracts for the statewide 34 administrator of the program pursuant to section 36-2903, subsection B, shall be as prescribed by this chapter. 35

I. Arizona industries for the blind is exempt from this chapter for purchases of finished goods from members of national industries for the blind and for purchases of raw materials for use in the manufacture of products for sale pursuant to section 41-1972. All other procurement shall be as prescribed by this chapter.

J. Arizona correctional industries is exempt from this chapter for purchases of raw materials, components and supplies that are used in the manufacture or production of goods or services for sale entered into pursuant to section 41-1622. All other procurement shall be as prescribed by this chapter. 1 K. The state transportation board and the director of the department 2 of transportation are exempt from this chapter other than section 41-2586 for 3 the procurement of construction or reconstruction, including engineering 4 services, of transportation facilities or highway facilities and any other 5 services that are directly related to land titles, appraisals, real property acquisition, relocation, property management or building facility design and 6 construction for highway development and that are required pursuant to title 7 8 28. chapter 20.

9 L. The Arizona highways magazine is exempt from this chapter for 10 contracts for the production, promotion, distribution and sale of the 11 magazine and related products and for contracts for sole source creative 12 works entered into pursuant to section 28-7314, subsection A, paragraph 5. 13 All other procurement shall be as prescribed by this chapter.

M. The secretary of state is exempt from this chapter for contracts entered into pursuant to section 41-1012 to publish and sell the administrative code. All other procurement shall be as prescribed by this chapter.

N. This chapter is not applicable to contracts for professional witnesses if the purpose of such contracts is to provide for professional services or testimony relating to an existing or probable judicial proceeding in which this state is or may become a party or to contract for special investigative services for law enforcement purposes.

0. The head of any state governmental unit, in relation to any contract exempted by this section from this chapter, has the same authority to adopt rules, procedures or policies as is delegated to the director pursuant to this chapter.

P. Agreements negotiated by legal counsel representing this state in
settlement of litigation or threatened litigation are exempt from this
chapter.

30 Q. This chapter is not applicable to contracts entered into by the 31 department of economic security:

With a provider licensed or certified by an agency of this state to
 provide child day care services.

With area agencies on aging created pursuant to the older Americans
act of 1965 (P.L. 89-73; 79 Stat. 218; 42 United States Code sections 3001
through 3058ff).

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3. For services pursuant to title 36, chapter 29, article 2.

4. With an eligible entity as defined by Public Law 105-285, section
673(1)(A)(i), as amended, for designated community services block grant
program monies and any other monies given to the eligible entity that
accomplishes the purpose of Public Law 105-285, section 672.

42 R. The department of health services ARIZONA HEALTH CARE COST 43 CONTAINMENT SYSTEM may not require that persons with whom it contracts follow 44 this chapter for the purposes of subcontracts entered into for the provision 45 of the following: 1 2 1. Mental health services pursuant to section 36-189, subsection B. 2. Services for the seriously mentally ill pursuant to title 36,

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chapter 5, article 10.

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3. Drug and alcohol services pursuant to section 36-141.

5 4. S. THE DEPARTMENT OF HEALTH SERVICES MAY NOT REQUIRE THAT PERSONS WITH WHOM IT CONTRACTS FOLLOW THIS CHAPTER FOR THE PURPOSE OF SUBCONTRACTS 6 7 ENTERED INTO FOR THE PROVISION OF domestic violence services pursuant to 8 title 36, chapter 30, article 1.

9 S_{-} T. The department of health services is exempt from this chapter 10 for contracts for services of physicians at the Arizona state hospital.

11 \mp . U. Contracts for goods and services approved by the board of 12 trustees of the public safety personnel retirement system are exempt from 13 this chapter.

14 U. The Arizona department of agriculture is exempt from this 15 chapter with respect to contracts for private labor and equipment to effect 16 cotton or cotton stubble plow-up pursuant to rules adopted under title 3, 17 chapter 2, article 1.

18 \forall . W. The Arizona state parks board is exempt from this chapter for 19 purchases of guest supplies and items for resale such as food, linens, gift 20 items, sundries, furniture, china, glassware and utensils for the facilities 21 located in the Tonto natural bridge state park.

₩. X. The Arizona state parks board is exempt from this chapter for 22 23 the purchase, production, promotion, distribution and sale of publications, 24 souvenirs and sundry items obtained and produced for resale.

25 Χ. Υ. The Arizona state schools for the deaf and the blind are exempt 26 from this chapter for the purchase of textbooks and when purchasing products 27 through a cooperative that is organized and operates in accordance with state 28 law if such products are not available on a statewide contract and are 29 related to the operation of the schools or are products for which special 30 discounts are offered for educational institutions.

31 Y. Z. Expenditures of monies in the morale, welfare and recreational 32 fund established by section 26-153 are exempt from this chapter.

33 $\frac{2}{2}$, AA. Notwithstanding section 41-2534, the director of the state 34 department of corrections may contract with local medical providers in 35 counties with a population of less than four hundred thousand persons for the 36 following purposes:

37 1. To acquire hospital and professional medical services for inmates 38 who are incarcerated in state department of corrections facilities that are 39 located in those counties.

40 2. To ensure the availability of emergency medical services to inmates 41 in all counties by contracting with the closest medical facility that offers 42 emergency treatment and stabilization.

43 AA. BB. The department of environmental quality is exempt from this 44 chapter for contracting for procurements relating to the water quality 45 assurance revolving fund program established pursuant to title 49, chapter 2,

article 5. The department shall engage in a source selection process that is similar to the procedures prescribed by this chapter. The department may contract for remedial actions with a single selection process. The exclusive remedy for disputes or claims relating to contracting pursuant to this subsection is as prescribed by article 9 of this chapter and the rules adopted pursuant to that article. All other procurement by the department shall be as prescribed by this chapter.

8 BB. CC. The motor vehicle division of the department of 9 transportation is exempt from this chapter for third-party authorizations 10 pursuant to title 28, chapter 13, only if all of the following conditions 11 exist:

The division does not pay any public monies to an authorized third
 party.

14

2. Exclusivity is not granted to an authorized third party.

The director has complied with the requirements prescribed in title
 28, chapter 13 in selecting an authorized third party.

17 CC. DD. This section does not exempt third-party authorizations 18 pursuant to title 28, chapter 13 from any other applicable law.

19 DD. EE. The state forester is exempt from this chapter for purchases 20 and contracts relating to wildland fire suppression and pre-positioning 21 equipment resources and for other activities related to combating wildland 22 fires and other unplanned risk activities, including fire, flood, earthquake, 23 wind and hazardous material responses. All other procurement by the state 24 forester shall be as prescribed by this chapter.

25 EE. FF. The cotton research and protection council is exempt from 26 this chapter for procurements.

27 FF. GG. Expenditures of monies in the Arizona agricultural protection
 28 fund established by section 3-3304 are exempt from this chapter.

29 GG. HH. The Arizona commerce authority is exempt from this chapter, 30 except article 10 for the purpose of cooperative purchases. The authority 31 shall adopt policies, procedures and practices, in consultation with the 32 department of administration, that are similar to and based on the policies 33 and procedures prescribed by this chapter for the purpose of increased public 34 confidence, fair and equitable treatment of all persons engaged in the 35 process and fostering broad competition while accomplishing flexibility to 36 achieve the authority's statutory requirements. The authority shall make its 37 policies, procedures and practices available to the public. The authority 38 may exempt specific expenditures from the policies, procedures and practices.

39 HH. II. The Arizona exposition and state fair board is exempt from 40 this chapter for contracts for professional entertainment.

41 H. JJ. This chapter does not apply to the purchase of water, gas or 42 electric utilities.

43 JJ. KK. This chapter does not apply to professional certifications,
 44 professional memberships and conference registrations.

1 $\frac{KK}{K}$. LL. The department of gaming is exempt from this chapter for 2 problem gambling treatment services contracts with licensed behavioral health 3 professionals. 4 LL. MM. This chapter does not apply to contracts for credit reporting 5 services. MM. NN. This chapter does not apply to contracts entered into by the 6 7 department of child safety: 8 1. With a provider of family foster care pursuant to section 8-503. 9 2. With an eligible entity as defined by Public Law 105-285, section 10 673(1)(A)(i), as amended, for designated community services block grant 11 program monies and any other monies given to the eligible entity that 12 accomplishes the purpose of Public Law 105-285, section 672. 13 Sec. 8. Repeal Section 41-3803, Arizona Revised Statutes, as amended by Laws 2015, 14 15 chapter 195, section 83, is repealed. 16 Sec. 9. Section 41-3803, Arizona Revised Statutes, as amended by Laws 17 2015, chapter 167, section 1, is amended to read: 18 41-3803. Human rights committee on the mentally ill; training 19 plan 20 The human rights committee on the mentally ill is established in Α. 21 the department of health services ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM to promote the rights of persons who receive behavioral health services 22 23 pursuant to title 36, chapters 5 and 34. 24 B. Each region of the state covered by a regional behavioral health 25 authority shall have at least one human rights committee with the authority and responsibilities as prescribed by the department of health services 26 27 ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION pursuant to rules 28 adopted by the department ADMINISTRATION relating to behavioral health 29 services. 30 C. The director of the department of health services ARIZONA HEALTH 31 CARE COST CONTAINMENT SYSTEM ADMINISTRATION may establish additional 32 committees to serve persons who receive behavioral health services or to 33 oversee the activities of any service provider. 34 D. Each committee established pursuant to this section shall consist 35 of at least seven and not more than fifteen members appointed by the director of the department of health services ARIZONA HEALTH CARE COST CONTAINMENT 36 37 SYSTEM ADMINISTRATION with expertise in at least one of the following areas: 38 1. Psychology. 39 2. law. 40 3. Medicine. 41 4. Education. 42 5. Special education. 43 6. Social work. 44 7. Mental health. Housing for the mentally ill. 45 8.

1 E. Each human rights committee, if appropriate, shall include at least 2 two parents of children who receive behavioral health services pursuant to 3 title 36, chapter 34.

4

F. Each human rights committee shall include at least one member who 5 is a current or former client of the behavioral health system.

6 G. Current or former providers or employees of providers that have 7 contracted with a regional behavioral health authority may serve on a human 8 rights committee.

9 H. The department of health services shall ensure that each regional 10 behavioral health authority and its providers develop and implement a human 11 rights training plan to ensure that providers are trained regarding clients' 12 human rights and the duties of the human rights committees.

13 I. Each committee shall be organized pursuant to this section and the 14 requirements of section 41-3804.

Sec. 10. <u>Repeal</u>

16 Section 41-3804, Arizona Revised Statutes, as amended by Laws 2015, 17 chapter 195, section 84, is repealed.

Sec. 11. Section 41-3804, Arizona Revised Statutes, as amended by Laws 2015, chapter 167, section 2, is amended to read:

19 20 21

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41-3804. Human rights committees; membership; duties; client information; immunity; violation; classification

22 Subject to the approval of the appropriate department director, Α. 23 each committee established pursuant to this article shall adopt guidelines 24 that govern its operation, including terms of members, quorum and attendance 25 requirements and removal of a committee member if necessary. Each committee 26 shall adopt these guidelines by majority vote within the first three months 27 of its formation. These guidelines shall not conflict with this article. 28 The director of the appropriate department shall approve the guidelines 29 unless they are inconsistent with the department's statutes, policies, 30 procedures or rules, or if the guidelines do not promote participation by all 31 interested members of the community that the committee serves. In addition 32 to the procedures in the guidelines, each human rights committee must approve 33 the removal of any committee member on majority vote of the committee.

34 B. Employees of the department of economic security, the department of 35 child safety, the department of health services ARIZONA HEALTH CARE COST 36 CONTAINMENT SYSTEM and the Arizona health care cost containment system 37 administration may serve on a committee only as nonvoting members whose 38 presence is not counted for the purpose of determining a quorum.

39 C. Advocacy groups, local advisory councils, committee members and the 40 director of the appropriate department may submit names of candidates to fill 41 committee vacancies. The appropriate director shall appoint a person to fill 42 a vacancy subject to the approval of the committee.

- D. Each committee shall meet at least quarterly each calendar year. E. Each committee shall provide independent oversight to:
- 43 44 45

Ensure that the rights of clients are protected. 1.

1 2

2. Review incidents of possible abuse, neglect or denial of a client's rights.

4

3 3. Make recommendations to the appropriate department director and the legislature regarding laws, rules, policies, procedures and practices to 5 ensure the protection of the rights of clients receiving behavioral health 6 and developmental disability services.

7 F. Each committee shall submit written objections to specific problems 8 or violations of client rights by department employees or service providers 9 to the director of the appropriate department for review. The appropriate department director shall respond, in writing, to written objections within 10 11 twenty-one days after receiving the objections.

12 Each committee shall issue an annual report of its activities and G. 13 recommendations for changes to the director of the appropriate department. 14 the president of the senate, the speaker of the house of representatives and 15 the chairpersons of the senate health and human services committee and the 16 house of representatives health committee, or their successor committees.

17 H. A committee may request from the appropriate department the 18 services of a consultant or department employee to advise it on specific 19 issues. The consultant may be a member of another human rights committee, a 20 department employee or a service provider. Subject to the availability of 21 monies, the appropriate department shall assume the cost of the consultant. 22 A consultant shall not participate in committee votes.

23 I. Subject to federal law, committee members and consultants have 24 access to client information and records, including quality of care reports 25 and, on request, case presentations, adult protective services investigation 26 case status and outcomes, substantiations, recommendations and other quality 27 of care findings from peer reviews or any successor report or process, 28 maintained by the appropriate department, provider or regional behavioral 29 health authorities to the extent necessary to conduct committee duties. Each 30 person who receives information or records pursuant to this subsection shall 31 maintain the information or records as confidential and sign an agreement to 32 comply with all confidentiality requirements. Any client information or 33 records shall be released to the committee without the designation of 34 personally identifiable information unless the personally identifiable 35 information is required for the official purposes of the committee. A VIOLATION OF THIS SUBSECTION IS A CLASS 2 MISDEMEANOR. For the purposes of 36 37 this subsection, "personally identifiable information" includes a person's 38 name, address, date of birth, social security number, tribal enrollment 39 number, telephone or fax number, e-mail address, social media identifier, 40 driver license number, places of employment, or school identification or 41 military identification number or any other distinguishing characteristic 42 that tends to identify a particular person. A violation of this subsection 43 is a class 2 misdemeanor.

44 J. If a committee's request for information or records from a 45 department is denied, the committee may request in writing that the director of the appropriate department review this decision. The agency director or designee shall conduct the review within five business days after receiving the request for review. The agency shall bear the costs of conducting the review. A final agency decision made pursuant to this subsection is subject to judicial review pursuant to title 12, chapter 7, article 6. The agency shall not release any information or records during the period an appeal may be filed or is pending.

8 K. Confidential records and information received by the committee or 9 its consultant are subject to the same provisions concerning subpoenas, 10 discovery and use in legal actions as are the original records and 11 information.

12 L. The human rights committees may exchange information and engage in 13 planning and coordination activities between committee members in the 14 performance of committee duties pursuant to this section.

M. The human rights committees may encourage public awareness and involvement in their activities by supporting committee members with affiliation agreements with postsecondary education-sponsored internship placements pursuant to the appropriate department's approved operating procedures.

N. The appropriate departments shall coordinate education and training programs for committee members to facilitate their role as human rights committee members. The appropriate departments shall coordinate statewide meetings of committees at least every two years and provide staff for the committees.

0. Any person who, in good faith and without malice and in connection with duties or functions of a committee established pursuant to this article, takes an action or makes a decision or recommendation as a member or agent of a committee or who furnishes records, information or assistance that is related to the duties of a committee is not subject to liability for civil damages in consequence of that action. The court shall determine the presence of malice by clear and convincing evidence.

P. Title 38, chapter 3, article 8, relating to conflict of interest,applies to all committee members.

34 Sec. 12. <u>Repeal</u>

Section 41-3955.01, Arizona Revised Statutes, as amended by Laws 2015,
 chapter 195, section 85, is repealed.

37 Sec. 13. Section 41-3955.01, Arizona Revised Statutes, as amended by 38 Laws 2015, chapter 312, section 1, is amended to read:

39 40 41-3955.01. <u>Seriously mentally ill housing trust fund; purpose;</u> report

41 A. The seriously mentally ill housing trust fund is established. The 42 director of the department of health services ARIZONA HEALTH CARE COST 43 CONTAINMENT SYSTEM ADMINISTRATION shall administer the fund. The fund 44 consists of monies received pursuant to section 44-313 and investment 45 earnings. B. On notice from the department of health services DIRECTOR OF THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION, the state treasurer shall invest and divest monies in the fund as provided by section 35-313, and monies earned from investment shall be credited to the fund.

5 C. Fund monies shall be spent on approval of the department of health 6 services ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION solely 7 for housing projects and rental assistance for seriously mentally ill 8 persons.

9 D. The director of the department of health services ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION shall report annually to the 10 11 legislature on the status of the seriously mentally ill housing trust fund. The report shall include a summary of facilities for which funding was 12 13 provided during the preceding fiscal year and shall show the cost and geographic location of each facility and the number of individuals benefiting 14 15 from the operation, construction or renovation of the facility. The report 16 shall be submitted to the president of the senate and the speaker of the 17 house of representatives no later than September 1 of each year.

18 E. Monies in the seriously mentally ill housing trust fund are exempt 19 from the provisions of section 35-190 relating to lapsing of appropriations.

F. An amount not to exceed ten percent of the seriously mentally ill housing trust fund monies may be appropriated annually by the legislature to the department of health services ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM for administrative costs in providing services relating to the seriously mentally ill housing trust fund.

25 For any construction project financed by the department of health G. 26 services ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION pursuant 27 to this section, the department of health services ADMINISTRATION shall 28 notify a city, town, county or tribal government that a project is planned 29 for its jurisdiction and, before proceeding, shall seek comment from the 30 governing body of the city, town, county or tribal government or an official 31 authorized by the governing body of the city, town, county or tribal 32 government. The department of health services ARIZONA HEALTH CARE COST 33 CONTAINMENT SYSTEM ADMINISTRATION shall not interfere with or attempt to 34 override the local jurisdiction's planning, zoning or land use regulations.

Sec. 14. Section 41-3955.01, Arizona Revised Statutes, as amended by Laws 2015, chapter 312, section 2, is amended to read:

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41-3955.01. <u>Seriously mentally ill housing trust fund; purpose;</u> report

A. The seriously mentally ill housing trust fund is established. The director of the department of health services ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION shall administer the fund. The fund consists of monies received pursuant to section 44-313 and investment earnings.

44 B. On notice from the department of health services DIRECTOR OF THE 45 ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION, the state 1 treasurer shall invest and divest monies in the fund as provided by section 2 35-313, and monies earned from investment shall be credited to the fund.

3 C. Fund monies shall be spent on approval of the department of health 4 services ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION solely 5 for housing projects for seriously mentally ill persons.

6 D. The director of the department of health services ARIZONA HEALTH 7 CARE COST CONTAINMENT SYSTEM ADMINISTRATION shall report annually to the 8 legislature on the status of the seriously mentally ill housing trust fund. 9 The report shall include a summary of facilities for which funding was provided during the preceding fiscal year and shall show the cost and 10 11 geographic location of each facility and the number of individuals benefiting 12 from the operation, construction or renovation of the facility. The report 13 shall be submitted to the president of the senate and the speaker of the 14 house of representatives no later than September 1 of each year.

15 E. Monies in the seriously mentally ill housing trust fund are exempt 16 from the provisions of section 35-190 relating to lapsing of appropriations.

F. An amount not to exceed ten percent of the seriously mentally ill housing trust fund monies may be appropriated annually by the legislature to the department of health services ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM for administrative costs in providing services relating to the seriously mentally ill housing trust fund.

22 G. For any construction project financed by the department of health 23 services ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM ADMINISTRATION pursuant 24 to this section, the department of health services ADMINISTRATION shall 25 notify a city, town, county or tribal government that a project is planned 26 for its jurisdiction and, before proceeding, shall seek comment from the 27 governing body of the city, town, county or tribal government or an official 28 authorized by the governing body of the city, town, county or tribal 29 government. The department of health services ARIZONA HEALTH CARE COST 30 CONTAINMENT SYSTEM ADMINISTRATION shall not interfere with or attempt to 31 override the local jurisdiction's planning, zoning or land use regulations. 32 Sec. 15. <u>Repeal</u>

33 Section 49-123, Arizona Revised Statutes, as amended by Laws 2015, 34 chapter 208, section 25, is repealed.

Sec. 16. Section 26-343, Arizona Revised Statutes, as amended by Laws 2013, chapter 205, section 1, and as renumbered by Laws 2015, chapter 208, section 12, as section 49-123, is amended to read:

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- 39 40
- 49-123. <u>Hazardous materials emergency management program;</u> <u>Arizona emergency response commission; emergency</u> <u>planning and community right-to-know</u>

A. The Arizona emergency response commission is established consisting
of the director of the division, who shall serve as chairperson, and the
directors, or their respective designees, of the department of environmental
quality, the department of health services, the department of public safety
and the department of transportation.

1	B. An advisory committee to the commission is established consisting
2	of:
3	1. The state fire marshal.
4	2. The chief administrative officer, or the officer's designee, of the
5	following agencies:
6	(a) Arizona department of agriculture.
7	(b) Corporation commission.
8	(c) Industrial commission of Arizona.
9	(d) Radiation regulatory agency.
10	(e) State mine inspector.
11	3. Two representatives nominated by the Arizona fire chiefs
12	association incorporated or its successor agency. One nominee shall
13	represent a fire department serving a population of two hundred fifty
14 15	thousand or more persons. One nominee shall represent a fire department of
15 16	fire district serving a population of less than two hundred fifty thousand persons. The term of appointment is for two years.
17	C. The governor shall appoint four private sector representatives to
18	the advisory committee to the commission after reviewing the recommendations
19	provided by the commission. The governor shall appoint, or reappoint, two of
20	the members each year from the private sector, to serve terms of two years.
21	These members, to the extent practicable, shall have technical expertise in
22	the emergency response field.
23	D. The members of the commission shall serve without compensation but
24	are eligible for reimbursement for travel and other expenses as provided by
25	law. The division and the department of environmental quality shall provide
26	such professional, technical or administrative staff support as necessary to
27	implement and perform the commission duties.
28	E. The commission shall meet as often as necessary and may organize
29	itself into such support committees as necessary to implement this article
30	and title III in this state. The full commission shall meet at least
31	annually. The commission may adopt internal operating rules.
32	A. THE DEPARTMENT IS DESIGNATED THE LEAD AGENCY FOR DEVELOPING AND
33	IMPLEMENTING A STATE HAZARDOUS MATERIALS EMERGENCY MANAGEMENT PROGRAM.
34	B. THE DIRECTOR SHALL APPOINT A COORDINATOR TO WORK IN CONSULTATION
35	WITH THE ARIZONA EMERGENCY RESPONSE COMMISSION IN THE DEVELOPMENT AND
36	IMPLEMENTATION OF THE HAZARDOUS MATERIALS EMERGENCY MANAGEMENT PROGRAM.
37	C. THE ARIZONA EMERGENCY RESPONSE COMMISSION IS ESTABLISHED CONSISTING
38	OF REPRESENTATIVES FROM THE FOLLOWING AGENCIES AND DEPARTMENTS:
39	1. THE DIVISION OF EMERGENCY MANAGEMENT.
40	2. THE DEPARTMENT OF HEALTH SERVICES.
41	3. THE DEPARTMENT OF PUBLIC SAFETY.
42	4. THE DEPARTMENT OF TRANSPORTATION.
43	5. THE ARIZONA DEPARTMENT OF AGRICULTURE.
44	6. THE CORPORATION COMMISSION.
45	7. THE INDUSTRIAL COMMISSION OF ARIZONA.

1 8. THE OFFICE OF STATE FIRE MARSHAL. 2 9. THE OFFICE OF STATE MINE INSPECTOR. 3 10. THE RADIATION REGULATORY AGENCY. 4 11. TWO REPRESENTATIVES NOMINATED BY THE ARIZONA FIRE CHIEFS 5 ASSOCIATION OR ITS SUCCESSOR ORGANIZATION. ONE OF WHOM REPRESENTS A FIRE 6 DEPARTMENT OR A FIRE DISTRICT SERVING A POPULATION OF LESS THAN TWO HUNDRED 7 FIFTY THOUSAND PERSONS. 8 12. OTHER AGENCIES OR OFFICES DEEMED NECESSARY BY THE DIRECTOR. 9 D. THIS ARTICLE DOES NOT CHANGE OR ALTER THE EXISTING REGULATORY AUTHORITY OR PROVISIONS OF LAW RELATING TO THE AGENCIES AND DEPARTMENTS 10 11 LISTED IN SUBSECTION C OF THIS SECTION. 12 E. THE DEPARTMENT IS DESIGNATED AS THE LEAD AGENCY FOR IMPLEMENTING 13 TITLE III OF THE SUPERFUND AMENDMENTS AND REAUTHORIZATION ACT OF 1986 14 (P.L. 99-499). THE DIRECTOR SHALL ADMINISTER ANY MONIES RECEIVED UNDER 15 SUBSECTION G OF THIS SECTION. 16 F. The commission DEPARTMENT shall administer this article and the 17 rules adopted under this article. The commission DEPARTMENT shall administer 18 title III in this state and may conduct whatever activities are necessary to 19 implement this article and title III in this state. The commission 20 DEPARTMENT is granted all the authority and responsibilities of a state 21 emergency response commission for purposes of title III. 22 G. The commission DEPARTMENT may procure by contract the temporary or

23 intermittent services of experts or consultants if such services are to be 24 performed on a part-time or fee-for-services basis and do not involve the 25 performance of administrative duties. The commission DEPARTMENT may also 26 enter into agreements with the federal government, Indian tribes, other 27 states and political subdivisions of this state for the purposes of this 28 The commission DEPARTMENT may also accept on behalf of this state article. 29 any reimbursement, grant or gift that may become available for purposes of 30 this chapter ARTICLE. The commission DEPARTMENT shall deposit, pursuant to 31 sections 35-146 and 35-147, any such monies in the emergency response fund.

H. The commission DEPARTMENT shall establish a program of financial grants to local governments funded through the division DEPARTMENT by appropriations to the emergency response fund. The grants shall be dedicated to and used for local compliance with this article. The commission DEPARTMENT shall include procedures for applying for the grants and qualifying criteria for awarding the grants.

I. The commission DEPARTMENT shall adopt and may modify, suspend or repeal rules pursuant to title 41, chapter 6. The rules may not be more stringent than title III and the federal regulations adopted under title III, except as specifically authorized in this article. These rules shall implement this chapter ARTICLE and title III in this state. The authority to adopt rules includes establishing:

44

1. Procedures for handling public information requests.

2. Procedures and implementing programs for chemical emergency
 planning and preparedness.

3

3. Community right-to-know program reporting requirements.

4 4. Through December 31, 2018, Fees to implement the community 5 right-to-know program. The fees shall be deposited, pursuant to sections 6 35-146 and 35-147, in the emergency response fund established by section 7 26-352 49-132. The governor's regulatory review council must approve rules 8 adopted pursuant to this paragraph.

9

5. Release reporting requirements.

10 J. Commissioners and advisory committee members THE DEPARTMENT shall 11 ensure that mandatory hazardous materials training programs for on-scene 12 command personnel that are developed, delivered or managed by their 13 respective agencies, departments or divisions address notification procedures, coordination of services and comprehensive management for 14 15 protection of the public health during and after a chemical or other toxic 16 fire event. The training shall include notification and coordination with 17 the emergency response unit of the department of environmental quality, the 18 department of public safety, the department of transportation, the radiation 19 regulatory agency, the commission, local emergency planning committees, the 20 department of health services, the division of emergency management, the 21 national response center and the Arizona poison control system. Training 22 shall also include orientation on the state emergency response and recovery 23 plan concerning hazardous materials. Commissioners and advisory committee 24 members THE DEPARTMENT shall encourage private companies that deliver similar 25 training in Arizona THIS STATE to include the same curriculum in their 26 programs.

27

Sec. 17. <u>Repeal</u>

28 Section 49-127, Arizona Revised Statutes, as amended by Laws 2015, 29 chapter 208, section 26, is repealed.

Sec. 18. Section 26-347, Arizona Revised Statutes, as amended by Laws 1989, chapter 238, section 5, and as renumbered by Laws 2015, chapter 208, section 12, as section 49-127, is amended to read:

- 33
- 34

49-127. <u>Facilities subject to emergency planning: facility</u> <u>emergency response plans</u>

A. A facility is subject to emergency planning requirements if a substance identified under section 26-346 49-126 is present at the facility in an amount at or in excess of the threshold planning quantity for that substance.

B. For purposes of emergency planning, the commission DEPARTMENT may designate additional facilities which THAT are subject to this section. The designation shall be accomplished after providing at least thirty days' prior public notice in a newspaper of general circulation in the county where the facility is located, after allowing public comment to the commission DEPARTMENT for thirty days and after notification to the facility of the proposed designation. 1 2

3

C. The owner or operator of a facility subject to this section shall provide to the committee DEPARTMENT the identity of a facility representative who will provide a facility emergency response plan and who will participate in the emergency planning process as the facility emergency coordinator.

4

D. Each facility THAT IS subject to this section shall prepare a 5 facility emergency response plan and submit copies of that plan to the 6 7 commission DEPARTMENT, the local emergency planning committee for the 8 district in which the facility is located and the fire department with 9 jurisdiction over the facility. A facility that is required to prepare a contingency plan under title 49, chapter 5, article 2 OF THIS TITLE or the 10 11 resource conservation and recovery act of 1976 (P.L. 94-580; 90 Stat. 2795) 12 may submit that contingency plan in lieu of the emergency response plan 13 required by this section if the information in paragraphs 1 through 7 of this 14 subsection is included in the plan. In preparing the plan required by this 15 section, the facility emergency coordinator shall consult with the local 16 emergency planning committee and other emergency and health professionals to 17 assure maximum coordination with those whose cooperation or services may be 18 required in the event of a reportable release. The facility emergency 19 response plan shall include specific actions to be taken in the event of an 20 imminent or accidental reportable release to safeguard the public health, 21 safety and welfare and the environment to the maximum extent practicable. 22 The facility emergency response plan shall include:

23 1. Names, addresses and emergency telephone numbers of a facility 24 emergency coordinator and alternate.

25 2. A description of emergency warning systems and a list of emergency 26 units, emergency personnel and health professionals in close proximity to the 27 facility.

28 3. A description of employee emergency response training and emergency 29 preparedness programs.

30 4. A description of appropriate emergency equipment necessary to 31 respond to a release.

32 5. A description of emergency response procedures, including 33 notification procedures and evacuation plans in the event of a release.

34 6. Identification of transport routes and transportation methods used 35 to transport extremely hazardous substances to and from the facility, if 36 known.

37 Provisions for at least an annual review of the plan and provisions 7. 38 to demonstrate the capability to execute the plan on the request of the 39 commission DEPARTMENT.

Sec. 19. <u>Repeal</u>

40

41 Section 49-128, Arizona Revised Statutes, as amended by Laws 2015, 42 chapter 208, section 27, is repealed.

1 Sec. 20. Section 26-348, Arizona Revised Statutes, as amended by Laws 2 2011, chapter 36, section 1, and as renumbered by Laws 2015, chapter 208, 3 section 12, as section 49-128, is amended to read:

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49-128. <u>Emergency notification of reportable releases</u>

A. If a reportable release of an extremely hazardous substance listed 5 under section 26-346 49-126 occurs from a facility at which a hazardous 6 7 chemical is produced, used or stored, the owner or operator of the facility, 8 except as excluded under 40 Code of Federal Regulations sections 355.31 and 9 355.32, in addition to any other notification required by law or rule, shall 10 immediately orally notify the community emergency coordinator for the local 11 emergency planning committee for any area likely to be affected by the 12 reportable release, and the commission, by notifying the emergency response 13 unit of the department of environmental quality and appropriate emergency 14 responders designated by rule of the commission DEPARTMENT, in the manner 15 prescribed by rule of the commission DEPARTMENT. Unless impracticable under 16 the circumstances, this oral notification shall occur immediately after the 17 facility emergency coordinator or his THE COORDINATOR'S designee has 18 knowledge of the reportable release. The notice of the reportable release 19 shall include the following to the extent known at the time of the notice and 20 as long as no delay in responding to the emergency results:

21

1. The specific location of the release.

22 2. The chemical name or identity of substances released and a 23 description of the container or vessel from which the release occurred.

An estimate of the quantity of substances which THAT were released
 into the environment.

26 27

42

4. The time and duration of the release.

5. The medium or media into which the release occurred.

6. Any known or anticipated acute or chronic health risks associated with the release and, if within the informant's knowledge, advice regarding medical attention necessary for exposed individuals.

7. Proper precautions to take as a result of the release, including
 evacuation and other proposed response actions.

33 8. The name and telephone number of the person or persons to be34 contacted for further information.

B. Within thirty days after the reportable release, the owner or operator of a facility where a release occurred requiring notification pursuant to this section shall submit to the local emergency planning committee and to the commission DEPARTMENT a written follow-up emergency notice stating and updating the information originally provided pursuant to subsection A of this section and including the following additional information:

1. Actions taken to respond to and contain the release.

43 2. Any known or anticipated acute or chronic health risks associated44 with the release.

1 3. If appropriate, advice regarding medical attention necessary for 2 exposed individuals.

4. Measures which THAT have been or will be taken at the facility to
avoid a reoccurrence of similar releases.

5

C. After additional information becomes known, the owner or operator shall update the notice in writing within seven calendar days.

6 7 8

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Sec. 21. <u>Repeal</u> Section 49–129, Arizona Revised Statutes, as amended by Laws 2015, chapter 208, section 28, is repealed.

10 Sec. 22. Section 26-349, Arizona Revised Statutes, as amended by Laws 11 1989, chapter 238, section 7, and as renumbered by Laws 2015, chapter 208, 12 section 12, as section 49-129, is amended to read:

13

49-129. Material safety data sheets

A. A person who owns or operates a facility which THAT is required to 14 15 prepare or have available a material safety data sheet for a hazardous 16 chemical under the occupational safety and health act of 1970 (P.L. 91-593; 17 84 Stat. 1590), and federal regulations adopted under that act, or under 18 title 23, chapter 2, article 10, and rules adopted under that article, shall 19 submit to the local emergency planning committee for the district in which 20 the facility is located, the commission DEPARTMENT, and the fire department 21 with jurisdiction over the facility material safety data sheets or lists of 22 hazardous chemicals and any extremely hazardous substances stored, handled or 23 processed at the facility pursuant to minimum threshold levels prescribed in 24 title 40 Code of Federal Regulations part 370 as well as comply with section 25 311 of title III and regulations adopted under that act.

B. If a list of hazardous chemicals or extremely hazardous substances
is submitted under this section, it shall include:

28

1. Information prescribed by section 311 of title III.

29 2. The chemical abstract service registry number applicable to each30 such chemical and substance, if available.

31 3. An indication of whether the owner elects to withhold information 32 about the hazardous chemical or extremely hazardous substance from disclosure 33 as a trade secret.

34 C. On request of a local emergency planning committee, the commission 35 DEPARTMENT or the local fire department with jurisdiction over the facility, 36 an owner or operator of a facility who has submitted a list pursuant to this 37 section shall also submit the material safety data sheet for any chemical on 38 the list to the requesting agency. On request by any person, the local 39 emergency planning committee may make available a material safety data sheet 40 to the person or transmit the request to the commission DEPARTMENT, which 41 shall make the material safety data sheet available, subject to the trade 42 secret provisions and regulations adopted under title III. If the committee 43 or commission DEPARTMENT does not have the requested material safety data 44 sheet, the committee or commission DEPARTMENT shall request the sheet from 45 the facility owner or operator. The facility owner or operator shall make

the sheet available within thirty days after receiving the request to the committee or commission DEPARTMENT and the committee or commission DEPARTMENT shall make the sheet available to the requesting person subject to the trade secret provisions and regulations adopted under title III.

5 D. Within three months after discovery by an owner or operator of a 6 facility of significant new information concerning an aspect of a hazardous 7 chemical for which a list or material safety data sheet was submitted, or 8 within three months after a facility obtains a new hazardous chemical subject 9 to the reporting requirements of this section, the owner or operator shall update and submit a revised list or material safety data sheet to the local 10 11 emergency planning committee, the commission DEPARTMENT and the fire 12 department with jurisdiction over the facility.

13

Sec. 23. <u>Repeal</u>

14 Section 49–130, Arizona Revised Statutes, as amended by Laws 2015, 15 chapter 208, section 29, is repealed.

16 Sec. 24. Section 26-350, Arizona Revised Statutes, as amended by Laws 17 2002, chapter 138, section 1, and as renumbered by Laws 2015, chapter 208, 18 section 12, as section 49-130, is amended to read:

19

49-130. Emergency and hazardous chemical inventory forms

20 A. A person who owns or operates a facility which THAT is required to 21 prepare or have available a material safety data sheet for a hazardous 22 chemical under the occupational safety and health act of 1970 (P.L. 91-593; 23 84 Stat. 1590) and federal regulations adopted under that act or which THAT 24 has to provide a material safety data sheet or listing under this article 25 shall either file electronically as prescribed by subsection D OF THIS 26 SECTION or submit to the local emergency planning committee for the district 27 in which the facility is located, the commission DEPARTMENT and the fire 28 department with jurisdiction over the facility an emergency and hazardous 29 chemical inventory form pursuant to section 312 of title III as well as 30 comply with section 312 of title III and regulations adopted under that act, 31 except that the tier II emergency and hazardous chemical inventory form shall 32 be the required form to comply with section 312 of title III effective with 33 inventory forms due on or after March 1, 1991.

34

B. The tier II inventory form shall contain the following information:

The chemical name or the common name of the chemical as provided on
 the material safety data sheet and the CAS number.

37 2. An estimate, in ranges, of the maximum amount of the hazardous38 chemical present at the facility at any time during the preceding year.

39 3. An estimate, in ranges, of the average daily amount of the 40 hazardous chemical present at the facility during the preceding year.

41 4. A brief description of the manner of storage of the hazardous 42 chemical.

43

5. The location of the hazardous chemical at the facility.

1

6. An indication of whether the owner elects to withhold location information or other information about a specific hazardous chemical from 2 3 disclosure to the public as a trade secret.

4

7. The fire department or district with jurisdiction for the facility, including a notation of whether the facility is located on Indian lands.

5

C. An owner or operator of a facility subject to this section shall 6 7 submit the information required by this section on the inventory form provided by the commission DEPARTMENT. The tier II inventory form provided 8 9 by the commission DEPARTMENT shall be available in electronic and paper formats and shall be based on and contain at least the information required 10 11 by the federal forms as prescribed by 40 Code of Federal Regulations section 12 370.41. The commission DEPARTMENT shall identify on its tier II inventory 13 form each item that is required to be reported by 40 Code of Federal Regulations section 370.41. The commission DEPARTMENT shall provide notice 14 15 on the form that the provision of the information items not required by 40 16 Code of Federal Regulations section 370.41 is optional.

17 D. Facilities that are subject to reporting under this article may 18 file reports electronically at an internet web site WEBSITE that is 19 designated by the Arizona emergency response commission DEPARTMENT. А 20 facility that files electronically pursuant to this subsection is deemed to 21 have complied with the reporting requirements of the commission DEPARTMENT 22 and with the requirements of title III. Local emergency planning committees, 23 fire departments and FIRE districts also may accept electronic reporting if 24 they have agreed to do so in a written agreement with the commission 25 DEPARTMENT that provides for the electronic filing and sharing of reports. 26 The commission DEPARTMENT shall publish on the commission's web site 27 DEPARTMENT'S WEBSITE a listing of local emergency planning committees, fire 28 departments and fire districts that have agreed to accept electronic 29 reporting to assist facilities in determining submission requirements.

30 E. On certifying an electronic submittal pursuant to subsection D OF 31 THIS SECTION, the facility is deemed to have complied with the original 32 signature requirements of section 312 of title III. The commission 33 DEPARTMENT and the facility shall each maintain tracking information for the 34 submittal for purposes of confirmation.

35 F. Information that is collected pursuant to this section shall be made available to the public pursuant to 40 Code of Federal Regulations part 36 37 370, subpart C, except for confidential information.

38 G. For purposes of this section, tier II forms are the forms 39 established under 40 Code of Federal Regulations part 370. 40

Sec. 25. <u>Repeal</u>

41 Section 49-131, Arizona Revised Statutes, as amended by Laws 2015, 42 chapter 208, section 30, is repealed.

Sec. 26. Section 26-351, Arizona Revised Statutes, as amended by Laws
 1989, chapter 238, section 9, and as renumbered by Laws 2015, chapter 208,
 section 12, as section 49-131, is amended to read:

4

49-131. <u>Toxic chemical release forms: definitions</u>

5 A. In order to implement section 313 of title III, the owner or operator of a facility subject to the requirements of this section and 6 7 section 313 of title III and regulations adopted under that act shall 8 complete a toxic chemical release form as supplied by the administrator, 9 pursuant to section 313(g) of title III, or as supplied by the commission DEPARTMENT, for each toxic chemical listed in the Code of Federal Regulations 10 11 by the administrator pursuant to section 313(c) of title III that was 12 manufactured, processed or otherwise used in quantities exceeding the toxic 13 chemical threshold quantity established by subsection E of this section 14 during the preceding calendar year at that facility. The form shall be 15 submitted to the administrator and to the commission DEPARTMENT on or before 16 July 1 of each year and shall contain data reflecting releases in excess of 17 the quantity of that toxic chemical established under subsection E of this 18 section during the preceding calendar year.

19 B. The requirements of this section apply to owners and operators of 20 facilities that have ten or more full-time employees and that are in standard 21 industrial classification codes 20 through 39 in effect on July 1, 1987 as 22 prepared by the statistical policy division of the United States office of 23 management and budget, office of the president and that manufactured, 24 processed or otherwise used a toxic chemical listed in title 40 Code of 25 Federal Regulations part 372 pursuant to section 313(c) and (d) of title III 26 in excess of the quantity of that toxic chemical established under subsection 27 E of this section during the calendar year for which the release form is 28 required under this section.

29 The director of environmental quality as the representative of the C. 30 governor pursuant to this section DEPARTMENT may request the administrator to 31 apply the requirements of this section to the owners and operators of any 32 particular facility that manufactures, processes or otherwise uses a toxic 33 chemical listed pursuant to section 313(c) of title III if the administrator 34 determines that such action is warranted on the basis of toxicity of the 35 toxic chemical, the proximity to other facilities that release the toxic 36 chemical or to population centers, the history of releases of the chemical at 37 the facility or such other factors as the administrator deems appropriate.

38 D. The toxic chemicals subject to the requirements of this section are 39 those chemicals listed in title 40 Code of Federal Regulations by the 40 administrator pursuant to section 313(c) of title III, including any revised 41 version of the list as may be made pursuant to section 313(d) or (e) of 42 title III. The director of environmental quality as the representative of the governor DEPARTMENT, pursuant to section 313(e)(2) of title III, may 43 44 petition the administrator to add a chemical to or delete a chemical from the 45 list identified in this section.

1 E. The threshold amounts for purposes of reporting toxic chemicals 2 under this section are:

3

1. With respect to a toxic chemical used at a facility, ten thousand pounds of the toxic chemical for the applicable calendar year.

4 5 6

With respect to a toxic chemical manufactured or processed at a facility:

7 (a) For the toxic chemical release form required to be submitted under 8 this section on or before July 1, 1988, seventy-five thousand pounds of the 9 toxic chemical per year.

10 (b) For the toxic chemical release form required to be submitted under 11 this section on or before July 1, 1989, fifty thousand pounds of the toxic 12 chemical per year.

(c) For the toxic chemical release form required to be submitted under
this section on or before July 1, 1990 and for each year thereafter,
twenty-five thousand pounds of the toxic chemical per year.

16 F. The threshold amounts for purposes of reporting toxic chemicals 17 under this section shall be adjusted pursuant to revisions by the 18 administrator.

19 G. Owners and operators of facilities subject to the requirements of 20 this section shall provide the information required under this section on a 21 uniform toxic chemical release form published by the administrator or on a 22 uniform toxic chemical release form published by the director of 23 environmental quality DEPARTMENT. The form shall:

Provide for the name and location of and principal business
 activities at the facility.

26 2. Include an appropriate certification, signed by a senior official 27 with management responsibility for the person or persons completing the form, 28 regarding the accuracy or completeness of the report.

Provide for the following information for each listed toxic
 chemical known to be present at the facility:

(a) Whether the toxic chemical at the facility is manufactured,
 processed or otherwise used, and the general category or categories of use of
 the chemical.

34 (b) An estimate of the maximum amount in ranges of the toxic chemical
 35 present at the facility at any time during the preceding calendar year.

(c) For each wastestream, the waste treatment or disposal methods
 employed and an estimate of the treatment efficiency typically achieved by
 such methods for that wastestream.

39 (d) The annual quantity of the toxic chemical entering each 40 environmental medium.

H. The release forms required under this section are intended to provide information to the federal, state and local governments and to the public, including citizens of communities surrounding facilities covered by this section. The release form shall be available consistent with the trade secret provisions of title III to inform persons about releases of toxic 1 chemicals to the environment, to assist governmental agencies, researchers 2 and other persons in conducting research and data gathering, to aid in 3 developing appropriate rules and regulations, guidelines and standards and 4 for similar purposes.

5

I. For purposes of this section:

6 1. "Administrator" means the administrator of the United States 7 environmental protection agency.

8 2. "Manufacture" means to produce, prepare, import or compound a toxic 9 chemical.

10 3. "Process" means the preparation of a toxic chemical after its 11 manufacture for distribution in commerce either:

(a) In the same form or physical state as, or in a different form or
 physical state from, that in which it was received by the person so preparing
 the chemical.

(b) As part of an article containing the toxic chemical.

Sec. 27. <u>Repeal</u>

Section 49-132, Arizona Revised Statutes, as amended by Laws 2015, chapter 208, section 31, is repealed.

Sec. 28. Section 26-352, Arizona Revised Statutes, as amended by Laws
1991, chapter 315, section 4, and as renumbered by Laws 2015, chapter 208,
section 12, as section 49-132, is amended to read:

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49-132. <u>Emergency response fund</u>

23 The emergency response fund is established consisting of monies 24 appropriated by the legislature for purposes of section 26-305.02 and this 25 article and federal, private and other monies available for that purpose. The chairman of the commission DEPARTMENT shall manage the fund and expend 26 27 monies in the fund in performing the functions required or authorized by this 28 article. All interest earned from investing monies in the fund shall be 29 credited to the fund. Monies in the fund are subject to legislative 30 appropriation and are exempt from section 35-190 relating to lapsing of 31 appropriations.

32

33

Sec. 29. <u>Repeal</u>

Laws 2015, chapter 208, section 35 is repealed.

34 Sec. 30. <u>Transfer of monies</u>

35 All unexpended and unencumbered monies remaining in the national guard 36 relief fund established by section 26-183, Arizona Revised Statutes, are transferred to the department of veterans' services. Using the rules or 37 38 policies for grants adopted pursuant to section 41-608, Arizona Revised 39 Statutes, the department of veterans' services shall distribute the monies 40 transferred pursuant to this section to a nonprofit organization that 41 provides financial assistance to Arizona national guard members and their 42 families.

1	Sec. 31. <u>Retroactive application</u>
2	A. Sections 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29
3	and 30 of this act apply retroactively to from and after July 2, 2015.
4	B. Sections 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12 and 13 of this act
5	apply retroactively to from and after June 30, 2016.
6	Sec. 32. <u>Effective date</u>
7	Section 14 of this act is effective from and after December 31, 2017.