



CITY OF GLENDALE

Public Affairs Department

2018 End of Session Report

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Session Summary

The 53rd Legislature, 2nd Regular Session concluded *Sine Die* on May 4, 2018 after 116 days. Legislators introduced 1,270 bills, memorials, and resolutions and sent 369 bills to the Governor. Of these, 346 were signed into law and 23 were vetoed by governor Ducey. The new laws will become effective 90 days after adjournment (August 3, 2018), unless the bill contained an otherwise specified effective date. This legislative session also included a special session called by Governor Ducey to introduce and pass legislation to address Arizona's opioid epidemic. The special session lasted 4 days and resulted in SB 1001 Controlled Substances; Regulation; Appropriation being signed into law on January 26 with an emergency clause authorizing the legislation effective immediately.

This comprehensive report contains a summary of each of the bills that relate to the City of Glendale's municipal operations. Each section includes the new laws enacted as well as the list of bills that did not pass this session. Please direct any questions to the Public Affairs Department at (623) 930-2813.

Glendale's 2018 Municipal Legislative Principles

FISCAL SUSTAINABILITY

Preservation of State Shared Revenue

The city supports the retention of state shared sales and income tax revenues at the 15% distribution level and opposes any reduction or cap in state shared revenues, either directly or through the creation of exemptions, unless equal revenue sources are made available.

Maintaining Revenue Streams/Directed Funding Sources

The city supports the full disbursement levels of existing revenue streams including the Heritage Fund, the Highway User Revenue Fund (HURF), the Vehicle License Tax (VLT) and the Maricopa County half-cent sales tax for transportation. The city opposes diversions of these funds by the Legislature.

Preservation of Local Taxing Authority

The city supports the retention of local taxing authority and the maintenance of fiscally balanced revenue sources. The city opposes legislation that will shift a greater tax burden to homeowners as a consequence of restructuring property tax assessment ratios. Furthermore, the city supports the efforts of the Municipal Tax Code Commission to make tax collection more efficient.

Unfunded Mandates

The city opposes unfunded state mandates placed on local jurisdictions, and encourages the Legislature to evaluate the fiscal impact such mandates will have on communities prior to considering the issue.

ECONOMIC DEVELOPMENT

The city opposes any attempt to limit local control over, or ability to execute economic development projects, and supports any effort to enhance the range of economic development mechanisms at a municipality's disposal.

LAND USE PLANNING

The city supports maintaining local authority in land use planning issues and supports legislative efforts that promote more orderly growth and opposes efforts that impede growth management, including the preservation of local authority to set land use policies and support for citizen involvement in the planning and zoning process. Furthermore, the city opposes legislation that would restrict a municipality's ability to redevelop under-performing areas.

MILITARY PRESERVATION

The city recognizes the importance of preserving the mission viability of Luke Air Force Base and the importance of the base to our national security interests, state and local economies, and to the retirees who rely on Luke for services. The city supports the retention of existing state statutes relating to military installations, and the development of legislation that limits encroachment of all types, supports compatible land uses around such facilities, and ensures the capability for future mission expansions.

NEIGHBORHOODS

The city supports initiatives to preserve and enhance the quality of life in neighborhoods and protect the rights of citizens to actively engage in the development of public policy.

PUBLIC SAFETY

The city supports initiatives to preserve and enhance the ability of local governments to strategically plan for and respond to emergencies.

TRANSPORTATION

The city supports regional coordination in transportation planning but opposes efforts that limit local control in the transportation decision-making process. The city supports the voter approved Proposition 400 and opposes efforts to hinder the implementation of the Regional Transportation Plan. Furthermore, the council supports efforts that grant cities and towns the additional ability to provide for transportation improvements.

WATER/ENVIRONMENTAL RESOURCES

The city supports efforts that ensure the wise use of natural resources and promotes environmentally sensitive and sustainable development.

State Budget

As Arizona continues to experience pre-recession economic growth and works to attract new businesses from across the country, state revenues continue to increase. Debate at the capitol focused on what to do with this new revenue, with the executive budget recommendation requesting that increased funding be dedicated to K-12 education, addressing the state's opioid epidemic, prison recidivism, and adoption services.

In total, the Fiscal Year 2018-19 (FY 19) budget includes state General Fund spending of \$10.4 billion which is a 5.7% increase above last year. Major areas of spending include \$4.7 billion for primary and secondary education, \$1.7 billion for AHCCCS, \$1.09 billion for corrections, and \$722.9 million for the Arizona Universities. Ongoing General Fund increases were provided to the Department of Education (\$176.2 million) to fund the 9% increase as part of the 20x2020 teacher salary increase, (\$100 million) in additional classroom funding, and the Department of Public Safety (\$15 million). The adopted budget also included a number of one-time increases including funding for the Department of Education (\$64.1), the School Facilities Board (\$34.4 million), universities (\$10.3 million), and the Department of Economic Security (\$13 million). K-12 schools received the largest department increase as the Legislature debated a teacher salary increase of 20% over three years, including a 9% increase in FY19 in addition to the 1% previously approved increase, and 5% in FY20 and FY21. It is estimated that the state will end FY 18 with a cash balance of \$204.4 million, not including the balance in the rainy day fund which is currently over \$109 million.

Although the budget continued its \$99 million sweep of HURF funds, the Legislature did pass, and the governor signed, HB 2166 Vehicle Fees: Alternative Fuel VLT which is expected to generate approximately \$91 million. The League of Arizona Cities and Towns is working with the state to determine each municipality's share of this new revenue; however, we understand that a large portion of this new revenue source will be redirected to K-12 education. The budget package for FY 19 was signed into law on May 3, 2018.

Fiscal Sustainability

New Laws

HB 2003 (Chapter 263) COAL MINING; TPT: REPEAL

The list of exemptions from the retail classification of transaction privilege taxes is expanded to include the gross proceeds of sales or gross income from sales of coal. The list of items that municipalities and special taxing districts are prohibited from levying a transaction privilege, use or other similar tax on is expanded to include the sale, storage, use or consumption of coal. Levies a county excise tax on the business of mining or producing for sale, profit or commercial use coal that has been mined or otherwise extracted within the boundaries of the county, at a rate of 0.5 percent of the tax base. The tax base includes the value of the entire product mined or produced for sale, profit or commercial use in Arizona. If a person engaged in business under the mining classification ships or transports all or part of the coal out of Arizona without making sale of the product, the value of the coal when transported out of state is included in the tax base. Conditionally enacted on the Navajo Nation approving the transfer of ownership of the Navajo generating station by resolution adopted by the Navajo Nation Council and delivering the resolution to the Governor by December 31, 2022. In his signing statement, the Governor stated his belief that this legislation is essential for the economic success of the Navajo Nation, the Hopi Tribe and surrounding communities.

HB 2005 (Chapter 60) PUBLIC SERVICE CORPORATIONS; PENALTIES (MUNICIPAL ECONOMIC DEVELOPMENT; SALE; LEASE)

The exclusive remedy or penalty for any alleged or actual violation by a public service corporation or a public service corporation's officer or employee, of any constitutional provision or any Corporation Commission rule based on any constitutional provision specifying or relating to the type of electric generation resources a public service corporation must acquire or use is civil and limited to penalties specified in statute.

HB 2022 (CHAPTER 291) APPROPRIATION; ASDB; EDUCATION PROGRAM

Makes a supplemental appropriation of \$1.6 million from the general fund in FY2018-19 to the Arizona State Schools for the Deaf and the Blind for an early childhood and family education program.

HB 2097 (CHAPTER 112) PENSION FUNDING POLICIES; EMPLOYERS

Beginning on or before July 1, 2019, each governing body of a Public Safety Personnel Retirement System employer is required to annually adopt a pension funding policy for the PSPRS for employees that were hired before July 1, 2017 that includes a list of specified funding objectives, including how to maintain stability of the governing body's contributions to the PSPRS and defining the governing body's funded ratio target under the PSPRS. The governing body is required to post the pension funding policy on its public website.

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HB 2126 (CHAPTER 231) GOVERNMENT PROPERTY; ABATEMENT; SLUM; BLIGHT

For the purpose of statute allowing municipalities to abate taxes for government property improvements in a single central business district, the definition of "central business district" is modified to require the geographical area to be not larger than the greatest of the existing total land area of the district as of January 1, 2018, 2.5 percent of the total land area within the exterior boundaries of the municipality, or 960 acres, instead of not larger than the greater of 5 percent of the total land area or 640 acres. The designation of a redevelopment project area in which a central business district is located automatically terminates on the 10th anniversary after its designation unless the municipality formally renews or modifies all or part of the redevelopment project area. Some exceptions. Within two years after the effective date of this legislation, each municipality is required to review each redevelopment project area in which a central business district is located and either renew, modify or terminate the area. The designation automatically terminates two years after the effective date of this legislation unless the municipality renews or modifies the designation, with some exceptions.

HB 2484 (CHAPTER 17) LOCAL FOOD TAX; EQUALITY

If a municipality or other taxing jurisdiction imposes a transaction privilege tax, use tax or other similar tax or fee on the retail sale of food, including any non-alcoholic beverages, or the sale of food for consumption on the premises, the tax is required to be applied uniformly with respect to all food and non-alcoholic beverage items, and an additional tax or fee differential cannot be assessed or applied with respect to any specific food or non-alcoholic beverage item. Municipalities and other taxing jurisdictions are prohibited from levying a transaction privilege tax, use tax or other similar tax or fee on the manufacture, wholesale or distribution to or among wholesalers, distributors or retailers of food, including any non-alcoholic beverages, and on any container or packaging used exclusively for transporting, protecting or consuming food, including any non-alcoholic beverages.

HB 2545 (CHAPTER 140) EORP; COST-OF-LIVING ADJUSTMENT

For the Elected Officials' Retirement Plan, each retired member or survivor of a retired member is eligible to receive a compounding cost-of-living adjustment in the base benefit based on the average annual percentage change in the metropolitan Phoenix-Mesa consumer price index, with the immediately preceding year as the base year for making the determination, up to a maximum of two percent of the retired member's or survivor's base benefit annually. In the first year of a member's retirement, the cost-of-living adjustment must be prorated based on the date of retirement. The plan actuary is required to include the projected cost of providing the cost-of-living adjustment in the calculation of normal cost and accrued liability. Repeals statutes governing EORP benefit increases. Conditionally enacted on the state Constitution being amended, as prescribed in HCR2032, by the voters at the 2018 general election.

SB 1251 (CHAPTER 42) PSPRS; CORP; MODIFICATIONS

Various changes relating to the Public Safety Personnel Retirement System (PSPRS) and the Corrections Officer Retirement Plan (CORP). For the purpose of the PSPRS Defined Contribution Retirement Plan, a "participant" (defined) is permitted to make a rollover contribution from a "qualified plan" or an "IRA" (both defined) that must be deposited in a separate rollover account and made immediately available for the participant to either withdraw

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all or any portion of the lump sum deposit or directly transfer all or any portion of the lump sum deposit to an eligible retirement plan. If a participant in the PSPRS Defined Contribution Retirement Plan is subsequently covered by the federal old age and survivors insurance system, the participant and his/her employer cannot make any contributions on his/her behalf during the period s/he is covered by the federal old age and survivors insurance system. Retroactive to January 1, 2018, the deadline for an Indian tribe to opt out of the public safety employer risk pool is extended one year to December 31, 2018. If an employee hired on or after July 1, 2018 who is eligible to participate in CORP or PSPRS depending on the employee's election is killed in the line of duty or dies from injuries suffered in the line of duty during the first 90 days of employment, the employee is considered as having been enrolled in CORP and the surviving spouse of the deceased employee is eligible for survivor benefits.

SB 1382 (CHAPTER 189) TPT; ONLINE LODGING MARKETPLACE; REGISTRATION

Beginning January 1, 2019, online lodging marketplaces are required, instead of allowed at their election, to register with the Department of Revenue for a license for the payment of taxes levied by the state and one or more counties, municipalities or special taxing districts, for taxes due from an online lodging operator on any online lodging transaction facilitated by the marketplace. The tax base for the online lodging marketplace classification does not include the gross proceeds of sales or gross income derived from charges to an occupant who is a transient for the occupancy of any lodging accommodation in Arizona that is classified as class 1 property for property tax purposes. Also, conditionally enacted on H2456 becoming law, public monies received by a county stadium district may be used for debt service for bonds issued before January 1, 2009, instead of before January 1, 2025, and for contractual obligations incurred by the district before June 1, 2009, instead of before June 1, 2025.

SB 1409 (CHAPTER 341) TPT; PRIME CONTRACTING; ALTERATION; REPLACEMENT

For the purpose of the prime contracting classification of transaction privilege taxes, the exemption from taxation for the alteration of existing property is deleted, and the definition of "modification" is expanded to include alterations. The prime contracting classification of transaction privilege taxes does not include any work or operation performed by a person that is not required to be licensed by the Registrar of Contractors. Effective January 1, 2019. For bids submitted or contracts entered into prior to December 31, 2018, the contractor is required to treat such contracts or obligations in a manner consistent with the tax requirements prior to December 31, 2018.

SB 1478 (CHAPTER 343) EORP; EMPLOYER CONTRIBUTIONS (RETIREMENT SYSTEMS; MEMBER INFORMATION; CONFIDENTIALITY)

For each retirement plan or system administered by the Public Safety Personnel Retirement System (PSPRS) Board, information about a member other than a list of specified information is not subject to inspection under public records laws. The PSPRS Board and the PSPRS Administrator are prohibited from allowing any unredacted record to be inspected that contains a member's social security number, bank account information, address, telephone number, e-mail address, medical records, health insurance information, beneficiary or survivor information or disability information or any information that is protected by any federal or state law.

HB 2009 WORKFORCE TRAINING; UNEMPLOYED WORKERS

Establishes the Arizona Works Program within the Department of Economic Security to provide tuition waivers, housing assistance, on-the-job training and apprenticeship programs for "eligible persons" (defined) who have lost employment due to economic conditions. The Department is required to administer the Program and develop application and selection criteria. Guidelines for tuition waiver scholarships and housing assistance vouchers are established based on the number of credit hours per semester in which the eligible person is enrolled and the median monthly rent of the county in which the person attends school. The Department is authorized to accept grants, donations, contributions, gifts or other assistance from public or private sources to provide the tuition waiver scholarships and housing assistance vouchers. The Program terminates on July 1, 2028. Contains a legislative intent section.

HB 2010 ELDERLY HOMEOWNERS; CLASS SIX PROPERTY

The list of property classified as class six for property tax purposes is expanded to include real property and improvements to the property that are used as the owner's primary residence, that are owned by an individual who qualifies for property valuation protection under the state Constitution (for which a person must be age 65 or older), and that are valued at full cash value. Other requirements to qualify for this classification are specified. Does not apply to real property and improvements with a full cash value of \$600,000 or more unless the property qualified for valuation protection under the state Constitution as of December 31, 2018.

HB 2015 TAX CREDITS; EXEMPTIONS; SUNSET REPEAL

Any new transaction privilege or use tax credit established by the Legislature is required to include in its enabling legislation a specific repeal date of from and after December 31 of no later than the eighth full calendar year following the date the "tax expenditure" (defined) is enacted. The Joint Legislative Income Tax Credit Review Committee is renamed the Joint Legislative Income Tax Credit Sunset Review Committee, and if the Committee recommends that a credit be retained, the credit must be assigned a subsequent repeal date within the next eight years.

HB 2087 FAMILY CAREGIVER INCOME TAX CREDIT

For tax years beginning with 2019 and ending with 2026, an individual income tax credit is established for taxpayers who incur "qualifying expenses" (defined) for the care and support of "qualifying family members" (defined) in the taxpayer's home. The amount of the credit is equal to 50 percent of the qualifying expenses incurred, up to \$1,000 for each qualifying family member. To qualify for the credit, the taxpayer's Arizona gross income in the tax year cannot exceed \$75,000 for a single person or a married person filing separately, or \$150,000 for a married couple filing jointly. If the allowable amount of the credit exceeds taxes due, the unused amount may be carried forward for up to three consecutive taxable years, after which the unused amount of the credit is waived and cannot be refunded or otherwise used to offset taxes. Self-repeals July 1, 2027, except that the repeal does not affect any credit amounts authorized to be carried forward beyond the repeal date.

HB 2269 TAX POLICY REVIEW; REFORM; RECOMMENDATIONS

By the first Monday in February 2019 and the first Monday in February 2020, "the department" (unspecified in original) and Joint Legislative Budget Committee are required to review state and local tax policies in consultation with an association of municipalities in Arizona and develop recommendations for reforms, including a list of specified reforms, and to submit a report of recommendations to the Governor and the Legislature. Self-repeals January 1, 2021.

HB 2357 EORP; EMPLOYER CONTRIBUTIONS

Beginning July 1, 2018, each Elected Officials' Retirement Plan employer is required to make contributions on a level percent of compensation basis for all member employees sufficient under an actuarial valuation to meet both the normal cost plus the actuarially determined amount required to amortize the unfunded accrued liability over a closed period of 20-30 years. In any fiscal year, an employer's contribution to EORP in combination with member contributions may not be less than the actuarially determined normal cost for that fiscal year. Emergency clause.

HB2387 MUNICIPAL TPT; SPECULATIVE BUILDERS

In computing the tax base for transaction privilege and other use taxes for a speculative builder, municipalities and other taxing jurisdictions are required to exclude from the tax base the price of any lease on real property or other intangible or personal property included in determining the total sales price of improved real property to the extent allocated in the affidavit of legal value for the sale. The resulting tax may not be less than the tax that would have been paid under the prime contracting classification for the improvements that were constructed or reconstructed. Retroactive to any sales of improved real property for which the statute of limitations has not run. The aggregate amount of refunds from any municipality due to the retroactive application is capped at \$10,000.

HB 2425 TPT; DIGITAL GOODS; ADDITIONAL TAX

Establishes a digital goods classification of transaction privilege taxes, comprised of the business of remotely selling, installing, maintaining, servicing or repairing "digital goods" (defined) to locations in Arizona. Does not include remote sellers with gross annual receipts in total "remote sale" (defined) of digital goods in the U.S. in the preceding calendar year of less than \$1 million. Levies an additional tax rate increment of 0.01 percent of the tax base of every person engaging in business under the digital goods classification. Of the monies collected from the additional tax rate increment, 50 percent must be appropriated for public education and 50 percent must be appropriated for public safety. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

HB 2479 TPT; DIGITAL GOODS & SERVICES

For the purpose of transaction privilege and use taxes and local excise taxes, the gross income, gross receipts, gross proceeds, purchase price or sales price from selling, leasing, licensing, purchasing or using "specified digital services" (defined) and from selling, leasing, licensing, purchasing or using "specified digital goods" (defined) that are remotely accessed by a customer and not transferred electronically to the customer, are excluded from tax. Does not apply to services provided by a person that is subject to tax under the online lodging

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marketplace classification. The business of selling, renting or licensing for use of "prewritten computer software" (defined), regardless of delivery method, and selling specified digital goods that are "transferred electronically" (defined) are added to the retail classification of transaction privilege taxes. The sale of prewritten computer software and specified digital goods must be sourced to the seller's business location if the seller receives the order at a business location in Arizona, and to the purchaser's location in Arizona if the seller receives the order at a business location outside Arizona. Levies an excise tax on the use or consumption in Arizona of prewritten computer software and specified digital goods transferred electronically as a percentage of the acquisition price. The tax rate is the tax rate prescribed in statute for retailers (currently 5 percent and voter protected). Through June 30, 2021, an additional rate increment of 0.6 percent is imposed and must be collected. Each person using or consuming prewritten consumer software or specified digital goods transferred electronically in Arizona is liable for the tax. Contains a legislative intent section, which states that this legislation is not intended to affect, and may not be cited or applied in, any administrative or judicial action pending on the effective date of this legislation that considers the construction, interpretation or application of any statutory or administrative provision regarding the taxation of digital goods and services. Effective from and after the last day of the month of the general effective date of the 53rd Legislature, 2nd Regular Session.

HB 2501 PTSD; WORKERS' COMPENSATION; PRESUMPTION

For the purpose of workers' compensation, post-traumatic stress disorder (PTSD) is presumed to be an occupational disease and deemed to arise out of and in the course of employment for a "first responder" (defined) if a list of specified conditions apply, including that a licensed mental health professional determines that the first responder has PTSD resulting from the performance of his/her job duties. The list of circumstances under which the state and political subdivisions are required to provide licensed counseling to a public safety employee is modified to include the use of deadly force or being subjected to deadly force in the line of duty regardless of whether the employee was physically injured (previously applied only to peace officers), witnessing the death of another public safety employee while engaged in the line of duty (previously applied only to firefighters), and in the case of a firefighter or peace officer, being exposed to a psychologically traumatic event or series of events in the course of employment. The list of public safety employees subject to this requirement is expanded to include a rescue or ambulance worker who is a member of any public retirement system. Employers are prohibited from requiring public safety employees receiving treatment under this program to use paid time off and are required to allow the employees to select their own licensed mental health professionals. The repeal date of January 1, 2023 for the licensed counseling requirements is deleted.

SB 1262 RETIREMENT; ASSUMED RATE OF RETURN

Beginning with the actuarial valuation report issued for FY2018-19, for all of the defined benefit retirement plans the Public Safety Personnel Retirement System (PSPRS) Board manages, the Board is required to adopt an assumed rate of return that is not greater than 200 basis points above a 3-year rolling average of the 20-year treasury constant maturity rates as of June 30 of the fiscal year for which the actuarial valuation report is being prepared. If the assumed rate of return for FY2018-19 exceeds this threshold, the Board is required to reduce the assumed rate of return by at least 25 basis points annually until the assumed rate of return is at or below the threshold.

SB 1268 CLASS SIX PROPERTY; ELDERLY HOMEOWNERS

The list of property classified as class six for property tax purposes is expanded to include real and personal property and improvements to the property that are used as the owner's primary residence, that are owned by an individual who qualifies for property valuation protection under the state Constitution (for which a person must be age 65 or older), and that are valued at full cash value. Other requirements to qualify for this classification are specified.

SB 1313 STATE PROCUREMENT; IDENTICAL BIDS

For state contracts awarded through competitive sealed bidding, if there are two or more low, responsive offers from responsible bidders, an "Arizona bidder" (defined) must be given preference over a nonresident bidder by increasing the nonresident's bid by five percent.

SB 1327 TPT; RETAIL EXEMPTIONS; REPEAL

The following items are removed from the list of exemptions from the retail classification of transaction privilege and use taxes and are made subject to the taxes: sales of warranty or service contracts, sales of livestock and poultry feed, salts, vitamins and other additives for livestock or poultry consumption for specified uses, sales of works of fine art at an art auction or gallery in Arizona to nonresidents if the vendor ships or delivers the art to a destination outside Arizona. Gross proceeds of sales or gross income derived from sales of the following items are removed from the list of deductions from the tax base for the retail classification of transaction privilege and use taxes and is made subject to the taxes: pipes or valves four inches in diameter or larger used to transport oil, natural gas, artificial gas, water or coal slurry, aircraft, navigational and communication instruments and other accessories and related equipment sold to persons operating an aircraft to transport persons in any manner for compensation or hire or sold to persons that will lease or otherwise transfer operational control of the aircraft or item. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

SB 1329 DIGITAL GOODS AND SERVICES; TAXATION

For the purpose of transaction privilege and use taxes, the definition of "tangible personal property" which is subject to taxation is expanded to include prewritten "computer software" and "digital goods" (both defined). The gross receipts from leasing digital goods must be apportioned to the location of the user of the digital goods. A legislative intent section states that this act is to clarify statutory intent and ratify historical administrative interpretation, and not to provide any substantive change in the law.

SB 1392 TPT; DIGITAL GOODS & SERVICES

The business of selling licensing for use of "prewritten computer software" (defined), regardless of delivery method, and selling "specified digital goods" that are "transferred electronically" (both defined) are added to the retail classification of transaction privilege taxes. The sale of prewritten computer software and specified digital goods must be sourced to the seller's business location if the seller receives the order at a business location in Arizona, and to the purchaser's location in Arizona if the seller receives the order at a business location outside Arizona. For the purpose of transaction privilege and use taxes and local excise taxes, gross income, gross receipts or gross proceeds from selling, leasing or licensing "specified digital

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services" and "specified digital goods" that are remotely accessed by a customer and not transferred electronically to the customer, are excluded from tax. Contains a legislative intent section, which states that this legislation is not intended to affect, and may not be cited or applied in, any administrative or judicial action pending on the effective date of this legislation that considers the construction, interpretation or application of any statutory or administrative provision regarding the taxation of digital goods and services.

HB 2010 ELDERLY HOMEOWNERS; CLASS SIX PROPERTY

The list of property classified as class six for property tax purposes is expanded to include real property and improvements to the property that are used as the owner's primary residence, that are owned by an individual who qualifies for property valuation protection under the state Constitution (for which a person must be age 65 or older), and that are valued at full cash value. Other requirements to qualify for this classification are specified. Does not apply to real property and improvements with a full cash value of \$600,000 or more unless the property qualified for valuation protection under the state Constitution as of December 31, 2018.

Land Use Planning

New Laws

HB 2168 (CHAPTER 79) MOBILE HOMES; RECREATIONAL VEHICLES; FUND

Increases the maximum amount of compensation an eligible tenant may receive from the Mobile Home Relocation Fund to \$7,500 for a single-section mobile home, from \$5,000, and to \$12,500 for a multisection mobile home, from \$10,000. A mobile home, park trailer or park model owner who is required to move due to a change in use of a mobile home or RV park is eligible to collect payment from the Fund for relocation costs to move to a new location this is within a 100-mile radius, increased from a 50-mile radius. The Recreational Vehicle Long-Term Rental Space Act applies to any park model or park trailer if the space is rented by the same tenant for 180 consecutive days, regardless of whether a rental agreement has been executed.

HB 2235 (CHAPTER 296) DENTAL THERAPY; LICENSURE (~~MUNICIPAL IMPROVEMENT DISTRICTS; SALE CERTIFICATES~~)

A person who practices dental therapy in Arizona is required to be licensed as a “dental therapist” (defined) by the Board of Dental Examiners, and requirements for licensure as a dental therapist are established. A dental therapist license expires on June 30 of every third year unless renewed by the licensee. Dental therapists are prohibited from practicing dental therapy except under the “direct supervision” (defined) of a dentist or under and pursuant to a written collaborative agreement with a supervising dentist, and requirements for those agreements are established. Dentists are prohibited from entering into more than four separate collaborative practice agreements for the delivery of dental therapy services. A dental therapist is prohibited from entering into a written collaborative agreement unless the dental therapist has completed 1,000 hours of dental therapy clinical practice under the direct supervision of a dentist. Dental therapists are limited to practicing only in practice settings or locations operated or served by a federally qualified community health center, a health center program that has received a federal look-alike designation, a community health center, a nonprofit dental practice or nonprofit organization that provides dental care to low-income and underserved individuals, or a private dental practice that provides dental care for community health center patients of record who are referred by the community health center. Providing services or procedures as a dental therapist that exceed the scope of practice is added to the definition of unprofessional conduct. It is a class 6 (lowest) felony for a person to practice dental therapy without a license. Dental therapists are added to various Board statutes relating to dentists and dental hygienists. By December 31, 2023, the Department of Health Services, in consultation with the Board of Dental Examiners, is required to conduct a study on the impact of licensing dental therapists on patient safety, cost effectiveness and access to dental services in Arizona. Requirements for the study are listed. The Department is required to report the findings of the study to the Legislature within 30 days after completing the study.

HB 2242 (CHAPTER 93) FIRE DISTRICTS; REVISIONS; COUNTY ISLANDS

Establishes an alternate form of establishment of a noncontiguous county island fire district for a fire district that is surrounded by incorporated areas in a county and that contracts for fire protection services from an adjacent municipality if the district receives approval from the county board of supervisors to reform as a noncontiguous county island fire district. The process for the fire district to reform is specified, including a public hearing on the proposed reformation. If the fire district board determines the public health, comfort, convenience,

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necessity or welfare will be promoted, the district board is required to approve the proposed reformation and notify the county board of supervisors. The county board of supervisors is required to determine whether the fire district may reform as a noncontiguous county island fire district, and the decision of the county board of supervisors is final.

HB 2461 (CHAPTER 86) ZONING REGULATIONS; PRIVATE SCHOOLS

Counties and municipalities are prohibited from adopting or enforcing a land use regulation that requires the property on which a nongovernmental primary or secondary school operates to be larger than one acre.

**HB 2529 (CHAPTER 313) ASSISTED LIVING; REFERRALS; DISCLOSURE
(~~SOBER LIVING HOMES; CERTIFICATION~~)**

A "referral agency" (defined) is required to disclose to any prospective resident or his/her representative who has been referred by the referral agency for care at an assisted living facility of the existence of any current business relationship between the referral agency and the assisted living facility, and that the assisted living facility pays a fee to the referral agency in connection with the referral. Documentation of the disclosure is required to be signed and dated by both the prospective resident or representative and the referral agency, and a copy of the signed disclosure must be provided to the assisted living facility before the facility may pay any referral fee. Violations are subject to a civil penalty of up to \$1,000.

SB 1052 (CHAPTER 47) COUNTY FLOOD CONTROL DISTRICTS; EASEMENTS

The list of conditions under which a county flood control district may authorize the grant of an easement on or a lease of district real property without a public auction is modified to specify that the reimbursement to the district, instead of to the county, for the easement granted or lease executed is not less than the appraised value as determined by the district, instead of by the county.

**SB 1140 (CHAPTER 331) VIDEO SERVICE; CERTIFICATES OF AUTHORITY
(~~STATE LAND DEPARTMENT; CONTINUATION~~)**

The licensing of "video service providers" (defined) and the regulation and use of "video service" (defined as the provision of multichannel video programming, including cable service but excluding internet streaming and direct broadcast satellite service) are of statewide concern and are not subject to further regulation by a local government except as specifically provided in statute. Beginning January 1, 2020, a local government has the exclusive authority to issue a uniform video service license to a person to provide video service and to construct and operate a video service network in any service area within its boundaries. By July 1, 2019, each local government is required to adopt a standard form of uniform video service license agreement for video service providers, which must include a list of specified provisions. Beginning January 1, 2020, an "incumbent cable operator" (defined) is authorized to elect to either continue to operate within a service area or terminate the local license by applying for and obtaining a uniform video service license. If an incumbent cable operator does not timely elect to terminate a local license, the person is required to continue to operate the cable system as a holdover cable operator and comply with the local license for as long as it remains in effect for the service area. Establishes requirements to obtain a certificate of authority, lists the authorities granted by a certificate, and provides for amendment of certificates to add service areas. Establishes the duties of video service providers, including reporting requirements and

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nondiscrimination requirements. Local governments are prohibited from levying a tax, fee or charge on a video service provider for the use of highways to provide video service, but are authorized to require a video service provider to pay a license fee subject to specified conditions. Provides for enforcement and penalties for violations. Contains legislative findings.

SB 1144 (CHAPTER 52) CONSERVATION EASEMENTS; NOTICE; VALUATION

The holder of a conservation easement is required to provide for the recording of the easement and its acceptance, and to prepare and provide the information required for the registry of real property burdened by conservation easements to the county assessor for each county in which any portion of the real property is located. The information that must be included in the registry for each parcel is expanded to include the name of the holder of the conservation easement, the name of any governmental body or charitable corporation with a third-party right of enforcement, and the value of the real property as determined by an independent appraisal prior to the creation and recording of the conservation easement.

**SB 1182 (CHAPTER 53) IRRIGATION; WATER DISTRICTS; BOARD MEMBERS
(BUILDING CODE MORATORIUM; REPEAL)**

If an irrigation and water conservation district includes more than 10,000 acres of land and has five board members, the district is authorized, by resolution of the board of directors, to provide for the election of one additional qualified elector from each division to serve as directors from each division and must reduce its board membership from two directors at large to one director at large. The board is required to stagger the terms of the directors from each division so that no more than one director from each division is elected in any year. Directors hold office for a term of three years.

**SB 1281 (CHAPTER 187) STREET LIGHTING IMPROVEMENT DISTRICTS;
CONSOLIDATION**

Municipalities are authorized to consolidate two or more existing street lighting improvement districts upon receipt of a petition signed by the majority of the real property owners in each of the districts that are proposed to be consolidated. The districts must be contiguous and new territory may not be included. Establishes a process for consolidation, including public notice and a public hearing. The consolidation must take effect on July 1 immediately following the timely filing of notice of the consolidation with the Department of Revenue. To be eligible to levy a tax within a consolidated district, the municipality is required to notify the Department, the county assessor and the county treasurer of the district consolidation no later than June 1 immediately preceding the effective date of the consolidation.

Bills that Failed

HB 2105 BUILDING CODE MORATORIUM; REPEAL

Repeals the moratorium on new or modified residential or commercial building codes that was in effect from June 30, 2009 to June 30, 2011.

HB 2116 LIMITATIONS OF ACTIONS; DEDICATED PROPERTY

Municipalities and counties are prohibited from instituting or maintaining an action or arbitration against a person who develops or develops and sells real property or who completes other construction activities on an improvement to real property that is dedicated to the

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municipality or county more than eight years after "final completion" (defined) of the improvement to real property if the action or arbitration is based on either a municipal or county code, ordinance or other legal requirement, or a permit that is required as a condition of development.

HB 2308 HOMEOWNERS' ASSOCIATIONS; IMPROVEMENT DISTRICTS; ZONING

Counties and municipalities are no longer prohibited from requiring as part of a subdivision approval or regulation or a zoning ordinance that a subdivider or developer establish a homeowner's association, and are instead required to provide for the establishment of single-family residential property developments that do not include property held in common ownership and that are required to be included in an improvement district for the limited purpose of owning, operating and maintaining any detention and retention basins, landscaping, open spaces, parks, entryways, street rights-of-way, recreational facilities and other improvements for the benefit of the private property owners within the development and the improvement district. Does not prohibit a subdivider or developer from obtaining approval for a residential property development that does not include property held in common ownership without an improvement district.

HB 2325 COUNTIES; MUNICIPAL LAND ACQUISITION; REPEAL

Repeals statute allowing a county to acquire by purchase or any other means land that is located within a municipality only if acquisition of the land is part of a management agreement agreed to by the governing body of the municipality.

HB 2330 ONE PERCENT PROPERTY TAX LIMIT; GPLET

If a school district qualifies for additional state aid for education in the fiscal year and if all or part of an affected school district is located in a municipality or stadium district in which any government property improvement is located, the Property Tax Oversight Commission is required to determine the full amount of primary property tax that would have been assessed for the tax year by the affected school district against each government property improvement, notify the municipality and any affected stadium district of the amount, and notify the State Treasurer to withhold from state shared monies and pay the amount computed for each government property improvement to each appropriate school district. The maximum amount of additional state aid for education funded by the state of \$1 million per county is deleted.

HB 2344 SPECIAL DISTRICT BOUNDARIES; CONTIGUOUS LANDS

For a proposed annexation to a fire district, community park maintenance district or sanitary district to be considered contiguous when government-owned land intervenes between the proposed addition and the current district boundary, the proposed addition is also required to be less than 1/4 mile from the current district boundary.

HB 2390 PROPERTY TAX ASSESSMENT OF GREENHOUSES

"Greenhouses" (defined) that are used for growing and processing vegetables, fruit or citrus and that total at least 100,000 square feet in area and that meet other specified requirements must be valued and assessed as agricultural property for property tax purposes.

HB 2396 PROPERTY; SUBDIVISION; SIZE; REQUIREMENTS

Private property in a rural county or municipality may contain up to one single-family residence per acre that is occupied by a full-time or part-time resident or vacation rental occupant and may contain any of a yurt, hogan, recreational vehicle, prefabricated home, or single-family residence that complies with all applicable state and local construction, health and safety laws and that is occupied by a full-time or part-time resident or vacation rental occupant. For the purpose of municipal zoning regulations and state real estate regulations, "subdivision" or "subdivided lands" does not include the division of land into lots or parcels of five acres or less if the size of the lots or parcels after the division is at least as large as the average lot or parcel size within five miles. County boards of supervisors are required to allow the division of land into lots or parcels of five acres or less if the size of the lots or parcels after the division is at least as large as the average lot or parcel size within five miles.

HB 2577 HISTORIC MAIN STREET AUTHORITY DISTRICTS

A Historic Main Street Authority District is established in each county with the county board of supervisors as the board of directors for the District. The board is authorized to establish an Authority within each municipality located in the county by majority vote. The board and the city or town manager in which the authority is located appoint the members of the Authority Board. The Authority Board is required to develop a plan for the operation of the Authority, including the area in which Authority monies will be spent, which must meet specified requirements, and the purposes for which the monies will be spent, which are limited to a list of specified purposes. The Department of Revenue is required to distribute 100 percent of the state's portion of transaction privilege tax revenues generated within the boundaries of the Authority to the Authority, up to a maximum of \$10 million.

HB 2579 VIDEO SERVICE; CERTIFICATE OF AUTHORITY

The regulation and use of "video service" (defined as the provision of multichannel video programming, including cable service but excluding internet streaming and direct broadcast satellite service) are of statewide concern and are not subject to further regulation by a county or municipality except as specifically provided in statute. Beginning January 1, 2020, the Secretary of State has the exclusive authority to issue a certificate of authority to a person to provide video service and to construct and operate a video service network in any service area in Arizona. Beginning January 1, 2020, a person is prohibited from acting as a video service provider or constructing or operating a video service network without first having been issued and continuing to hold a certificate of authority. The Secretary of State is required to establish and collect fees for the purpose of administering certificates of authority for video service providers. Beginning January 1, 2020, an incumbent cable operator is permitted to either continue to operate within a service area as defined in the local license or terminate the local license by applying for and obtaining a certificate of authority. Establishes requirements to obtain a certificate of authority, lists the authorities granted by a certificate, and provides for amendment of authority, lists the authorities granted by a certificate, and provides for amendment of certificates to add service areas. Much more. Effective January 1, 2020.

SB 1001 HOME-BASED BUSINESSES; REGULATION RESTRICTIONS

County ordinances cannot restrict or otherwise regulate the owner of a home-based business that holds a valid license from using 50 percent or less of the square footage of the primary

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residential dwelling to conduct home-based business activity, or from using a 400 square foot or smaller "accessory structure" (defined) or garage for home-based business activity.

SB 1002 HOME-BASED BUSINESSES; REGULATIONS; MUNICIPALITIES

Municipal ordinances cannot restrict or otherwise regulate the owner of a home-based business that holds a valid license from making residential property improvements for use by the home-based business, displaying a temporary commercial sign of up to 24 inches by 24 inches during business hours, selling any goods, generating traffic, parking or delivery activity that does not cause on-street parking congestion or a substantial increase in traffic through the residential area, from having more than one client on the property at one time, or from employing residents of the primary residential dwelling, "immediate family members" (defined), or one or two individuals who are not residents of the primary dwelling or immediate family members. Municipal ordinances cannot restrict or otherwise regulate the owner of a home-based business that holds a valid license from using 50 percent or less of the square footage of the primary residential dwelling to conduct home-based business activity, or from using a 400 square foot or smaller "accessory structure" (defined) or garage for home-based business activity.

SB 1014 MUNICIPAL ZONING; REZONING PROTESTS

Clarifies that the group of persons authorized to file a protest in writing against a municipal rezoning, which triggers a requirement for the rezoning to obtain a 3/4 vote of the municipal governing body for passage, is the owners of 20 percent or more of the property by area and number of lots, tracts and condominium units either within the area of the proposed change or the area within 150 feet of the proposed change, including all rights of way.

SB 1093 MANDATED FIRE SPRINKLERS; PROHIBITION; APPLICABILITY

Statute prohibiting a municipality or county from adopting a code or ordinance that prohibits a person or entity from installing or not installing fire sprinklers in a single-family detached residence or duplex does not apply to any municipality or county that required fire sprinklers for all single-family detached residences and residential buildings before November 15, 2017, any municipality or county that required all new single-family residences to be fully outfitted with an approved fire sprinkler system before November 15, 2017, any ordinance that requires a person or entity to install or equip fire sprinklers in residences that are 5,000 livable square feet or more, and any ordinance that requires a person or entity to install or equip fire sprinklers in structured sober living homes. Previously, the statute did not apply to any code or ordinance that required fire sprinklers in a residences that was adopted before December 31, 2009.

SB 1248 TAXATION; IMPROVEMENTS ON POSSESSORY RIGHTS

Improvements on possessory rights are subject to statutory limitations on property valuation increases. Repeals statute that exempts a "dwelling on possessory rights" (defined as a permanent improvement to real property that is listed as class 3 property, other than a mobile home, if the owner of the improvement is not the owner of the real property) that is taxed as personal property from seizure or sale for delinquent taxes as personal property, and makes a dwelling on possessory rights subject to procedures for delinquent taxes as real property. Improvements, appurtenances, wells, stock tanks and any other fixed property located on unpatented land, a mining claim or state land not secured by patented real property are not

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subject to seizure or sale for delinquent taxes as personal property, but are subject to procedures for delinquent taxes as real property.

SB 1250 FOOD PRODUCERS; PROHIBITED ORDINANCES

Producers of food products in residential and community gardens cannot be denied or restricted the right to sell and dispose of their products except as already provided in statute for owners, proprietors and tenants of agricultural lands, orchards, farms and gardens. Municipalities are prohibited from denying or restricting a producer of food products on agricultural lands and farms and in gardens, including residential and community gardens, from the right to produce food products, except as provided by state statute.

SB 1433 BUILDING CODE; INSPECTIONS; RENTAL PROPERTIES

Anytime a municipality inspects a residential rental dwelling unit for compliance with a building code under any authority prescribed by law, the municipality is required to inspect the residential rental dwelling unit for compliance with the construction codes that were in force at time of building construction.

SB 1448 REDEVELOPMENT AREAS; NAME DESIGNATION

For the purpose of slum clearance and redevelopment regulations, a "blighted area" is also called a "reinvestment area" and a "slum area" is also called a "transformation area." The terms transformation and reinvestment are added to references to slum and blighted areas throughout statute.

SB 1453 TAXPAYER FINANCING; SPORTS STADIUMS; COMPACT

Enacts a compact against taxpayer financing of "professional sports stadiums" (defined) to prevent the use of taxpayer dollars for private professional sports stadiums and facilities by "removing the ability of teams to use the threat of relocation to use taxpayer dollars to build their stadiums." Prohibits general fund monies from being expended or appropriated for the construction, maintenance, promotion or operation of a professional sports stadium. Political subdivisions are prohibited from expending or appropriating public funds or providing a subsidy for the construction, maintenance, promotion or operation of a professional sports stadium. Contains a legislative intent section.

Military Preservation

New Laws

HB 2191 (CHAPTER 258) MILITARY FAMILIES; ASSISTANCE; SUBACCOUNTS

The statutory termination date of the Military Family Relief Fund and the individual income tax credit for cash contributions to the Fund are extended eight years to December 31, 2026, from December 31, 2018. Establishes the Pre-9/11 Veterans Subaccount and Post-9/11 Veterans Subaccount of the Fund. Establishes an advisory committee for each subaccount to determine appropriate use of the monies in the subaccount. Also establishes eligibility criteria for families applying for financial assistance from each subaccount. Donors are required to designate the subaccount in which s/he wishes the donation to be deposited.

HB 2192 (CHAPTER 199) MILITARY FAMILY RELIEF FUND; EXTENSION

The statutory termination date of the Military Family Relief Fund and the individual income tax credit for cash contributions to the Fund are extended eight years to December 31, 2026, from December 31, 2018.

Bills that Failed

HB 2236 MILITARY PENSIONS; INCREASE; TAX SUBTRACTION

The list of subtractions from Arizona gross income for computing Arizona adjusted gross income for tax purposes is expanded to include benefits, annuities and pension received as retired or retainer pay of the uniformed services of the U.S. in the following maximum amounts for the specified tax year: \$2,500 for tax years through 2018, \$5,000 for tax year 2019, and then increasing by \$1,000 per tax year until it reaches \$15,000 in tax years 2029 and after.

SB 1430 MILITARY & SURVEILLANCE EQUIPMENT; APPROVAL

Adds a new article to Title 26 (Military Affairs & Emergency Management) regulating military equipment and surveillance equipment. The state, counties and municipalities are required to obtain approval from the relevant "approving entity" (defined) before seeking monies for new military or surveillance equipment, acquiring or borrowing new military or surveillance equipment, deploying or using new or existing military or surveillance equipment for a purpose not previously approved by the approving entity, and soliciting proposals for or entering into an agreement with any other person or entity to acquire, share or otherwise use military or surveillance equipment or its surveillance data. Establishes a process for obtaining approval for these actions. Requires the approving Entity to release an annual public report containing a list of specified information on military or surveillance equipment. Each approving entity is required to appoint a Community Advisory Committee on Military Equipment and Surveillance Equipment, and Committee duties are specified. Session law requires the state and counties or municipalities that seek to continue the use of any military or surveillance equipment acquired before the effective date of this legislation to begin the approval process no later than 120 days after the effective date.

Neighborhoods

New Laws

HB 2371 (CHAPTER 286) MOBILE FOOD VENDORS; STATE LICENSURE

The Department of Health Services is required to adopt rules to establish health and safety licensing standards for "mobile food vendors" (defined as any person who owns, controls, manages and leases a mobile food unit or contracts with a person to prepare foods and vend from, drive and operate a mobile food unit) and "mobile food units" (defined as a food establishment that is licensed by the state that is readily movable and that dispenses food or beverages for immediate service and consumption from any vehicle) that apply on a statewide basis. The licensing standards must include three categories of mobile food units that are based on the type of food dispensed and the amount of handling and preparation required. Other requirements for the licensing standards are specified. The Department is required to establish statewide inspection standards for use by county health departments. The business of operating a mobile food unit is added to the restaurant classification of transaction privilege taxes, and the transaction privilege tax exemption for sales of food by a retailer who is a street or sidewalk vendor and who uses a mobile facility, motor vehicle or other such conveyance is eliminated. Municipalities and other taxing jurisdictions are authorized to levy a transaction privilege, sales, use or other similar tax or fee on a person engaging in business as a mobile food vendor if the adopted tax meets a list of specified requirements. Municipalities and counties are authorized to impose a list of specified restrictions on mobile food vendors and are prohibited from imposing another list of restrictions. Counties with a population of more than 500,000 persons and municipalities with a population of more than 50,000 persons are required to make mobile food vendor business license applications available online and cannot require a mobile food vendor to apply in person.

HB 2477 (CHAPTER 96) HIGH SCHOOL MATHEMATICS; PROFICIENCY; NOTIFICATIONS

If the statewide assessment results are available before the start of each school year, each school district and charter school is required to provide notification in the first half of the second quarter of the school year to parents of students in grades six through eight who have not demonstrated proficiency in grade-level mathematics based on available local or statewide assessments. Information that must be included in the notification is listed, including services and programs available.

SB 1396 (CHAPTER 151) GROUP HOME BEDS; MENTALLY ILL

By December 1, 2018, the Arizona Health Care Cost Containment System is required to report to specified legislative committees the current number of behavioral health residential facility beds and supportive housing beds that are available in Arizona for adults with serious mental illness.

SB 1442 (CHAPTER 221) PERSONAL FINANCE

The Superintendent of Public Instruction is required to establish a State Seal of Personal Finance Proficiency Program to recognize students who graduate from a school operated by a school district or a charter school in Arizona who have attained a high level of proficiency in personal finance. The State Board of Education is required to adopt minimum requirements for

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the Program and is allowed to adopt rules to carry out the Program. Any school district or charter school may voluntarily participate in the Program. The Program terminates on July 1, 2028.

SB 1444 (CHAPTER 289) SCHOOLS; AMERICAN CIVICS EDUCATION

The academic standards prescribed by the State Board of Education in social studies are required to include American civics education. The Department of Education is required to develop a five-year pilot program to begin in the 2019-2020 school year for American civics education in grades 9 through 12. The Department is required to develop application procedures and selection criteria for school districts, district schools and charter schools that voluntarily participate in the pilot program for five consecutive years. Establishes requirements for program participants. The Board is required to submit a request for proposals to assessment providers to deliver an assessment of American civics education that the Board determines to be a more rigorous measure of American civics education than the test that is identical to the civics portion of the naturalization test used by the U.S. Citizenship and Immigration Services and that can be made available to pupils in high schools selected to participate in the pilot program. By September 1, 2020 and each year through the 2023-24 school year, the Department is required to submit a report on assessment results to the Governor and the Legislature. The pilot program self-repeals January 1, 2025. Appropriates \$500,000 from the general fund in FY2019-20 to the newly established American Civics Education Fund for the pilot program.

SB 1451 (CHAPTER 223) PATIENT REFERRAL INDUCEMENTS; PROHIBITED COMPENSATION

It is unlawful for any person, including any health care provider, health care facility or "sober living home" (defined), when only providing or offering substance use disorder services, to offer, pay, solicit or receive any commission or bonus, in cash or in kind, or engage in any split-fee arrangement in return for referring patients or clients to or from a sober living home. Violations are a class 3 (upper mid-level) felony if the consideration has a value of \$1,000 or more, a class 4 (lower mid-level) felony if the consideration has a value of more than \$100 but less than \$1,000, and a class 6 (lowest) felony if the consideration has a value of \$100 or less.

SB 1465 (CHAPTER 194) SOBER LIVING HOMES; LICENSURE (~~SOBER LIVING HOMES; CERTIFICATION~~)

The Department of Health Services is required to adopt rules to establish minimum standards and requirements for the licensure of "sober living homes" (defined) in Arizona, and is permitted to use the current standards adopted by any national organization approved by the Department as guidelines in prescribing the standards and requirements. Provisions that must be included in the standards are listed. Once the Department adopts the standards, a person is prohibited from establishing or maintaining a sober living home unless the person is licensed by the Department, and a person operating a sober living home without a license is subject to a civil penalty of up to \$1,000 for each violation. The Department is required to establish fees for licensure, and to deposit 90 percent of sober living home licensure fees in the Health Services Licensing Fund and 10 percent of the fees in the general fund. The Department is authorized to enter the premises of a licensed sober living home if there is reasonable cause for an inspection, and to impose civil penalties of up to \$500 for violations. A sober living home that is certified by a national certifying organization is authorized to operate in Arizona using the certification in lieu of licensure until two years after the Department has notified the certifying

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agency that licensure under this legislation has been implemented. Repeals, 90 days after the date that the Department finalizes rules for sober living home licensure, statutes authorizing counties and municipalities to adopt standards for structured sober living homes that comply with state and federal fair housing laws and the Americans with Disabilities Act.

SB 1473 (CHAPTER 153) DEPENDENT CHILDREN; PLACEMENT; KINSHIP CARE (SCHOOLS; CIVICS LITERACY STATE SEAL)

Various changes to statutes relating to children who are taken into temporary custody. Establishes a list of factors the Department of Child Safety is required to consider in determining whether a placement is in the best interests of a child, including that the caregiver is interested in providing permanence for the child if reunification efforts ultimately fail, the expressed wishes of the birth parent and child, the proximity of the placement home to the child's current school, the child's fit with the family, and the caregiver's ability to provide the necessary level of care. If a child is taken into temporary custody, the Department is required to use due diligence to identify and notify adult relatives of the child within 30 days after the child is taken into temporary custody. A foster parent or kinship caregiver with whom a child under three years of age has resided for nine months or more is presumed to be a person who has a significant relationship with the child. The list of aggravating circumstances that, if they exist, eliminate the requirement for reunification services to be provided to the parent of a child taken into Department custody is expanded to include that a child who is under six months of age was exposed to a drug or substance and the parent is unable to discharge parental responsibilities because of a history of chronic drug abuse and reasonable grounds exist to believe that the parent's condition will continue for a prolonged or indeterminate period. If the court finds that an aggravating circumstance exists, the Department is required to file a motion for termination of parental rights within 10 business days after the date of the court order, unless termination of parental rights is not in the best interests of the child.

Bills that Failed

HB 2064 MEDICAL MARIJUANA; PACKAGING; LABELING

Nonprofit medical marijuana dispensaries are prohibited from acquiring, possessing, manufacturing or selling a marijuana product that is packaged or labeled in a manner that is "attractive to minors" (defined). The definition of "debilitating medical condition" (for which medical marijuana may be used) is expanded to include opioid use disorder. Effective January 1, 2019. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

HB 2068 PROBATION; PAROLE; MEDICAL MARIJUANA USE

A registered qualifying medical marijuana patient who is serving a term of probation, community supervision or parole for a juvenile offense, drug offense, or driving under the influence offense may be prohibited from possessing or using medical marijuana as a condition of the person's probation, community supervision or parole. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

HB 2112 FUNDING; GIFTED PUPILS

Makes a supplemental appropriation of \$500,000 from the general fund in FY2018-19 to the Department of Education for additional assistance for gifted programs. In addition to other

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monies appropriated for this purpose in FY2018-19, \$2.9 million is required to be appropriated from the general fund to the Department for additional assistance for gifted programs in FY2018-19, and \$3.4 million is required to be appropriated from the general fund to the Department for additional assistance for gifted programs every year thereafter.

HB 2333 HOME-BASED BUSINESSES; LOCAL REGULATION

A county or municipality cannot prohibit the operation of a "no-impact home-based business" (defined) or otherwise require a person to apply for or obtain any permit, license or other prior approval to operate a no-impact home-based business. Establishes a list of factors that qualify a residential property for use as a no-impact home-based business. Counties and municipalities are permitted to establish reasonable regulations on a home-based business if the regulations are narrowly tailored for specified purposes, including protecting public health and safety.

HB 2488 COORDINATED HOMELESS YOUTH SERVICES; APPROPRIATION

Makes a supplemental appropriation of \$1.5 million from the general fund in FY2018-19 to the Department of Health Services for coordinated homeless services for youths.

HB 2489 SCHOOLS; ANONYMOUS REPORTING; DANGEROUS ACTIVITY

The Department of Education is required to establish the Safe-To-Tell Program to enable any person to anonymously report any dangerous, violent or unlawful activity being conducted or threatened to be conducted on school property. The Program must include specified methods and procedures, including keeping the identity of a person who reports information confidential and promptly forwarding reported information to the appropriate law enforcement agencies and school officials. The Program terminates on July 1, 2028. Appropriates \$400,000 from the general fund in FY2018-19 to the Department for the Program.

HB 2494 APPROPRIATION; MARICOPA COMMUNITY COLLEGES; STEM

Makes a supplemental appropriation of \$11 million from the general fund in FY2018-19 to the Maricopa Community College District for science, technology, engineering and mathematics and workforce programs.

HB 2496 PATIENT REFERRAL INDUCEMENTS; UNLAWFUL COMPENSATION

It is unlawful for any person, including any health care provider, health care facility or structured sober living home to offer or pay, or to solicit or receive, any commission or bonus to induce the referral of patients or patronage to or from a health care provider, health care facility or structured sober living home. Some exceptions. Violations are a class 1 (highest) misdemeanor, except that a second or subsequent violation is a class 6 (lowest) felony.

HB 2500 REAL ESTATE SIGNS; CITIES; COUNTIES

Counties and municipalities cannot prohibit an owner of real property or the owner's agent from displaying on the property and/or in an area within a public or private right-of-way a sign advertising that the property is for sale or rent, an open house, the owner or agent's name and contact information, and directions to the property.

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HB 2506 SCHOOLS; VISION SCREENINGS**

Each school district and charter school is required to annually provide a vision screening to each student in kindergarten, grades 1 through 5, and grade 9. The superintendent of the school district and the principal of the charter school are required to give written notice to the parent or guardian of a student who is found to have a possible defect of vision or disease of the eye, and of a student who did not receive a vision screening.

HB 2530 HOA; DECLARANT CONTROL; CONFLICTS

Persons who have either a specified business or familial relationship with the declarant or who have the appearance of a conflict of interest due to specified real estate activities in the community are ineligible to serve on the board of directors of a homeowners' association after the period of declarant control.

SB 1080 HOMEOWNERS' ASSOCIATIONS; FORECLOSURES; ASSESSMENTS

A lien on a unit in a condominium association or homeowner's association may be foreclosed only if the owner has been delinquent in the payment of monies secured by the lien for a period of 6 months, instead of for one year or \$1,200 or more, whichever occurred first.

SB 1175 HOME-BASED BUSINESSES; LOCAL REGULATION

A county or municipality cannot prohibit the operation of a "no-impact home-based business" (defined) or otherwise require a person to obtain any permit, license or other prior approval to operate a no-impact home-based business. Establishes a list of factors that qualify a residential property for use as a no-impact home-based business. Counties and municipalities are permitted to establish reasonable regulations on a home-based business if the regulations are narrowly tailored for specified purposes, including protecting public health and safety.

SB 1196 GROUP HOMES; SURVEILLANCE (~~TECH CORRECTION; FOOD STANDARDS~~)

A service provider that operates a group home is permitted to install "electronic monitoring devices" (defined) in common areas of the group home. The service provider is required to establish policies regarding the use of electronic monitoring that include a list of specified provisions, and must submit the policies to the Department of Health Services prior to installation of a device. If a service provider uses an electronic monitoring device in a group home, the service provider is required to establish policies consistent with these requirements and submit the policies to the Department within 90 days after the effective date of this legislation.

SB 1387 HOME-BASED BUSINESSES; LOCAL REGULATIONS (REAL PROPERTY; CONVEYANCE; DISCLOSURE)

The use of a residential dwelling for a home-based business is a permitted use, except that this permission does not supersede any deed restriction, covenant or agreement restricting the use of land, or any master deed, bylaw or other document applicable to a common interest ownership community. A county or municipality cannot prohibit the operation of a no-impact "home-based business" (defined) or otherwise require a person to apply for or obtain any permit, license or other prior approval to operate a no-impact home-based business.

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Establishes a list of factors that qualify a residential property for use as a no-impact home-based business. Counties and municipalities are permitted to establish reasonable regulations on a home-based business if the regulations are tailored for specified purposes, including protecting public health and safety.

SB 1456 SCHOOLS; BULLYING POLICY; DEFINITION

Defines "bullying" as any written, verbal or physical act or any electronic communication that is intended to harm or that a reasonable person would know is likely to harm one or more students. Charter schools are required to prescribe and enforce policies and procedures to prohibit students from harassing, intimidating and bullying other students. The policies and procedures must include specified elements. Also modifies the required elements of school district anti-bullying policies. Contains a legislative intent section.

SB 1495 CONDO; PLANNED COMMUNITIES; MEETINGS

The annual meeting of a condominium association or planned community association (HOA) is required to include the election of HOA board members and any other business of the HOA and must provide the members or unit owners an opportunity to address the HOA board. The HOA board is required to provide to the members at the annual meeting a financial summary report. An HOA in violation of meeting requirements is liable in a civil action for damages of \$500 for each violation. Also, during the period of declarant control, the HOA declaration cannot be amended to change the duration of or conditions for declarant control unless the amendment is approved by an affirmative vote of or written consent of at least 66 percent of the non-declarant owners.

*New Laws***HB 2007 (CHAPTER 61) DISGUISE; AGGRAVATING CIRCUMSTANCES (~~PERSONAL DISGUISES; CRIME; EVASION~~)**

For the purpose of sentencing for a felony, the list of aggravating circumstances the court is required to consider is expanded to include that during or immediately following the commission of the offense, the defendant used a mask or other disguise to obscure the defendant's face to avoid identification.

HB 2038 (CHAPTER 28) DRUG OVERDOSE REVIEW TEAMS; RECORDS

Law enforcement agencies are required to provide unredacted reports to the chairperson of a local Drug Overdose Fatality Review Team on request. All information and records acquired by a Team are confidential and not subject to subpoena, discovery or introduction into evidence in a civil or criminal proceeding or disciplinary action, except information and records that are otherwise available from other sources. A member of a Review Team or person who presents information to a Review Team cannot be questioned in any civil or criminal proceeding or disciplinary action regarding the information presented.

HB 2053 (CHAPTER 76) SEXUAL EXTORTION (~~THEFT BY EXTORTION; SEXUAL ACTS~~)

Establishes the crime of sexual extortion, defined as knowingly “communicating a threat” (defined) with the intent to coerce another person to engage in specified sexual acts. Classifies sexual extortion as a class 3 (mid-level) felony, unless the victim is under 15 years of age in which case it is a class 2 (second-highest) felony punishable as a dangerous crime against children. A person convicted of sexual extortion where the victim is under 15 year of age is required to register as a sex offender. A person who is at least 18 years of age or who has been tried as an adult and is convicted of a dangerous crime against children involving sexual extortion is subject to specified sentencing provisions, including a presumptive sentence of 10 years and ineligibility for release from confinement on any basis.

HB 2151 (CHAPTER 65) JOINT POWERS; FIRE PROTECTION SERVICES

A separate legal entity formed by municipalities, counties and fire districts for the purpose of jointly exercising powers held in common relating to fire protection and emergency medical services is authorized to establish any governance and board structure necessary to carry out its powers and duties, subject to the requirements of statute. If specified in the agreement, the separate legal entity is the authority that has jurisdiction for fire code administration and enforcement for the parties to the agreement. A fire district board that participates in an agreement to form a separate legal entity is exempt from statutory public meeting and financial review requirements, and is instead required to hold a public meeting at least once every 90 days or as necessary, and to perform a cumulative financial report review at least once every 90 days.

HB 2152 (CHAPTER 176) JOINT POWER AUTHORITIES; FINGERPRINTING

Fire district boards must require probationary employees in a paid sworn firefighter position, a reserve firefighter position or a volunteer firefighter position to submit a full set of fingerprints to a joint powers authority that is formed with that fire district. The joint powers authority is required to submit the fingerprints to the Department of Public Safety for the purpose of obtaining a state and federal criminal records check. Emergency clause.

HB 2169 (CHAPTER 113) DRIVING VIOLATIONS; RESTRICTED LICENSES; PENALTIES

A restriction on a person's driver license or permit to drive as a result of a conviction for a violation of Title 28 (Transportation) may limit the person's privilege to drive to and from specified locations during specified periods of time. The sentencing options for various transportation-related violations are expanded to include that the court may order that the person's driving privilege be restricted. A person who was convicted of driving on a suspended class D or M license before January 1, 2011 may apply for a restricted privilege to drive if the person meets specified requirements. A judge is authorized to mitigate any civil penalty required by Title 28 (Transportation) if the person ordered to pay the penalty demonstrates that the payment would be a hardship on the person or his/her immediate family. Factors the court is permitted to consider when determining whether to mitigate a civil penalty are listed. Applies to all cases in which, as of the effective date of this legislation, the defendant or violator has not been sentenced or assessed a civil penalty, and applies to any offense committed on or after the effective date of this legislation. Effective January 1, 2019.

HB 2180 (CHAPTER 67) FIRE DISTRICT BUDGET HEARINGS

For a fire district that amends its budget after its initial adoption, the district board is required to hold one public hearing, instead of at least two hearings, and the proposed revised budget must be adopted immediately following the public hearing on the proposal during a public meeting, instead of in a special meeting called for that purpose. A fire district that proposes to amend its budget after its initial adoption is required to comply with the posting, publishing and hearing notice requirements in the same manner as statute requires for the initial adoption of the annual budget.

HB 2196 (CHAPTER 92) CERTIFICATES OF NECESSITY; HEARINGS; DURATION

A certificate of necessity hearing is prohibited from lasting more than ten days unless the administrative law judge determines, in writing, on the final day of the hearing that there is an extraordinary need for additional "hearing days" (defined).

HB 2212 (CHAPTER 295) FIREARM POSSESSION; PEACE OFFICERS; DEFINITION

For the purpose of statute disallowing a peace officer from being prohibited from carrying a firearm, the definition of "peace officer" is expanded to include a federally certified law enforcement officer, and a person who is employed as a law enforcement officer by any state or political subdivision of any state of the U.S. or any Indian Tribe who is certified by an entity that equivalent to the Arizona Peace Officer Standards and Training Board.

HB 2238 (CHAPTER 180) ADMIN DECISIONS; REVIEW; SCOPE

In a proceeding to review any final administrative decision of an agency brought by or against the regulated party, the court is required to decide all questions of law, without deference to any previous determination that may have been made on the question by the agency. Some exceptions.

HB 2240 (CHAPTER 36) JUDGMENT RENEWAL; TIME PERIOD

The party in whose favor a judgment is given may have a writ of execution or other process issued for its enforcement at any time within 10 years, increased from 5 years, after entry or renewal of the judgment. A judgment may be renewed by action thereon at any time within 10 years, increased from 5 years, after the date of the judgment.

HB 2243 (CHAPTER 81) WRONG-WAY DRIVING; VIOLATION; DUI

A person who drives the "wrong way" (defined) on a controlled access highway commits wrong-way driving, is subject to a civil penalty of \$500, and is required to attend and successfully complete approved traffic survival school educational sessions. A person who commits a violation of driving under the influence (DUI) while driving the wrong way on a highway is guilty of aggravated DUI.

HB 2244 (CHAPTER 181) DANGEROUS CRIMES; CHILDREN; FICTITIOUS AGE

It is not a defense to a dangerous crime against children that the minor victim is a person posing as a minor or is otherwise fictitious if the defendant knew or had reason to know the purported minor was under 15 years of age.

HB 2245 (CHAPTER 115) PROHIBITED BAIL; SEXUAL CONDUCT; MOLESTATION

A person who is in custody is prohibited from being admitted to bail if the proof is evident or the presumption great that the person is guilty of sexual conduct with a minor or molestation of a child where, at the time of the offense, the arrested person was at least 18 years of age and the victim was under 13 years of age, or the victim was 13 or 14 years of age and the arrested person was at least 10 years older than the victim. Previously, this prohibition applied if the offense charged was sexual conduct with a minor under 15 years of age or molestation of a child under 15 years of age.

HB 2246 (CHAPTER 202) JAIL; PROHIBITED ITEMS; DRUGS

It is a class 5 (second-lowest) felony to knowingly take into a jail or the ground belonging to the jail any "marijuana," "narcotic drug" or "dangerous drug" (all defined elsewhere in statute), instead of to take any opium, morphine, cocaine or other narcotic into a jail or the ground belonging to or adjacent to the jail.

HB 2248 (CHAPTER 135) INCOMPETENCY; SCREENING; SEXUALLY VIOLENT PERSONS

If the county attorney receives a report that determines a defendant is incompetent to stand trial, the circumstances under which the county attorney may request that the defendant be

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screened to determine if the defendant may be a sexually violent person are modified to include if the defendant has ever been convicted of or found guilty except insane for a sexually violent offense, instead of only if the defendant is charged with a sexually violent offense.

HB 2249 (CHAPTER 232) PROTECTIVE ORDERS; FILING REQUIREMENTS

Various changes to statutes relating to protective orders and injunctions against harassment. After granting an order of protection, the court is required to provide the order to a law enforcement agency or constable for service, or to an entity that is authorized to serve process. Establishes which agency or entity can serve the defendant based on which court issued the order of protection. The agency or entity serving the order is required to provide confirmation of service to the plaintiff as soon as practicable. For an order of protection or an injunction prohibiting harassment or workplace harassment, each affidavit, declaration, acceptance or return of service is required to be filed no later than 72 hours, excluding weekends and holidays, with the clerk of the issuing court or as otherwise required by court rule. After filing, the court is required to register the injunction with the National Crime Information Center, instead of with the county sheriff. The Supreme Court, instead of the county sheriff, is required to maintain a central repository for orders of protection and injunctions. Effective January 1, 2020.

HB 2272 (CHAPTER 116) UNMANNED AIRCRAFT; EMERGENCIES; IMMUNITY

Extends immunity for the state and political subdivisions for a claim based on the exercise or performance or failure to exercise or perform a discretionary function by any emergency worker, except in cases of willful misconduct, gross negligence or bad faith, to include operating an "unmanned aircraft" or "public unmanned aircraft" (both defined elsewhere in statute) while engaged in or supporting emergency management activities or emergency functions.

HB 2283 (CHAPTER 266) SEXUAL OFFENSES; DEFINITION; DEFENSES

For the purpose of sexual offenses, the definition of "sexual contact" is modified to exclude direct or indirect touching or manipulating during caretaking responsibilities, or interactions with a minor or vulnerable adult that an objective, reasonable person would recognize as normal and reasonable under the circumstances. The defense to a prosecution of certain sexual offenses that the defendant was not motivated by a sexual interest is deleted.

HB 2307 (CHAPTER 298) SCRAP VEHICLES; SALES

A registered scrap metal dealer or a licensed automotive recycler is permitted to purchase a vehicle without obtaining a certificate of title if the vehicle is at least 12 model years old, the owner does not have title for a list of authorized reasons, the transactional value of the vehicle does not exceed \$1200, and the dealer or recycler obtains a signed statement from the seller that affirms these conditions. The scrap metal dealer or automotive recycler, at the time of purchasing a vehicle without a title, is required to take a picture of the seller, the vehicle, the vehicle identification number or federal identification sticker, and to pay for the vehicle with a check and not with cash. The dealer or recycler is also required to submit an electronic form to the Department of Transportation with a statement that the vehicle will not be titled again and will be dismantled or scrapped, a description of the vehicle, and a list of other information. The dealer or recycler is required to maintain a photocopy or electronic scan of the owner's driver

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license or other photo identification. The department is authorized to develop an electronic system for a dealer or recycler to verify that a motor vehicle has not been reported stolen. A dealer or recycler is required to attempt to verify that a motor vehicle has not been reported stolen before purchasing a motor vehicle. Establishes penalties for violations, and requires monies from penalties to be deposited in the State Highway Fund and the Automobile Theft Authority Fund. Conditionally enacted on the department implementing an electronic system for verifying that a vehicle has not been stolen by October 1, 2020.

HB 2313 (CHAPTER 237) SENTENCING; MONETARY OBLIGATIONS; FINE MITIGATION

Decreases the surcharge levied on every fine, penalty, forfeiture and civil penalty imposed to 42 percent, from 47 percent. Levies an additional penalty assessment of \$9 on every fine, penalty, forfeiture and civil penalty imposed. Of the assessment collected, 62.4 percent is deposited in the Victims' Rights Fund and 37.6 percent is deposited in the Victim Compensation and Assistance Fund. Modifies the distributions from the Criminal Justice Enhancement Fund to eliminate the distributions to the Victims' Rights Fund and the Victim Compensation and Assistance Fund and to raise the percentage distributions to all other beneficiaries accordingly. Statutory consequences, including wage garnishment, for nonpayment of fines and fees are applied to surcharges and assessments. If the court or Board of Executive Clemency finds that a defendant has willfully failed to pay a fine, surcharge, fee, assessment, restitution or incarceration costs or finds that a defendant has intentionally refused to make a good faith effort to obtain the monies required for payment, the court is authorized to revoke the defendant's probation and sentence the defendant to prison. Judges are authorized to mitigate a fine that is not mandatory if the defendant demonstrates that the payment would work a hardship on the defendant or the defendant's immediate family. Factors the court must consider in determining whether to mitigate a fine are listed. Judges are authorized to mitigate specified surcharges imposed on a fine if the fine is mandatory. Effective January 1, 2019.

HB 2314 (CHAPTER 203) MISDEMEANOR SENTENCE; AUTHORIZED DISPOSITION

If a person is convicted of a misdemeanor and not granted a period of probation, the court may impose a sentence to a term of community restitution or education or treatment. If the court imposes a sentence to perform community restitution for a misdemeanor, the court is required to determine or fix the number of hours required. If the court imposes a sentence for a term of education or treatment for a misdemeanor, the term cannot exceed the term of probation as determined by statute.

HB 2327 (CHAPTER 239) FEDERAL OFFICERS; PERSONAL INFO; CONFIDENTIALITY (SUPREME COURT; ANNUAL REPORT; FEES)

Federal law enforcement officers or agents who reside in Arizona and who have the power to make arrests under federal law are added to the list of persons who may file an affidavit to request county officers and state agencies prohibit access to that person's residential address and telephone number contained in certain public records, and who must be notified of the expiration of restrictions on related public records.

HB 2356 (CHAPTER 301) JUVENILE COURT; JURISDICTION; AGE

If the state files a notice of delinquency and incorrigibility when proceedings are commenced, the juvenile court is required to retain jurisdiction over an adjudicated delinquent juvenile who is at least 17 years of age until the juvenile reaches 19 years of age, unless terminated by court order. If jurisdiction is extended, the juvenile court must order continued probation supervision and treatment services until the person reaches 19 years of age or until otherwise terminated by the court. The court is permitted to terminate probation supervision or treatment services before the person's 19th birthday if the court determines that continued treatment is not required or is not in the best interests of the juvenile or the state or the juvenile commits a new offense after reaching 18 years of age.

HB 2383 (CHAPTER 302) HOV LANE; EMERGENCY VEHICLE (~~AUTHORIZED EMERGENCY VEHICLES; PROBATION OFFICERS~~)

The list of vehicles exempt from the prohibition on driving a vehicle carrying fewer than two persons in a high occupancy vehicle lane during restricted times is expanded to include an "authorized emergency vehicle" (defined elsewhere in statute) that is in use by a first responder in the line of duty.

HB 2384 (CHAPTER 303) UNLAWFUL FLIGHT; VEHICLE IMPOUNDMENT

Unlawful flight from a pursuing law enforcement vehicle, a class 5 (second-lowest) felony, applies to a driver of a motor vehicle who willfully flees from an unmarked law enforcement vehicle if the driver admits to knowing, or evidence shows that the driver knew, that the vehicle was an official law enforcement vehicle. An officer is authorized to remove or cause the removal of a vehicle if the driver of the vehicle engages in unlawful flight, leaves the vehicle and continues to engage in unlawful flight by other means, including on foot or in another vehicle.

HB 2502 (CHAPTER 259) PUBLIC SAFETY; TRAUMATIC EVENT COUNSELING (~~CHILD ABUSE PREVENTION EDUCATION; SCHOOLS~~)

If a licensed mental health professional determines that a peace officer or firefighter needs additional visits of licensed counseling beyond the 12 visits currently authorized in the traumatic event counseling program, the employer is required to pay for up to an additional 24 visits within one year after the first visit. Employers are prohibited from requiring a peace officer or firefighter who is receiving mental health treatment under the program to use the peace officer's or firefighter's accrued paid vacation, personal leave or sick leave to attend a treatment visit. If a licensed mental health professional determines that the peace officer or firefighter is not fit for duty while receiving treatment under the program, the employer is required to ensure that the peace officer or firefighter has no loss of pay and benefits for up to 30 calendar days per incident if a list of specified circumstances apply. For traumatic event mental health counseling programs, the state and political subdivisions are required to compile a list of specified data on program participation and submit the data by September 1 of each year, beginning with 2019, to participation and submit the data by September 1 of each year, beginning with 2019, to the Department of Administration. By October 1 of each year, the Department is required to compile the data into a report and submit the report to the Governor and the Legislature. The expanded program for peace officers and firefighters established by this legislation terminates on January 1, 2023.

HB 2510 (CHAPTER 308) AUTO DEALERS; TASK FORCE; FUND

The Department of Transportation is required to deposit all civil penalties collected from violations of motor vehicle dealer and automotive recycler licensing requirements in the newly established Motor Vehicle Dealer Enforcement Fund. The Department is required to deposit all unexpended and unencumbered monies in the Fund exceeding \$250,000 at the end of each fiscal year in the State Highway Fund. Also establishes a 9-member Unlicensed Motor Vehicle Dealer Enforcement Task Force to review unlicensed motor vehicle dealer enforcement activities in Arizona, and requires the Task Force to submit a quarterly report to the Director of the Department. The Task Force terminates on July 1, 2026.

HB 2522 (CHAPTER 310) TRAFFIC VIOLATIONS; PENALTIES

Modifies the penalties for various traffic violations. For violations of causing serious physical injury or death by a moving violation, the criminal classification is increased to a class 1 (highest) misdemeanor, from a class 3 (lowest) misdemeanor, the maximum driver license suspension period is increased, and the cap on restitution for these violations is increased to \$100,000, from \$10,000. For violations of causing serious physical injury or death by use of a vehicle, the sentence is required to run consecutively to any sentence for other convictions, restitution is required to be awarded, and the Department of Transportation is required to revoke the person's driver license or permit for one year, not including any time that the person is incarcerated.

HB 2558 (CHAPTER 245) DRUG DISPOSAL; EDUCATION

Counties and municipalities are prohibited from imposing a tax, fee, assessment or charge on any consumer or owner or operator of a business to pay for or support a "drug disposal program" (defined), and from requiring an owner or operator of a business to establish, pay for or operate a drug disposal program. Does not prohibit a municipality from using other general fund monies to operate a drug disposal program. By January 1, 2019, the Department of Health Services is required to enter into a public-private partnership to develop an education and awareness program regarding the disposal of prescription drugs, including controlled substances nonprescription drugs, needles and sharps. Information that may be included in the education and awareness program is listed.

HB 2563 (CHAPTER 267) POSTSECONDARY INSTITUTIONS; FREE EXPRESSION POLICIES

Universities and community colleges are permitted to restrict a student's right to speak, instead of being prohibited from doing so. Universities and community colleges are prohibited from imposing restrictions on the time, place and manner of student speech that occurs in a public forum and is protected by the first amendment to the U.S. Constitution unless the restrictions are necessary to achieve a compelling governmental interest, are the least restrictive means to further that compelling interest, and allow spontaneous assembly and distribution of literature. A person who is lawfully present on a university or community college campus is permitted to protest or demonstrate on that campus. "Individual conduct that materially and substantially infringes on the rights of other persons to engage in or listen to expressive activity" (defined) is not allowed and is subject to "sanction." The public areas of university and community college campuses are subject to "sanction." The public areas of university and community college campuses are public forums and are open on the same terms to any speaker. An individual student or a faculty or staff member of a university or community college is permitted to take a

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position on the public policy controversies of the day, but the institution is "encouraged to attempt to remain neutral, as an institution," on the public policy controversies of the day unless the administrative decisions on such issues are essential to the day-to-day functioning of the university or community college. The Arizona Board of Regents (ABOR) and each community college district governing board are required to develop and adopt a policy on free expression that contains a list of statements and requirements, and are authorized to adopt rules to further the purposes of the policy. ABOR is required to establish a Committee on Free Expression consisting of at least 15 members, and the community college district governing boards are required to each establish a Committee on Free Expression consisting of at least 15 members. The Committees are each required to submit an annual report to the Governor and the Legislature that contains specified information relating to free expression. The Committees each terminate on July 1, 2026. In his signing statement, the Governor stated his intent in signing is to reaffirm to college campus communities that we should continue to preserve the first amendment rights of faculty, staff and students.

**HB 2588 (CHAPTER 246) SERVICE ANIMALS; MISREPRESENTATION
(APPROPRIATIONS; ESSENTIAL COUNTY SERVICES)**

A person is prohibited from fraudulently misrepresenting an animal as a service animal or service animal in training to a person or entity that operates a public place. A court or duly appointed hearing officer is authorized to impose on the person misrepresenting the animal in violation a civil penalty of up to \$250 for each violation.

**SB 1041 (CHAPTER 186) RESIDENCY RESTRICTIONS; SEX OFFENDERS;
VICTIMS**

It is unlawful for a person who is required to register as a sex offender to knowingly establish a residence within 1,000 feet of the real property on which the person's former victim resides. Some exceptions. Violations are a class 1 (highest) misdemeanor, and second or subsequent violations are a class 6 (lowest) felony.

SB 1076 (CHAPTER 22) ASSAULT; PUBLIC SAFETY CONTRACTORS; WORKERS

For the purpose of statute allowing public safety employees or volunteers to petition the court for an order authorizing testing of another person for certain diseases if there is probable cause to believe that the person bit, scratched, spat or transferred blood or other bodily fluid on or through the skin of the employee or volunteer who was performing an official duty, the definition of "public safety employee or volunteer" is expanded to include a contractor of a state or local law enforcement agency or correctional facility, any employee or volunteer of a correctional facility, and any other person who is authorized to perform official duties or be present within a correctional facility.

SB 1110 (CHAPTER 123) PHOTO RADAR; REVIEW; PENALTY

Before a citation is issued, a law enforcement agency is required to review evidence that is recorded by a photo enforcement system to determine whether a violation of failure to obey a traffic control device or speed restrictions occurred. A photo enforcement company is prohibited from determining whether a violation occurred for the purpose of issuing a citation. Violations of these requirements are a class 1 (highest) misdemeanor.

SB 1114 (CHAPTER 38) JOINT POWER AUTHORITIES; FINGERPRINTING

A separate legal entity formed by municipalities, counties and fire districts for the purpose of jointly exercising powers held in common relating to fire protection and emergency medical services is authorized to require all current and prospective employees and volunteers to submit a full set of fingerprints to the joint powers authority for the purpose of obtaining and state and federal criminal records check. Emergency clause.

SB 1117 (CHAPTER 159) LIQUOR ESTABLISHMENTS; PEACE OFFICERS; FIREARMS

Peace officers are permitted to possess a firearm while on the premises of a licensed liquor establishment while they are on duty or off duty.

SB 1167 (CHAPTER 332) LAW ENFORCEMENT MERIT COUNCIL; REVISIONS (VETERANS; INCREASED INCOME TAX SUBTRACTION)

The powers and duties of the Law Enforcement Merit Council are modified to require consultation with the department head when classifying positions and providing for selection, appointment, retention and removal from service of classified law enforcement officers, and to require the Council to review standards and qualifications of classified positions and recommend any changes to the human resources director.

SB 1203 (CHAPTER 147) VEHICLE TOWING

Responsibility for enforcing statutes regulating to vehicle towing are moved to the Department of Transportation, from the Department of Public Safety.

SB 1260 (CHAPTER 216) LAW ENFORCEMENT OFFICERS; INTERVIEWS; RIGHTS

During an internal investigation of a law enforcement officer, the officer's representative is permitted to take notes during an interview. The officer and the officer's representative and attorney may use notes taken during the interview only to assist the officer in an investigation or a disciplinary matter. Notes taken by the officer, officer's representative or officer's attorney are not an official record. If the officer or representative or attorney releases information without authorization, s/he may be subject to disciplinary action. These same rights are also extended to a law enforcement officer designated as a witness and the witness officer's representative or legal counsel.

SB 1295 (CHAPTER 255) INSURANCE PRODUCERS; FEES (ANIMAL CRUELTY; DOMESTIC ANIMALS; CLASSIFICATION)

Insurance producers are no longer prohibited from charging or receiving any fee or service charge in connection with the transaction of life, annuity or long-term care insurance.

SB 1296 (CHAPTER 339) GOVERNMENT COMMUNICATIONS; EMERGENCY RESPONSE INTERPRETERS

The state, counties and municipalities are each required to take reasonable steps to ensure that its communications with persons with disabilities, including online communications and

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emergency communications, are equally as effective as its communications with persons without disabilities. The state, counties and municipalities are each required to provide auxiliary aids and services when needed to communicate effectively with persons with communication disabilities. The state, counties and municipalities are each required to establish a protocol to take reasonable steps to secure a licensed interpreter to interpret emergency communications that are presented live to the media for broadcast or delivered through a live online communication, including an official government statement or press conference relating to an emergency situation. Does not prevent the state, a county or a municipality from communicating to the public during an emergency situation if an interpreter is unavailable.

SB 1395 (CHAPTER 191) TEMPORARY CUSTODY WITHOUT COURT ORDER

The circumstances under which a child may be taken into temporary custody without a court order by a peace officer, a child welfare investigator or a child safety worker are modified to require temporary custody to be clearly necessary to protect the child because of the existence of "exigent circumstances" (defined as there is probable cause to believe that the child is likely to suffer serious harm in the time it would take to obtain a court order for removal and either there is no less intrusive alternative that would reasonably and sufficiently protect the child's health or safety or probable cause exists to believe that the child is a victim of sexual abuse or abuse involving serious physical injury that can be diagnosed only by a licensed physician or a licensed health care provider with specific training in evaluations of child abuse. To execute an order authorizing temporary custody, a law enforcement officer is permitted to use reasonable force to enter any building in which the person named in the removal authorization is or is reasonably believed to be.

SB 1455 (CHAPTER 224) CIVIL TRAFFIC VIOLATIONS; PROCEDURES; PENALTIES

Various changes relating to civil traffic violations. In a charge of violating a speed restriction, the complaint is required to specify the identification of the defendant and the date, time and location of the alleged violation. If a person is found responsible for a civil traffic violation resulting from operating a bicycle, the violation cannot be considered for the purpose of determining whether the person's driver license should be suspended or revoked, and cannot be considered as a moving traffic violation by an insurer for the purpose of establishing rates for motor vehicle liability insurance.

SB 1476 (CHAPTER 342) COUNTY SHERIFF; REENTRY PLANNING; APPROP (PRE-ARREST DIVERSION; PRECOMPLAINT EDUCATION PROGRAM)

Statute establishing the offense of shoplifting does not preclude a merchant from offering a person who is suspected of shoplifting an opportunity to complete a precomplaint education program in lieu of making or filing a report of theft with a law enforcement agency, informing the person of relevant criminal and civil remedies that are available to the state and the merchant, and reducing or waiving the fee for a precomplaint education program based on the person's ability to pay. A merchant who offers precomplaint education programs is prohibited from being compensated for offering the program and from offering the program to a person who the merchant knows has a previous shoplifting conviction.

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SB 1498 (CHAPTER 345) AZPOST; MEMBERSHIP (AZPOST; PROHIBITED PEACE OFFICER DISCIPLINE)

Changes the required qualifications for the two certified law enforcement officer members of the Arizona Peace Officer Standards and Training Board (AZPOST Board) requiring the officers to have knowledge of and experience in representing peace officers in disciplinary cases. One of these members is required to have a rank of officer and the other is required to have a rank of deputy. One of the officers must be from a county with a population of less than 500,000 persons. Also, the Department of Public Safety is required to assist an Indian tribe in Arizona in implementing and testing an AMBER alert notification system, and the AZPOST Board may provide training for the system.

SB 1523 (Chapter 278) BUDGET; BRB; CRIMINAL JUSTICE; 2018-19

Makes policy changes pertaining to criminal justice programs that affect the budget. The requirement for counties to pay 100 percent of the annual salary of superior court judges is through FY2018-19. In FY2019-20, the county pays 75 percent of the annual salary of superior court judges, and the state pays 25 percent, and in FY2020-21 and each year after, the county pays 50 percent and the state pays 50 percent. The Arizona Criminal Justice Commission is designated as the state administering agency for the federal Edward Byrne Memorial Justice Assistance Grant. In FY2018-19, of the monies deposited in the the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Fund, after allocation of the first \$500,000 to the county sheriff of a county with a population of less than 500,000 persons but more than 300,000 persons (Pinal County), \$400,000 must be allocated to the county sheriff of a county with a population of less than 2 million persons but more than 800,000 persons (Pima County). The Department of Public Safety (DPS) is authorized to use up to \$148,700 of the amount appropriated in FY2018-19 from the GIITEM Fund for costs related to an increase in the Public Safety Personnel Retirement System employer contribution rate. DPS is authorized to use monies in the State Aid to Indigent Defense Fund and the Concealed Weapons Permit Fund for operating expenses in FY2017-18, and to use monies in the Concealed Weapons Permit Fund for expenses of the Arizona Peace Officer Standards and Training Board. Authorizes DPS, the Department of Emergency and Military Affairs, and the Supreme Court to use various appropriated funds for specified technology systems and other specified expenses. Authorizes the Attorney General to use \$1.4 million from the Consumer Restitution and Remediation Revolving Fund for general operating expenses in FY2020-21. The statutory caps and transfers of Highway User Revenue Fund monies available to fund the DPS highway patrol costs are limited to \$16 million for FY2018-19.

Bills that Failed

HB 2014 MARIJUANA; CIVIL PENALTY

Possession, use, production, or transporting for sale an amount of marijuana weighing less than one ounce is subject to a civil penalty of up to \$100, instead of being classified as a class 6 (lowest) felony.

HB 2023 PROHIBITED WEAPON; BUMP-FIRE DEVICE; ACCESSORY

For the purposes of the criminal code, the definition of "prohibited weapon" is expanded to include a trigger crank, a bump-fire device, or any part, combination of parts, or accessory that is designed or functions to accelerate the rate of fire of a "semiautomatic rifle" (defined) but that does not convert the rifle into a "machine gun" (defined).

HB 2024 FIREARM SALES; TRANSFERS; BACKGROUND CHECKS (~~FIRE ARM SALES; TRANSFERS; BACKGROUND CHECKS~~)

If neither party to a prospective firearms sale or transfer is a licensed firearms dealer, the parties must complete the transaction through a licensed firearms dealer. Some exceptions. The dealer must process the sale or transfer and comply with all requirements of federal, state and local law as if the dealer were a party to the transaction, including a background check on both parties. If the dealer cannot legally deliver the weapon to the purchaser, the dealer must return the weapon to the seller. If the dealer cannot legally return the weapon to the seller, the dealer must deliver the weapon to law enforcement. The dealer may charge a fee of up to \$20 for the costs incurred in facilitating the sale or transfer. Violations are a class 5 (second-lowest) felony.

HB 2028 POSTSECONDARY STUDENTS; DISCIPLINARY PROCEEDINGS; COUNSEL

If a community college or university initiates a disciplinary proceeding that involves an allegation of a crime committed by a student, that student has the right to be represented by an attorney and the right to confront the student's accuser. If the community college or university determines that a student cannot afford an attorney, the college or university is required to appoint an attorney to represent the student at the disciplinary proceeding.

HB 2030 PAIN TREATMENT; DOSAGE LIMIT; PROHIBITION

The state and any department, agency, board or commission, and any political subdivision are prohibited from limiting the morphine milligram equivalents per day of a schedule II controlled substance that may be prescribed for pain management by a licensed health professional.

HB 2033 DRUG OVERDOSE; GOOD SAMARITAN; EVIDENCE

A person who, in good faith, seeks medical assistance for someone experiencing a drug-related overdose and a person who experiences a drug-related overdose and who is in need of medical assistance cannot be charged with or prosecuted for the possession or use of a controlled substance or drug paraphernalia if the evidence for the violation was gained as a result of seeking medical assistance.

HB 2039 CERTIFICATES OF NECESSITY

The Director of the Department of Health Services is permitted to approve an application to expand the service area boundaries of an existing certificate of necessity as a result of a fire district merger or consolidation only after the Director determines need according to the laws and rules for amending a certification of necessity.

HB 2067 UNLAWFUL MEDICAL MARIJUANA RECOMMENDATION

It is an act of unprofessional conduct for a licensed health professional to intentionally or knowingly make a false statement in a written certification provided to the Department of Health Services after making a diagnosis of a patient's debilitating medical condition for medical marijuana.

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HB 2071 REAR-FACING CAR SEATS**

When transporting a child who is under two years of age in a motor vehicle, the child is required to be in a rear-facing restraint system unless the child weighs at least 40 pounds or is at least 40 inches tall.

HB 2072 CRIMINAL; ARREST RECORDS; ERASURE

If a person is arrested for, charged with or indicted for a violation of a criminal law and the court or a prosecutor dismisses or does not file a criminal charge against the person for at least 13 months after the arrest or dismissal, all law enforcement, grand jury, prosecuting agency and court records that pertain to the arrest or charge must be erased. Some exceptions. If a judgment of guilt is set aside, the person may request that the court seal the person's arrest and conviction records. The court or a law enforcement agency is prohibited from publicly disclosing an arrest and conviction record that is sealed. A person whose arrest record is sealed is authorized to deny under all circumstances that the arrest and conviction ever occurred.

HB 2073 JUVENILE; COURT JURISDICTION; AGE

Increases the age at the time of the commission of an alleged offense which allows a juvenile to be prosecuted as an adult for certain felony offenses to 17, from 15, for a list of violent felony offenses and to 16, from 14, for other felony offenses.

HB 2074 JUVENILES; NATURAL LIFE SENTENCE; REPEAL

Eliminates the sentencing option of natural life for defendants who were under 18 years of age at the time of the commission of various offenses.

HB 2075 ORDER OF PROTECTION; EXTENSION; HEARING

Before the expiration of a protective order, a petitioner is permitted to file a written motion requesting a hearing to extend the order's expiration date. Any proceeding to extend a protective order must be given precedence on the docket of the court. The court is authorized to extend the protective order for up to two years.

HB 2092 POLICE VEHICLES; HOV LANES

An on-duty police officer driving a police vehicle that is clearly marked as a police vehicle would have been permitted to drive a vehicle carrying fewer than two persons in a high occupancy vehicle lane at any time. In his veto message, the Governor expressed concern that the issues law enforcement raised were not addressed in this bill. – VETOED BY GOVERNOR DUCEY

HB 2101 MEDICAL ASSISTANCE REQUESTS; EVIDENCE; MITIGATION

A person who, in good faith, seeks medical assistance for someone experiencing a drug related overdose and a person who experiences a drug related overdose and is in need of medical assistance cannot be charged or prosecuted for the possession or use of a controlled substance or drug paraphernalia if the evidence for the violation was gained as a result of seeking medical assistance.

HB 2109 TOBACCO POSSESSION; SALE; AGE; SIGNAGE

For the purpose of statute prohibiting furnishing a tobacco product to an underage person, a petty offense, tobacco products may not be furnished to a person who is under 21 years of age, instead of to a minor, and the required mental state of doing so knowingly is eliminated. The definition of "tobacco product" is expanded to include "electronic smoking devices" (defined). The crimes of a retail tobacco vendor selling, furnishing or giving beedies or bidis, of selling tobacco products through a vending machine except in specified circumstances, and of delivering or causing unsolicited tobacco products to be delivered to a residence are all modified to apply to products sold or given to an individual who is under 21 years of age, instead of to a minor. Retail tobacco vendors are prohibited from selling or permitting the sale of tobacco products unless a sign with specified dimensions is posted at the location stating that a person who is under 21 years of age cannot purchase tobacco products. Violations are an unlawful practice and a petty offense.

HB 2117 PRIVATE POSTSECONDARY OFFICER; DUE PROCESS

Private postsecondary institution peace officers are no longer excluded from statute establishing the peace officers bill of rights and governing various disciplinary actions for law enforcement officers.

HB 2118 PUBLIC RECORDS; DENIAL OF ACCESS

The court is required, instead of allowed, to award attorney fees and other legal costs to a person who is denied access to public records and who appeals the denial through a special action in the superior court and substantially prevails. Any award for attorney fees and costs must be assessed against either the individual department responsible for denying access to the public records or against the public body that directly employs the custodian of the public records.

HB 2138 SHORT TITLE; AGGRAVATED ASSAULT; REPEAL

Repeals the short title of "Blue Lives Matter Law" on Laws 2017, Chapter 162, which expanded the list of aggravating circumstances for the purpose of aggravated assault sentencing to include evidence that the defendant committed the crime out of malice toward a victim because of the victim's employment as a peace officer, and specified that an assault offense becomes aggravated assault if the person commits the assault knowing or having reason to know that the victim is a peace officer.

HB 2140 MENTAL HEALTH; INJUNCTION; FIREARM POSSESSION

An immediate family member or a peace officer is authorized to file a verified petition with a magistrate, justice of the peace or superior court judge for an injunction that prohibits a person from possessing, controlling, owning or receiving a firearm. Any court may issue or enforce a mental health injunction against firearm possession, regardless of the location of the person. Information that must be included in the petition is specified. If the court finds that there is clear and convincing evidence to issue a mental health injunction against firearm possession, the court must issue the injunction. Information that must be included in the injunction is specified. Provides for enforcement.

HB 2144 ASSISTING FEDERAL LAW ENFORCEMENT; PROHIBITION

The state, political subdivisions, "law enforcement agencies" (defined) and their employees or agents acting in an official capacity are prohibited from knowingly assisting a federal law enforcement agency or officer in the investigation, detention or prosecution of a person for a violation of federal law that prohibits the person from using, possessing or cultivating medical marijuana if the person is authorized to do so under state law.

HB 2159 TRAFFIC VIOLATIONS; TRAFFIC SURVIVAL SCHOOL (~~WIRELESS COMMUNICATION DEVICES; TRAFFIC VIOLATIONS~~)

It is a petty offense to use a portable wireless communication device to read, write or send an "electronic message" (defined) while operating a motor vehicle unless the vehicle is stopped. Some exceptions. To be prosecuted for a violation, the behavior must be committed in the presence of or within the view of a peace officer or be established by other evidence. Establishes a list of affirmative defenses to a prosecution. Violations are subject to a fine of at least \$25 but not more than \$99 for a first offense, and a fine of at least \$100 but not more than \$200 for a second or subsequent offense. The criminal classification for a violation that caused the death or serious bodily injury to another person is increased to a class 2 (mid-level) misdemeanor, subject to a fine of up to \$4,000. State agencies are prohibited from considering violations to determine whether a person's driver license should be suspended or revoked. Insurers are prohibited from considering violations to establish rates for motor vehicle liability insurance. Also prohibits a person who is under 17 years of age who has a class M license or motorcycle endorsement from driving a motorcycle while using a portable wireless communication device for any reason except during an emergency. Also, a person who commits the following traffic violations is required to attend and successfully complete approved traffic survival school educational sessions: driving the wrong way on a controlled access highway, driving under the influence of intoxicating liquor or drugs (DUI), extreme DUI, and aggravated DUI. In addition to taking licensing action, the Director of the Department of Transportation is authorized to impose a civil penalty of \$300 to \$3,000 if s/he finds that a traffic survival school licensee has not complied with or has knowingly violated traffic survival school regulations or has been convicted of a violation of Title 13 (Criminal Code) or Title 28 (Transportation). The Director must deposit civil penalties in the State Highway Fund.

HB 2160 UNSAFE VEHICLE TIRES; USE; SALE

A person is prohibited from operating a vehicle with an "unsafe tire" (defined) on a street or highway in Arizona. A vehicle with an unsafe tire is deemed to be in an unsafe condition and any peace officer may require the driver to stop and submit the vehicle to an inspection. It is an unlawful practice for a person to knowingly sell, advertise for sale or trade an unsafe tire or to install an unsafe tire on a vehicle in Arizona. Some exceptions, including for a commercial motor vehicle, bicycle, airplane, and agricultural transport vehicle. Also, the statutory definition of "waste tire" is expanded to include tires manufactured more than seven years ago.

HB 2161 IGNITION INTERLOCK RESTRICTED LICENSE; OFFENSES

After completing at least 45 consecutive days of the period of revocation, a person whose driving privilege is revoked due to a conviction of reckless driving, aggressive driving, or racing on highways is permitted to apply to the Department of Transportation for a special ignition

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interlock restricted driver license, which allows them to drive a vehicle with a functioning certified ignition interlock device during the remaining period of the revocation.

HB 2219 CRIME STATISTIC REPORTING; REQUIREMENTS

Specifies that the timing required for chief officers of criminal justice agencies of the state and political subdivisions to report information to the Department of Public Safety concerning crimes that manifest evidence of prejudice based on a list of factors is annually. Requires the information reported to include the number of crimes that manifest evidence of prejudice for the year.

HB 2234 VETERANS; MENTAL HEALTH COURTS; ESTABLISHMENT

The presiding judge of the superior court in each county is required to establish a veterans' court and a mental health court, and to establish eligibility criteria for referral to the veterans court or mental health court. The eligibility criteria must include a mandatory referral requirement for specified cases, and a judge with jurisdiction over a case that meets that criteria is required to refer the case to the veterans' court or mental health court. When a person is under the jurisdiction of the veterans' court or mental health court, the prosecution against the person is suspended for 24 months to allow the person to participate in a deferred prosecution program.

HB 2239 AZPOST BOARD; MEMBERSHIP

Increases the membership of the Arizona Peace Officer Standards and Training Board to 15 by adding two retired law enforcement officers with specified experience.

HB 2241 HEROIN; FENTANYL; SALES; MANDATORY PRISON

If a person is convicted of a violation of possession or use, possession or use for sale, manufacture or transport for sale of heroin, fentanyl, carfentanil or fentanyl mimetic substances, the person must be sentenced to a minimum sentence of 5 calendar years, with a presumptive sentence of 10 calendar years and a maximum sentence of 15 calendar years. A person with a previous conviction of the same list of offenses for these drugs must be sentenced to a minimum sentence of 10 calendar years, with a presumptive sentence of 15 calendar years and a maximum sentence of 20 calendar years. A person convicted of these violations is not eligible for suspension of sentence, probation, pardon or release from confinement on any basis until the person has served the sentence imposed by the court.

**HB 2254 VEHICLE LIABILITY INSURANCE; MINIMUM LIMITS
(COMPUTATION OF TIME; DAY; PORTION)**

For motor vehicle liability insurance policies that are issued, reinstated or renewed beginning on July 1, 2019, the minimum amounts of coverage required are increased to \$25,000 for bodily injury to or death of one person in any one accident, from \$15,000, to \$50,000 for bodily injury to or death of two or more persons in any one accident, from \$30,000, and to \$25,000 because of injury to or destruction of property of others in any one accident, from \$10,000. Does not apply to a policy issued to a person with a valid certificate of self-insurance or partial self-insurance. Also, an offer of liability limits on an automobile liability insurance policy is required to be made at the time of application for insurance. In his Veto Message, Governor Ducey

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expressed concern about the potential unintended consequences including increased premium costs for individuals who rely on affordable plans. – VETOED BY GOVERNOR DUCEY

HB 2260 COMMERCIAL LICENSE; DEFENSIVE DRIVING SCHOOL

Commercial driver license holders would have been eligible for the defensive driving diversion program, and would no longer be required to attend defensive driving school as an element of sentence, except when the moving violation was committed while driving a commercial motor vehicle that requires a commercial driver license. If a commercial driver license holder successfully completed defensive driving school, a record of the civil or criminal traffic citation for which the individual attended would have been declared to be not confidential and would have been required to be disclosed for specified purposes. Courts would have been required to allow an individual who holds a commercial driver license and who is issued a citation for a civil traffic violation pursuant to specified statutes or a local civil traffic ordinance to attend a defensive driving school only if the individual was driving a vehicle requiring a class D license or a class M license and the vehicle was not being used for commercial purposes. – VETOED BY GOVERNOR DUCEY, REINTRODUCED AND SIGNED INTO LAW AS HB 2650

HB 2268 SEAT BELTS; PRIMARY ENFORCEMENT

The prohibition on a peace officer stopping a vehicle for a suspected seat belt violation unless the officer has reasonable cause to believe another violation occurred applies only to "farm vehicles" (defined elsewhere in statute), effectively making seat belt law subject to primary enforcement for all other motor vehicles. Each occupant, instead of only each front seat occupant, of a motor vehicle is required to have the seat belt properly adjusted and fastened while the vehicle is in motion, and the motor vehicle operator must require each passenger, instead of only each passenger under 16 years of age, to have the seat belt properly adjusted and fastened while the vehicle is in motion. Some exceptions. The Department of Transportation is required to notify the public of law enforcement's ability to stop or issue a citation to a person for a violation of seat belt requirements periodically on existing electronic signs through July 31, 2019, and thereafter on permanently affixed signs on the interstate system in Arizona.

HB 2276 MISREPRESENTATION; SERVICE ANIMALS

A person is prohibited from fraudulently misrepresenting an animal as a service animal or service animal in training to a person or entity that operates a public place. A court or duly appointed hearing officer may impose a minimum civil penalty of \$50 on a person in violation.

HB 2299 DOMESTIC VIOLENCE OFFENDERS; FIREARMS; SEIZURE

The court is required to order a person placed on probation for a domestic violence offense to transfer, for the duration of the probation, any firearms the person owns or possesses to the appropriate law enforcement agency within 24 hours after sentencing, or to provide the agency with an affidavit certifying that the person does not own or possess a firearm. The court must provide a copy of the order to the appropriate law enforcement agency, and if the agency has not received an affidavit or any firearms from the person within 24 hours, the agency must notify the court and request a search warrant for the person's home and vehicle, if appropriate. If a court orders a defendant who is subject to an order of protection to transfer a firearm to the appropriate law enforcement agency and the firearm is not transferred to the agency within

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24 hours, the agency must notify the court and request a search warrant for the person's home and vehicle, if appropriate, to retrieve the firearm.

HB 2300 CHILDREN; NEGLECT; DEFINITION (~~CENTRAL REGISTRY; UNSUBSTANTIATED CLAIMS~~)

For the purpose of Title 8 (Children), the definition of “neglect” is modified to include that the inability of unwillingness of a parent or guardian of a child causes “substantial” risk of harm to the child’s health or welfare, instead of “unreasonable” risk.

HB 2303 SENTENCING; DRUG OFFENSES; REPETITIVE OFFENDERS

Various changes relating to sentencing for drug offenses. For the purpose of the criminal code, the definition of "historical prior felony conviction" is modified to exclude certain drug offenses involving a drug below the threshold amount. For the purpose of the criminal code for drug offenses, the definition of "threshold amount" is modified to mean 10 grams of heroin, increased from 1 gram, 100 grams of cocaine, increased from 9 grams, 8 grams or 100 milliliters of PCP, increased from 4 grams or 50 milliliters, 28 grams of methamphetamine or amphetamine, increased from 9 grams, 5 pounds of marijuana, increased from 2 pounds, and to add 5 milligrams of fentanyl. For the purpose of determining the additional sentence for various drug offenses, the trier of fact is required to determine and the court is required to consider a list of factors, including whether the offense involved more or less than the statutory amount of the drug. The list of mitigating circumstances the court is required to consider when determining sentencing is expanded to include if the defendant's participation in the offense was motivated or substantially attributable to a documented or diagnosed pattern of mental illness, addiction, trauma resulting from active duty military service in a combat zone, or victimization. Repeals statute establishing sentencing for multiple drug offenses not committed on the same occasion.

HB 2309 SEX OFFENDER REGISTRATION; TERMINATION

For the purpose of a petition filed by a defendant for an order to terminate any duty to register as a sex offender, the list of circumstances that a defendant is required to avow, under penalty of perjury, is modified to allow the victim to be a peace officer posing as a 15, 16 or 17 year old, and to state that the conduct did not involve the use of threats or force, instead of that the sexual conduct was consensual.

HB 2360 JUVENILE DELINQUENCY; MINIMUM AGE

The minimum age at which a child against whom a complaint has been filed citing the commission of a delinquent act is required to appear at the juvenile court is increased to 14 years of age, from 10 years of age. The definition of "delinquent act" is modified to require the act to be committed by a juvenile who is fourteen years of age or older.

HB 2362 LAW ENFORCEMENT ORDERED VEHICLE TOWS

A peace officer is permitted, instead of required, to cause the removal and immobilization or impoundment of a vehicle if the person is driving with a suspended or revoked license, the person has never been issued a valid driver license or permit in Arizona, the person is knowingly transporting or moving an alien in furtherance of the illegal presence of an alien in the U.S., or the person is knowingly concealing or attempting to conceal an alien in the vehicle.

HB 2372 ASSESSMENT; TRAFFIC VIOLATIONS; POLICE EQUIPMENT

Levies a penalty assessment of \$4 on every civil penalty imposed and collected for a civil traffic violation and fine, penalty or forfeiture for a criminal violation of motor vehicle statutes. Establishes the Peace Officer Training Equipment Fund and requires monies from the assessment to be deposited in the Fund. Appropriates the first \$2.3 million from the Fund in FY2018-19 to the Department of Public Safety to purchase seven Vauthor software components for each of the seven previously purchased Virta V300 systems, and to purchase a Virta V300 system and the Virta Vauthor software component for the City of Chandler Police Department, Pinal County and the Maricopa County Sheriff's Office.

HB 2386 NOTICE OF CLAIM; REQUIREMENTS

A claim filed against a public entity, public school or public employee is required to contain a specific amount and the facts supporting that amount. Payment in full of the amount releases the public entity, public school or public employee from any further liability for the claim. A cause of action accrues when the damaged party realizes he or she has been damaged by a final official act of the public entity, public school or public employee. Applies to claims filed against a public entity, public school or public employee after July 1, 2016. Retroactive to April 1, 2018.

HB 2389 SYRINGE ACCESS PROGRAMS; AUTHORIZATION

The Director of the Department of Health Services is authorized to declare a public health emergency to address a possible outbreak of an infectious disease that is being spread by the sharing of needles. "Qualified entities" (defined as county health departments, municipalities, and nonprofit organizations that meet specified requirements) are authorized to establish and operate a needle and hypodermic syringe access program in a jurisdiction where the Director of the Department has declared a public health emergency. A program is required to offer a list of specified services, including disposal of used needles and hypodermic syringes, injection supplies at no cost, access to kits that contain an opioid antagonist or referrals to programs that provide access to an opioid antagonist, and personal consultations concerning mental health or addiction treatment. An employee, volunteer or participant in the program cannot be charged with or prosecuted for possession of a needle, hypodermic syringe or other injection supply item obtained from or returned to a program or possession of a residual amount of a controlled substance contained in a used needle, hypodermic syringe or injection supply item obtained from or returned to a program, if the person claiming immunity provides written verification that the item was obtained from a program.

HB 2400 TRAFFIC TICKETS; SERVICE; PHOTO RADAR

If a photo enforcement system detects a violation of failure to obey a traffic control device or speed restrictions, service of process is only complete by hand delivering a copy of the uniform traffic ticket and complaint to the person who was driving the vehicle at the time of the violation.

HB 2415 JUVENILE DEPENDENCY PROCEEDINGS FUND

Establishes the State Aid for Juvenile Dependency Proceedings Fund, to be administered by the Arizona Criminal Justice Commission. Monies in the Fund must be used to provide state aid to county public defenders, legal defenders and contract indigent defense counsel for the processing of juvenile dependency cases. The Commission is required to distribute monies in

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the Fund to each county according to the three-year average of the total juvenile dependency case filings in the superior court in the county divided by the statewide three-year average of the total juvenile dependency case filings in the superior courts of all 15 counties. Appropriates \$1.5 million from the general fund in FY2018-19 to the Fund.

HB 2427 RELEASE CONDITIONS; PRETRIAL RELEASE PROGRAM

The Supreme Court is required to establish and maintain a statewide Pretrial Services Program to conduct a risk assessment and make a recommendation to the judicial officer concerning an appropriate pretrial release decision. Requirements for the risk assessment are specified. The Program terminates on July 1, 2028. The list of factors the judicial officer is required to consider when determining the method of release or the amount of bail is expanded to include the risk assessment and release recommendation from the Program.

HB 2430 RELEASE AFTER ACQUITTAL; DISMISSED CHARGES

A person must be released from the custody of a county or city jail within four hours after the charges against the person are dismissed or the person is acquitted at trial.

HB 2431 PSPRS; NORMAL RETIREMENT; EMPLOYEE CONTRIBUTIONS

For the Public Safety Personnel Retirement System, the definition of "normal retirement date" for an employee who becomes a member on or after July 1, 2017, is modified to eliminate the requirement that the employee be at least 55 years of age to retire after 15 years of credited service. The separate calculations for employee contribution rates that applied to employees hired on or after July 1, 2017 are deleted.

HB 2438 DRUG ADDICTION TREATMENT; COUNTY PROGRAMS

Each county is required to establish an angel initiative program that allows persons to surrender controlled substances or drug paraphernalia to a local police precinct and seek drug addiction treatment. The county, in collaboration with local law enforcement agencies, is required to prescribe standards for the program. Eligibility criteria for program participation is listed. A person who, in good faith, seeks drug addiction treatment at a program cannot be charged with or prosecuted for the possession or use of a controlled substance or drug paraphernalia if the evidence for the violation was gained as a result of seeking treatment at the program.

HB 2511 CRIMINAL JUSTICE COMMISSION; MEMBERSHIP; REPORT

Increases the number of members of the Arizona Criminal Justice Commission to 18 members, from 14 members, by adding two public defenders, one crime victim advocate, and one former prison inmate who advocates for prisoner rights. Session law requires the Commission to conduct a comprehensive review of Arizona's sentencing and corrections data and submit a report to the Legislature by December 31, 2018 that includes data-based policy recommendations to accomplish a list of stated goals, including to reduce prisoner recidivism, revise sentencing laws, and improve probation and parole supervision.

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HB 2539 WRONG-WAY DRIVER; HIGHWAYS

In consultation with the Department of Public Safety, the Department of Transportation is required to identify those portions of a highway that have a high potential for wrong-way drivers and install and maintain on those portions of the highway traffic control spikes that shred the vehicle tires of any wrong-way driver. The State Highway Fund may be used to pay expenses of installing and maintaining the traffic control spikes.

HB 2540 HOMEOWNERS' ASSOCIATIONS; RADAR GUNS; CERTIFICATION

A homeowners' association is prohibited from using a doppler radar unit or other speed enforcement tool to detect a violation of statutory speed restrictions or of a city or town ordinance unless the radar or tool is properly calibrated by a licensed facility and the results are submitted to the Arizona Peace Officer Standards and Training Board, the operator of the unit or tool has at least 10 hours of training on its proper use, and the speed detected is at least 10 miles per hour above the posted speed limit.

HB 2562 CRIME; EMERGENCY SERVICES; SUMMARIES; WEBSITES

Each month, municipalities are required to post on their websites a crime and emergency services summary, which must include a list of specified information on crime, police department response times, fire department calls and responses, municipal emergency medical services responses, and emergency personnel counts.

HB 2584 CRITICAL HEALTH INFORMATION; EMERGENCY RESPONDERS

Municipalities and counties are authorized to establish by ordinance a program to provide "emergency responders" (defined) with critical health information about program participants so that emergency responders may aid program participants who are involved in motor vehicle emergencies or accidents and who are unable to communicate. Program requirements are specified and program participants may be charged a nominal fee for program costs.

HB 2597 MARIJUANA VIOLATION; CLASSIFICATION

Possession or use of less than 3.5 grams of marijuana that is not possessed for sale is a class 1 (highest) misdemeanor, instead of a class 6 (lowest) felony.

HB 2605 CRIMINAL JUSTICE STATISTICS; PUBLIC INFO

Beginning January 1, 2019, on the first day of each month, the Attorney General, each county attorney and each municipal prosecutor is required to post a list of specified criminal justice information on his/her public website or on the public website of an affiliated association.

HB 2606 LAW ENFORCEMENT; DEADLY FORCE; INVESTIGATIONS

If a law enforcement officer uses deadly physical force in the performance of official duties and that use causes the death of another person, an investigator or law enforcement officer who is not from the same law enforcement agency or the county attorney from another county is required to conduct the investigation into the officer's use of deadly physical force and provide the results of the investigation to the county attorney of the county in which the use of force occurred.

HB 2635 DRUG OVERDOSE; IMMUNITY; LIMITATIONS

Immunity from being charged or prosecuted for a person who, in good faith, seeks medical assistance for someone experiencing a drug-related overdose or who is in need of medical assistance for a drug-related overdose does not apply to a person who was granted immunity twice before, and does not apply to a person who was granted immunity once before unless the person, within 30 days after the current drug-related overdose, seeks and obtains a screening and a referral for treatment from a community addiction services provider or addiction treatment professional.

HB 2643 VETERANS COURT; ESTABLISHMENT; REQUIREMENTS

The presiding judge of the superior court in each county is required to establish a veteran's court to adjudicate cases filed in the superior court, a justice court, or a municipal court. The judge must establish the eligibility criteria for referral to the court. The criteria must include a mandatory referral requirement for any case that is filed against a veteran and that alleges only a violation of aggravated driving under the influence. When a person is under the jurisdiction of the veterans' court, the prosecution against the person is suspended for 24 months to allow the person to participate in a deferred prosecution program. The court is prohibited from incarcerating the person during the term of the deferred prosecution. On successful completion of a deferred prosecution program, the court is required to dismiss all charges against the person.

SB 1007 MOTORCYCLE OPERATION; RIDING BETWEEN LANES

Motorcycle operators are no longer prohibited from overtaking and passing in the same lane occupied by the vehicle being overtaken, and from operating a motorcycle between the lanes of traffic. The Department of Public Safety is authorized to develop educational guidelines relating to when a motorcycle operator may overtake and pass in the same lane occupied by the vehicle being overtaken or operate a motorcycle between the lanes of traffic.

SB 1010 TOBACCO POSSESSION; SALE; AGE; SIGNAGE

For the purpose of statute prohibiting furnishing a tobacco product to an underage person, a petty offense, tobacco products may not be furnished to a person who is under 21 years of age, instead of to a minor, and the required mental state of doing so knowingly is eliminated. The definition of "tobacco product" is expanded to include "electronic smoking devices" (defined). The crimes of a retail tobacco vendor selling, furnishing or giving beedies or bidis, of selling tobacco products through a vending machine except in specified circumstances, and of delivering or causing unsolicited tobacco products to be delivered to a residence are all modified to apply to products sold or given to an individual who is under 21 years of age, instead of to a minor. Retail tobacco vendors are prohibited from selling or permitting the sale of tobacco products unless a sign with specified dimensions is posted at the location stating that a person who is under 21 years of age cannot purchase tobacco products. Violations are an unlawful practice and a petty offense.

SB 1011 COMPUTER TAMPERING; UNAUTHORIZED HUMAN IMPERSONATION

The list of acts constituting the crime of computer tampering, a class 6 (lowest) felony, is expanded to include knowingly using or deploying any computer or computer software that conceals the computer or computer software's real identity to simulate or impersonate the actions of a human.

SB 1015 MOTORCYCLE OPERATION; LANE SPLITTING

Motorcycle operators are permitted to overtake and pass in the same lane occupied by the vehicle being overtaken, and to operate the motorcycle between the lanes of traffic if a list of specified conditions is met, including that the vehicles operating in the lanes of traffic are traveling at a speed of 20 miles per hour or less, that the motorcycle does not travel at a speed exceeding 25 miles per hour or 10 miles per hour more than other vehicles, whichever is less, and that the motorcycle is not on an exit or entrance ramp to a controlled access highway.

SB 1016 DUTY TO REPORT; LIFE-THREATENING EMERGENCY

A person who knows that another person is exposed to or has suffered a life-threatening emergency is required to report the emergency and its location to a peace officer, fire department or other governmental entity responsible for public safety, to the extent the person can do so without danger or peril to self or others. Violations are a class 1 (highest) misdemeanor.

SB 1017 APPELLATE REVIEW; MUNICIPAL; JUSTICE COURTS

An appeal may be taken to the court of appeals by the defendant, the state, or any political subdivision from a final judgment of the superior court in any action appealed from a justice of the peace or municipal court, instead of only an action involving taxes, assessments, fines or statutes. The list of instances in which an appeal may be taken to the court of appeals from the superior court is expanded to include from an order or judgment entered by the superior court on appeal of a criminal proceeding in a justice court.

SB 1018 SENTENCING; INCREASED PUNISHMENT; FENTANYL

Increases the criminal classification of possession or use of fentanyl to a class 3 (mid-level) felony, from a class 4 (lower mid-level) felony. A person convicted of possession of fentanyl for sale, possession of equipment or chemicals to manufacture fentanyl, administering fentanyl to another person, obtaining fentanyl by fraud, or transporting or offering to sell or transfer fentanyl is not eligible for suspension of sentence, probation, pardon, or release from confinement on any basis until the person has served the sentence imposed by the court.

SB 1033 UNLAWFUL ASSEMBLY; RIOT; IDENTITY; CLASSIFICATION

If a person obscures or hides their identity with a mask, disguise, makeup or other device during the commission of unlawful assembly, the criminal classification is increased to a class 6 (lowest) felony, from a class 1 (highest) misdemeanor. If a person obscures or hides their identity with a mask, disguise, makeup or other device during the commission of riot, the criminal classification is increased to a class 4 (mid-level) felony, from a class 5 (second-lowest) felony. It is an affirmative defense to an allegation that the person's identity was obscured or

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hidden during the commission of either offense if the mask, disguise, makeup or other device was worn for a medical or religious purpose.

SB 1035 MUNICIPAL COURTS; MAXIMUM REVENUE; TRANSFER

By August 1 of each year, each municipal court is required to determine the amount of net revenues received by the municipal court during the most recent fiscal year that exceeds the amount of net revenues received in the prior fiscal year by 120 percent, and is required to transmit this amount to the city or town treasurer, who must transmit it to the State Treasurer for deposit in the Victim Compensation and Assistance Fund.

SB 1040 SERVICE ANIMALS; MISREPRESENTATION

A person is prohibited from fraudulently misrepresenting an animal as a service animal or service animal in training to a person or entity that operates a public place. A court or duly appointed hearing officer may impose on a person in violation a civil penalty of \$250.

SB 1056 SCHOOLS; LETTER GRADES; ABSENTEEISM; ILLNESSES

If the State Board of Education uses chronic absenteeism as a factor in determining annual achievement profiles or letter grade classifications for schools, a student who is absent due to a "chronic health problem" (defined elsewhere in statute) is not considered chronically absent for the purpose of the determination.

SB 1074 IMMIGRATION; LAW ENFORCEMENT; REPEAL

Repeals the following statutes established by Laws 2010, Chapter 113 (S1070): the prohibition on state and local government agencies or governing bodies restricting the enforcement of federal immigration law; the requirement for law enforcement officials to determine the immigration status of a person at any lawful stop or arrest where reasonable suspicion exists that the person is unlawfully present in the U.S.; provisions allowing law enforcement to arrest without warrant any person the officer has probable cause to believe has committed a public offense that makes the person removable from the U.S.; the defense of entrapment for employers found to be employing unauthorized aliens; the establishment of willful failure to complete or carry an alien registration document, unlawful stopping to hire and pick up passengers for work, and unlawful application for employment or employment by an unauthorized alien as class 1 misdemeanors; the requirement that a vehicle driven in furtherance of the illegal presence of an alien in the U.S. and in violation of a criminal offense be immobilized or impounded; and the establishment of the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Fund.

SB 1092 CLAIM; NOTICE; PUBLIC ENTITY; EXCEPTION

An action against a public entity or public employee does not apply to any claim alleging medical malpractice that resulted in the death of a person who was being treated for a mental health illness must be brought within 18 months after the cause of action accrues, instead of within 1 year.

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SB 1094 CRIMINAL CASES; ARRESTS; RECORDS; ERASURE

In any criminal case commenced beginning October 2, 1969 or after, if the accused is found not guilty by a final judgment or the charge is dismissed, all law enforcement, prosecuting agency and court records that pertain to the charge must be erased when the time to file a notice of appeal expires. Some exceptions. In any criminal case commenced before October 1, 1969, if the accused is found not guilty by a final judgment or the charge is dismissed, all law enforcement, prosecuting agency and court records that pertain to the charge must be erased by operation of law. Some exceptions. If a person is arrested or charged with violating a criminal law and the prosecutor dismisses or does not file a criminal charge against the person for at least 13 months after the arrest or dismissal, all law enforcement, grand jury, prosecuting agency and court records that pertain to the arrest or charge must be erased. Some exceptions. If a judgment of guilt is set aside, the person may request that the court seal the person's arrest and conviction records. The court or a law enforcement agency is prohibited from publicly disclosing an arrest and conviction record that is sealed. A person whose arrest record is sealed is authorized to deny under all circumstances that the arrest and conviction ever occurred.

SB 1099 ESTIMATED TPT PAYMENT; LIABILITY THRESHOLD (~~TECH CORRECTION; FIREFIGHTERS; MILITARY DUTY~~)

The amount of annual total tax liability reported and paid by a business entity that causes the entity to be required pay an estimated tax payment in June is increased to \$1.5 million or more in 2019, \$2 million or more in 2020, \$3 million or more in 2021, \$4 million or more in 2022, and \$5 million or more in 2023 and after, from \$1 million or more.

SB 1116 DRIVING; ANIMAL ON LAP; PROHIBITION

A person is prohibited from operating a vehicle while an "animal" (defined) is on the person's lap. Violations are subject to a civil penalty of \$100.

SB 1119 MUNICIPAL JUDGES; TERMS; RETENTION ELECTION

Municipal court magistrates are limited to a four-year term, and are subject to election for retention or rejection at a general election in the same manner as superior court or appellate court judges and supreme court justices. A municipal magistrate is required to file a declaration of desire to be retained in office in the office of the municipal clerk at least 60 days before the general election following the expiration of the magistrate's term of office. The name of a magistrate whose declaration is filed must be placed on the appropriate official ballot under a nonpartisan designation in a specified form. Session law provides that a municipal magistrate currently holding office continues to serve for the respective term for which s/he was appointed or elected but following that term must be appointed or retained in office as provided by this legislation.

SB 1121 CRIMES; CULPABLE MENTAL STATE; REQUIREMENT

Beginning January 1, 2019, if a new statute classifies an offense as a misdemeanor or felony and does not expressly prescribe a culpable mental state that is sufficient for commission of the offense, the culpable mental state is intentional, except for drug offenses in which case the culpable mental state required is knowingly. Some exceptions, including for sexual offenses, driving under the influence offenses, a moving traffic violation or a violation involving public health and safety included in Title 36 (Public Health and Safety). Beginning January 1, 2019, if a

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municipality adopts a new ordinance defining a strict liability offense, the ordinance must expressly prescribe that it is a strict liability offense. If the ordinance does not expressly prescribe that it is a strict liability offense, the culpable mental state is intentional, except for misdemeanor drug offenses in which case the culpable mental state required is knowingly. Does not apply to a municipal ordinance that involves a traffic violation, a building code violation or a food or health and safety code violation.

SB 1191 EMERGENCY PERSONNEL; REST PERIODS; VIOLENCE

An "emergency medical services provider" (defined) is required to permit its employees to take rest periods based on the total hours worked daily at the rate of 10 minutes net rest time per 4 hours worked daily, or is required to pay the employee one hour of pay at the regular rate of compensation for each workday during which a rest period is not provided. Some exceptions. By July 1, 2020, the Industrial Commission is required to adopt standards that require emergency medical services providers to adopt a workplace violence prevention plan, and provisions that must be included in the standards are listed.

SB 1224 DOMESTIC VIOLENCE OFFENDERS; FIREARMS; SEIZURE

The court is required to order a person placed on probation for a domestic violence offense to transfer, for the duration of the probation, any firearms the person owns or possesses to the appropriate law enforcement agency within 24 hours after sentencing, or to provide the agency with an affidavit certifying that the person does not own or possess a firearm. The court must provide a copy of the order to the appropriate law enforcement agency, and if the agency has not received an affidavit or any firearms from the person within 24 hours, the agency must notify the court and request a search warrant for the person's home and vehicle, if appropriate. If a court orders a defendant who is subject to an order of protection to transfer a firearm to the appropriate law enforcement agency and the firearm is not transferred to the agency within 24 hours, the agency must notify the court and request a search warrant for the person's home and vehicle, if appropriate, to retrieve the firearm.

SB 1231 JUSTIFICATION; DEADLY PHYSICAL FORCE; EXCEPTIONS

A person is not justified in threatening or using deadly physical force against another person if the person either leaves a place of safety and actively pursues the other person who is engaged in a lawful activity or pursues the other person after a law enforcement officer requests that the person retreat to a place of safety.

SB 1259 AZPOST BOARD; MEMBERSHIP

Modifies the membership of the Arizona Peace Officer Standards and Training Board to remove a college faculty member, the Attorney General, the Director of the Department of Corrections, one member who is employed in administering county or municipal correctional facilities, and two certified law enforcement officers, and to replace them with five retired law enforcement officers with specified experience and an additional public member. The three public members cannot be associated with law enforcement and must not have a criminal record. The President of the Senate and the Speaker of the House of Representatives appoint one public member each, and all other Board members continue to be appointed by the Governor. Also modifies the population cutoffs for the Board members who are sheriffs representing different sized counties and chiefs of city police representing different sized cities.

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Session law states that current Board members may continue to serve until expiration of their current term of office.

SB 1277 CHILD SEXUAL ABUSE; TASK FORCE

Establishes a 10-member Task Force on the Prevention of Sexual Abuse of Children in the Department of Education to create and implement a model curriculum for students and teachers on the prevention of sexual abuse of children. The Department of Education, in collaboration with the Department of Child Safety, the Department of Health Services, the courts and organizations with expertise in child abuse, is required to choose or develop a model curriculum on sexual abuse and assault awareness and prevention for students in kindergarten and grades 1 through 12. Requirements for the model curriculum are listed. By December 1, 2018, the Task Force is required to report its findings to the Governor and the Legislature.

SB 1286 TRAFFIC SURVIVAL SCHOOLS; UPDATED CURRICULUM

Traffic survival school educational sessions are required to include a curriculum with materials that are updated at least annually.

SB 1318 MEDICAL ASSISTANCE REQUESTS; EVIDENCE; MITIGATION

A person who, in good faith, seeks medical assistance for someone experiencing a drug related overdose and a person who experiences a drug related overdose and is in need of medical assistance cannot be charged or prosecuted for the possession or use of a controlled substance or drug paraphernalia if the evidence for the violation was gained as a result of seeking medical assistance.

SB 1346 JUVENILES; COURT JURISDICTION; AGE

Increases the age at the time of the commission of an alleged offense which allows a juvenile to be prosecuted as an adult for certain felony offenses to 17, from 15, for a list of violent felony offenses and to 16, from 14, for other felony offenses.

SB 1347 MENTAL HEALTH; INJUNCTION; FIREARM POSSESSION

An immediate family member or a peace officer is authorized to file a verified petition with a magistrate, justice of the peace or superior court judge for an injunction that prohibits a person from possessing, controlling, owning or receiving a firearm. Any court may issue or enforce a mental health injunction against firearm possession, regardless of the location of the person. Information that must be included in the petition is specified. If the court finds that there is clear and convincing evidence to issue a mental health injunction against firearm possession, the court must issue the injunction. Information that must be included in the injunction is specified. Provides for enforcement.

SB 1348 PROHIBITED WEAPON; BUMP-FIRE DEVICE; ACCESSORY

For the purposes of the criminal code, the definition of "prohibited weapon" is expanded to include a trigger crank, a bump-fire device, or any part, combination of parts, or accessory that is designed or functions to accelerate the rate of fire of a "semiautomatic rifle" (defined) but that does not convert the rifle into a "machine gun" (defined).

SB 1350 INDIGENT DEFENSE FUND; DISTRIBUTION; PURPOSE

The Arizona Criminal Justice Commission is required to distribute monies in the State Aid to Indigent Defense Fund each fiscal year to each county for the sole purpose of providing state aid to the county public defender, legal defender and contract indigent defense counsel for the processing of criminal cases.

SB 1413 ASSISTING FEDERAL LAW ENFORCEMENT; PROHIBITION

The state, political subdivisions, "law enforcement agencies" (defined) and their employees or agents acting in an official capacity are prohibited from knowingly assisting a federal law enforcement agency or officer in the investigation, detention or prosecution of a person for a violation of federal law that prohibits the person from using, possessing or cultivating medical marijuana if the person is authorized to do so under state law.

SB 1519 PROTECTIVE ORDERS; SCHOOLS; APPROP

Numerous changes relating to school safety and orders of protection. Beginning November 1, 2018, a peace officer is permitted to seek an emergency STOP order from the superior court that allows the officer to take a person into custody if the officer has probable cause to believe the person poses a significant danger of imminently causing death or serious physical injury to self or others and is likely to suffer death or serious physical injury or cause death or serious physical injury to another person unless immediate action is taken. Emergency STOP orders may be issued electronically or by telephone as determined by the Supreme Court, and may be issued during the hours that the court is closed. The presiding judge of the superior court is required to make available a superior court judicial officer who may issue an emergency STOP order. The grounds for issuing an emergency STOP order are listed. An officer who takes a person into custody under an emergency STOP order is required to notify the respondent that a hearing will be held, and the respondent must have an opportunity to respond to any allegations at the hearing. If the respondent declines to have a hearing, the peace officer is required to transport the person to an evaluation agency. Within 72 hours after the respondent is admitted, the evaluating agency is required to complete an evaluation of the respondent for behavioral health issues and provide the evaluation results to the court. The court is required to schedule a hearing as soon as practicable but not later than the next court day after receipt of the evaluation. Establishes a list of evidence the court is required to review at the hearing. If the court finds by clear and convincing evidence that the respondent poses a significant danger to self or others, the court is required to issue a STOP order for up to 14 days. An emergency STOP order expires after 14 days. Within 24 hours after a court issues an emergency STOP order, the court is required to forward a copy of the order to the county sheriff's office, and the sheriff is required to register the order with the National Crime Information Center and indicate on the file that the respondent is subject to firearm restrictions. Each county sheriff is required to maintain a central repository to verify the existence and validity of an emergency STOP order. A request for an emergency STOP order and any supporting documents are confidential and are not public records until the court issues an emergency STOP order. It is a class 4 (mid-level) felony for a person who is subject to a STOP order to possess or purchase a firearm. A law enforcement officer who is taking a person into custody for an emergency STOP order is authorized to take temporary custody of any firearm that is in plain sight or discovered under a consensual or other lawful search that is necessary for the protection of the peace officer or other persons present. A firearm that is taken into temporary custody must be returned at the end of the contact. If the court issues a STOP order or an emergency STOP order and the respondent possesses any firearms, the respondent is required to provide the

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court with the name of a responsible custodian, and the responsible custodian is required to take possession of all firearms or transfer possession of the firearms to the sheriff, a local law enforcement agency or a federally licensed firearms dealer within 24 hours after the order is issued. If the respondent does not identify a responsible custodian or submit evidence of compliance with these requirements, the court may issue a search warrant for the firearms. Procedures for the seizure of a firearm are established. The Supreme Court is required to annually report to the Governor and the Legislature specified information related to STOP order petitions. Beginning in the 2019-20 school year, school districts and charter schools are required to provide training in suicide prevention and related topics to teachers, principals and other school personnel who work with students in grades 6 through 12. Training requirements are specified. By July 1, 2019, the Arizona Health Care Cost Containment System Administration is required to annually identify or develop and post online a list of approved materials that schools may use to provide the training. The Department of Public Safety (DPS) is required to establish a Center for School Safety, and the Center is required to establish a safe schools hotline that allows any person to anonymously report any dangerous, violent or unlawful activity that is being conducted or threatened to be conducted on a school campus, on school transportation or at a school-sponsored event or related activity. Beginning in the 2018-19 school year, school districts and charter schools that issue student identification cards are required to include on the cards the telephone number of the safe schools hotline. Each visitor to the campus of a local education agency is required to provide identification to any school employee. School districts and charter schools, in conjunction with local law enforcement and emergency response agencies, are required to provide age-appropriate school safety training for students and professional development for teachers and staff on school safety, and to develop and maintain an emergency response plan for each school. School districts and charter schools are authorized to enter into an agreement with law enforcement agencies to allow AZPOST-certified active or reserve law enforcement officers to provide security on school grounds. The AZPOST Board is required to prescribe training for all law enforcement officers and juvenile probation officers who participate in a school resource officer program, and required elements of the training are specified. School district and charter school governing boards are required to prescribe and enforce policies and procedures for school personnel to report certain suspected crimes to local law enforcement. Beginning July 1, 2018, if sufficient monies are appropriated, the Arizona Health Care Cost Containment System Administration is authorized to make payments directly to schools or to require a contractor in each geographic service area to provide evidence-based mental health first aid training for teachers and administrators in public schools and to provide behavioral health services to eligible students after receiving consent from a parent or guardian. Appropriates \$392,000 from the general fund in FY2018-19 to DPS to purchase virtual training equipment to provide training to school resource officers. Appropriates \$5.5 million from the general fund in FY2018-19 to ADE to add more school resource officers. Preference for this funding is required to be given to school districts and charter schools that have agreements to share the cost of the school resource officer. Appropriates \$450,000 from the general fund in FY2018-19 to AHCCCS for mental health first aid training in schools and \$3 million from the general fund in FY2018-19 to AHCCCS for behavioral health services in schools. Appropriates \$125,000 from the general fund in FY2018-19 to DPS to expand the current tips and leads portal to include a campus-specific portal for schools in Arizona. Appropriates \$597,800 from the general fund in FY2018-19 to DPS to establish, staff and manage the Center for School Safety. Appropriates \$600,000 from the Fingerprint Clearance Card Fund in each of FY2018-19, FY2019-20 and FY2020-21 to the Arizona Criminal Justice Commission to develop and implement a data exchange system. Retroactive to August 1, 2018.

Transportation

New Laws

HB 2027 (CHAPTER 131) ALTERNATIVE FUEL SPECIAL PLATES; VETERANS

If a motor vehicle qualifies for an alternative fuel special license plate and a veteran special plate is issued, the Department of Transportation may issue an alternative fuel sticker to the owner of the motor vehicle.

HB 2166 (CHAPTER 265) VEHICLE FEES; ALTERNATIVE FUEL VLT

Establishes a highway safety fee in an amount to be determined by the Director of the Department of Transportation annually. The fee will be collected at the time of application for vehicle registration. The fee is required to fully fund 110 percent of the Department of Public Safety Highway Patrol budget for each fiscal year. For the separate vehicle license tax classification for motor vehicles powered by alternative fuels that are purchased before January 1, 2020, the motor vehicle value for the first 12 months of the life of the motor vehicle is a percentage of the manufacturer's base retail price of the motor vehicle as set by the Department, instead of one percent. For the separate vehicle license tax classification for motor vehicles powered by alternative fuels that are purchased on or after January 1, 2020, the motor vehicle value for the first 12 months of the life of the motor vehicle is 30 percent of the manufacturer's base retail price of the motor vehicle, and during each succeeding twelve-month period, the value of the motor vehicle is 15 percent less than the value for the preceding 12-month period. Changes to the vehicle license tax classification for motor vehicles powered by alternative fuels are effective January 1, 2020. Contains a legislative intent section.

HB 2209 (CHAPTER 294) INTERNET PROTOCOL; CORPORATION COMMISSION (MUNICIPALITIES; PARKING; PUBLIC VEHICLES)

A person that offers, furnishes or provides for profit or otherwise "internet protocol-enabled service" or "voice over internet protocol service" (both defined) is not providing message transmission service to the public and is not a public service corporation. The Corporation Commission is prohibited from regulating, directly or indirectly, the entry, exit, rates, terms, conditions, or service quality standards of these services.

HB 2304 (CHAPTER 155) PUBLIC BUILDINGS; OMNIBUS

Various changes to statutes related to procurement of professional services for public buildings. Retroactive to June 30, 2018, extends authorization for a procurement agent to procure construction-manager-at-risk construction services for horizontal construction seven years, to June 30, 2025. Eliminates separate contract amount limits for professional services from an architect. Modifies civil penalties for violations of procurement requirements.

HB 2413 (CHAPTER 16) PUBLIC ROAD MAINTENANCE; PRIMITIVE DESIGNATION

A county board of supervisors or municipal governing body is authorized to designate a road that was opened after June 13, 1975 and before June 13, 1990 as a primitive road if the road was not constructed in accordance with county standards. Authorization for a county board of supervisors to spend public monies for maintenance of public roads and streets that have been

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designated as primitive roads is modified to require the road to be either constructed in accordance with standard engineering road specifications adopted by the board or completed pursuant to a plat approved by the board, instead of requiring the road to meet both those requirements.

HB 2422 (CHAPTER 306) PERSONAL DELIVERY DEVICES

A "personal delivery device" (defined) is authorized to operate on sidewalks and crosswalks and on roadways with a posted speed of no greater than 25 miles per hour in Arizona, and a device so operating has all the rights and duties applicable to pedestrians except those that by their nature can have no application. Personal delivery devices are exempt from motor vehicle registration and insurance requirements. A person who owns and operates a personal delivery device in Arizona is required to maintain an insurance policy with general liability coverage of at least \$100,000 for damages arising from the operations of the device. Local authorities are permitted to adopt reasonable restrictions for the safe operation of personal delivery devices, including to allow a personal delivery device's weight to exceed 200 pounds, to allow a personal delivery device to operate at a speed over 7 miles per hour, and to allow an owner or operator of a personal delivery device to maintain an insurance policy that provides less than \$100,000 for damages. All changes made by this legislation self-repeal on September 1, 2020.

HB 2455 (CHAPTER 307) COMMERCIAL VEHICLES DEFINITION; DRIVER LICENSES

For the purpose of motor carrier safety regulations, the definition of "commercial motor vehicle" is modified to mean a single vehicle or combination of vehicles that has a gross vehicle weight rating of 26,001 or more pounds, increased from 18,001 or more pounds, and that is used for intrastate commerce. The Arizona Department of Transportation (ADOT) must require a person convicted of driving under the influence (DUI), extreme DUI or aggravated DUI to attend and successfully complete an approved traffic survival school course. If the Director of ADOT finds that a traffic survival school licensee has not complied or has knowingly violated statute or rule or has been convicted of a violation of the Criminal Code or Title 28 (Transportation), the Director is authorized to impose a civil penalty on the licensee of at least \$300 but no more than \$3,000 for each violation, or to cancel, suspend or revoke the school's license after conducting a hearing. The Director is required to deposit all civil penalties collected in the State Highway Fund.

HB 2521 (CHAPTER 242) VEHICLE SIZE, WEIGHT AND LOAD

The Department of Transportation or a local authority is required to provide reasonable access to vehicles of legal size beyond one road mile of the national network on a route on highways within its jurisdiction if a test drive on the route or an application of a vehicle template to a plan of the route shows that vehicles of legal size can safely travel on the route, and the vehicles are of legal size. Before a local authority adopts and enforces an ordinance for overdimensional or overweight commercial vehicles, the designated officer is required to submit the proposed ordinance to the Overdimensional Permit Council. The Council has 90 days to review the proposed ordinance for statutory compliance. If the council does not act within 90 days, the proposed ordinance is deemed compliant. If the Council determines the proposed ordinance does not comply, the Department is required to notify the designated officer in writing with specific recommended changes. If the local authority accepts the recommended changes, further review is not required. If the local authority makes any other

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substantial change to the ordinance, the change must be resubmitted to the Council for review. Retroactive to July 1, 2017.

HB 2527 (CHAPTER 312) TRAFFIC VIOLATIONS; ASSESSMENT; POLICE EQUIPMENT (~~DRIVER LICENSE TESTING; REQUIRED QUESTION~~)

Effective January 1, 2019, levies a penalty assessment of \$4 on every civil penalty imposed and collected for a civil traffic violation and fine. The court is permitted to mitigate all or part of the assessment as provided for other assessments in statute. Effective January 1, 2019, increases the surcharge on court authorized diversion programs for individuals charged with civil or criminal traffic offenses to \$9, from \$5. On or before December 1, 2019 and once every seven years after, the Joint Legislative Budget Committee's budget analyst is required to report to the JLBC on the current amount of each surcharge and assessment authorized by law on every fine, penalty and forfeiture imposed and collected by the courts. Establishes the Peace Officer Training Equipment Fund and requires monies from the \$4 penalty assessment and \$4 of the surcharge for diversion programs to be deposited in the Fund. Monies in the fund may be used only for peace officer equipment. Establishes a 7-member Fund Advisory Commission to make recommendations to the Governor and the Legislature on the allocation of monies in the Fund. Appropriates the first \$500,000 from the Fund to the Department of Public Safety (DPS) for employee overtime pay, the next \$2.3 million from the Fund to DPS to purchase virtual firing range equipment and software that meet a list of specified requirements, the next \$203,000 from the Fund to DPS to maintain and service existing virtual training simulators, the next \$50,000 from the Fund to the Governor's Office of Highway Safety to provide public service announcements that educate drivers on how to act when subject to a peace officer's traffic stop, and the next \$20,000 from the Fund to the Supreme Court to cover a onetime programming cost. Effective January 1, 2019.

SB 1200 (CHAPTER 260) TRANSPORTATION REVISIONS

Various changes to statutes relating to transportation. Deletes authorization for the Department of Transportation to adopt rules necessary to administer various statutes. Various signs and signals are no longer required to be in a form approved by the Department. Effective July 1, 2019, repeals statutes relating to the establishment of parkways and historic and scenic roads and transfers the authority to establish or designate a highway or area as a parkway, historic or scenic road to the Arizona Historical Society, from the Department. Repeals statutes relating to unblended gasoline shortages. Repeals the Multistate Highway Transportation Agreement. Repeals the Medical Advisory Board. Repeals the option to renew a driver license by mail. Eliminates the late penalty and interest charges for assessments of use fuel taxes. Nonresident daily commuters are no longer required to have external vehicle identification indicia, but must carry the nonresident daily commuter identification card in the motor vehicle and present the card to any peace officer on demand.

Bills that Failed

HB 2162 COUNTY TRANSPORTATION EXCISE TAX (~~DISABILITY PARKING SPACES~~)

The board of supervisors of a county with a population of 400,000 persons or less, on a majority vote, is permitted to submit to the voters a transportation plan funded by an excise tax that is in addition to a county transportation excise tax. The board is required to present the issue on the ballot as a single question for approval or disapproval of the tax. If approved by

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the voters, the county is required to levy and the Department of Revenue is required to collect the tax beginning January 1 or July 1, whichever occurs first at least 60 days after voter approval, on the same tax base that applies to other excise taxes in the county. The tax must be levied at a rate that, together with any other county transportation excise taxes, will not exceed specified limits. In its initial submission to the voters, the board of supervisors must set a termination date for the tax that is within 240 months after the date the tax begins to be levied. Establishes requirements for county board of supervisors to call and conduct a countywide election to approve the renewal and extension of the tax. Also establishes requirements for the transportation plan funded by the excise tax. For any county that levies a transportation excise tax, the entity implementing the transportation plan is required to annually submit a report to the Legislature by January 31, and information that must be included in the report is listed. At the written request of the regional transportation authority, the board of supervisors of a county with a population of more than 400,000 but less than 1.2 million people is permitted to call and conduct a countywide election to approve the renewal, increase or extension of the tax. Beginning in 2025 and every fifth year after, the transportation policy committee of a county regional planning agency is required to conduct a formal evaluation of the allocation of assets and resources within the regional transportation plan, which must include meetings and hearings with the public. Deletes the statutory termination date of July 1, 2024 for the transportation policy committee.

HB 2165 COUNTY EXCISE TAX FOR TRANSPORTATION

The board of supervisors of any county is permitted to submit to the voters a transportation plan funded by an excise tax. The board is required to present the issue on the ballot as a single question for approval of both the transportation plan and the tax. If approved by the voters, the county is required to levy and the Department of Revenue is required to collect the tax beginning January 1 or July 1, whichever occurs first after voter approval, on the same tax base that applies to other excise taxes in the county. The tax must be levied at a rate that, together with any other county transportation excise taxes, will not exceed a total of one percent of the gross proceeds of sales or gross income derived from a business subject to the tax. In its initial submission to the voters, the board of supervisors must either set a termination date for the tax or provide that the tax will be perpetual, subject to termination only by a subsequent countywide vote.

HB 2208 PROHIBITION; PHOTO RADAR

State agencies and local authorities are prohibited from using a photo enforcement system to identify violators of traffic control devices and speed regulations. Statutes authorizing and regulating photo enforcement are repealed.

HB 2266 ELECTRIC BICYCLES (~~DARK SKY LIGHTING SPECIAL PLATES~~)

An operator of an "electric bicycle" (defined as a bicycle or tricycle equipped with fully operable pedals and an electric motor of less than 750 watts that meets other specified requirements) would have been granted all the rights and privileges and would have been subject to all of the duties of a person riding a bicycle. An electric bicycle would have been declared to be not subject to motor vehicle title, registration, vehicle license tax, driver licenses or vehicle insurance requirements. Beginning January 1, 2019, manufacturers and distributors of electric bicycles would have been required to apply a permanently affixed label to each electric bicycle that contained specified information. Operating requirements for different classes of electric bicycles would have been established. In his veto message, the Governor

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asked the Legislature to send him a budget that gives teachers a 20 percent raise by 2020 and restores additional assistance. – VETOED BY GOVERNOR DUCEY, REINTRODUCED AND SIGNED INTO LAW AS HB 2652

HB 2301 IMPEDING LEFT LANE; NOTIFICATION SIGNS

By September 1, 2021, the Department of Transportation is required to erect signs on highways in rural areas notifying the public of the existing requirement that a person driving a vehicle at less than the normal speed of traffic drive the vehicle in the right-hand lane or as close as practicable to the right-hand curb or edge of the roadway, except when passing another vehicle or preparing for a left turn.

HB 2339 DUI; ADMINISTRATIVE SUSPENSION; RESTRICTED LICENSE

The Department of Transportation is permitted, instead of required, to suspend the driving privileges of a person arrested for driving under the influence for 30 days and restrict the driving privileges of the person for at least 60 additional days to travel between specified locations. The scope of a hearing on a driver license suspension is expanded to include whether a license suspension would cause the person undue financial hardship. If the Department receives proof that clearly demonstrates the person's undue financial hardship, the Department is authorized to immediately issue a restricted license.

HB 2367 TAXATION; FUEL; VEHICLE LICENSE

Repeals the tax of 18 cents per gallon on motor vehicle fuel possessed, used or consumed in Arizona, other motor vehicle fuel taxes imposed, and statutes regulating use fuel tax collection. Establishes a transaction privilege taxes (TPT) classification for retail motor vehicle fuel, comprised of the business of selling motor vehicle fuel, and levies TPT at a rate of 8 percent of the tax base. Establishes a list of exemptions from the tax base. The Department of Revenue is required to deposit the net revenues from the retail motor vehicle fuel TPT classification as follows: 1.6 percent in the State Lake Improvement Fund, 0.55 percent in the Off-Highway Vehicle Recreation Fund, and the remainder in the Highway User Revenue Fund. Counties and municipalities are prohibited from levying a tax on motor vehicle fuel and its distribution and sale. Also repeals the separate classification of motor vehicles powered by alternative fuel for the purposes of vehicle license taxes. A vehicle that is powered by alternative fuel is subject to the regular vehicle license tax plus an additional \$100 fee.

HB 2388 DISPOSITION OF PUBLIC ROADWAYS

In addition to a quitclaim deed, a governing body is permitted to authorize the Department of Transportation to sell and convey the land within a roadway or portion of a roadway by "other appropriate instrument."

HB 2429 PUBLIC WORKS CONTRACTS; PREVAILING WAGE

A public works contract that is valued at \$250,000 or more must contain a provision requiring the wages paid by the contractor or any subcontractor to be at least the prevailing rate of wages for work of a similar nature in the state or political subdivision in which the project is located.

HB 2433 HURF DISTRIBUTION; COUNTIES; CITIES; TOWNS

The statutory formula for distributing Arizona Highway User Revenue Fund (HURF) monies is modified to remove the separate three percent distribution for incorporated municipalities with a population of 300,000 persons or more, and to add that three percent to the distribution for all incorporated municipalities. Establishes a formula for the State Treasurer to distribute all HURF monies allocated to counties and municipalities, which is based on each county or municipality's proportion of the number of registered vehicles statewide, and on each county or municipality's proportion of the number of miles of streets or highways statewide. Statutes requiring HURF funds to be distributed based on motor vehicle fuel sales and population are repealed.

HB 2466 ESCORT VEHICLES; MARKINGS; LIGHTS

The lighted lamp that funeral escort vehicles or military escort vehicles are required to exhibit must be attached to the top of the vehicle's cabin. Markings, emblems, seals and other insignia on a funeral escort vehicle must be permanently displayed on the vehicle.

HB 2514 HURF DISTRIBUTION; CITIES; TOWNS; COUNTIES

In FY2019-20, the Department of Transportation is required to allocate and the State Treasurer is required to distribute \$18 million from revenues of the Arizona Highway User Revenue Fund (HURF) to small counties and municipalities. Of the \$18 million, \$9 million must be distributed to counties with a population of less than 250,000 persons and \$9 million must be distributed to municipalities with a population of less than 7,500 persons. Self-repeals November 1, 2020. Contains a legislative intent section. Effective July 1, 2019.

HB 2516 SCHOOL BUILDINGS; AIRPORTS

Beginning September 1, 2018, a charter school or school district seeking to locate a school within two miles of a public use airport runway is required to obtain a determination of no hazard from the Federal Aviation Administration before commencing any construction. Does not apply to schools existing as of January 1, 2015 unless the school seeks to build a structure. Effective September 1, 2018.

HB 2557 ELECTRIC VEHICLE CHARGING STATION

The Corporation Commission is authorized to establish policies and programs to authorize and facilitate expansion of electric distribution or transmission facilities or utility administrative services necessary to facilitate the timely interconnection and provision of service to "electric vehicle charging stations" (defined), and to encourage private investment in electric vehicle charging equipment and services by providing rebates or incentives to utility customers that install electric vehicle charging stations at workplaces, businesses, government buildings, residences and other locations. Contains a legislative intent section.

HB 2599 TOLL ROADS; CONVERSION; PROHIBITION

A county board of supervisors is prohibited from granting an application for a toll road that will be converted from a publicly funded or maintained street or highway. The Department of Transportation is prohibited from entering into any agreement that allows the conversion of an existing publicly funded or maintained street or highway to a toll road.

HB 2632 PUBLIC ROADWAYS; DISPOSITION

In addition to quitclaim deed, a governing body may authorize the Department of Transportation to sell and convey the land within a roadway or portion of a roadway by another appropriate instrument. If "abutting owners" (defined) that comprise more than 50 percent of the land that is the subject of the sale provide written notice to the clerk or secretary of the governing body or the Department, stating that the abutting owners elect that the land be auctioned, the sale must be conducted.

SB 1024 LOTTERY; FUNDING; LTAF; RESTORATION

Establishes the Local Transportation Assistance Fund (LTAF) and requires the Legislature to appropriate an amount necessary to provide that the total monies available in LTAF for each fiscal year (FY) equal \$20.5 million. The State Treasurer is required to pay municipalities a maximum of \$23 million each FY from the available monies in LTAF in proportion to the population of each municipality, except that each municipality is entitled to receive at least \$10,000. The State Treasurer is also required to distribute up to \$18 million each FY to counties. Establishes the County Assistance Fund and specifies distributions from the Fund. Establishes the State Parks Board Heritage Fund, and requires the Heritage Fund to be administered by the State Parks Board for specified purposes. State Lottery Fund (SLF) monies must be used to reimburse the general fund for payment to LTAF of \$18 million each FY. Of the monies remaining in the SLF, up to a maximum of \$23 million each FY must be deposited in the general fund to be used to offset reimbursements to LTAF and up to a maximum of \$7.65 million each FY must be deposited in the general fund to be used to offset reimbursements to the County Assistance Fund. Of the monies remaining in SLF, \$10 million must be deposited in the Heritage Fund. Monies equivalent to the amount of SLF monies specified must be transferred from the general fund to the other funds specified at the beginning of each FY.

SB 1025 HURF EXPENDITURES; TRANSPORTATION INFRASTRUCTURE

Revenues in the Highway User Revenue Fund are required to be spent only for the construction or maintenance of transportation infrastructure.

SB 1029 VULNERABLE USERS OF PUBLIC WAYS

An operator of a motor vehicle is prohibited from knowingly, intentionally or recklessly operating the vehicle within three feet of a "vulnerable user of a public way" (defined as a law enforcement officer, emergency responder or a worker in a state highway work zone while in the course of official duties or a pedestrian, person riding an animal or a person operating a farm tractor, skateboard, skates, scooter, wheelchair or bicycle in a crosswalk or on a shoulder of the highway). An operator of a motor vehicle is prohibited from knowingly, intentionally or recklessly distracting or attempting to distract a vulnerable user of a public way for the purpose of causing violence or injury, or forcing or attempting to force a vulnerable user of a public way off of a public way, crosswalk or shoulder of the highway except as necessary for public safety. A violation is a class 2 (mid-level) misdemeanor, except that if a violation resulted in serious physical injury to or death of a vulnerable user of a public way, the court is required to impose specified penalties.

SB 1136 MUNICIPALITIES; PARKING; PUBLIC VEHICLES

Municipalities cannot prohibit a resident from parking a motor vehicle on a street or driveway in the municipality if the vehicle is required to be available at designated periods at the person's residence as a condition of the person's employment and the resident is employed by either a public service corporation or a public safety agency. Contains legislative findings.

S1146 VEHICLE FEES; ALTERNATIVE FUEL VLT

Repeals the separate vehicle license tax classification for motor vehicles powered by alternative fuels. Establishes a highway safety fee in an amount to be determined by the Director of the Department of Transportation annually. The fee will be collected at the time of application for vehicle registration. The fee is required to fully fund 110 percent of the Department of Public Safety Highway Patrol budget for each fiscal year.

SB 1147 COUNTY EXCISE TAX FOR TRANSPORTATION

The board of supervisors of a county with a population of 400,000 persons or less, on a majority vote, is permitted to submit to the voters a transportation plan funded by an excise tax that is in addition to a county transportation excise tax. The board is required to present the issue on the ballot as a single question for approval or disapproval of the tax. If approved by the voters, the county is required to levy and the Department of Revenue is required to collect the tax beginning January 1 or July 1, whichever occurs first after voter approval, on the same tax base that applies to other excise taxes in the county. The tax must be levied at a rate that, together with any other county transportation excise taxes, will not exceed a total of one percent. In its initial submission to the voters, the board of supervisors must set a termination date for the tax that is within 240 months after the date the tax begins to be levied. Establishes requirements for county board of supervisors to call and conduct a countywide election to approve the renewal and extension of the tax. Also establishes requirements for the transportation plan funded by the excise tax. At the written request of the regional transportation authority, the board of supervisors of a county with a population of more than 400,000 but less than 1.2 million people is permitted to call and conduct a countywide election to approve the extension of the countywide transportation excise tax at a rate that, together with any tax levied for an existing county transportation excise tax, does not exceed one percent. If approved by the voter, the net revenues collected from the tax must be deposited in the regional transportation fund for the purposes of the regional transportation plan.

SB 1232 TOLL ROADS; CONVERSION; PROHIBITION

A county board of supervisors is prohibited from granting an application for a toll road that will be converted from a publicly funded or maintained street or highway. The Department of Transportation is prohibited from entering into any agreement that allows the conversion of an existing publicly funded or maintained street or highway to a toll road.

SB 1261 TEXTING WHILE DRIVING; PROHIBITION

A motor vehicle operator is prohibited from using a portable wireless communication device to read, write or send an electronic message while operating a motor vehicle unless the vehicle is stopped. Establishes a list of circumstances that constitute an affirmative defense to a prosecution of this prohibition. Violations are subject to a civil penalty of \$100 for a first violation, \$300 for a second or subsequent violation, or \$500 if the person is involved in a

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motor vehicle accident. Violations are a petty offense subject to a fine of \$25-\$99 for a first offense, and \$100-\$200 for a second or subsequent offense, except that a violation that causes the death of or serious bodily injury to another person is a class 2 (mid-level) misdemeanor subject to a fine of up to \$4,000.

SB 1288 VEHICLE REGISTRATION; USE TAX COLLECTION

The Department of Revenue is required to provide the Department of Transportation with the means to calculate the use taxes required to be collected at the time of application for a transfer of title or registration of a vehicle. Applies to taxable periods beginning on or after the first day of the month following the general effective date.

SB 1315 VLT; ALTERNATIVE FUEL CLASSIFICATION; REPEAL

Repeals the separate vehicle license tax classification for motor vehicles powered by alternative fuels.

SB 1316 MOTOR FUEL TAXES

The tax on motor vehicle fuel possessed, used or consumed in Arizona is increased to 36 cents per gallon, from 18 cents per gallon. Deletes various regulations relating to "light class motor vehicles." Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

New Laws

**HB 2190 (CHAPTER 80) COUNTY IMPROVEMENT DISTRICTS;
REPAYMENT AGREEMENTS**

The list of projects that a county improvement district may enter into a financial assistance loan repayment agreement with the Water Infrastructure Finance Authority to construct or improve is expanded to include drinking water treatment facilities.

SB 1039 (CHAPTER 330) APPROPRIATION; ARIZONA WATER PROTECTION FUND

Appropriates \$400,000 from the general fund in FY2018-19 to the Arizona Water Protection Fund.

SB 1493 (CHAPTER 225) ENVIRONMENTAL QUALITY; DREDGE, FILL PERMITS

Adds a new article to Title 49 (The Environment) authorizing the Department of Environmental Quality (DEQ) to establish by rule a Dredge and Fill Permit Program that is consistent with and no more stringent than the federal Clean Water Act. Establishes a list of requirements for rules adopted by DEQ for the Program. Program rules and permit requirements under the Program are subject to the same enforcement statutes as other water quality control programs and permits. During the process of establishing and assuming state jurisdiction over the Program, DEQ is required to negotiate with the U.S. Army Corps of Engineers (USACE) to ensure that the USACE will continue to process as many pending applications for permits and requests for jurisdictional determinations as possible before the date on which this state officially assumes jurisdiction over the Program. This legislation is repealed on August 1, 2023 unless the U.S. Environmental Protection Agency approves the Program under the terms of the federal Clean Water Act.

SB 1494 (CHAPTER 170) ENVIRONMENT; UNDERGROUND INJECTION CONTROL PROGRAM

Adds a new article to Title 49 (The Environment) requiring the Department of Environmental Quality (DEQ) to establish an Underground Injection Control Permit Program, including a permitting process. The implementing regulations contained in the Code of Federal Regulations under the federal Safe Drinking Water Act in effect on January 1, 2018 apply to the Program. An underground injection is prohibited unless the underground injection is into a well authorized by rule or unless it is authorized by a permit. Any underground injection activity is prohibited if it is conducted in a manner that allows the movement of fluid containing any contaminant into underground sources of drinking water and if the presence of that contaminant may endanger underground sources of drinking water. It is unlawful to commence underground injection or construction of an underground injection well without a permit or other appropriate authority, and to violate any underground injection standard or requirement that is required by a permit. Violations performed with criminal negligence are a class 6 (lowest) felony. Violations performed knowingly are a class 5 (second-lowest) felony. Violations performed with knowing or reckless extreme indifference for human life are a class 2 (second-highest) felony. A person that is or may be adversely affected by a violation of any

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requirement of the Program may intervene as a matter of right in any pending state civil or administrative enforcement action, with specified limits.

SB 1525 (Chapter 280) BUDGET; BRB; ENVIRONMENT; 2018-19

Makes policy changes pertaining to environmental regulation that affect the state budget. The Arizona Water Protection Fund Commission is permitted to grant to the Department of Water Resources (DWR) up to \$336,000 of the unobligated balance in the Fund to pay for administrative costs of DWR in FY2018-19. DWR is authorized to increase fees in FY2018-19 for services in FY2018-19 to generate \$100,200. Notwithstanding statutory requirements, there is no general fund appropriation to the Water Quality Assurance Revolving Fund (WQARF) for FY2018-19. Appropriates \$6.5 million from the Emissions Inspection Fund, \$5 million from the Air Quality Fund and \$2.05 million from the Recycling Fund in FY2018-19 to the WQARF. The Department of Environmental Quality (DEQ) is required to charge the same fees in FY2018-19 that were charged in FY2017-18 for vehicle emissions testing conducted in Area A (Phoenix metropolitan). Suspends the administrative cap on the Underground Storage Tank Revolving Fund for FY2017-18 and allows DEQ to transfer up to \$6.53 million from the Fund for administrative costs of DEQ and remediating sewage discharge issues in Naco, Arizona. The Arizona State Parks Board is authorized to spend up to \$692,100 from the Board's portion of the Off-Highway Vehicle Recreation Fund in FY2018-19 for Board operating expenses. Expands the uses of monies in the Water Quality Fee Fund.

Bills that Failed

HB 2203 WILDLAND FUEL LOADS; WATERSHED PROTECTION

A municipal mayor or a chairman of a county board of supervisors is authorized to determine that a "catastrophic wildland fuel load" (defined) exists on state or federal land located within the municipal or county boundaries. Factors the mayor or chairman may consider in evaluating whether a catastrophic wildland fuel load exists are listed. On determining that a catastrophic wildland fuel load exists, the mayor or chairman is required to take a list of actions, including notifying the federal or state agency that manages the land. Information that must be included in the notice is specified. The mayor or chairman is authorized to enter into a plan with the federal or state agency to abate the catastrophic wildland fuel load. If the federal or state agency does not respond within 30 days after notice or indicates that the agency will not abate the catastrophic wildland fuel load, the mayor or chairman is required to notify and consult with the municipal or county attorney and the Attorney General. If the mayor or chairman determines that a catastrophic wildland fuel load exists on federally managed land and adversely affects or constitutes an immediate threat to the public health, safety and welfare of the municipal or county residents, the mayor or chairman is required to pursue all remedies allowed by law. Additionally, the powers and duties of the State Forester are expanded to include providing for watershed protection and enhancement, in consultation with the Director of the Department of Water Resources. The State Forester is authorized to take specified actions for the purposes of watershed protection and enhancement, including removing certain woody biomass or entering into cooperative agreements with municipalities or counties to do so.

HB 2214 WQARF; APPROPRIATION

Makes a supplemental appropriation of \$15 million from the general fund in FY2018-19 to the Water Quality Assurance Revolving Fund.

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HB 2291 GROUNDWATER BASIN; DEPARTMENT SURVEY**

The Department of Water Resources is required to conduct a survey of one or more areas in the groundwater basins of the upper Colorado River water planning area to determine the status and resiliency of groundwater in these areas. The Department is required to compile and report to the Legislature and the county board of supervisors for each county in the relevant groundwater basins on specified data generated by the survey. Self-repeals January 1, 2019.

HB 2348 VEHICLE EMISSIONS; CALIFORNIA STANDARDS

Department of Environmental Quality rules on motor vehicle and combustion engine emissions are required to incorporate the standards adopted by the California Air Resources Board relating to motor vehicles in effect on January 1, 2018.

HB 2352 APPROPRIATION; LEAD SCREENING; CHARTER SCHOOLS

Makes a supplemental appropriation of \$100,000 from the general fund in FY2018-19 to the Department of Environmental Quality for lead screening of drinking water in charter schools.

HB 2410 GEOLOGISTS; LANDSCAPE ARCHITECTS; REGULATORY REPEAL

Geologists and landscape architects are no longer required to register with the State Board of Technical Registration. The Board is reduced to seven members, from nine, by removing one landscape architect and one geologist.

HB 2512 WATER PROGRAM AMENDMENTS

Various changes to statutes relating to water. For a county that is not in an Active Management Area(AMA), the county board of supervisors is required to review the provision for adequate water supply for a subdivision and after review may by unanimous vote at a public meeting not to readopt the provision. The review is required to occur not more than 5 years after the effective date of this legislation and every 5 to 10 years thereafter. The board is required to give written notice of any vote not to readopt the provision to the Director of the Department of Water Resources, the Director of the Department of Environmental Quality and the State Real Estate Commissioner. The vote not to readopt the provision is effective and the provision has no further force if a list of specified conditions apply at the time of the vote. The Director of the Department of Water Resources (DWR) is required to prepare a desalination action plan that includes a list of specified provisions. If the Director determines there is significant brackish water underground in a county adjacent to the Colorado River, the Director is required to include in the desalination action plan an analysis and evaluation of the source of the underground water, whether the water is being used and, if the water is being used, the purposes for which it is being used. The Director is required to submit the initial plan to the Governor and the Legislature by September 30, 2019, and is required to submit subsequent reports on the plan and its results by December 31 every two years thereafter. Requires legislative approval, in addition to DWR approval, for a person to transport water out of Arizona. Until December 31, 2021, in the Pinal AMA the Director of DWR is required to calculate the initial volume of extinguishment credits for the extinguishment of a grandfathered right according to a newly established formula. Requires DWR to adopt rules to calculate extinguishment credits in the Pinal AMA by January 1, 2019. The Director of DWR is required to recalculate the amount of groundwater available for use in the Pinal AMA for purposes of determining as assured water supply. Declares that the use of groundwater to water plants in

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containers on or above the surface of the ground is a non-irrigation use in an AMA and establishes requirements for the use of groundwater for this purpose. The Director of DWR is required to adopt a management plan for each initial AMA no later than January 1, 2023 for the sixth management period, 2025 to 2035. DWR is required to include in the management plans a non-per capita conservation program for municipal providers that requires a municipal provider regulated under the program to implement one or more water conservation measures in its service area. Establishes other requirements for municipal providers regulated under the non-per capita conservation program. DWR is also required to include in the management plans the historic cropping program to assure that conservation equivalent to that required by the agricultural conservation program will be achieved. Establishes a list of provisions that must be included in the historic cropping program. Retroactive to July 1, 2018, responsibility for oversight of natural resource conservation districts is transferred to the Department of Forestry and Fire Management, from the State Land Department, and the State Forester, instead of the State Land Commissioner, is the state natural resource conservation commissioner. Session law provides for the transfer and succession of all matters, property and records.

HB 2542 WATER RESOURCES; ANNUAL PRESENTATION

Each year, the Director of the Department of Water Resources is required, on request, to present the annual report on Department operations and recommendations for legislation to the legislative committees related to water issues.

HB 2551 LIABILITY DAMAGES CLAIM; APPEALS (~~WATER; DESALINATION ACTION PLAN~~)

A judgment on a claim for liability damages made against the state that is on appeal may be settled only as provided in statute.

HB 2552 DESALINATION ACTION STUDY COMMITTEE

Establishes a 13-member Desalination Action Study Committee to review studies or receive reports and recommendations regarding the economic impact on Arizona resulting from the amount and effects of high salinity water. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 31, 2018 and self-repeals October 1, 2019.

HB 2553 ADEQUATE WATER SUPPLY; COUNTY REVIEW

For a county that is not in an Active Management Area, the county board of supervisors is required to review the provision for adequate water supply for a subdivision and after review may by unanimous vote at a public meeting not to readopt the provision. The review is required to occur not more than 5 years after the effective date of this legislation and every 5 to 10 years thereafter. The board is required to give written notice of any vote not to readopt the provision to the Director of the Department of Water Resources, the Director of the Department of Environmental Quality and the State Real Estate Commissioner. The vote not to readopt the provision is effective and the provision has no further force if a list of specified conditions apply at the time of the vote.

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HB 2556 ENVIRONMENT; WATER QUALITY; BRINE

By December 1, 2019, the Director of the Department of Environmental Quality (DEQ), in coordination with the Department of Water Resources, is required to review existing data on the use and reuse of high salinity water and identify locations in Arizona as potential sources for supplementing water supplies in Arizona. The Director of DEQ is required to post the report on the DEQ webpage.

HB 2581 ECOLOGICAL WATER; PROGRAM; FUND

Establishes the Ecological Water Stewardship Program in the Department of Water Resources (DWR). The Director of DWR is required to establish a set of standard measures to define "ecological water" (defined) needs in Arizona, which must include criteria for examining the relationship between ecological water and groundwater and surface water in Arizona. On reaching a determination of the ecological water needs for each watershed or subwatershed, the Director is required to publish a preliminary report that includes specified information, post the report online, hold an open meeting and take public comment on the report, and submit the final report to the Governor and the Legislature. If the Director determines in any watershed or subwatershed that there is insufficient water to maintain, improve and restore ecological water, the Director is required to take all steps necessary to appropriate unappropriated water sufficient to maintain the ecological water requirements, and to purchase, lease or accept by gift or assignment existing water rights and transfer all acquired rights for beneficial use supporting ecological water. The Program terminates July 1, 2028.

HB 2617 WATER QUALITY ASSURANCE; FEDERAL JURISDICTION

For any year in which the Water Quality Assurance Revolving Fund (WQARF) receives less than \$15 million, the Department of Environmental Quality is required to notify the U.S. Environmental Protection Agency Administrator that the state's funding for the WQARF program is insufficient, submit to the Administrator the list of sites that have orphan shares, and request that the Administrator exercise federal jurisdiction over the orphan share sites and immediately begin remedial action or other appropriate measures.

SB 1229 WATER INFRASTRUCTURE FINANCE AUTHORITY; APPROPRIATION

Appropriates \$30 million from the general fund in FY2018-19 to the Water Infrastructure Finance Authority.

SB 1339 APPROPRIATION; WQARF

Appropriates \$15 million from the general fund in FY2018-19 to the Water Quality Assurance Revolving Fund.

SB 1369 LARGE ELECTRONICS; RECYCLING

A recycling program for "covered electronic devices" (defined as computers, computer monitors and televisions) is established within the Department of Environmental Quality. The program terminates July 1, 2028.

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SB 1507 WATER PROGRAM AMENDMENTS**

Various changes to statutes relating to water. The Department of Water Resources (DWR) is required to prepare a desalination action plan that includes specified provisions and submit the initial plan to the Governor and the Legislature by September 30, 2019. Requires legislative approval, in addition to DWR approval, for a person to transport water out of Arizona. Requires DWR to adopt rules to calculate extinguishment credits in the Pinal Active Management Area (AMA) by January 1, 2019. Declares that the use of groundwater to water plants in containers on or above the surface of the ground is a non-irrigation use and establishes requirements for the use of groundwater for this purpose. The Director of DWR is required to adopt a management plan for each initial AMA no later than January 1, 2023 for the sixth management period, 2025 to 2035. DWR is required to include in the management plans a non-per capita conservation program for municipal providers that requires a municipal provider regulated under the program to implement one or more water conservation measures in its service area. Responsibility for oversight of natural resource conservation districts is transferred to the Department of Forestry and Fire Management, from the State Land Department, and session law provides for the transfer and succession of all matters, property and records. Much more. Several sections of statute amended by this legislation are effective from and after an unspecified date (blank in original).

SB 1508 WATER; DESALINATION ACTION PLAN

The Department of Water Resources (DWR) is required to prepare a desalination action plan that includes specified provisions and submit the initial plan to the Governor and the Legislature by September 30, 2019.

SB 1509 WATER; INTERSTATE SALES

Requires legislative approval, in addition to Department of Water Resources approval, for a person to transport water out of Arizona. After the Department approves an application, the Legislature is required to consider the proposed action and may approve it by legislative enactment, approved by the Governor.

SB 1510 IRRIGATION GRANDFATHERED RIGHT; CONTAINERIZED PLANTS

Would have declared that the use of groundwater to water plants in containers on or above the surface of the ground is a non-irrigation use in an Active Management Area (AMA). In an initial AMA, a person who holds a certificate of irrigation grandfathered right would have been permitted to withdraw groundwater and use it to water plants in containers on or above the surface of the "certificated acres" (defined) if the plants were grown for sale or human consumption or for use as feed for livestock, range livestock or poultry. Would have established requirements for the use of groundwater under these conditions. In his veto message, the Governor stated that this bill alone does nothing to address the challenges of water management that are needed in Arizona, and that he prefers a package of water management policies. – VETOED BY GOVERNOR DUCEY

SB 1511 PINAL AMA; GROUNDWATER; EXTINGUISHMENT CREDITS

Requires the Department of Water Resources to calculate extinguishment credits in the Pinal Active Management Area (AMA) until December 31, 2021 according to a specified formula. Requires the Department to adopt rules to calculate extinguishment credits in the Pinal Active

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Management Area (AMA) consistent with this legislation by January 1, 2019. Requires the Department to recalculate the amount of groundwater available for use in the Pinal AMA for purposes of determining an assured water supply.

SB 1512 ACTIVE MANAGEMENT AREAS; SIXTH MANAGEMENT PERIOD

The Director of the Department of Water Resources is required to adopt a management plan for each initial Active Management Area (AMA) no later than January 1, 2023 for the sixth management period, 2025 to 2035. DWR is required to include in the management plans a non-per capita conservation program for municipal providers that requires a municipal provider regulated under the program to implement one or more water conservation measures in its service area. DWR is also required to include in the management plan the historic cropping program as an alternative agricultural conservation program. The Director of DWR is required to evaluate the conservation requirements and irrigation water duties required to be established in the management plans for the fifth and sixth management periods to determine whether any changes are appropriate to achieve reasonable conservation in the AMAs.

SB 1513 EFFLUENT; RECYCLED WATER; DEFINITION

For the purpose of Department of Water Resources informational materials only, the term "recycled water" may be used instead of the term "effluent."

SB 1514 NATURAL RESOURCE CONSERVATION DISTRICTS; ADMINISTRATION

Responsibility for oversight of natural resource conservation districts is transferred to the Department of Forestry and Fire Management, from the State Land Department, and the State Forester, instead of the State Land Commissioner, is the state natural resource conservation commissioner. Session law provides for the transfer and succession of all matters, property and records. Effective January 1, 2020.

SB 1515 ADEQUATE WATER SUPPLY; COUNTY REVIEW

For a county that is not in an Active Management Area, the county board of supervisors is required to review the provision for adequate water supply for a subdivision and after review may by unanimous vote at a public meeting not to readopt the provision. The review is required to occur not more than 5 years after the effective date of this legislation and every 5 to 10 years thereafter. The board is required to give written notice of any vote not to readopt the provision to the Director of the Department of Water Resources, the Director of the Department of Environmental Quality and the State Real Estate Commissioner. The vote not to readopt the provision is effective and the provision has no further force if a list of specified conditions apply at the time of the vote.

SB 1516 CENTRAL ARIZONA PROJECT; SOVEREIGN IMMUNITY

A multi-county water conservation district is prohibited from asserting the defense of immunity under the 11th amendment of the U.S. Constitution in litigation brought by a water user to enforce the terms of a Central Arizona Project water delivery contract or subcontract.

Other Legislation

New Laws

HB 2020 (CHAPTER 264) NONDISCLOSURE AGREEMENTS; SEXUAL ASSAULT; HARASSMENT (~~CONFIDENTIALITY AGREEMENTS; SEXUAL ASSAULT; HARASSMENT~~)

The terms of a "nondisclosure agreement" (defined as a confidentiality agreement or contract provision that prohibits the disclosure of information by a party) cannot be used to prohibit a party, in relation to a violation or alleged violation of sexual offenses or obscenity offenses, from responding to a peace officer's or prosecutor's inquiry or from making a statement not initiated by that party in a criminal proceeding. These permissible acts cannot be used to avoid or invalidate a party's right to consideration under the contract or to require the return of consideration that has already been provided to the party.

HB 2025 (CHAPTER 5) WORKERS' COMPENSATION; RATE DEVIATIONS

Workers' compensation insurers are prohibited from simultaneously applying a rate deviation and a schedule rating to the same insured risk, instead of being prohibited from applying a rate deviation and a schedule rating plan within the same insurance company. Applies retroactively to workers' compensation insurance rate filings made beginning March 1, 2018.

HB (CHAPTER 11) 2115 BONDS; BALLOT LANGUAGE; PROCEDURES

The ballot for a school bond is required to conform to the statutory requirements for local government indebtedness, and the requirement for the ballot to contain the phrase "the issuance of these bonds will result in an annual levy of property taxes sufficient to pay the debt on the bonds" is deleted. The County School Superintendent is required to prepare an informational pamphlet, instead of a publicity pamphlet, for school bond elections, and schools and school districts are permitted to use staff, equipment, materials, buildings and other resources to distribute the informational pamphlets instead of being permitted to distribute informational reports on the proposed bond.

HB 2125 (CHAPTER 230) TOWING SAFETY TASK FORCE (~~TOW TRUCK LIGHTING~~)

Establishes a 9-member Towing Safety Task Force to review the safety efficacy of existing towing laws and recommend policy proposals to improve towing safety in Arizona. The Task Force is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 31, 2018, and self-repeals October 1, 2019.

HB 2185 (CHAPTER 68) SCHOOL DISTRICTS; TAX LEVY; CALCULATION

Makes changes to the calculation used to determine the rate that the county board of supervisors will levy as property taxes for each school district. Modifies the information the county school superintendent must include in the estimate of the amount of monies required by each school district for the next school year based on the district's proposed budget. Repeals statute levying an annual tax for school districts that determine to establish a high school.

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HB 2261 (CHAPTER 37) VETERINARY FACULTY MEMBERS; LICENSURE REQUIREMENTS

Applicants for veterinary faculty member licenses who have graduated from a veterinary college are exempt from the requirement to be a graduate of a veterinary college that is accredited by the American veterinary medical association or hold a certificate issued by the educational commission for foreign veterinary graduates, the program for the assessment of veterinary education equivalence or a foreign graduate testing program approved by the Arizona State Veterinary Medical Examining Board.

HB 2334 (CHAPTER 240) LIQUOR OMNIBUS

Various changes to statutes relating to liquor licenses and liquor regulations. All receipts derived from sampling privilege and growler permit applications are appropriated to the Department for deposit in the Liquor Licenses Fund. Requirements for farm winery festival licenses are modified. A farm winery licensee that operates primarily as a remote tasting room premises may exchange the farm winery license for a remote tasting room license without an additional fee no later than December 31, 2018. A denial of a special event license, farm winery festival license or craft distillery festival license by a county or municipality must be forwarded to the Department within 60 days after the submission of an application, and failure to forward a denial is deemed as no recommendation by the county or municipality. After January 1, 2019, the rules for on-sale retailer basic training and on-sale retailer management training are required to include security procedures for "security personnel" (defined) for use of force and for the use of deescalation techniques. All security personnel job applicants and employees for on-sale retailers are required to complete and notarize a Department form disclosing specified criminal history before employment or assignment to a security role, except that the form is not required for AZPOST-certified peace officers or security personnel who hold a current security guard registration certificate or armed security guard registration certificate.

HB 2412 (CHAPTER 95) LEAVE OF ABSENCE; DAY; DEFINITION

For the purpose of statutes regulating a leave of absence from employment for military service or required federal training, "day" means a shift of work.

HB 2416 (CHAPTER 305) APPROPRIATION; STUDY; PRIME CONTRACTING CLASSIFICATION

Appropriates \$75,000 from the Residential Contractors' Recovery Fund in FY2018-19 to the Department of Revenue for an independent study of the rate of noncompliance with transaction privilege tax requirements by persons subject to the prime contracting classification.

HB 2421 (CHAPTER 118) NATIONAL GUARD; EMPLOYMENT RIGHTS

The employment protections for absences from employment for military duty is extended to members of the National Guard of any other state, in addition to Arizona.

HB 2532 (CHAPTER 314) OCCUPATIONAL REGULATION; MUNICIPALITIES; COUNTIES; PROHIBITION

Counties and municipalities are not permitted to impose an "occupational licensing requirement" (defined) on any occupation, trade or profession unless the new requirement is necessary to protect the health, safety or welfare of the public. Counties and municipalities are

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required to follow a specified process, including at least one public hearing, in order to impose an occupational licensing requirement on any occupation, trade or profession on which the county or municipality has not previously imposed a fee, requirement or other regulation. An occupational licensing requirement in effect on the effective date of this legislation is required to terminate five years after its adoption unless the county or municipality continues the requirement by following this process at least three months before the requirement expires.

HB 2602 (CHAPTER 208) RUNNING NODES; BLOCKCHAIN; REGULATION PROHIBITION

Counties and municipalities cannot prohibit or otherwise restrict an individual from "running a node on blockchain technology" (defined) in a residence.

HB 2663 (CHAPTER 285) BUDGET; BRB; K-12 EDUCATION; 2018-19

Makes various policy changes pertaining to K-12 education that affect the budget. Increases the per student base level amount for basic state aid to \$3,960.07, from \$3,683.27, for FY2018-19. Increases the transportation support level per route mile funding for FY2018-19. For FY2018-19 through FY2021-22, the Arizona Department of Education (ADE) is required to reduce the amount of basic state aid that otherwise would be apportioned to school districts statewide for district additional assistance and must reduce school district budget limits accordingly. The reduction amounts are as follows: \$257.5 million for FY2018-19, \$193.1 million for FY2019-20, \$128.7 million for FY2020-21, \$64 million for FY2021-22, and \$0 for FY2022-23 and each FY after. School districts with a student count of fewer than 1,100 are exempt from district additional assistance reductions. It is the intent of the Governor and the Legislature that school districts increase the total percentage of classroom spending over the previous year's percentages in the combined categories of instruction, student support, and instructional support as prescribed by the Auditor General. Increases the amount of charter additional assistance to \$1,807.00 per student count in K-8, from \$1,775.05, and to \$2,106.03 per student count in grades 9-12, from \$2,068.79. ADE is required to reduce the amount of charter additional assistance funding that otherwise would be apportioned to charter schools statewide for FY2017-18 and must reduce budget limits accordingly. The reduction amounts are as follows: \$13.63 million for FY2018-19, \$10.22 million for FY2019-20, \$6.8 million for FY2020-21, and \$3.4 million for FY2021-22, and \$0 for FY2022-23 and each FY after. School districts and charter schools are required to post on their websites the average salary of all teachers employed by the school district or charter school for the current year and the previous year. School districts are required to post on their websites the percentage of every dollar spent in the classroom by that district from the most recent status report issued by the Auditor General. ADE is required to distribute monies from the Results-Based Funding Fund in FY2018-19 in the same manner prescribed for FY2017-18, except that distributions in FY2018-19 must be based on statewide assessment results achieved during the spring of 2017 instead of the spring of 2016. The State Board of Education is required to adopt rules for procurement by school districts that ensure maximum practicable competition and that contain other specified requirements. Effective July 1, 2019, the State Board of Education is required to adopt rules for procurement by school districts that require contracts to be awarded based on the lowest procurement by school districts that require contracts to be awarded based on the lowest qualified bidder. Establishes penalties for violations of procurement requirements. Retroactive to July 1, 2018, the statutory life of the School Facilities Board (SFB) is extended four years to July 1, 2022. The Auditor General is required to complete a special audit of the SFB Building Renewal Grant Fund expenditures for July 1, 2016 through June 30, 2018, and information that must be included in the special audit is listed. Employees of the SFB are prohibited from

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having a direct or indirect financial interest in any property purchased, facility constructed, or contract financed with monies made available by the SFB or any other public monies. Violations are a class 1 (highest) misdemeanor. The SFB is required to establish policies and procedures relating to building renewal grant change orders that require the SFB to approve or reject a change order within two business days, and that make a school district responsible for the cost and construction of a project the district approves prior to the SFB approving a change order. The SFB is required to establish a project eligibility assessment for all projects submitted for building renewal grant funding or emergency deficiencies correction funding. Establishes a list of information that must be included in the standardized documentation of all projects submitted to the SFB for building renewal grant funding. The SFB is required to categorize each project that is eligible for monies from the Building Renewal Grant Fund as either critical or noncritical. If the SFB determines that sufficient monies are not available for a noncritical project that the SFB has approved, the SFB is required to notify the school district that monies will be distributed only if the Legislature appropriates sufficient monies. School boards are authorized to appeal the denial of a request for monies or any other appealable agency action by the SFB. School boards are authorized to delegate authority to the superintendent of the school district to submit plans for new school facilities to the SFB to certify that the plans meet the minimum school facility adequacy guidelines. The SFB is required to ensure that it notifies school districts in a uniform manner and at least annually of the services and funding available from the SFB. Also defines "rural" for the purpose of federal funding eligibility determinations as located either in a county with a population of less than or equal to 10 percent of the state population or in a county with a population exceeding 10 percent of the state population but located more than 10 miles from a municipality with a population of more than 50,000 persons.

SB 1042 (CHAPTER 19) BACKFLOW PREVENTION; STATE FIRE CODE

Backflow prevention equipment on class 1 or class 2 fire protection systems is required to be approved, inspected and maintained in accordance with the state fire code, instead of a National Fire Protection Association publication or the uniform fire code.

SB 1111 (CHAPTER 101) WORKERS' COMPENSATION; OPIOIDS; DISPENSED MEDICATIONS

When a narcotic or opium-based controlled substance listed in schedule II or a prescription of any opioid medication is used, the physician must include in the report to the Industrial Commission documentation that a physical examination of the employee was conducted, that a "substance use risk assessment" (defined) of the employee was conducted, and that the employee gave informed consent for any opioid treatment. The treatment plan for these medications must include face-to-face follow up visits to reevaluate the employee's continued use of opioids, criteria and procedures for tapering and discontinuing opioid prescription or administration, and criteria and procedures for offering or referring the employee for treatment for dependence on or addiction to opioids. Before prescribing an opioid analgesic or benzodiazepine controlled substance that is listed in schedule II, III or IV for an employee and at least quarterly while that prescription remains a part of the treatment, the physician is required to obtain a patient utilization report regarding the employee from the controlled substances prescription monitoring program's central database tracking system. By July 1, 2019, the Industrial Commission is required to review information and data, consult with stakeholders and hold at least one public hearing in considering whether to adopt additional reimbursement guidelines for medications dispensed in settings that are not accessible to the general public.

SB 1120 (CHAPTER 249) TAX EXEMPTION; SPECIAL EVENTS; NONPROFITS

Exemptions from the retail classification, commercial lease classification, amusement classification, and restaurant classification of transaction privilege taxes (TPT) for nonprofit organizations associated with a major league baseball team or a national touring professional golfing association do not apply to any organization that is owned, managed or controlled, in whole or in part, by a major league baseball team, major league baseball association or professional golfing association, or their owners, officers, employees or agents, unless that organization conducted or operated exhibition events in Arizona before January 1, 2018 that were exempt from taxation under the amusement classification of TPT. The same exclusion from exemption applies to use taxes and municipal TPT or use taxes. Retroactive to January 1, 2018.

SB 1294 (CHAPTER 104) TAX CORRECTIONS ACT OF 2018

Corrections to the tax code as recommended by the Department of Revenue and Legislative Council. Changes are for clarification or to blend conflicting statutes and are not intended to be substantive. 116 pages.

SB 1390 (CHAPTER 74) TPT; ADDITIONAL RATE; EDUCATION

Beginning July 1, 2021 through June 30, 2041, an additional transaction privilege tax (TPT) rate increment is levied at the rate of 0.6 percent of the tax base of the list of business classifications. The Department of Revenue is required to separately account for the revenue collected for this rate, and the State Treasurer is required to distribute the revenues for various public education purposes according to a specified formula, including \$64.1 million annually to the Classroom Site Fund and \$86.3 million annually to the Department of Education for increased basic state aid due to added school days and associated teacher salary increases. The additional TPT rate is not considered local revenues for the purpose of school expenditure limitations. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor. [Capitol Reports Note: This legislation effectively continues the additional TPT rate for education approved by the voters as Proposition 301 in November 2000, which will expire June 30, 2021, for an additional 20 years, with some modifications to the distribution formula.] In his signing message, the Governor expressed his belief that this legislation is a step in the right direction and his commitment to increasing funding for public schools every year.

SB 1443 (CHAPTER 268) CERTIFIED PUBLIC ACCOUNTANTS

Various changes related to the Arizona State Board of Accountancy. The Board is required to delegate to the Executive Director the authority to take a list of actions, including issuing a certificate of certified public accountant and approving compliance with various regulatory requirements. A person who is aggrieved by an action taken by the Executive Director is permitted to request that the Board review the action. Makes numerous changes related to inactive, canceled, expired, retired, revoked, and relinquished certification status, including consolidating the requirements for reactivation or reinstatement. The requirements for certified public accountant firm registration are modified. Deletes references to a public accountant or "P.A."

The "feed bill" for FY2018-19, containing appropriations for state agencies and programs. Provisions include: Appropriates \$3.53 billion in FY2018-19 for basic state aid to school districts for maintenance and operations funding, which includes an increase of \$273.7 million that the Legislature and Governor intend to be used for teacher salary increases. Makes a supplemental appropriation of \$164.7 million from the general fund in FY2019-20 to the Superintendent of Public Instruction for basic state aid, which must be used to fund an increase in the base level above what otherwise would be provided by law, and is intended to be used for teacher salary increases. Makes a supplemental appropriation of \$289.2 million from the general fund in FY2020-21 to the Superintendent of Public Instruction for basic state aid, which must be used to fund an increase in the base level above what otherwise would be provided by law, and is intended to be used for teacher salary increases. In addition to these appropriations, a \$50 million one time increase in funding from the Classroom Site Fund will be available to fund increases in teacher salaries for FY2020-21. Appropriates \$36.73 million to the New School Facilities Fund and requires the School Facilities Board (SFB) to use the monies only for facilities that will be constructed for school districts that received final approval from the SFB in November 2017. Continues deferment of \$930.7 million in basic state aid payments to schools until FY2019-20. Makes a supplemental appropriation of \$10 million from the general fund in FY2017-18 to the SFB for building renewal grants. Appropriates \$1 million from the general fund in FY2018-19 to the Superintendent of Public Instruction for gifted education. Appropriates \$8 million from the general fund in FY2018-19 to the three state universities for capital improvements or operating expenditures. Appropriates the following amounts from the general fund in FY2018-19 to state universities for the following programs: \$1 million to Arizona State University for the School of Civic and Economic Thought and Leadership, \$1 million to the University of Arizona for the Center for the Philosophy of Freedom, and \$500,000 to Northern Arizona University for the Economic Policy Institute in the College of Business. Appropriates \$11 million from the general fund and \$25.46 million from developmental disabilities Medicaid expenditure authority in FY2018-19 to the Department of Economic Security (DES) for one time assistance to address developmental disabilities provider costs increases resulting from the enactment of Proposition 206 at the 2016 election (the minimum wage increase). Deposits \$42.36 million received in FY2018-19 from vehicle license taxes in the general fund instead of the State Highway Fund. Appropriates the following amounts from the general fund in FY2018-19 to the Department of Administration for distribution to counties for maintenance of essential county services: \$7.15 million for distribution to counties with a population of less than 900,000, \$500,000 for distribution to a county with a population of more than 30,000 and less than 40,000 (Graham County), and \$11.26 million for a one time distribution to each county as specified. Appropriates \$1.66 million from the general fund in FY2018-19 to the Department of Administration for a one time distribution to counties for Elected Officials Retirement Plan liabilities. Appropriates \$84.1 million from the general fund in FY2018-19 to the Department of Administration for debt service payments on the sale and leaseback of state buildings. Allocates \$22.99 million of general fund revenue in FY2018-19 to the Arizona Convention Center Development Fund. Allocates \$21.5 million of general fund withholding tax revenues in FY2017-18 to the Arizona Commerce Authority (ACA), and appropriates \$300,000 from the general fund in FY2017-18 to the ACA to operate a trade office in Mexico City. Makes various supplemental appropriations for FY2017-18. Requires various reports and makes various fund transfers.

SB 1522 (CHAPTER 277) BUDGET; CAPITAL OUTLAY; APPROPRIATIONS; 2018-19

Makes various appropriations for capital expenditures for FY2018-19, including \$363 million from the State Highway Fund to the Department of Transportation for state highway construction, \$10 million from the Capitol Mall Consolidation Fund to the Department of Administration to renovate state-owned buildings, \$3.76 million from the general fund to the Department of Emergency and Military Affairs to construct a readiness center, \$4 million from the State Parks Revenue Fund for capital improvements to Oracle State Park, and \$8 million from the State Home for Veterans Trust Fund to the Department of Veterans Services for construction of veterans' home facilities in Flagstaff and Yuma. Of the \$30 million appropriated to the Department of Transportation in FY2016-17 for Interstate 10 widening projects, the general fund appropriation is reduced to \$17.25 million, and \$12.75 million is appropriated from the State Highway Fund. Repeals the \$5.7 million appropriation from the general fund in FY2018-19 to the Department of Administration for major maintenance and repair activities for state buildings that was contained in the FY2017-18 budget, and appropriates \$11 million from the Capital Outlay Stabilization Fund to the Department of Administration for the same purpose. Also appropriates \$5.4 million from the Department of Corrections Building Renewal Fund to the Department of Corrections, \$981,400 from the Game and Fish Fund to the Game and Fish Department, and \$5.25 million from the State Highway Fund to the Department of Transportation for building renewal projects and expenditures.

SB 1524 (CHAPTER 279) BUDGET PROCEDURES; BRB; 2018-19

Makes various changes that affect the budget across agencies. Allows appropriations for all budget units, instead of only those listed as annual budget units, to be limited to one FY. Requires any unrestricted federal monies received by Arizona in FY2017-18 to be deposited in the general fund. Increases the Capital Outlay Stabilization Fund rent rate to \$16.08/square foot for office space, from \$13.08/square foot, and to \$5.79/square foot for storage space, from \$4.74/square foot. Retroactive to July 1, 2018, the statutory termination date of the Joint Legislative Audit Committee is extended eight years, to July 1, 2026. The Joint Legislative Budget Committee is required to approve the placement of a light rail station in the governmental mall, and must approve or reject the placement within 120 days after submission of a contract or agreement for the placement. Establishes the Capitol Mall Consolidation Fund, to be administered by the Arizona Department of Administration (ADOA) and used for building renewal and renovations of state-owned buildings. Repeals the Governmental Mall Commission and transfers Commission duties to ADOA. Proceeds for the sale of specified state buildings in FY2018-19 must be deposited in the Fund. The Department of Transportation is required to provide one special license plate, instead of two, for a vehicle. For FY2018-19, FY2019-20, and FY2020-21, the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund.

SB 1527 (CHAPTER 281) BUDGET; BRB; HIGHER EDUCATION 2018-19

Makes policy changes in college and university programs that affect the state budget. For FY2018-19, each dollar raised by the surcharge on student registration assessed by the Arizona Board of Regents (ABOR) for the Financial Aid Trust Fund may be matched by less than \$2 appropriated by the Legislature. Modifies and establishes various reporting requirements for ABOR and public universities. Retroactive to July 1, 2018, ABOR and each community college district is required to provide a tuition waiver scholarship to an Arizona resident who was in

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foster care for a cumulative period of 6 months or more, who meets a list of other specified qualifications, and who was either in foster care when the person was at least 16 years of age, was adopted from foster care and the adoption was finalized when the person was at least 16 years of age, or is currently in foster care and is at least 16 years of age. At least 20 but not more than 35 years after the date of an initial approval of a primary property tax in a community college district, a district with a primary property tax levy is authorized to resubmit a proposed amount to be raised by primary property taxes for approval by the voters, which must be less than or equal to two times the otherwise authorized levy amount for the same year. Community colleges under the jurisdiction of a community college district governing board are prohibited from offering a course with a prerequisite for enrollment that requires a student to be a member of a labor organization, trade organization or a trade guild or to participate in an industry apprenticeship program.

SB 1528 (CHAPTER 282) BUDGET; BRB; HUMAN SERVICES; 2018-19

Makes various policy changes in the areas of human services that affect the budget. For FY2018-19, the Department of Economic Security (DES) is authorized to reduce maximum income eligibility levels for child care assistance in order to manage within appropriated and available monies. During FY2018-19, DES is required to screen and test each adult recipient of Temporary Assistance for Needy Families cash assistance who DES has reasonable cause to believe engages in the illegal use of controlled substances, and any recipient who tests positive for the use of a controlled substance that was not prescribed by a licensed health professional is ineligible to receive benefits for one year. Establishes and modifies reporting requirements.

SB 1529 (CHAPTER 283) BUDGET; BRB; REVENUES; 2018-19

Makes various changes relating to general revenues for FY2017-18. Retroactive to July 1, 2018 and beginning in FY2018-19, expenses of complying with or continuing to implement activities that were required or allowed by a court order of desegregation or administrative agreement with the U.S. Department of Education Office for Civil Rights directed toward remediating alleged or proven racial discrimination that are specifically exempt in whole or in part from the revenue control limit and district additional assistance will be funded through secondary property taxes rather than primary property taxes. Secondary property taxes levied for this purpose do not require voter approval and must be separately delineated on a property owner's property tax statement. The list of subtractions from Arizona gross income for computing Arizona adjusted gross income for tax purposes is expanded to include benefits, annuities and pension received as retired or retainer pay of the uniformed services of the U.S. of up to \$2,500 for tax years through 2018 and \$3,500 for tax years 2019 and after. The annual distribution from the Job Creation Withholdings Clearing Account to the Arizona Competes Fund is reduced to \$5.5 million in each FY after FY2018-19, from \$11.5 million. In FY2018-19, the Department of Gaming is required to establish and collect a regulatory assessment of 0.5 percent of the amounts wagered from each commercial racing permittee. Deletes the one-time appropriation of \$30 million from the Highway Expansion and Extension Loan Program Fund in FY2018-19 to the Arizona Department of Transportation (ADOT) for distribution to counties and municipalities for costs related to public highways, streets or bridges. Deletes the requirement for ADOT to allocate \$60 million in FY2019-20 to counties and municipalities for costs related to public highways, streets or bridges before the distribution of Highway User Revenue Fund (HURF) revenues to the State Highway Fund and counties and municipalities. It is the intent of the Legislature that Department of Revenue administrative fees for costs of tax administration for local governments cannot exceed \$20.76 million in aggregate and that the fees are also subject to a list of specified conditions. The Department of Insurance is

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prohibited from revising fees or assessments in FY2018-19 for the purpose of meeting the requirement to recover between 95 and 110 percent of the Department's appropriated budget. For FY2018-19, counties with a population of less than 250,000 are authorized to meet any county fiscal obligation from any source of county revenue designated by the county, in an amount of up to \$1.25 million.

Bills that Failed

HB 2004 ASRS; WAITING PERIOD; REPEAL

Statute requiring any state employee initially hired on or after July 20, 2011 to wait until the 27th week of employment to become a member of the Arizona State Retirement System (ASRS) or the ASRS Long-Term Disability Program is repealed. In his veto message, Governor Ducey expressed concern about the fiscal impact the legislation will have on the State General Fund. – VETOED BY GOVERNOR DUCEY

HB 2056 TPT; DIGITAL PRODUCTS; REMOTE SELLERS

Establishes the digital property classification of transaction privilege taxes (TPT) and imposes TPT of five percent of the tax base on that classification. The digital property classification is comprised of the business of remotely selling, installing, maintaining, servicing or repairing digital property to locations in Arizona, and the tax base is the gross proceeds of sales or gross income derived by the remote seller from sales of digital property to locations in Arizona. Does not include remote sellers that has gross annual receipts in total remote sales of digital property in the U.S. in the preceding calendar year of less than \$1 million.

HB 2066 MEDICAL MARIJUANA FUND; USES

The Department of Health Services may spend monies in the Medical Marijuana Fund for education, awareness and prevention messaging. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

HB 2077 PUBLIC EMPLOYEES; COLLECTIVE BARGAINING

Public employees may form, join and participate in, or refrain from forming, joining or participating in unions. A three-member Public Employee Labor Relations Board is formed to certify or decertify union representation and to hear complaints of prohibited practices. Local public employee labor relations boards are also authorized. State employees are forbidden from engaging in or encouraging a strike, and public employers cannot engage in an employee lockout. The Board terminates on July 1, 2028.

HB 2080 ASRS; INVESTMENT; CONTRACTS

The Arizona State Retirement System is authorized to enter into contracts used directly for investment-related services.

HB 2099 STATE BUDGET; ESTIMATES; NOTICE

Beginning in 2019, on or before February 20 of each year, the Directors of the Governor's Office of Strategic Planning and Budgeting and the Joint Legislative Budget Committee are required to jointly calculate and transmit to the Governor, the Speaker of the House of

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Representatives, the President of the Senate, and the chairpersons of legislative appropriations committees a truth in spending estimate for the following fiscal year that calculates the amount of general fund appropriations for the current FY adjusted by the sum of the estimated percentage change in the population for the FY and the percentage change in the "GDP implicit price deflator" (defined) for the preceding calendar year. Beginning in FY2019-20, if the Legislature transmits to the Governor an appropriations bill with total "general fund appropriations" (defined) that, when combined with the sum of all general fund appropriations from all previously enacted bills, exceed the truth in spending estimate, each house of the Legislature is required to post a notice of spending increase in a specified form on its official website within 24 hours after the vote.

HB 2120 RECREATIONAL VEHICLE PARKS; RENTAL DURATION

Unless the recreational vehicle is a park model or park trailer, the Recreational Vehicle Long-Term Rental Space Act applies to recreational vehicle spaces that are rented in a recreational vehicle park or mobile home park by the same tenant under a rental agreement for more than 180 consecutive days only if the rental agreement is written.

HB 2137 DOR; AUDITORS & COLLECTORS; APPROPRIATION

Makes a supplemental appropriation of \$8.3 million and 131 FTE positions from the general fund in FY2018-19 to the Department of Revenue for personal services and employee-related expenditures for additional audit, compliance, collection and support staff in specified numbers and positions. By December 1, 2018 and December 1, 2019, the Department is required to submit to the Governor and the Legislature a detailed report of the amount of tax revenues collected that is attributable to each FTE position appropriated by this legislation.

HB 2145 TPT; SERVICES; TUITION SURCHARGE

Establishes the services classification of transaction privilege taxes and levies a tax of one percent of the tax base on a list of businesses that are not otherwise classified for transaction privilege taxation, including legal and engineering services, real estate services, personal care services, various health and medical services, social services, death care services, management and business support services, repair services, and more. Of the monies collected from the services classification each month, 25 percent must be transferred to the Classroom Site Fund for teacher compensation increases, 25 percent must be transferred to the Financial Aid Trust Fund for financial aid to resident students at state universities, 25 percent must be transferred to the Public Safety Personnel Retirement Fund to pay unfunded accrued liability, and 25 percent must be transferred to the newly established Arizona Higher Education Financial Aid Program Fund. The Commission for Postsecondary Education is required to establish the Arizona Higher Education Financial Aid Program and to develop application and approval criteria Higher Education Financial Aid Program and to develop application and approval criteria for persons to apply to participate in the Program. The Arizona Board of Regents is required to assess a surcharge of \$300 each year on tuition paid by each nonresident student, and to deposit the monies in the Program Fund. Establishes criteria for a person to qualify for financial aid from the Program Fund. The Commission is required to distribute monies from the Fund beginning in 2023 to cover the full amount of each qualifying student's tuition and fees at the university or community college where the student is enrolled. The Program terminates on July 1, 2028. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

HB 2158 TPT; ADDITIONAL RATE; EDUCATION

Beginning July 1, 2021, an additional transaction privilege tax (TPT) rate increment is levied at the rate of 0.6 percent of the tax base of the list of business classifications. The Department of Revenue is required to separately account for the revenue collected for this rate, and the State Treasurer is required to distribute the revenues for various public education purposes according to a specified formula, including \$86.3 million annually to the Department of Education for increased basic state aid. The additional TPT rate is not considered local revenues for the purpose of school expenditure limitations. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor. [Capitol Reports Note: This legislation effectively makes permanent the additional TPT rate for education approved by the voters as Proposition 301 in November 2000, which will expire June 30, 2021.]

HB 2207 PUBLIC MEETINGS; AUDIOVISUAL RECORDINGS; POSTING

Effective January 1, 2019, all "licensing authorities" (defined elsewhere in statute) would have been required to provide for a digital recording of all their meetings except executive sessions, and would have been required to post the digital recording of a meeting on its website within five days after the meeting and retain the recording on its website for at least five years. The Department of Administration would have been required to conduct a study evaluating the costs of providing for complete audiovisual recordings of all meetings of a licensing authority, and information that would have been required to be included in the study was specified. The Department would have been required to submit a report of its findings and recommendations to the Governor and the Legislature by October 1, 2018. In his veto message, the Governor asked the Legislature to send him a budget that gives teachers a 20 percent raise by 2020 and restores additional assistance. – VETOED BY GOVERNOR DUCEY, REINTRODUCED AND SIGNED INTO LAW AS HB 2649

HB 2236 MILITARY PENSIONS; INCREASE; TAX SUBTRACTION

The list of subtractions from Arizona gross income for computing Arizona adjusted gross income for tax purposes is expanded to include benefits, annuities and pension received as retired or retainer pay of the uniformed services of the U.S. in the following maximum amounts for the specified tax year: \$2,500 for tax years through 2018, \$5,000 for tax year 2019, and then increasing by \$1,000 per tax year until it reaches \$15,000 in tax years 2029 and after.

HB 2264 TAX EXEMPTIONS; DEPENDENTS; INFLATION INDEXING

For the purpose of individual income taxes, the exemption a taxpayer is allowed for each dependent is increased to \$2,350 for tax year 2019, and to \$2,400 for tax year 2020, from \$2,300. Beginning with tax year 2021, the Department of Revenue is required to adjust the dollar amount of the exemption for dependents according to the average annual change in the metropolitan Phoenix consumer price index.

HB 2273 PUBLIC EMPLOYEES; COMPENSATION CAP

Beginning on January 1, 2020, the annual salary, "benefits package" (defined) and other non-salary compensation with a monetary value for each "public employee" (defined) or direct

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contract labor employee is prohibited from exceeding either two times the annual salary, benefits package and other non-salary compensation with a monetary value of the Governor, or eight times the average annual salary, benefits package and other non-salary compensation with a monetary value of a member of the Legislature, whichever is less.

HB 2275 LEGISLATORS; SUBSISTENCE; FEDERAL RATE

Each member of the Legislature whose permanent residence is within Maricopa County must be paid 25 percent of the federal per diem rate as determined annually by the U.S. General Services Administration, instead of \$35, for each day for subsistence during a regular or special session or when a member acts on a legislative matter on the prior approval of the presiding officer. Each member of the Legislature whose permanent residence is outside of Maricopa County must be paid 75 percent of the federal per diem rate as determined annually by the U.S. General Services Administration, instead of \$60, for each day for subsistence during a regular or special session or when a member acts on a legislative matter on the prior approval of the presiding officer. After the first 120 days of a regular session, each member must be paid 1/3 of the amount that the member receives for per diem.

HB 2280 UNIVERSITIES; LEASE-BACK FINANCING

Beginning July 1, 2018 and retroactive to that date, the Arizona Board of Regents (ABOR) or a corporation formed by a university under ABOR jurisdiction is prohibited from entering into a development agreement for which the deed to a property improvement is transferred to ABOR or that university and subsequently leased back to a private lessor for commercial use unless the property improvement is primarily for an academic purpose or student housing. Leased property in a research park may only be used for regional or national headquarters of the lessee or its subsidiaries that are engaged in research and development or education activities for a lease originally entered into with ABOR before July 31, 2018. Retroactive to January 1, 2018, ABOR is prohibited from designating a new research park or increasing the size of a research park without approval of the Legislature.

HB 2318 ESTIMATED TPT PAYMENTS; LIABILITY THRESHOLD

The threshold after which a business entity is required to file an estimated transaction privilege tax payment is increased to an annual total tax liability of \$1.5 million or more in 2019, \$2 million or more in 2020, \$3 million or more in 2021, \$4 million or more in 2022, and \$5 million or more in 2023 and each year after, from \$1 million or more.

HB 2320 DEVELOPMENT AGREEMENTS; PROHIBITED AGREEMENTS

Counties and municipalities are prohibited from requiring development agreements to contain a provision requiring the wages paid by the contractor or subcontractor to be no less than the prevailing rate of wages for work of a similar nature. Counties and municipalities are prohibited from requiring in any development agreement that a contractor, subcontractor or material supplier become a party to a "project labor agreement" (defined), enter into a "neutrality agreement" (defined) with a labor organization, or participate in an apprenticeship program.

HB 2346 ENERGY MEASURING; REPORTING; PROHIBITION; REPEAL

Repeals statutes prohibiting counties and municipalities from requiring an owner, operator or tenant of a business, commercial building or multifamily housing property to measure and report energy usage and consumption.

HB 2351 EDUCATION TPT; EXTENSION

Deletes the expiration date of June 30, 2021 for the additional transaction privilege tax (TPT) rate increment of 0.6 percent of the tax base of the list of business classifications, which is distributed for various public education purposes according to a specified formula. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage. [Capitol Reports Note: This legislation effectively makes permanent the additional TPT rate for education approved by the voters as Proposition 301 in November 2000.]

HB 2354 STATE LAW; LOCAL VIOLATIONS; REPEAL

Repeals statute requiring the Attorney General to investigate any official action taken by the governing body of a county or municipality that a member of the Legislature alleges violates state law or the state Constitution, and withholding state shared monies from the county or municipality if the Attorney General concludes that there is a violation and if the county or municipality fails to resolve the violation within 30 days.

HB 2355 TPT; SOFT DRINKS; EARLY CHILDHOOD

Establishes the soft drink classification of transaction privilege taxes (TPT), which is comprised of the business of selling "soft drinks" (defined) for consumption on or off the premises. Soft drinks are added to the list of items that are not considered food for the purpose of exemption from TPT. The TPT rate for the soft drink classification is 0.02 percent of the tax base. All monies collected from the soft drink classification of TPT must be appropriated each year for the purpose of funding early childhood development programs. In lieu of separate TPT licenses, the Department of Revenue is required to provide, without additional cost, an endorsement to a retail classification or restaurant classification TPT license to sell soft drinks included under the soft drink classification.

HB 2370 TAXPAYER FINANCING; SPORTS STADIUMS; COMPACT

Enacts a compact against taxpayer financing of "professional sports stadiums" (defined) to prevent the use of taxpayer dollars for private professional sports stadiums and facilities by "removing the ability of teams to use the threat of relocation to use taxpayer dollars to build their stadiums." Prohibits general fund monies from being expended or appropriated for the construction, maintenance, promotion or operation of a professional sports stadium. Political subdivisions are prohibited from expending or appropriating public funds or providing a subsidy for the construction, maintenance, promotion or operation of a professional sports stadium. Contains a legislative intent section.

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HB 2382 TPT AND USE TAX HOLIDAY**

Establishes a transaction privilege tax (TPT) and use tax holiday from 8:00 AM on the 3rd Saturday in July until 8:00 PM on the following Sunday, during which retailers are prohibited from adding TPT or use taxes to sales of specified "clothing" or "footwear" (both defined) with a sales price of less than \$100, "computers" (defined) with a sale price of less than \$1,000, and "school supplies" (defined) with a sales price of less than \$50 per item.

HB 2393 LOCAL SERVICE ACCESS CARDS; REQUIREMENTS

If a county or municipality issues a county or municipal service access card to individuals to provide access to county or municipal services that the individual is entitled to receive, the card must meet specified requirements, including stating that the card is not an identification card. Counties and municipalities that issue municipal service access cards that are also identification cards are required to contract with and adhere to all the requirements of the Department of Transportation Motor Vehicle Division for verifying the individual's identity. Counties and municipalities are permitted to charge a reasonable fee to recover the costs associated with issuing a service access card. Applies to all county and municipal service access cards issued, reissued or renewed on or after the effective date of this legislation. A county or municipal service access card issued before the effective date of this legislation is valid for one year after the effective date.

HB 2465 FAMILY LEAVE

An employee is entitled to a total of 12 weeks of leave during any 12 month period for the birth of a child of the employee, the placement of a child with the employee for adoption or foster care, to care for a family member with a serious health condition, or because of a serious health condition that makes the employee unable to perform the functions of the employee's position. Employees are authorized to take intermittent leave or leave on a reduced leave schedule under specified conditions. If an employer provides paid leave for fewer than 12 weeks, the additional weeks of leave may be provided without compensation. Establishes requirements for notice for foreseeable leave, spouses employed by the same employer, certification of serious health conditions, restoration of employment after leave, and employment benefits during leave. Specifies a list of prohibited acts and provides penalties for violations.

HB 2478 SPORTS AUTHORITY DISTRICTS; EXTENSION

The chapter of Title 5 (Amusements and Sports) establishing and regulating sports authority districts is conditionally repealed if an election is not held before November 30, 2028, instead of if a majority of the qualified electors voting on the issue in the first election held reject the levy of taxes and issuance of bonds. – VETOED BY GOVERNOR DUCEY

HB 2490 CONTRACTS; LICENSURE REQUIREMENT WAIVERS

In a contract between two or more private parties, the parties are permitted to agree to waive any state, city, town or county laws relating to licensure, certification, registration or other authorization to act for the purposes of the contract if a list of specified conditions applies, including that the subject of the contract is substantially delivered by electronic means and that the waiver does not materially affect a third party or clearly harm or damage public health or safety.

HB 2625 MUNICIPAL SEALS; RESTRICTED USE

A person is permitted to use, display or otherwise employ a copy or other resemblance of the municipal seal only after obtaining approval from the municipal governing body. The municipal governing body may grant approval to any person showing good cause for the use of the municipal seal for a proper purpose, and may adopt rules for the use of the municipal seal. The municipal governing body is required to issue a cease and desist order to any person who is in violation of these requirements. Failure to comply with the cease and desist order is a class 3 (mid-level) misdemeanor.

SB 1019 TAX CREDITS; SUNSET

Any new transaction privilege or use tax credit established by the Legislature is required to include in its enabling legislation a specific repeal date of from and after December 31 of the 10th full calendar year following the date the credit is enacted. Establishes a repeal or termination date of January 1, 2029 for various existing TPT credits. Any new individual or corporate income tax credit established by the Legislature is required to include a specific repeal date of from and after December 31 of the 10th full calendar year following the date the credit is enacted. The Joint Legislative Income Tax Credit Review Committee is renamed the Joint Legislative Income Tax Credit Sunset Review Committee, and if the Committee recommends that a credit be retained, the credit must be assigned a subsequent repeal date. Numerous existing tax credits are repealed each tax year beginning in 2020 through tax year 2029. Due to a potential increase in state revenue, this bill requires the affirmative vote of at least 2/3 of each house of the Legislature for passage.

SB 1030 TPT EXEMPTIONS AND DEDUCTIONS; SUNSET

The Joint Legislative Income Tax Credit Review Committee is renamed the Joint Legislation Tax Expenditure Review Committee. The Committee is required to adopt and review the “tax expenditures” (defined) for transaction privilege and affiliated excise taxes according to a 10-year review schedule, and the Committee is required to compile and adopt the schedule by December 15, 2018. After a review, the Committee is required to recommend the tax expenditures to be amended, repealed or retained. The Committee is required to report its recommendations to the Legislature and the Governor by December 15 of the year the tax expenditure is reviewed. If the tax expenditure is recommended to be retained or amended, the next review year must be no later than the 10th full calendar year following the date the tax expenditure was reviewed. Modifies the income tax credit review schedule.

SB 1050 TOWING COMPANIES; ABANDON VEHICLES; FEE

Eliminates the Abandoned Vehicle Administration Fund and repeals the requirement for the Department of Transportation to deposit 20 percent of abandoned vehicle fees in the Fund. The Department is instead required to deposit abandoned vehicle fees in the State Highway Fund. If the Department collects a fee for a vehicle that was abandoned on government land, the towing company that towed the vehicle is entitled to receive \$100 from the fee collected, instead of 20 percent of the fee.

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SB 1051 STATE BUDGET; ESTIMATES; NOTICE

Beginning in 2019, on or before February 20 of each year, the Directors of the Governor's Office of Strategic Planning and Budgeting and the Joint Legislative Budget Committee are required to jointly calculate and transmit to the Governor, the Speaker of the House of Representatives, the President of the Senate, and the chairpersons of legislative appropriations committees a truth in spending estimate for the following fiscal year that calculates the amount of general fund appropriations for the current FY adjusted by the sum of the estimated percentage change in the population for the FY and the percentage change in the "GDP implicit price deflator" (defined) for the preceding calendar year. Beginning in FY2019-20, if the Legislature transmits to the Governor an appropriations bill that exceeds the truth in spending estimate, each house of the Legislature is required to post a notice of spending increase in a specified form on its official website within 24 hours after the vote.

SB 1061 MEDICAL MARIJUANA FUND; APPROPRIATION

The Department of Health Services is required to adopt rules to address registered nonprofit medical marijuana dispensaries that relocated outside of their original community health analysis area and the labeling and testing of edible medical marijuana products. The Department is also required to review current application and renewal fees for dispensaries and dispensary agents and adopt rules to modify the fees if necessary. Appropriates \$5 million from the Medical Marijuana Fund in FY2018-19 to the Arizona Criminal Justice Commission to provide grants to law enforcement agencies in Arizona to enforce crimes relating to drug trafficking and distribution. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

SB 1091 INCOME TAX PAYMENTS; BITCOIN

The Department of Revenue is authorized to develop, adopt and use a payment system for income taxes that enables the immediate remittance and collection of tax in real time at the point of sale, including payments of additional amounts after audit. The Department is authorized to design, develop and provide for trial demonstrations of the adaptation, application and use of technology to enable immediate remittance and collection of income tax payments and transaction privilege tax payments at the point of sale and for payments of additional amounts after audit. If the Department engages in a demonstration project, the Department is required to report its findings and experiences to the Governor and the Legislature by January 1, 2021. In his veto message, Governor Ducey expressed concern about the unintended consequences this bill could have on private industry. – VETOED BY GOVERNOR DUCEY

SB 1145 INCOME TAX; VIRTUAL CURRENCY

For tax years beginning with 2019, the list of additions to Arizona gross income in computing Arizona adjusted gross income for individual and corporate income tax purposes is expanded to include the amount of any net capital loss included in Arizona gross income for the taxable year that is derived from the exchange of "virtual currency" (defined) for other currency. For tax years beginning with 2019, the list of subtraction from Arizona gross income in computing Arizona adjusted gross income for individual and corporate income tax purposes is expanded to include the amount of any net capital gain included in Arizona gross income for the taxable year that is derived from the exchange of "virtual currency" for other currency.

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SB 1242 SALARY HISTORY INFO; EMPLOYERS

Employers are prohibited from relying on the salary history information of an applicant for employment as a factor in determining whether to offer employment to an applicant or what salary to offer an applicant, and from seeking salary history information about an applicant for employment. On reasonable request, an employer is required to provide the pay scale for a position to an applicant for employment. Applies to all employers, including state and local government employers and the Legislature.

SB 1272 CLASS III GAMING; REVENUE DISTRIBUTION

If the state authorizes "class III gaming" (defined elsewhere in statute) that was not authorized in Arizona on the effective date of this legislation in bars, casinos and racetracks that are located outside the boundaries of Indian reservations, the Legislature is required to annually appropriate the state's entire share of revenue from that gaming as follows: 40 percent to the Department of Public Safety, 40 percent to provide funding for K-12 education, 2.5 percent to the Attorney General for the Internet Crimes Against Children Enforcement Fund, 2.5 percent to the Arizona Health Care Cost Containment System for opioid addiction treatment programs, 5 percent divided equally among the counties, and the remaining 10 percent to the general fund for any purpose. The class III gaming must be limited to slot machines. Counties and municipalities are authorized to prohibit class III gaming in bars, casinos and racetracks. This legislation does not authorize class III gaming that was not authorized in Arizona on the effective date of this legislation in bars, casinos and racetracks that are located outside the boundaries of Indian reservations.

SB 1292 EORP; COST-OF-LIVING ADJUSTMENT

For the Elected Officials' Retirement Plan, each retired member or survivor of a retired member is eligible to receive a compounding cost-of-living adjustment in the base benefit based on the average annual percentage change in the metropolitan Phoenix-Mesa consumer price index, with the immediately preceding year as the base year for making the determination, up to a maximum of two percent of the retired member's or survivor's base benefit annually. Repeals statutes governing EORP benefit increases. Conditionally enacted on the state Constitution being amended by the voters at the 2018 general election as prescribed in SCR1010.

SB 1317 APPROPRIATIONS; PRIMARY CARE LOAN REPAYMENT

Makes a supplemental appropriation of \$250,000 from the general fund in FY2018-19 to the Department of Health Services to pay off portions of education loans taken out by physicians, dentists, pharmacists, advance practice providers and behavioral health providers participating in the primary care provider loan repayment program. Makes a supplemental appropriation of \$250,000 from the general fund in FY2018-19 to the Department of Health Services to pay off portions of education loans taken out by physicians, dentists, pharmacists, advance practice providers and behavioral health providers participating in the rural primary care provider loan repayment program.

SB 1324 DOR; AUDITORS & COLLECTORS; APPROPRIATION

Makes a supplemental appropriation of \$8.3 million and 131 FTE positions from the general fund in FY2018-19 to the Department of Revenue for personal services and employee-related

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expenditures for additional audit, compliance, collection and support staff in specified numbers and positions. By December 1, 2018 and December 1, 2019, the Department is required to submit to the Governor and the Legislature a detailed report of the amount of tax revenues collected that is attributable to each FTE position appropriated by this legislation.

SB 1344 CRIMINAL HISTORY; REQUIRED DISCLOSURE; LIMITATIONS

Employers, landlords and state agencies are prohibited from inquiring about, considering or requiring disclosure of the criminal conviction record of an applicant for employment during the hiring process or an applicant for tenancy during the leasing process unless a list of specified conditions apply, including that the criminal conviction record has a direct relationship to the employment position or tenancy. Does not apply to employment positions that require a valid fingerprint clearance card.

SB 1357 POSTSECONDARY INSTITUTIONS; SEXUAL CONSENT POLICIES

Each public and private college, university and community college in Arizona is required to adopt policies to define consent to sexual activity that contain specified provisions.

SB 1374 STATE LAW; LOCAL GOVERNMENT VIOLATIONS

For a legislator to be eligible to request an investigation of a county or city action that allegedly violates state law or the state Constitution, all or part of the county or municipality must be located in the legislator's legislative district. Prior to investigating the alleged violation, the Attorney General is required to notify the county or municipality and allow at least 30 days for a response before making a determination. Counties and municipalities have 60 days, increased from 30 days, to resolve violations after notice from the Attorney General, or may appeal the determination by filing a special action in the Supreme Court to resolve the issue. If the Supreme Court determines that there is no violation, the State Treasurer is required to reimburse the county or municipality for reasonable fees and costs incurred to respond to the request. The reimbursement amount cannot exceed an unspecified amount (blank in original) for each determination.

SB 1404 OCCUPATIONAL REGULATION; MUNICIPALITIES; COUNTIES

Counties and municipalities are prohibited from imposing any "occupational fee" or "licensing requirement" (both defined) on any occupation, trade or profession if that county or municipality does not already impose it on the effective date of this legislation. If the state imposes a new occupational fee or licensing requirement on any occupation, trade or profession that has not been previously regulated by the state but that has been regulated by the county or municipality, the county or municipality is prohibited from continuing to impose any occupational fee or licensing requirement on that occupation, trade or profession on or after the effective date of the statute or rule. Beginning on the effective date of this legislation, a county or municipality is prohibited from increasing the amount of any occupational fee on any occupation, trade or profession that is currently subject to the occupational fee.

SB 1420 MEDICAL MARIJUANA; INSPECTION; TESTING; APPROPRIATION

Appropriates \$2 million from the Medical Marijuana Fund in FY2018-19 to the Department of Agriculture for regulating marijuana as an agricultural commodity.

SB 1430 MILITARY & SURVEILLANCE EQUIPMENT; APPROVAL

Adds a new article to Title 26 (Military Affairs & Emergency Management) regulating military equipment and surveillance equipment. The state, counties and municipalities are required to obtain approval from the relevant "approving entity" (defined) before seeking monies for new military or surveillance equipment, acquiring or borrowing new military or surveillance equipment, deploying or using new or existing military or surveillance equipment for a purpose not previously approved by the approving entity, and soliciting proposals for or entering into an agreement with any other person or entity to acquire, share or otherwise use military or surveillance equipment or its surveillance data. Establishes a process for obtaining approval for these actions. Requires the approving entity to release an annual public report containing a list of specified information on military or surveillance equipment. Each approving entity is required to appoint a Community Advisory Committee on Military Equipment and Surveillance Equipment, and Committee duties are specified. Session law requires the state and counties or municipalities that seek to continue the use of any military or surveillance equipment acquired before the effective date of this legislation to begin the approval process no later than 120 days after the effective date.

SB 1445 AHCCCS; DENTAL CARE; PREGNANT WOMEN

The list of covered services under the Arizona Health Care Cost Containment System (AHCCCS) is expanded to include dental services of up to \$1,000 per member for a woman who is at least 21 years of age and in any stage of pregnancy. Appropriates \$268,100 from the general fund and \$619,900 from federal Medicaid authority in FY2018-19 to the AHCCCS Administration for dental services to pregnant women.

SB 1461 BUDGET BILLS; WAITING PERIOD

A "budget bill" (defined) is prohibited from being heard in any legislative standing committee until at least 72 hours have elapsed after the bill's introduction.

*New Laws***HB 2065 (CHAPTER 229) PUBLIC MEETINGS; DEFINITION; PENALTIES**

For the purpose of open meeting laws, the definition of "meeting" is expanded to include a one-way communication by one member of a public body that is sent to a quorum of the members of a public body and that proposes legal action, and an exchange of electronic communications among a quorum of the members of a public body that involves a discussion, deliberation or the taking of legal action by the public body concerning a matter that may likely come before the public body for action. The Attorney General is authorized to commence a suit in the superior court against an individual member of a public body for a knowing violation of open meeting law. The maximum civil penalty for a third and subsequent violation of open meeting law is increased to \$2,500, from \$500, and the civil penalty for a first offense is eliminated. If a court imposes a civil penalty against an individual member of a public body for a knowing violation of open meeting law, the public body is prohibited from indemnifying or paying the civil penalty on behalf of the individual.

HB 2078 (CHAPTER 77) ELECTRONIC FILING SYSTEM; POLITICAL SUBDIVISIONS

For municipal elections only, a candidate for election or retention is required to register as a candidate committee if the candidate receives contributions or makes expenditures, in any combination, of at least \$500 in connection with that candidacy, instead of at least \$1,000. The Secretary of State is no longer authorized to charge filing officers a fee to opt in to the Secretary of State's electronic filing system.

HB 2155 (CHAPTER 34) NOTARIES PUBLIC; IMMIGRATION LAW; PROHIBITION

A notary public who is not an attorney is prohibited from rendering any service for compensation that constitutes the unauthorized practice of immigration and nationality law. A notary public who violates this prohibition is subject to a fine of up to \$1,000 and the Secretary of State is required to permanently revoke the notary public's commission.

HB 2156 (CHAPTER 91) LEGISLATIVE VACANCY; APPOINTMENT; TIME FRAME

For a legislative vacancy where the vacant seat was represented by an organized political party with fewer than 30 elected precinct committeemen from precincts in the legislative district and in the county in which the vacancy occurred or where the vacant seat was not represented by an organized political party, the Secretary of State is required to immediately notify the appropriate county board of supervisors, and the time frames for appointing a person to fill the vacancy are modified. The board of supervisors is required to appoint a citizens panel within 7 business days, increased from 3 business days. The citizens panel is required to submit to the board the names of three qualified electors to fill the vacancy within 21 days after the panel is appointed or within 5 days if the Legislature is in regular session, instead of within 7 business days. The deadline for the board of supervisors to appoint one person from the list to fill the vacancy within 5 business days is eliminated.

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HB 2173 (CHAPTER 154) JURISDICTIONAL ELECTIONS; NOTICE OF PARTICIPATION

Elections held by school districts and municipalities that are not held concurrently with the general election are required to be called no later than 120 days before the date of holding the election.

HB 2538 (CHAPTER 316) U.S. HOUSE VACANCY; SPECIAL ELECTION

A special primary election to fill a vacancy in the office of Representative in Congress is required to be held 120 to 133 days after the occurrence of the vacancy, instead of 80 to 90 days after, and the special general election is required to be held 70 to 80 days after the special primary election, instead of 50 to 60 days after. If a vacancy in the office of U.S. Senator occurs more than 150 days before the next regular primary election date, the person who is appointed by the Governor to fill the vacancy is required to continue to serve until the vacancy is filled at the next general election. If a vacancy in the office of U.S. Senator occurs 150 days or less before the next regular primary election date, the person who is appointed by the Governor to fill the vacancy is required to continue to serve until the vacancy is filled at the second regular general election held immediately after the vacancy occurs, and the person elected will fill the remaining unexpired term of the vacated office. Also, the clerk of the county board of supervisors of each county that is required to participate in the special election is required to post a notice with the special primary election dates on a county-operated website, in addition to being required to publish a copy of the election proclamation in an official county newspaper.

HB 2604 (CHAPTER 247) CONSOLIDATED ELECTIONS; VOTER TURNOUT

"Political subdivisions" (defined to include municipalities, counties and school districts but to exclude special taxing districts) are required to hold elections on a "statewide election date" (defined) if its previous elections on a non-statewide election date resulted in a "significant decrease in voter turnout" (defined as the "voter turnout" (defined) for the office that received the highest number of votes in the most recent candidate election is at least 25 percent less than voter turnout in that same political subdivision for the most recent election in which the office of the Governor appeared on the ballot) in that political subdivision. Beginning with elections in 2018, for each political subdivision's elections other than special elections or recall elections, if a significant decrease in voter turnout occurs, the political subdivision is required to hold its subsequent elections on the statewide election dates beginning three calendar years after the occurrence of the significant decrease in voter turnout. In order to comply with the consolidation of election dates as required by this legislation or by voluntary action by the political subdivision, the terms of office for elected officials must be lengthened at the time of consolidation to align with the consolidated election dates. For any political subdivision whose alternative expenditure limitation is scheduled to expire at any time after the year in which the political subdivision is required to comply or voluntarily complies with the election consolidation requirements of this legislation, the existing voter-approved alternative expenditure limitation continues as established before its expiration and the statutory penalties do not apply if the political subdivision seeks voter approval of an alternative expenditure limitation at the next eligible regular election following consolidation. County boards of supervisors must require the officer in charge of elections to calculate voter turnout for candidate races, and are required to determine whether this legislation requires a political subdivision to consolidate its elections dates and announce the determination and implementation date at a public meeting.

HB 2648 (CHAPTER 320) BALLOT MEASURES; PAID CIRCULATOR DEFINITION

For the purpose of Title 19 (Initiative, Referendum and Recall), the definition of "paid circulator" is modified to include any person who received compensation for obtaining signatures on a petition or for circulating petitions for signatures, instead of only those whose compensation was based on the number of signatures obtained or number of petitions circulated, and to include an employee of a political committee that has or will obtain 200 or more signatures on an initiative, referendum or recall petition in an election cycle, instead of an employee of a political committee whose primary responsibility was circulating petitions to obtain signatures.

HB 2649 (CHAPTER 321) PUBLIC MEETINGS; RECORDINGS; POSTING; DEFINITION

Effective January 1, 2019, all "licensing authorities" (defined elsewhere in statute) are required to provide for a digital recording of all their meetings except executive sessions, to post the digital recording of the meeting on its website within five days after the meeting, and to retain the recording on its website for at least three years. The Department of Administration is required to conduct a study evaluating the costs of providing for complete audiovisual recordings of all meetings of a licensing authority, and information that is required to be included in the study is specified. The Department is required to submit a report of its findings and recommendations to the Governor and the Legislature by October 1, 2018.

SB 1043 (CHAPTER 143) COUNTY RECORDER; RECORDING FEES

The fees received by the county recorder are modified as follows: \$30 for recording papers required or authorized by law, instead of \$5 for the first 5 pages plus \$1 for each additional page, and \$15 for recording papers to which a government entity is the requesting party, instead of \$3 for the first 5 pages plus 50 cents for each additional page. Separate fee amounts for recording deeds affecting interest in real property and deeds of trust or mortgage are eliminated. Additional fees such as the special recording surcharge, the fee for real estate transfers, and the fee for an affidavit of annual work, are included in the total fee instead of being charged separately. Effective July 1, 2019.

SB 1058 (CHAPTER 2) SECRETARY OF STATE; APPROPRIATION; ELECTIONS

Makes a supplemental appropriation of \$2.5 million from the general fund in FY2017-18 to the Secretary of State for the purpose of reimbursing expenses incurred by a county for the administration of the special primary and special general elections to fill the vacancy in the U.S. House of Representatives for Arizona's Congressional District 8. The Secretary of State is required to reimburse the county for the additional cost of printing ballots and other election materials, compensation paid to election board and tally board officers serving during the special elections, as well as other costs of administering the special elections. The clerk of the board of supervisors is required to submit verified claims for reimbursement to the Secretary of State by June 30, 2018. By October 1, 2018, the Secretary of State is required to submit a report to the Joint Legislative Budget Committee and the Governor's Office of Strategic Planning and Budgeting on the reimbursements.

SB 1249 (CHAPTER 56) CAMPAIGN FINANCE VIOLATIONS; APPEALS

The imposition of a penalty for campaign finance violations may be appealed to the superior court, instead of to the Office of Administrative Hearings as an appealable agency action. At the hearing on an appeal, the superior court is required to conduct a trial de novo (a new trial) and the enforcement officer has the burden of proving any alleged violation by a preponderance of the evidence. Effective January 1, 2019.

SB 1437 (CHAPTER 261) ELECTIONS; EQUIPMENT; AMENDMENTS

Statute governing voting machines that use a lever and tallying votes from those machines are repealed. Eliminates statutory references to ballot labels, ballot cards, punch card ballots, and tally boards. Establishes requirements for electronic voting system displays, including ballot layout.

Bills that Failed

HB 2012 POLITICAL PARTIES; PROXIES

A qualified elector attending a meeting of a political party is permitted to vote no more than a total of two proxy votes.

HB 2029 POLITICAL PARTIES; PROXIES

A qualified elector attending a meeting of a political party is permitted to vote no more than a total of two proxy votes.

HB 2032 PARTISAN OFFICES; CITIES; TOWNS

Municipalities are required to print on the ballot the party designation for all candidates for the office of mayor or city or town council, and statute authorizing municipalities to provide for nonpartisan primary election victories are deleted. Applies to elections held on or after January 1, 2019.

HB 2049 CAMPAIGN FINANCE; CORPORATE RECIPIENTS; REGISTRATION

Any corporation, limited liability company or labor organization that makes a contribution of a specified amount to a political committee or to another corporation, limited liability company or labor organization in an attempt to influence an election is required to register and notify the appropriate filing officer no later than one business day after making the contribution. The contribution amount that triggers this requirement is based on the office which is up for election. The corporation, limited liability company or labor organization is also required to notify the filing officer of each additional accumulation of contributions that exceeds the threshold amount. Corporations, limited liability companies or labor organizations that fail to meet these requirements are liable in a civil action for a civil penalty of up to three times the total amount of the contributions. Any person who makes a knowingly false filing relating to a contribution under this requirement is guilty of a class 1 (highest) misdemeanor.

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HB 2050 INDEPENDENT EXPENDITURES; CORPORATIONS; FUNDING DISCLOSURE

Any corporation, limited liability company or labor organization that makes an independent expenditure and that accepts donations or contributions is required to file campaign finance reports, instead of only those entities that are organized primarily for the purpose of influencing an election. Disclosure statements for any campaign literature or advertisements must include the four largest of its major funding sources as of the time the literature or advertisement is produced, and if an out-of-state contributor or group of contributors is a major funding source, the disclosure statement must state that the contributor is an out-of-state contributor.

HB 2051 PRESIDENTIAL PREFERENCE ELECTION; INDEPENDENT VOTERS

Voters registered without a political party designation may vote in the presidential preference election and may select the ballot of any political party at that election.

HB 2052 AUTOMATIC VOTER REGISTRATION; LICENSES; IDS

Beginning January 1, 2019, every person who is applying for a driver license or renewal, including a nonoperating identification license or renewal, and who is otherwise qualified to register to vote must be registered to vote automatically on completion of the license application unless the applicant clearly expresses a decision not to register.

HB 2121 BALLOT MEASURES; PAID CIRCULATOR DEFINITION

For the purpose of Title 19 (Initiative, Referendum and Recall), the definition of "paid circulator" would have been modified to include any person who received compensation for obtaining signatures on a petition or for circulating petitions for signatures, instead of only those whose compensation was based on the number of signatures obtained or number of petitions circulated, and to include an employee of a political committee that obtained 200 or more signatures on an initiative, referendum or recall petition in an election cycle, instead of an employee of a political committee whose primary responsibility was circulating petitions to obtain signatures. In his veto message, the Governor asked the Legislature to send him a budget that gives teachers a 20 percent raise by 2020 and restores additional assistance. – VETOED BY GOVERNOR DUCEY, REINTRODUCED AND SIGNED INTO LAW AS HB 2648

HB 2122 SECRETARY OF STATE; APPROPRIATION; ELECTIONS

Makes a supplemental appropriation of an unspecified amount (blank in original) from the general fund in FY2017-18 to the Secretary of State for the purpose of reimbursing expenses incurred by a county for the administration of the special primary and special general elections to fill the vacancy in the U.S. House of Representatives for Arizona's Congressional District 8. The Secretary of State is required to reimburse the county the estimated cost for the two elections or, for each of the two elections, \$2.50 for each active registered voter in that county on January 1, 2018, whichever is less. Establishes a process for reimbursement with unspecified deadlines (blank in original).

HB 2146 VOTING RIGHTS; RESTORATION; FELONIES

For a person who has been convicted of two or more felonies, the person's right to vote is automatically restored on completion of probation or absolute discharge from imprisonment.

HB 2148 NEWSPAPERS; PUBLIC NOTICE; PUBLICATIONS

For the purpose of publication of public notices, a "newspaper" is no longer required to be admitted under federal law as second-class matter in the United States mails for at least one year.

HB 2182 CAMPAIGN FINANCE; CANDIDATE COMMITTEE; TRANSFERS

A candidate committee for a municipal candidate is no longer prohibited from transferring contributions to that same candidate's committee for a statewide or legislative office. Effective January 1, 2019.

HB 2206 EARLY VOTING; VOTING CENTERS

Establishes an article of statute governing voting centers, defined as a physical location that allows any voter in the county to receive the appropriate ballot and lawfully cast it. Voting centers may be established in coordination and consultation with the county recorder or other officer in charge of elections at other county offices or at other locations in the county. A voting center may be used as an early voting location and as a ballot replacement location, and regulations for voting centers that are used as such are specified. When a voting center is used, the county board of supervisors is required to appoint a voting center election board. Board workers may be hired to work shifts as long as there are always sufficient workers present to assist voters. Qualifications for board workers are specified. Also repeals statute regulating voting machines that use a lever.

HB 2229 CAMPAIGN FINANCE; CONTRIBUTION LIMITS

Various changes to campaign contribution limits. Decreases campaign contribution limits to \$390 to a candidate committee for municipal, county or district office, to \$488 to a candidate committee for legislative office, and to \$1,010 to a candidate committee for statewide office, all from \$6,250, from an individual or political action committee without mega PAC status. Campaign contribution limits apply as an aggregate total for the combined primary and general election, instead of per "election cycle" (defined). Individuals are prohibited from contributing more than an aggregate total of \$5,610 in a calendar year to state and local candidate committees and political action committees that contribute to candidate committees. Partnerships are prohibited from contributing monies in the name of the partnership. Candidate committees are prohibited from accepting contributions from all political action committees other than a political party as an aggregate total for the combined primary and general election of more than \$10,020 to a candidate committee for municipal, county or district office, \$16,150 to a candidate committee for legislative office, and \$100,110 to a candidate for statewide office. A candidate committee for a candidate that is a political party nominee is prohibited from accepting contributions as an aggregate total for the combined primary and general election from a political party of more than \$10,020 to a candidate committee for an office other than a statewide office, and \$100,110 to a candidate committee for a statewide office.

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HB 2230 POLITICAL SIGNS; SIZE REQUIREMENTS

The maximum size of a political sign located in an area not zoned for residential use is decreased to an area of 24 square feet, from 32 square feet.

HB 2233 APPROPRIATION; 2020 CENSUS; OUTREACH

Appropriates \$2 million from the general fund in FY2018-19 to the Secretary of State to conduct a communication and outreach effort before the 2020 U.S. decennial census for the purpose of increasing the response rate and accuracy of the census. The Secretary of State is required to distribute \$1 million of the appropriation to each county on a pro rata basis, based on population, and \$1 million to each municipality on a pro rata basis, based on population.

HB 2265 PUBLIC RECORDS; NONGOVERNMENTAL DEVICES; EXCEPTIONS

For the purpose of public records statutes, public record does not include any communication, data or other form of content that is created, stored or received on any electronic device or digital network, including a social media or e-mail account or network, that a public body has not established as a system for conducting governmental activity or that is not supported by monies from the state or political subdivisions for the purpose of conducting governmental activity.

HB 2380 BALLOT ORDER; LOCAL, FEDERAL OFFICES

The order of offices on the ballot is changed to the following: the first section must contain school district offices, then nonpartisan municipal offices, then all other nonpartisan offices, followed by the second section with county and precinct offices, state offices, Representatives in Congress, U.S. Senator, and then Presidential electors. The nonpartisan judicial ballot remains in the last section of the ballot. Previously, the offices in section one and two were reversed, and began with Presidential electors and ended with the nonpartisan offices.

HB 2397 VOTER DATA; VALIDATION

On receipt of a completed voter registration form that contains a registrant's driver license or nonoperating identification license number, the Secretary of State or a county recorder, is required to provide to the Department of Transportation a summary of the registrant's relevant information for the purposes of validating the registrant's residence address. The Department is required to determine that a person's residence address on the Department's records is the same as the person's residence address on the summary. If the Department determines that the addresses are not the same, the Department is required to notify the person in writing. The person is required to either update the person's address with the Department within 10 days or register to vote using the same address in the Department's records, or be subject to specified civil penalties.

HB 2417 CAMPAIGN FINANCE; REPEAL; REENACTMENT

Statutes regulating campaign contributions and expenses, including campaign committees, reporting requirements, financial disclosure statements, and enforcement, are repealed and replaced. Impossible to determine new provisions without a line by line comparison.

HB 2418 CAMPAIGN FINANCE; COVERED TRANSFERS; DISCLOSURES

Entities are required to register as a political action committee before making a campaign contribution or expenditure, instead of if the entity is organized for the primary purpose of influencing the result of an election and if the entity knowingly receives contributions or makes expenditures of at least \$1,000 in connection with any election during a calendar year. The information that must be included in a campaign finance report is expanded to include "covered transfers" (defined as a donation, transfer or payment of monies by a person to another person if the person receiving the monies makes an independent expenditure or transfers monies to another person who makes an independent expenditure, with some exceptions).

HB 2470 VOTING RIGHTS; RESTORATION; FELONIES

For a person who has been convicted of two or more felonies, the person's right to vote is automatically restored on completion of probation or absolute discharge from imprisonment.

HB 2491 COUNTY RECORDER; NONPARTISAN ELECTION

The election for the office of county recorder must be conducted in a nonpartisan manner. The names of all candidates for the office of county recorder must appear on the ballot and all other campaign and election materials without party designation.

HB 2610 VOTING RIGHTS; RESTORATION; FELONIES

For a person who has been convicted of two or more felonies, the person's right to vote is automatically restored on completion of probation or absolute discharge from imprisonment.

SB 1023 CAMPAIGN CONTRIBUTIONS; REPORTABLE AMOUNT

Campaign committees are required to keep records of the identification of any contributor that contributes in the aggregate more than \$200 to the committee during the election cycle, instead of any contributor that contributes at least \$50. Campaign finance reports must include an itemized list of contributions from individuals whose contributions exceed \$200, increased from \$50, for that election cycle.

SB 1122 BALLOT PETITIONS; PAID CIRCULATORS; SIGNATURE

Each petition sheet must have the following statement in the upper right-hand corner: "I, (name of paid circulator), am being paid to circulate petitions to collect signatures." A paid circulator is required to sign the appropriate line on the form before circulating the petition for signatures. Previously, each petition sheet was required to have a place to check whether the circulator was a paid circulator or a volunteer.

SB 1123 VOTER REGISTRATION DEADLINES; REGISTRATION METHOD

The deadline to register to vote in order to be eligible to vote in an election is modified so that the voter registration may be dated 29 days or more before the election and received by first class mail within 5 days after the last day to register to vote, completed in person at a county recorder's office before midnight on the 14th day before the election, electronically generated and transmitted to the Department of Transportation before midnight on the 14th day before

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the election, or submitted by other means and dated 29 days or more before the election, if the registration is received by the county recorder by 7:00 PM on the day of the election. Previously, the registration had to be received by the county recorder by midnight of the 29th day before the election.

SB 1124 STATEWIDE VOTER REGISTRATION PORTABILITY

If a voter has moved from the address at which the voter is registered to a different county and has failed to reregister at the new address before the date of an election, the voter must be permitted to correct the statewide voter registration records for the purpose of voting in future elections and must be permitted to vote a provisional ballot.

SB 1125 VOTER REGISTRATION; SOCIAL SECURITY NUMBER

The list of items that constitute satisfactory evidence of U.S. citizenship for voter registration is expanded to include verification of the last four digits of the applicant's social security number. Due to voter protection, this bill requires the affirmative vote of at least 3/4 of each house of the Legislature for passage.

SB 1126 PRESIDENTIAL PREFERENCE ELECTION; INDEPENDENT VOTERS

Voters registered without a political party designation may vote in the presidential preference election and may select the ballot of any political party at that election.

SB 1127 VOTER ID; STUDENTS

The list of valid forms of photo identification that a voter may present to an election official in order to receive a ballot is expanded to include a valid identification card issued by an accredited postsecondary educational institution in Arizona. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

SB 1128 VOTER ID; VETERANS

The list of valid forms of photo identification that a voter may present to an election official in order to receive a ballot is expanded to include a valid veterans administration health identification card issued by the U.S. Department of Veterans Affairs. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

SB 1129 VOTING CENTERS; ON-CAMPUS VOTING

In consultation with the Arizona Board of Regents and community college district boards, the board of supervisors of each county is required to designate certain on-campus locations as voting centers for each university and community college campus during the early voting period and on election day. The campus voting centers must allow any voter in the county to receive and lawfully cast the appropriate ballot.

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SB 1130 EARLY BALLOTS; ELECTION DAY POSTMARK

An early ballot and affidavit that is postmarked by U.S. mail by the election day is valid and must be counted.

SB 1131 PROVISIONAL BALLOTS; RESIDENCE; PARTIAL TABULATION

If a precinct election board verifies that a voter's residence address is not within the precinct, the voter must be directed to the correct precinct. If the voter refuses to go to the correct precinct, the election board is required to provide a provisional ballot to that elector with a warning that a portion of the ballot will not be counted if the voter votes in the wrong precinct. The Secretary of State is required to design a provisional ballot envelope template that includes signature lines for the voter and the election board official to affirm that the recorded precinct and the warning were communicated. If the voter cast a provisional ballot in the correct county but the incorrect precinct, the votes on the ballot that the voter would have been eligible to cast must be counted.

SB 1132 PROVISIONAL BALLOTS; VERIFICATION; TALLY

For any prospective voter who appears at an incorrect polling place, the board worker at that polling place is required to complete a form in duplicate that contains the name of the precinct where the voter appeared and the name and location of the voter's correct precinct and polling place, keep a copy of the form and provide a copy to the voter. The voter must present the form at the polling place where s/he was directed to appear and vote a provisional ballot. On completion of the verification process for that voter's provisional ballot, if the voter was directed to the incorrect precinct, the ballot is counted only for those candidates that are not precinct specific.

SB 1133 PROVISIONAL BALLOTS; INCORRECT PRECINCT; TALLY

For a voter who casts a provisional ballot in an incorrect precinct, the county recorder is required to count that person's votes for candidates and ballot measures for which the person was entitled to vote but cannot count the votes for which that person was not entitled to vote, as determined by that person's residence. The officer in charge of elections is required to prepare a true duplicate ballot containing only those votes cast by that person in those races in which that person was entitled to vote, which must be made in the presence of witnesses and substituted for the original ballot.

SB 1135 EARLY BALLOTS; PRECINCT BALLOT BOX

Any qualified elector who is listed as having applied for an early ballot and who appears at the polling place with the early ballot must be allowed to vote that early ballot at the polling place as a regular ballot, and a provisional ballot is not required.

SB 1334 AUTOMATIC VOTER REGISTRATION; DATABASE; PUBLIC AGENCIES

Beginning January 1, 2018, every person who is applying for a driver license or renewal and who is otherwise qualified to register to vote must be registered to vote automatically on completion of the license application unless the applicant clearly expresses a decision not to register. The Secretary of State is required to establish, publish and enforce a security, privacy

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and technology policy that establishes levels of authorized access to voter information with appropriate safeguards for each level and meets other specified requirements. By January 1, 2019, the Secretary of State is required to identify state agencies that may be collecting information relevant for voter registration purposes and that are not offering persons the opportunity to register to vote, and to establish procedures for those agencies to provide automatic voter registration.

SB 1335 VOTER REGISTRATION; SAME DAY

A person who is otherwise qualified to register to vote may register during the 28 days immediately preceding an election and is eligible to vote in that election if the person has been a resident of the county and the precinct in which the person resides for at least 29 days immediately preceding the election. A person who is otherwise qualified to register to vote may register on Election Day at the polling place for the precinct in which that person maintains residence. A person who registers to vote under these provisions may vote only with a provisional ballot and does not qualify a person to vote in a partisan primary election.

SB 1336 ELECTIONS; POLLING PLACES; STANDARDS

The Secretary of State, county recorders and other officers in charge of elections are required to meet at least annually to consider and develop standards and procedures to ensure that voters do not wait more than one hour to vote at a polling place or voting center, determine the appropriate number of polling places for an election and jurisdiction, and other polling place-related issues.

SB 1338 CAMPAIGN FINANCE; COVERED TRANSFERS; DISCLOSURE

Entities are required to register as a political action committee before making a campaign contribution or expenditure, instead of if the entity is organized for the primary purpose of influencing the result of an election and if the entity knowingly receives contributions or makes expenditures of at least \$1,000 in connection with any election during a calendar year. The information that must be included in a campaign finance report is expanded to include "covered transfers" (defined as a donation, transfer or payment of monies by a person to another person if the person receiving the monies makes an independent expenditure or transfers monies to another person who makes an independent expenditure, with some exceptions).

SB 1343 VOTING RIGHTS; RESTORATION; FELONIES

For a person who has been convicted of two or more felonies, the person's right to vote is automatically restored on completion of probation or absolute discharge from imprisonment.

SB 1406 CAMPAIGN FINANCE; CITY THRESHOLD EXEMPTION

For municipal elections only, a person, candidate or entity that intends to accept contributions or make expenditures of less than \$1,000, increased from \$500, is required to file an exemption statement, which exempts the person, candidate or entity from requirements to register a committee and file various campaign finance reports.

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SB 1426 ELECTION PRECINCTS; MAXIMUM REGISTERED VOTERS

An election precinct is prohibited from containing more than 1,250 registered voters of any one political party that is entitled to continued representation on the ballot and a total of 2,000 registered voters when the precinct boundaries are established.

SB 1466 VOTING CENTERS; BOARD OF SUPERVISORS

Only on a specific resolution of the county board of supervisors, the board is permitted to authorize the use of additional types of voting locations by using voting centers and early voting drop-off centers. A voting center is deemed to be a polling place on election day, and may be used as an early voting location. When an election is ordered and voting centers are used, the county board of supervisors is required to appoint a voting center election board for each voting center consisting of at least one inspector, one marshal and as many judges or clerks as needed. Requires there to be an equal number of inspectors in the various voting centers in the county who are members of the two largest political parties. The board of supervisors is authorized to appoint a minor who is at least 16 years of age to serve as a clerk of elections if a list of specified circumstances apply. School districts and charter schools cannot be required to reduce average daily membership for any student who is absent as a result of service on a voting center election board, and cannot count the absence against any mandatory attendance requirements for the student. County recorders are authorized to make changes to the approved early voting locations and are required to notify the public as soon as practicable. Also repeals statutes governing voting equipment with a lever.