



**CITY OF GLENDALE**

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Public Affairs Department

# 2020 End of Session Report

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## Session Summary

The 54th Legislature, Second Regular Session concluded *Sine Die* on May 26, 2020 after 135 days. Legislators introduced 1,734 bills, memorials, and resolutions. The legislative session was impacted by COVID-19 which resulted in a mid-session recess. Legislators sent 90 bills to the Governor. Of these, 90 were signed into law and 0 were vetoed by Governor Ducey. The new laws will become effective 90 days after adjournment (August 25, 2019), unless the bill contained an otherwise specified effective date.

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 2020 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 promotes 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

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The first and second quarters of FY 2020 showed incredible economic growth for Arizona. Revenues reached some of the highest levels in the past 10 years and businesses continued relocating to Arizona to advantage of a strong economy, friendly business regulations and available infrastructure and workforce to succeed. Early in the session, debate at the Capitol focused on what to do with approximately \$400 million in new revenue; however, the Coronavirus pandemic entered our state in February and businesses across the state were forced to close causing significant economic loss to the state. The legislators passed a FY 2021 “skinny” budget on March 25 which is simply a baseline budget which funds ongoing programs and essential needs for every state agency similar to the continuing resolutions often used by Congress.

In April, the Joint Legislative Budget Committee (JLBC) announced that the currently impacts of COVID-19 had resulted (at that time) in an expected revenue loss of \$600 million to \$1 billion. As a result, when the legislature returned to sine die in May, they decided not to appropriate the excess \$400 million and instead decided to wait to appropriate the \$400 million in revenue until the state had better estimates on the forecasted revenue losses for FY 2021.

If/when the Governor calls for a special session to consider new laws and appropriate funds in response to COVID-19, all one-time budget appropriations approved through House or Senate bills will be included in a supplemental Budget Reconciliation Bill (BRB).

In total, the Fiscal Year 2020-21 (FY 21) budget includes state General Fund spending of \$11.8 billion which is nearly identical to last year’s budget. Major areas of spending include \$1.9 billion for the Arizona Health Cost Containment System (an increase of \$190 million from the previous year), \$384 million to the Department of Child Safety (no change from the previous year), \$1.1 billion to the Department of Corrections (no change from the previous year), and \$5.5 billion for primary and secondary education (an increase of nearly \$400 million from the previous year).

It is estimated that the state will end FY 20 with a cash balance of \$562 million, not including the balance in the rainy-day fund which is currently over \$973 million. The budget package for FY 20 was signed into law on May 28, 2020.

## Fiscal Sustainability

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### *New Laws*

#### **HB 2901 (CHAPTER 14) BUDGET; BRB; REVENUE; 2020-2021 (~~REVENUE; BUDGET RECONCILIATION; 2020-2021~~)**

Makes various changes relating to general revenues for FY2020-21. The Department of Insurance and Financial Institutions (DIFI) is no longer required to revise fees or assessments for the purpose of recovering between 95 and 110 percent of DIFI's appropriated budget. In FY2020-21, 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. The Department of Agriculture is authorized to continue, increase or lower existing fees from FY2018-19 and FY2019-20 in FY2020-21 to generate up to \$218,000 to the general fund, \$113,000 to the Pesticide Trust Fund and \$26,000 to the Dangerous Plants, Pests and Diseases Trust Fund. For FY2020-21, 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. 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.

#### **HB 2907 (CHAPTER 56) BUDGET; BRB; BUDGET PROCEDURES; 2020-2021 (~~BUDGET PROCEDURES; BUDGET RECONCILIATION; 2020-2021~~)**

Makes various changes that affect the budget across agencies. Requires any unrestricted federal monies received by Arizona in FY2020-21 to be deposited in the general fund. Maintains the Capital Outlay Stabilization Fund rental rates for state-owned buildings of \$17.87/square foot for office space and \$6.43/square foot for storage space. For FY2020-21, FY2021-22, and FY2022-23, the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund. Retroactive to July 1, 2020, the Motor Vehicle Pool Consolidation Fund start date is moved to July 1, 2021, from July 1, 2020. Reimbursement of expenses incurred by counties to administer the 2020 presidential preference election must be made as prescribed by the FY2020-21 general appropriations act.

#### **HB 2909 (CHAPTER 58) BUDGET; GENERAL APPROPRIATIONS ACT; 2020-2021 (~~GENERAL APPROPRIATIONS ACT; 2020-2021~~)**

The "feed bill" for FY202021, containing appropriations for state agencies and programs. Provisions include: Appropriates \$4.037 billion in FY2020-21 for basic state aid to school districts for maintenance and operations funding, which includes an increase of \$124.5 million that the Legislature and Governor intend to be used for teacher salary increases and that are in addition to teacher salary increases provided for FY2019-20. Continues deferment of \$930.7 million in basic state aid payments to schools until FY2021-22. Makes a supplemental appropriation of \$28 million from the general fund in FY2019-20 to the School Facilities Board for building renewal grants. Appropriates \$11.7 million from the general fund in FY2021-22 for a onetime deposit in the New School Facilities Fund. Deposits \$15.49 million received in FY2020-21 from vehicle license taxes in the general fund instead of the State Highway Fund. Appropriates the following amounts from the general fund in FY2020-21 to the Department of

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Administration (DOA) 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 \$3 million to supplement the normal cost plus an amount to amortize the unfunded accrued liability in the Elected Officials' Retirement Plan, which DOA is required to allocated equally among all counties with a population of less than 300,000 persons. Appropriates \$53.7 million from the general fund in FY2019-20 to DOA for debt service payments on the sale and leaseback of state buildings. On or after April 1, 2021, the Department of Economic Security is authorized to use up to \$25 million from the Budget Stabilization Fund to provide funding for reimbursement grants. This appropriation must be fully reimbursed by September 1, 2021. Makes a supplemental appropriation of \$2.62 million from the general fund in FY2019-20 to the Secretary of State to reimburse expenses incurred by counties to administer the 2020 presidential preference election, and establishes a formula for the Secretary of State to reimburse counties based on the number of active registered voters in that county on January 2, 2020. Makes a supplemental appropriation of \$6.69 million from the Election Systems Improvement Fund to the Secretary of State for election systems improvements, \$5.35 million of which must be distributed to counties. Requires various reports and makes various fund transfers.

**SB 1121 (CHAPTER 71) MODEL CITY TAX CODE; PROCEDURES**

Modifies procedures for the Municipal Tax Code Commission to adopt amendments to the model city tax code. A taxpayer or the Department of Revenue must submit a proposed amendment to the Commission at least 60 days before the Commission adopts it. The Department is required to post notice of the meeting and the proposed amendment on the Department website at least 30 days prior to an informational public hearing and at least 60 days prior to the hearing to adopt the amendment. If the Commission adopts an amendment, the Department is required to update the official copy of the model city tax code, and all municipalities are required to adopt the changes. Changes in rates of tax are not subject to review, but within 10 days after passage of an ordinance imposing a rate change, the municipality imposing a "new or different tax rate" (defined) is required to notify the Commission and the Department.

**SB 1296 (CHAPTER 40) INTERNAL REVENUE CODE; CONFORMITY**

For the purpose of Title 42 (Taxation), the definition of "Internal Revenue Code" is updated to mean the U.S. Internal Revenue Code in effect as of January 1, 2020. For the purpose of Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax years beginning January 1, 2020 means the U.S. Internal Revenue Code in effect on January 1, 2020. For the purpose of Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax year 2019 includes those provisions of the federal Taxpayer First Act and the Further Consolidated Appropriations Act of 2020 that are retroactively effective during tax year 2019.

**SB 1348 (CHAPTER 43) TAX CORRECTIONS ACT OF 2020**

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. 59 pages. An annual exercise.

**SB 1684 (CHAPTER 52) BUDGET; BRB; REVENUE; 2020-2021**

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Makes various changes relating to general revenues for FY2020-21. The Department of Insurance and Financial Institutions (DIFI) is no longer required to revise fees or assessments for the purpose of recovering between 95 and 110 percent of DIFI's appropriated budget. In FY2020-21, 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. The Department of Agriculture is authorized to continue, increase or lower existing fees from FY2018-19 and FY2019-20 in FY2020-21 to generate up to \$218,000 to the general fund, \$113,000 to the Pesticide Trust Fund and \$26,000 to the Dangerous Plants, Pests and Diseases Trust Fund. For FY2020-21, 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. 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.

### **SB 1692 (CHAPTER 58) BUDGET; GENERAL APPROPRIATIONS ACT; 2020-2021**

The "feed bill" for FY202021, containing appropriations for state agencies and programs. Provisions include: Appropriates \$4.037 billion in FY2020-21 for basic state aid to school districts for maintenance and operations funding, which includes an increase of \$124.5 million that the Legislature and Governor intend to be used for teacher salary increases and that are in addition to teacher salary increases provided for FY2019-20. Continues deferment of \$930.7 million in basic state aid payments to schools until FY2021-22. Makes a supplemental appropriation of \$28 million from the general fund in FY2019-20 to the School Facilities Board for building renewal grants. Appropriates \$11.7 million from the general fund in FY2021-22 for a one time deposit in the New School Facilities Fund. Deposits \$15.49 million received in FY2020-21 from vehicle license taxes in the general fund instead of the State Highway Fund. Appropriates the following amounts from the general fund in FY2020-21 to the Department of Administration (DOA) 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 \$3 million to supplement the normal cost plus an amount to amortize the unfunded accrued liability in the Elected Officials' Retirement Plan, which DOA is required to allocate equally among all counties with a population of less than 300,000 persons. Appropriates \$53.7 million from the general fund in FY2019-20 to DOA for debt service payments on the sale and leaseback of state buildings. On or after April 1, 2021, the Department of Economic Security is authorized to use up to \$25 million from the Budget Stabilization Fund to provide funding for reimbursement grants. This appropriation must be fully reimbursed by September 1, 2021. Makes a supplemental appropriation of \$2.62 million from the general fund in FY2019-20 to the Secretary of State to reimburse expenses incurred by counties to administer the 2020 presidential preference election, and establishes a formula for the Secretary of State to reimburse counties based on the number of active registered voters in that county on January 2, 2020. Makes a supplemental appropriation of \$6.69 million from the Election Systems Improvement Fund to the Secretary of State for election systems improvements, \$5.35 million of which must be distributed to counties. Requires various reports and makes various fund transfers.

*Bills that Failed*

### **HB 2113 ASRS; EMPLOYER; MEMBER; CONTRIBUTIONS**

The Arizona State Retirement System (ASRS) is prohibited from paying an

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employer earnings attributable to excess contributions but is required to reduce the amount returned to an employer by the amount of losses attributable to the excess contributions. On receipt of an employer credit or check for excess contributions, the employer is required to return any member portion of the returned contributions to the member. If less than the correct amount of employer or member contributions is paid into ASRS by an employer, the correct amount of member contributions is prohibited from being paid to ASRS after the death of the member.

**HB 2115 JLAC; AUDITOR GENERAL**

Various changes relating to government audits. All officers of any state agency, board, commission, department, program or committee or any political subdivision and all contractors that contract with the state are required to afford reasonable and needed facilities for Auditor General staff and make records available in the form and at the time prescribed. The Attorney General is required to supervise the prosecution of all offenders of this requirement. Any officer or person who knowingly obstructs or misleads the Auditor General in the execution of his/her duties is guilty of a class 2 (mid-level) misdemeanor. Modifies the list of factors a committee of reference considers when determining the need for continuation or termination of an agency. Based on information provided by the Auditor General, for any legislative measure that requires the Auditor General to perform a special audit, the Joint Legislative Budget Committee staff is required to notify all members of the Legislature as soon as practicable of the cost to conduct a special audit. The Auditor General is required to conduct a performance audit of transportation excise tax revenues in the fifth year, instead of the tenth year, in which the tax is in effect in a county. The Auditor General is no longer required to prepare an annual written report to the Governor and the Joint Legislative Audit Committee. Deletes the requirements for community college district expenditure reporting to be done by fund and to include a reconciliation of expenditures to the expenditure limitation report.

**HB 2251 PUBLIC EMPLOYEES; TRAVEL REIMBURSEMENT; AIRFARE**

When the official duties or activities of a "public official" or "public employee" (both defined) require travel by airplane, reimbursement for airfare is prohibited from exceeding the cost of coach airfare and cannot include any upgrades such as business class or first class seating. Only public officials

**HB 2348 MUNICIPAL TPT; RESIDENTIAL RENTALS; LIMIT**

Municipalities are prohibited from imposing or increasing transaction privilege taxes on renting residential property unless the new or increased rate of tax is approved by the voters at a regular, municipal election and is not more than five percent.

**HB 2353 BONDS; COUNSEL; FINANCIAL ADVISOR; FEES**

Deletes the requirement for school or municipal bond counsel fees, financial advisory fees, printing costs and paying agent and registrar fees for bonds issued pursuant to a bond election to be paid from either the amount authorized by the voters or current operating funds. Deletes the requirement for school bond election expenses to be paid from current operating funds only.

**HB 2404 TPT; PRIME CONTRACTING; EXEMPTIONS; CERTIFICATES**

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Various changes to statutes relating to transaction privilege taxes (TPT) for prime contracting. The definitions of "modification" and "alteration" for the purpose of computing the tax base for the prime contracting classification of TPT are modified. A certificate that a contractor provides to a person stating that the contractor is liable for any amount of transaction privilege taxes due is valid for a period of up to one year. After the certificate expires, the contractor is allowed to execute and provide to the person a new certificate. The Department of Revenue is required to prescribe a form for a certificate to be used by a prime contractor that is subject to TPT for purchasing tangible personal property, the purchase price of which was excluded from the tax base under the retail classification of TPT. The prime contractor is required to obtain the certificate from the Department, and the certificate is valid for up to one year. After the certificate expires, the contractor is allowed to obtain a new certificate.

### **HB 2629 TPT; EXEMPTION; PACEMAKERS**

The list of exemptions from the tax base for the retail classification of transaction privilege taxes and use taxes is expanded to include sales of pacemakers.

### **HB 2631 PSPRS; LOCAL BOARDS; DUTIES; CONSOLIDATION**

Various changes to statutes governing the Public Safety Personnel Retirement System (PSPRS) and Corrections Officer Retirement Plan (CORP). The powers and duties of PSPRS local boards and CORP local boards are expanded to include deciding all questions of eligibility for disability and in the line of duty death benefits, and a uniform process for reviewing applications for these benefits is established. Each PSPRS local board and CORP local board is required to hire an independent legal counsel. PSPRS and CORP local board members, secretaries and independent counsel are required to complete local board training within 180 days after appointment or election. PSPRS and CORP employers and local boards are required to submit any materials requested by the PSPRS Board of Trustees for any reason. If the PSPRS Board of Trustees finds through an audit or investigation that a local board is not in compliance with statute or rule, the local board has 60 days to take corrective action, and failure to take adequate correction action authorizes the Board of Trustees to act on behalf of that local board until the matter is resolved. PSPRS and CORP local boards are authorized to enter into an intergovernmental agreement with other local boards to consolidate the boards. Effective January 1, 2021.

### **HB 2681 DOR; ADMINISTRATIVE RULINGS; PROCEDURES**

The Department of Revenue (DOR) is authorized to issue draft rulings, procedures and other administrative announcements that apply to tax laws and regulations either generally or for a specific set of facts. DOR is required to establish and maintain a publicly accessible record of all draft and final rulings, procedures and administrative announcements on the DOR website and is required to prominently announce additions, modifications and other changes to this record on the website's home page. Establishes requirements for draft rulings, procedures and other administrative announcements to become final, including a required period for public comment. Does not apply to private taxpayer rulings, tax forms and instructions, routine notices that remind taxpayers of normal filing obligations and other routine DOR communications that do not substantively apply to and interpret tax laws and regulations.

### **HB 2911 UNEMPLOYMENT COMPENSATION; CORONAVIRUS DISEASE**

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The Department of Economic Security is authorized to implement alternative benefit eligibility and employer contribution requirements for the federal-state unemployment insurance program for individuals and employers who are affected by a declaration of emergency related to the coronavirus disease 2019. The Department is authorized to adopt rules necessary to administer this authorization. Contains a legislative intent section. Retroactive to March 11, 2020. Emergency clause.

**SB 1016 TPT; MEDICAL MARIJUANA**

Establishes the medical marijuana classification of transaction privilege taxes and levies a tax of five percent of the tax base on that classification. The tax base of the medical marijuana classification is the gross proceeds of sales derived from the business of selling marijuana by a nonprofit medical marijuana dispensary. 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 1017 MEDICAL MARIJUANA; DISPENSARIES; INFO SHARING**

On request, the Department of Health Services (DHS) is required to share with the Department of Revenue specified information regarding a registered nonprofit medical marijuana dispensary. DHS is prohibited from sharing any specific information regarding registered qualifying patients. 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. Emergency clause.

**SB 1033 ASRS; SELF-INSURANCE PROGRAM**

If the Arizona State Retirement System Board determines that a self-insurance program should no longer be offered, the monies in the self-insurance program account must be used to provide any remaining benefits and to pay administration costs for the program or health insurance premium payments. If those liabilities are satisfied, the Board is required to return any remaining monies to the employer. Previously, the monies were required to be transferred to another account of ASRS as determined by the Board.

**SB 1034 ASRS; REQUIRED DISTRIBUTIONS**

If an Arizona State Retirement System member dies after the member's "required beginning date" (defined) and the member had not begun distribution of retirement benefits, ASRS is required to treat the member as having begun distribution of benefits on the required beginning date, and to determine the retirement benefit as a straight annuity as of that date. The member's estate is entitled to the member's benefit payments and any remaining member contributions on account must be disbursed.

**SB 1237 VETERANS; INCOME TAX SUBTRACTION; INCREASE**

The maximum amount of benefits, annuities and pensions received during the tax year as retired or retainer pay of the uniformed services of the U.S. that may be subtracted from Arizona gross income for the purposes of individual income taxes is increased to the full amount received for tax years beginning with 2020, from \$3,500 in tax year 2019. Retroactive to tax years beginning January 1, 2020.

**SB 1280 PENSIONS; UNFUNDED LIABILITY; EXPENDITURE LIMITS**

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A county's or municipality's unfunded accrued liability under the Arizona State Retirement System, Elected Officials' Retirement Plan, Public Safety Personnel Retirement System, and Corrections Officer Retirement Plan are required to be considered a long-term obligation required by a contract for the purpose of the definition of "local revenues" for the purpose of calculating the local government expenditure limitation in the state Constitution.

### **SB 1332 APPROPRIATIONS; PSPRS; EORP; UNFUNDED LIABILITIES**

Appropriates \$45 million from the general fund in FY2020-21 to the Public Safety Personnel Retirement System to be deposited in the employer account of the Department of Public Safety to offset unfunded pension liability. Appropriates \$5 million from the general fund in FY2020-21 to the Elected Officials' Retirement Plan to offset unfunded pension liability.

### **SB 1347 DOR; ADMINISTRATIVE RULINGS; PROCEDURES**

The Department of Revenue (DOR) is authorized to issue draft rulings, procedures, notices and other administrative announcements that apply to tax laws and regulations either generally or for a specific set of facts and that otherwise do not change the substance and meaning of a statute or rule. DOR is required to establish and maintain a publicly accessible record of all draft and final rulings, procedures, notices and administrative announcements on the DOR website and is required to prominently announce additions, modifications and other changes to this record on the website's home page. Establishes requirements for draft rulings, procedures, notices and other administrative announcements to become final, including a required period for public comment. Does not apply to DOR actions that are subject to the Administrative Procedures Act, private taxpayer rulings, tax forms and instructions, routine notices that remind taxpayers of normal filing obligations and other routine DOR communications that do not substantively apply to and interpret tax laws and regulations. The court is required to decide all questions of law without deference to any determination that is made by DOR. DOR actions taken under this section are an appealable agency action.

### **SB 1398 TAX OMNIBUS**

Various changes to statutes relating to taxes. The list of additions to Arizona gross income for the purpose of computing Arizona adjusted gross income for individual and corporate income tax purposes is modified to remove the amount of any depreciation allowance allowed by specified federal code. The list of subtractions from Arizona gross income for the purpose of computing Arizona adjusted gross income for income tax purposes is modified to include 50 percent of the net long-term capital gain included in federal adjusted gross income for the tax year that is derived from an investment in an asset acquired after December 31, 2019. Increases the dependent tax credit to \$120 for each dependent who is under 17 years of age, from \$100, and to \$30 for each dependent who is at least 17 years of age, from \$25. Lowers the state equalization assistance property tax rate to \$0.3520 in tax year 2021 and \$0.2776 in tax year 2022, from \$0.4566 in tax year 2019. Lowers the tax rate for class one property taxes to 17.5 percent for tax year 2021 and 17 percent for tax years beginning with 2022, from 18 percent in 2020. The maximum additional tax rate that a county fire district board may levy is increased to \$3.375 per \$100 of assessed valuation for tax year 2021 and \$3.50 per \$100 of assessed valuation for tax year 2022 and each tax year after, from \$3.25 per \$100 of assessed valuation. The general budget limit for a minimum qualifying tax rate school district that has a total attending average daily membership count of at least 5,000 students must be increased by \$1.5 million above the amount that would otherwise be computed. Repeals the highway safety fee determined by the Director of the Department of Transportation, which is set to terminate on

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June 30, 2021. Establishes a tax on vehicles propelled only by electricity, natural gas or propane of \$110 per year, and a tax on hybrid vehicles of \$44 per year. Changes to motor fuel taxes and vehicle taxes become effective July 1, 2021. Income tax revisions are retroactive to tax years beginning January 1, 2020.

**SB 1436 TPT; EXEMPTION; PUBLIC SAFETY EQUIPMENT**

The list of exemptions from the tax base for the retail classification of transaction privilege taxes and use taxes is modified to include sales of public safety equipment purchased by a law enforcement agency, fire district, fire department, volunteer fire department or emergency medical services provider for public safety purposes.

**SB 1508 LAW ENFORCEMENT OFFICERS; ADDITIONAL BENEFITS**

If a law enforcement officer was killed in the line of duty, the surviving spouse continues to receive workers' compensation death benefits until the surviving spouse's death regardless of whether the surviving spouse remarries. If a surviving spouse of a deceased law enforcement officer who was killed in the line of duty is receiving payment for health insurance premiums from the officer's employer and the surviving spouse remarries, the health insurance premium payments are no longer discontinued, and family coverage is required to include coverage for the additional new family members. In addition to any other death benefits, a surviving spouse, or a dependent if there is not a surviving spouse, of a deceased member of the Public Safety Personnel Retirement System or Corrections Officer Retirement Plan must receive payment for all of the deceased member's unused sick leave.

**SB 1575 PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY**

Exempts the property of veterans with service or nonservice connected disabilities who are Arizona residents from taxation, with an allowed exemption amount of \$4,047 multiplied by the percentage of the veteran's disability, as rated by the U.S. Department of Veterans Affairs, if the person's total assessment does not exceed \$27,498. The exemption limit for property of widows, widowers and persons with total and permanent disabilities is increased to \$4,047, from \$3,000, if the person's total assessment does not exceed \$27,498, increased from \$20,000. Also makes various changes to property tax statutes in order to conform to proposed changes to property tax exemptions contained in the state Constitution. Conditionally enacted on the state Constitution being amended by a vote of the people at the next general election by the passage of Senate Concurrent Resolution 1043 to consolidate and reorganize provisions relating to exemptions from property taxation.

## Land Use Planning

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### *New Laws*

#### **HB 2686 (Chapter 3) BUILDING PERMITS; UTILITIES; RESTRICTIONS; PROHIBITIONS**

A county or municipality requiring the issuance of a building permit is prohibited from denying a permit application based on the utility provider proposed to provide utility service to the project. A county or municipality issuing a building permit is required to ensure that all applicable permits and fees contain requirements and amounts that do not exceed the requirements and amounts for use of other utility providers and do not have the effect of restricting a permit applicant's ability to use the services of a utility provider that is capable and authorized to provide utility service. Any code, ordinance, land use regulation or general or specific plan provision adopted by a county or municipality is prohibited from restricting a person's or entity's ability to use the services of a utility provider that is capable and authorized to provide utility service. Counties and municipalities are prohibited from imposing a fine, penalty or other requirement that has the effect of restricting a utility provider's authority to operate or serve customers. The regulation of a utility provider's authority to operate and serve customers is a matter of statewide concern. A person's or entity's ability to use the services of a utility provider that is capable and authorized to provide utility service is not subject to further regulation by a county or municipality. Does not affect any authority of a county or municipality to manage or operate a county owned or municipally owned utility.

#### **SB 1303 (CHAPTER 77) ANNEXATION OF TERRITORY; REQUIREMENTS**

A municipality is prohibited from annexing territory if as a result of the annexation unincorporated territory is completely surrounded by a combination of the annexing municipality and other municipalities. Does not apply to territory that at the time of the annexation was already completely surrounded by a municipality or a combination of municipalities.

### *Bills that Failed*

#### **HB 2001 ONLINE HOME SHARING; REPEAL**

Repeals statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and limiting the restrictions that municipalities and counties may place on those rentals to a list of specified purposes. Repeals the online lodging marketplace transaction privilege tax classification, and the requirement for online lodging marketplaces to register with the Department of Revenue for payment of transaction privilege taxes on online lodging transactions. Repeals the requirement for online lodging operators to have a current transaction privilege tax license and related civil penalties for noncompliance. Repeals the Joint Legislative Study Committee on Transient Lodging.

#### **HB 2123 APPROPRIATION; HERITAGE FUND**

Appropriates \$10 million from the general fund in FY2020-21 to the Arizona Game and Fish Commission Heritage Fund.

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**HB 2173 SMOKING REGULATION; ELECTRONIC SMOKING DEVICES**

For the purposes of the statutes prohibiting smoking in all public places and places of employment in Arizona, the definition of "smoking" is expanded to include marijuana and the use of an "electronic smoking device" (defined). The list of places exempt from the prohibition on smoking in public places is modified to remove veterans and fraternal clubs when they are not open to the public and smoking as part of a theatrical performance on a stage or in the course of a film or television production. Other definitions are also modified. 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 2201 APPROPRIATION; STATE PARKS HERITAGE FUND**

Appropriates \$10 million from the general fund in FY2020-21 to the Arizona State Parks Heritage Fund.

**HB 2305 SOLID WASTE SERVICES; PRIVATE PROVIDER**

Counties and municipalities are prohibited from providing for or enforcing a criminal penalty against a person who refuses to purchase solid waste collection services from a private service provider.

**HB 2399 UNMANNED AIRCRAFT OPERATION; PUBLIC VENUES**

For the purpose of the prohibition on operating or using an unmanned aircraft or unmanned aircraft system to intentionally photograph or loiter over or near a "critical facility" in the furtherance of any criminal offense, a class 6 (lowest) felony, the definition of "critical facility" is expanded to include a "multipurpose facility" (defined elsewhere in statute) or a public sports arena or stadium. This prohibition does not apply to a person who receives prior written permission from the critical facility owner or operator to use or operate an unmanned aircraft or unmanned aircraft system. It is a class 6 (lowest) felony for a person to operate or use an unmanned aircraft or unmanned aircraft system in the commission of any criminal offense.

**HB 2493 COMMUNITY FACILITIES DISTRICTS**

Various changes to statutes relating to community facilities districts. The annual ad valorem tax levied by a district is prohibited from exceeding the amount necessary to meet annual payments of principal and interest on bonds issued by the district, projected payments of principal and interest on new debt planned for that year, a reasonable delinquency factor, including an amount necessary to correct prior year errors or shortages in the levy, if applicable, and any expenses and fees required. The levy is required to be the net of all cash in excess of ten percent of the annual payments of principal and interest in the current fiscal year from the previous year remaining in a segregated fund or funds for the levy. If a district sells general obligation bonds above par, the amount of "net premium" (defined) associated with a general obligation bond issue may be used only to pay costs incurred in issuing the bonds or as a deposit in a debt service fund and used only to pay interest on the issue of general obligation bonds. If used for any other purpose, and if the district has general obligation bond voter authorization and available capacity under its debt limitations, both the available aggregate indebtedness capacity of the district and the principal amount authorized at the general obligation bond election for the district must be reduced by the amount of net premium used for that purpose. For districts that are formed after August 9, 2017 and before the effective

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date of this legislation and for which the district board consists of the before the effective date of this legislation and for which the district board consists of the governing body of the municipality or county with two additional district board members who were initially designated by an owner who owned the largest amount of privately owned acreage in the district at formation, at any time after receipt of a petition signed by the owners of a majority of the privately owned real property within the boundaries of the district as measured by square footage or acreage, the district board is authorized to adopt a resolution to permanently remove the two additional appointed district board members and their positions on the board. If a community facilities district will be governed by a governing body with two additional board members who are initially designated by the owner who owns the largest amount of privately-owned acreage in the district, the resolution ordering formation of the district is permitted to state, or the district board is permitted to adopt a resolution that provides, that those two additional members are permanently advisory nonvoting members.

### **HB 2499 EMINENT DOMAIN; EXISTING CONTRACTS**

If a municipality exercises the right of eminent domain to acquire a public utility business or enterprise, the municipality is required to assume all existing assets and contractual liabilities associated with providing current and future utility service in the certificate of convenience and necessity that is being condemned unless all parties to the contractual obligations agree otherwise.

### **HB 2551 APPROPRIATION; STATE PARKS; HERITAGE FUND**

Appropriates \$10 million from the general fund in FY2020-21 to the Arizona State Parks Heritage Fund.

### **HB 2605 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 2615 MUNICIPALITIES; UTILITIES; VACANT BUILDINGS**

Municipalities are prohibited from adopting an ordinance that requires a property owner to provide utilities to a "vacant building" (defined).

### **HB 2616 NOXIOUS WEEDS; GOVERNMENT PROJECTS**

The state, state agencies, political subdivisions, and any other governmental entity are authorized to remove "noxious weeds" (defined elsewhere in statute), including Russian olive and salt cedar trees, as part of routine maintenance operations and capital projects. The state, state agencies, political subdivisions, and any other governmental entity are prohibited from using noxious weeds, including Russian olive and salt cedar trees, in landscaping.

### **HB 2636 ELECTRONIC SMOKING DEVICES; RETAIL LICENSING**

It is unlawful for a person to sell, give or furnish a tobacco product to a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act, instead of for a person to sell or furnish tobacco products to minors. For the purposes this

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prohibition and statutes regulating tobacco sales, the definition of "tobacco products" is expanded to include any product containing, made of or derived from tobacco or nicotine and that is intended for human consumption, and to include an "electronic smoking device" (defined) and any substance that may be aerosolized or vaporized by the device, whether or not it contains nicotine, and any component, part, or accessory that is used in the consumption of these products. Before distributing any tobacco product, a retail tobacco vendor or the vendor's representative or employee is required to verify that the purchaser is at least the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act. Establishes civil penalties for violations. The Department of Health Services (DHS) is required to conduct at least two unannounced compliance checks on a retail tobacco vendor annually. Beginning January 1, 2022, a retail tobacco vendor is prohibited from distributing tobacco products in Arizona without a valid tobacco retail sales license from DHS. DHS is required to establish fees for licenses. Licensing requirements are specified. Licenses are nontransferable and are valid for two years. Establishes civil penalties for selling tobacco products without a license.

### **HB 2637 SMOKING DEVICES; TOBACCO PRODUCTS; DEFINITIONS**

For the purposes of the statutes prohibiting the furnishing of tobacco products to minors and statutes regulating tobacco sales, the definition of "tobacco products" is expanded to include any product containing, made of or derived from tobacco or nicotine and that is intended for human consumption, and to include an "electronic smoking device" (defined) and any substance that may be aerosolized or vaporized by the device, whether or not it contains nicotine, and any component, part, or accessory that is used in the consumption of these products.

### **HB 2705 VACANT; ABANDONED BUILDINGS; ORDINANCES**

Municipal governing bodies are authorized to adopt, implement and enforce an ordinance that establishes registration, inspection and maintenance requirements for a building that is "vacant" or "abandoned" (both defined) for more than 150 days. Provisions that must be included in the ordinance are specified, including an appeal process for the owner. Municipalities are authorized to charge fees for registration and inspection of a vacant or abandoned building, and to grant fee waivers for good cause shown.

### **HB 2719 RUBBISH; REMOVAL; PENALTIES**

For a violation of a county or municipal ordinance prohibiting a person from recklessly placing or causing to be placed any rubbish, trash, filth or debris on any property not owned or under the control of that person, the penalty is prohibited from exceeding the amount of the maximum fine for a class 1 (highest) misdemeanor and is prohibited from including any period of incarceration.

### **HB 2732 TAX CREDIT; AFFORDABLE HOUSING**

Establishes a credit against individual and corporate income taxes and insurance premium taxes for projects that qualify for the federal low-income housing tax credit and that are placed in service from and after June 30, 2021. The credit is equal to the amount of the federal low-income housing credit for the qualified project. To claim the credit, a taxpayer is required to apply to the Arizona Department of Housing and receive an eligibility statement. If the amount of the credit exceeds taxes due, the taxpayer may carry the unused amount forward for up to

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five consecutive taxable years. The Department of Revenue is required to allocate a total of \$8 million of affordable housing tax credits in any calendar year. Establishes a 9-member Affordable Housing Tax Credit Review Committee to review the tax credits on the fifth year after the effective date of the credit and every five years thereafter and submit a report to the Governor and the Legislature. Effective January 1, 2021. Self-repeals January 1, 2028.

### **HB 2793 GROUP HOMES; MONITORING; APPROPRIATION**

Establishes a 3-year Developmental Disabilities Group Home Monitoring Pilot Program in the Department of Economic Security, which requires a designated entity to monitor and inspect in person all of the group homes once each year and take a list of other specified regulatory actions. The Department is required to develop a process to determine which of its clients are at a higher risk of abuse or neglect. By December 31, 2023, the designated entity is required to report to the Governor and the Legislature on the outcomes of the Pilot Program. Appropriates \$1.2 million from the general fund in FY2020-21 to the Department for the Pilot Program.

### **HB 2841 MUNICIPAL ZONING; HOUSING OVERLAY**

By July 1, 2021, municipalities are required to adopt by ordinance a housing affordability zoning overlay district over at least 30 percent of all vacant land that is zoned for single-family residential use within the municipality as of the effective date of this legislation. The housing affordability zoning overlay district may allow a subdivider to construct a qualifying development of up to 15 dwelling units per acre for sale. Within the housing affordability zoning overlay district, a municipality is prohibited from denying a building permit or approval that is required as a condition of development or construction for failure to comply with and may not enforce any code, ordinance, or any other legal requirement relating to "dwelling design elements" (defined) or the location and size of open space. Some exceptions.

### **HB 2843 SOBER LIVING HOMES; FEES; PENALTIES**

Licensure of a sober living home is for three years, increased from one year. The fee for initial licensure and license renewal is capped at \$500. The Department of Health Services is prohibited from charging a fee on a per bed basis. Various penalties for violations of sober living home licensure requirements are deleted.

### **HB 2855 ELECTRIC CHARGING PROVIDERS; REGULATION**

Electric charging providers that offer the use of specialized equipment for the purpose of charging batteries for electric vehicles are not public utilities and are not subject to regulation by the Corporation Commission. Electric charging providers are authorized to sell electricity for the purpose of charging batteries for electric vehicles by kilowatt hour or by time.

### **HB 2875 REGULATION; SHORT-TERM RENTALS**

Modifies the list of regulations that counties and municipalities are authorized to impose on vacation rentals or short-term rentals to include: requiring contact information for the owner of the rental to be posted on the front door or in another location on the property that is visible and accessible to the public; restricting the maximum number of adult occupants allowed on the property at one time to no more than 2 adults per bedroom, up to 4 bedrooms, plus 2 additional adults per 1,000 square feet of livable space in excess of 3,000 square feet of

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livable space; requiring the installation of safety and monitoring equipment that monitors and detects noise and notifies the owner if noise is unreasonable or in violation of a noise ordinance; prohibiting smoking outside within 100 feet of a residential structure; restricting occupants from checking in without the presence of the owner or the owner's designee; and prohibiting occupants from parking on public or private streets if on-property parking is available. Establishes penalties for violations.

### **HB 2877 E-LIQUIDS; VAPOR PRODUCTS; TOBACCO PRODUCTS**

The powers and duties of the Department of Liquor Licenses and Control are expanded to include enforcing statute regulating tobacco sales, investigating the sales of "alternative nicotine products," "e-liquids," "tobacco products" or "vapor products" (all defined) to persons under the "legal tobacco and vapor use age" (defined as 21 years of age or older), causing to be removed from the marketplace alternative nicotine products, e-liquids, tobacco products or vapor products that may be contaminated, illegal or adulterated, and taking other regulatory actions related to these products. A person desiring a license to sell alternative nicotine products, e-liquids, tobacco products or vapor products is required to apply to the Department on a form furnished by the Department. The Department Director is authorized to determine the amount of and charge a fee for an application for an initial license or renewal license. A license is valid for two years. A license is not transferable and cannot be leased or subleased. Establishes requirements for licensees to obtain identification from a person ordering or purchasing these products in order to determine that the person is not under the legal use age. Sales of these products cannot be made using a drive-through or other feature allowing the purchase without leaving a vehicle. A person under the legal drinking age or legal tobacco and vapor use age who misrepresents the person's age, solicits another person to purchase or furnish, or uses a fraudulent identification to obtain these products is guilty of a petty offense. A person who knowingly sells or furnishes these products or any instrument or paraphernalia used to smoke or ingest these products to a person under 21 years of age is guilty of a petty offense. Establishes civil penalties for violations and conditions under which a license may be suspended or revoked. Establishes appeal rights and procedures. Various regulations of tobacco products are expanded to include e-liquids, vapor products and alternative nicotine products. Effective January 1, 2021.

### **SB 1019 PROHIBITION; REGULATION; INDUSTRIAL HEMP SITES**

Counties and municipalities are prohibited from imposing any regulation or restriction on an industrial hemp site unless the site violates any applicable zoning law or building and fire code. The Department of Agriculture is required to establish and maintain a public registry of all industrial hemp licenses, and information that must be included in the registry is specified. The Department is also required to establish and maintain a voluntary registry for cultivation sites of nonprofit medical marijuana dispensaries. The Director of the Department is required to appoint an Advisory Committee on cross-pollination between industrial hemp sites and cultivation sites of nonprofit medical marijuana dispensaries. The Committee is required to submit a report to the Legislature by December 31, 2021, and self-repeals October 1, 2022.

### **SB 1063 ELECTRONIC SMOKING DEVICES; BILLBOARDS**

A person is prohibited from advertising or causing to be advertised a tobacco product, including an electronic smoking device, on an outdoor billboard that is located within 1,000 feet of a school or public playground. Does not preempt or otherwise prohibit the adoption of a local standard that imposes a more restrictive or complete ban on billboard advertising or on

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billboard advertising relating to tobacco products, including electronic smoking devices.

**SB 1085 APPROPRIATION; HERITAGE FUND**

Appropriates \$10 million from the general fund in FY2020-21 to the Arizona Game and Fish Commission Heritage Fund.

**SB 1133 PUBLIC WORKS; CONTRACTS; PAYMENT**

If the Department of Transportation directs a contractor to perform changed or additional work in accordance with a construction contract, a process is established for a contractor or subcontractor to request payment for changed or additional work completed during the preceding calendar month in monthly pay estimates, pending a final determination of the total amount to be paid for the changed or additional work. The person designated in the construction contract to certify and approve the monthly payment estimate will make an interim determination for purposes of approval for payment of those costs. Either party may disagree with an interim determination and assert a claim in accordance with the terms of the contract. In any action or arbitration brought under these circumstances, the successful party must be awarded reasonable attorney fees and costs.

**SB 1173 APPROPRIATION; EMERGENCY SHELTER; TRANSITIONAL HOUSING**

Appropriates \$450,000 from the general fund in FY2020-21 to the Department of Economic Security to distribute to the City of Cottonwood to to distribute to an established nonprofit entity that has experience dealing with the issues of homelessness in the area to operate a program for temporary emergency shelter and transitional housing services. The Department is authorized to distribute the monies only after the City of Cottonwood and/or the nonprofit entity have committed to provide property, goods or services for the program.

**SB 1222 BUILDING PERMITS; UTILITIES; RESTRICTIONS; PROHIBITIONS**

A county or municipality is prohibited from denying a permit application based on the utility provider proposed to serve the project. A county or municipality issuing a building permit is required to ensure that all applicable permits and fees contain requirements and amounts that do not exceed the requirements and amounts for use of other utility providers and do not have the effect of restricting a permit applicant's ability to use the services of a utility provider that is authorized to provide service. Any code, ordinance, land use regulation or general or specific plan provision adopted by a county or municipality is required to preserve a person's or entity's ability to use the services of a utility provider that is authorized to provide service. Counties and municipalities are prohibited from imposing a fine, penalty or other requirement that has the effect of restricting a utility provider's authority to operate or serve customers.

**SB 1350 STATE PARKS; LOTTERY; HERITAGE FUND**

Of the monies remaining in the State Lottery Fund each fiscal year after statutory appropriations and deposits and after the \$10 million deposit in the Game and Fish Commission Heritage Fund, \$1 million must be deposited in the Arizona State Parks Board Heritage Fund.

**SB 1400 ELECTRONIC SMOKING DEVICES; RETAIL LICENSING**

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It is unlawful for a person to sell, give or furnish a tobacco product to a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act, instead of for a person to sell or furnish tobacco products to minors. For the purposes this prohibition and statutes regulating tobacco sales, the definition of "tobacco products" is expanded to include any product containing, made of or derived from tobacco or nicotine and that is intended for human consumption, and to include an "electronic smoking device" (defined) and any substance that may be aerosolized or vaporized by the device, whether or not it contains nicotine, and any component, part, or accessory that is used in the consumption of these products. Before distributing any tobacco product, a retail tobacco vendor or the vendor's representative or employee is required to verify that the purchaser is at least the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act. Establishes civil penalties for violations. The Department of Health Services (DHS) is required to conduct at least two unannounced compliance checks on a retail tobacco vendor annually. Beginning January 1, 2022, a retail tobacco vendor is prohibited from distributing tobacco products in Arizona without a valid tobacco retail sales license from DHS. DHS is required to establish fees for licenses. Licensing requirements are specified. Licenses are nontransferable and are valid for two years. Establishes civil penalties for selling tobacco products without a license.

### **SB 1478 ASSISTED LIVING CAREGIVERS; NURSING; TRAINING**

By December 1, 2020, the Arizona State Board of Nursing is required to report to the Legislature a pathway for assisted living facility caregivers to apply their hours of training and practical experience toward the training requirements for licensed nursing assistants and certified nursing assistants, including any possible statutory changes. Self-repeals July 1, 2021.

### **SB 1480 LOCAL PLANNING; RESIDENTIAL HOUSING; PROHIBITIONS**

Repeals statute prohibiting municipalities and counties are prohibited from adopting a land use regulation or general or specific plan provision, or imposing as a condition for approving a building or use permit a requirement or fee that has the effect of establishing the sales or lease price for a residential housing unit or residential dwelling lot or parcel or that requires a residential housing unit or residential dwelling lot or parcel to be designated for sale or lease to any particular class or group of residents.

### **SB 1490 SHORT-TERM RENTAL PROPERTIES; CLASSIFICATION**

Real and personal property and improvements that are rented to lodgers for periods of less than 30 days for a total of more than 120 days in a calendar year and that are valued at full cash value are classified as class one property, instead of class four property, for property tax purposes. Does not apply to property that is occupied by the owner of the property as the owner's primary residence and that is included in class three, property that the owner attests to the county assessor is owner-occupied for at least 60 days in a calendar year, and property for residential purposes that is rented and included in class four. Applies to tax years beginning January 1, 2021.

### **SB 1501 ELECTRONIC SMOKING DEVICES; TOBACCO SALES**

It is unlawful for a person to sell, give or furnish a tobacco product to a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic

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Act, instead of for a person to sell or furnish tobacco products to minors. For the purposes this prohibition and statutes regulating tobacco sales, the definition of "tobacco products" is expanded to include any product containing, made of or derived from tobacco or nicotine and that is intended for human consumption, and to include an "electronic smoking device" (defined) and any substance that may be aerosolized or vaporized by the device, whether or not it contains nicotine, and any component, part, or accessory that is used in the consumption of these products. Before distributing any tobacco product, a retail tobacco vendor or the vendor's representative or employee is required to verify that the purchaser is at least the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act. Establishes civil penalties for violations. The Department of Health Services (DHS) is required to conduct at least two unannounced compliance checks on a retail tobacco vendor annually. Beginning January 1, 2022, a retail tobacco vendor is prohibited from distributing tobacco products in Arizona without a valid tobacco retail sales license from DHS. DHS is required to establish fees for licenses. Licensing requirements are specified. Licenses are nontransferable and are valid for two years. Establishes civil penalties for selling tobacco products without a license. A person is prohibited from advertising or causing to be advertised a tobacco product, including an electronic smoking device, on an outdoor billboard that is located within 1,000 feet of a school or public playground. Due to voter protection, one section of this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

### **SB 1553 NEIGHBORHOOD VARIANCE INDEX; HEARING**

If 20 percent of the qualified electors residing in a "community" (defined) petition a county planning and zoning commission or municipal planning agency to evaluate the "neighborhood variance index" (defined as the percentage of residential structures being used for purposes other than permanent residential occupancy for at least 6 months) for the community, the commission or agency is required to hold a hearing. The commission or agency is authorized to prepare specific plans and measures that may be required to improve the neighborhood variance index in the petitioning community, and to recommend such plans and measures to the county board of supervisors or municipal legislative body for adoption.

### **SB 1554 SHORT-TERM RENTAL ENFORCEMENT; PENALTIES**

The prohibition on counties and municipalities restricting the use of or regulating vacation rentals or short-term rentals except as specifically authorized is limited to a person's primary or secondary residence. If a vacation rental or short-term rental is not a person's primary or secondary residence or is owned or operated by a corporate entity, and a majority homeowner is not on the premises of the vacation rental or short-term rental for the duration of the rental, the property cannot be rented more than one time in a 30-day period unless a county or municipality adopts an ordinance allowing the owner to rent more frequently in a 30-day period. Vacation rentals and short-term rentals cannot advertise to exceed the occupancy limit of the dwelling or for any nonresidential use. An online lodging operator that falsifies information to an online lodging marketplace is guilty of a petty offense. Other penalties for violations are modified.

## Military Preservation

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### *New Laws*

No bills.

### *Bills that Failed*

#### **HB 2286 APPROPRIATION; WASTEWATER TREATMENT INFRASTRUCTURE**

Appropriates \$5 million from the general fund in FY2020-21 to the Department of Environmental Quality to distribute to the City of Glendale for costs associated with the construction of water reclamation and wastewater treatment infrastructure in the vicinity of Luke Air Force Base in Maricopa County.

#### **HB 2310 APPROPRIATION; MILITARY INSTALLATION PROJECTS**

Appropriates \$5 million from the general fund in FY2020-21 to the Department of Emergency and Military Affairs to distribute to Yuma County for military installation preservation and enhancement projects.

#### **SB 1594 MILITARY INSTALLATION FUND; PROPERTY; CONVEYANCE**

The Department of Emergency and Military Affairs is authorized to sell, convey or lease real estate, real property or infrastructure that the Department acquired to preserve or enhance military installations in Arizona. A conveyance must be made to the highest and most responsible bidder, and a lease must be at fair rental value. Before any conveyance or lease the Department is required to ensure the use or development of any real estate, property rights and related infrastructure, real property or any improvements to real property complies with statute regulating airport planning and zoning requirements.

#### **SB 1662 MILITARY FAMILY RELIEF FUND; GRANTS**

If the Military Family Relief Fund subaccounts have a balance of at least \$2 million at the beginning of the fiscal year, the Department of Veterans' Services is authorized to allocate up to \$500,000 each fiscal year in grants of not more than \$150,000 for each grant to veterans service organizations that are qualified pursuant to section 501(c)(19) of the Internal Revenue Code to provide veterans benefits service officers to assist veterans in obtaining benefits and services. The Department is required to adopt rules to implement this legislation.

## Neighborhoods

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*New Laws*

No bills.

*Bills that Failed*

**HB 2028 CANDIDATE SIGNS; PROHIBITION; PRIMARY**

Increases the period of time that political signs may be placed in a public right-of-way to 150 days before the date of the general election until 7 days after the date of the general election, instead of 45 days before the primary election until 7 days after the general election. The date of the election does not include the period of early voting for that election.

**HB 2144 STATE LIQUOR BOARD; MEMBERSHIP**

One of the five members of the State Liquor Board with no financial interest in business licensed to deal with spirituous liquors is required to be a current or former elected municipal officials. Session law allows current Board members to continue to serve until the expiration of their normal terms.

**SB 1283 APPROPRIATION; EMERGENCY SHELTER BEDS; SENIORS**

Appropriates \$5 million from the general fund in FY2020-21 to the Department of Economic Security for emergency shelter beds in western Maricopa County to shelter and serve homeless seniors who are at least 55 years of age. The Department is required to distribute the monies to a single Arizona nonprofit provider that meets a list of specified requirements.

## Public Safety/Courts

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### *New Laws*

#### **SB 1012 (CHAPTER 59) EXECUTIVE SESSION; SCHOOL SAFETY PLANS**

The list of purposes for which a public body is authorized to hold an executive session is expanded to include discussion or consideration of matters relating to school safety operations or school safety plans or programs. Emergency clause.

#### **SB 1042 (CHAPTER 63) EXECUTIVE SESSIONS; SECURITY PLANS**

The list of purposes for which a public body is authorized to hold an executive session is expanded to include discussion or consultations with designated representatives of the public body in order to discuss security plans, procedures, assessments, measures or systems relating to, or having an impact on, the security or safety of buildings, facilities, operations, critical infrastructure information and information technology maintained by the public body. Records, documentation, notes, or other materials made by or provided to the representatives for these purposes are confidential and exempt from public disclosure.

#### **SB 1441 (CHAPTER 81) PROTECTION ORDERS; MODIFICATION; RESIDENCE POSSESSION**

While an order of protection is in effect, if a party was granted the use and exclusive possession of the parties' residence and subsequently moves out of the house, the party is required to file a notice in writing with the court within five days after moving out of the residence. The court is required to notify the defendant that the plaintiff has moved out of the residence and of the defendant's right to request a hearing. On written request of a party, the court is authorized to hold additional order of protection hearings at any time if there is a change in circumstances related to the primary residence.

### *Bills that Failed*

#### **HB 2003 FIREARMS; PROHIBITED POSSESSORS; DUE PROCESS**

The state of Arizona, counties, municipalities and other political subdivisions cannot prohibit a person from possessing a firearm unless the person is a prohibited possessor or a court of competent jurisdiction issues an order that prohibits the person from possessing a firearm and, prior to the court issuing the order, the person was given notice of the order and given an opportunity to respond.

#### **HB 2031 SCHOOL MARSHALS; REQUIREMENTS; TRAINING**

School district governing boards, charter school governing bodies, community college district governing boards and private schools are authorized to appoint up to the greater of one school marshal for each 400 students per campus or for each campus, one school marshal for each school building in which students regularly receive classroom instruction. A school marshal is authorized to make arrests and exercise all authority granted to peace officers under state law, subject to written policies adopted by the appointing governing body. To serve as a school marshal, the person must be licensed by the Department of Public Safety. The Department is

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required to establish and maintain a school marshal training program, and training requirements are specified. The Department is authorized to charge a training fee, license fee and renewal fee. Establishes requirements for a school marshal to carry or possess a handgun on the premises of a school.

### **HB 2032 CIVIL FORFEITURE; CRIMINAL CONVICTION**

Various changes relating to forfeiture. At a judicial forfeiture proceeding, if a claimant establishes by a preponderance of the evidence that the claimant is an owner of or interest holder in the property, it is presumed that the claimant's interest in the property is exempt from forfeiture and the burden of establishing that the claimant's property should be forfeited is on the state, instead of on the claimant. Statute governing uncontested civil forfeitures is repealed. If property is seized through forfeiture, the defendant or any other person who has an ownership interest in the property may request a pretrial hearing to determine the validity of the seizure, the validity of the claimant's alleged interest in the seized property and whether the court should grant a writ of replevin or another remedy. The court is required to grant the claimant's motion for replevin if the court finds that any of a list of specified circumstances applies. Following a person's conviction for a criminal offense that provides for forfeiture, the court is permitted to order the person to forfeit property that was acquired through the commission of the offense, property that is directly traceable to property acquired through the commission of the offense, and any instrumentality the person used in the commission of the offense. If a conviction is not possible due to the person's death, incompetence or not being within the jurisdiction of the court, the property or interest in the property may be forfeited without a conviction. Does not prevent the property from being forfeited by plea agreement. For the purpose of the criminal code, "racketeering" is modified to mean only criminal acts that result in a conviction and that meet other aspects of the definition, instead of any act that is chargeable or indictable.

### **HB 2036 FENTANYL; HEROIN; CARFENTANIL; MANDATORY SENTENCING**

If a person is convicted of a violation of possession or use, possession or use for sale, manufacture or transport for sale of fentanyl, heroin, 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 or the sentence is commuted.

### **HB 2048 EXECUTIVE SESSION; SCHOOL SAFETY PLANS**

The list of purposes for which a public body is authorized to hold an executive session is expanded to include discussion or consideration of matters relating to school safety operations or school safety plans or programs.

### **HB 2053 EXECUTIVE SESSIONS; SECURITY PLANS**

The list of purposes for which a public body is authorized to hold an executive session is expanded to include discussion or consultations with designated representatives of the public

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body in order to discuss security plans, procedures, assessments, measures or systems relating to, or having an impact on, the security or safety of buildings or facilities and information technology maintained by the public body. Records, documentation, notes, or other materials made by or provided to the representatives for these purposes are confidential and exempt from public disclosure.

### **HB 2055 CIVIL TRAFFIC VIOLATIONS; COMMUNITY RESTITUTION**

If a "monetary obligation" (defined) is imposed on a person at sentencing, the court is authorized to order the person to perform community restitution in lieu of the payment of the monetary obligation. The court is required to credit any community restitution performed at a rate of \$10 per hour. A judge is authorized to mitigate any civil penalty that is required by statute regulating driver licenses if the person who is ordered to pay the penalty demonstrates that the payment would be a hardship on the person or on the person's immediate family.

### **HB 2057 CONSULAR IDENTIFICATION CARDS; ALLOWED USE**

The state and its political subdivisions are required to accept a consular identification card issued by a foreign government as a valid form of identification, instead of being prohibited from accepting the cards.

### **HB 2062 ANIMAL FIGHTING PARAPHERNALIA; OFFENCE**

It is a class 1 (highest) misdemeanor for a person to knowingly own, possess, purchase, sell, transfer or manufacture "animal fighting paraphernalia" (defined) for the purpose of engaging in, promoting or facilitating animal fighting or cockfighting.

### **HB 2070 PREARREST DIVERSION PROGRAMS; CIVIL CITATION**

Counties, municipalities and other political subdivisions are authorized to establish a prearrest diversion program within a law enforcement agency. A law enforcement officer is authorized to issue a civil citation to a person who commits a "nonviolent misdemeanor offense" (defined) if specified conditions are met, including that the person does not have a previous arrest and the victim, if any, does not object. A person who receives a civil citation is required to report to the local prearrest diversion program for intake. The entity establishing the program is required to establish a committee to develop the program's policies and procedures.

### **HB 2083 ELECTRONIC SMOKING DEVICES; RESTRICTIONS; USE**

For the purposes of the statutes prohibiting smoking in all public places and places of employment in Arizona, the definition of "smoking" is expanded to include the use of an "electronic smoking device" (defined). The list of places exempt from the prohibition on smoking in public places is expanded to include retail stores that sell electronic smoking devices exclusively and that have an independent ventilation system. 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 2087 PROBATION; TECHNICAL VIOLATIONS; REINSTATEMENT**

The Arizona Lengthy Trial Fund is renamed the Arizona Lengthy Trial and Digital Evidence Fund. If monies in the Fund are available after paying jurors, monies in the Fund may be used

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to pay for the storage of digital evidence and facilitate the display of the evidence to the jury and court at a trial and related proceedings.

### **HB 2089 SCHOOLS; SAFETY; THREAT ASSESSMENT TEAMS**

School district governing boards and charter school governing bodies are required to adopt policies to establish threat assessment teams. The policies must include procedures for assessing individuals whose behavior may pose a threat to the safety of self, school staff or students and intervening when necessary, and notifying parents or guardians if the team has reason to believe that the student might benefit from or be in need of mental health services. The superintendent of each school district or chief administrative officer of a charter school is required to establish a threat assessment team for each school, which must include, subject to staff availability, persons with expertise in counseling, instruction, school administration and law enforcement. Threat assessment teams are required to provide guidance to students and school staff on recognizing behavior that may threaten the community, the school or self. The superintendent of each school district or chief administrative officer of a charter school is authorized to establish a committee that is charged with overseeing the threat assessment teams operating within the school district or charter school. After a threat assessment team makes a preliminary determination that an individual poses a threat of violence or physical harm to self or others or exhibits significantly disruptive behavior or a need for assistance, the law enforcement officer on the team is permitted to request any case information relating to an individual and to conduct a check of the individual's criminal history records. Each threat assessment team is required to collect and semiannually report to the Superintendent of Public Instruction and the Arizona Counter Terrorism Information Center in the Department of Public Safety data on its activities using a form provided by the Center.

### **HB 2095 PROHIBITED DECLARATION; SANCTUARY JURISDICTION**

Counties, municipalities and other political subdivisions are prohibited from declaring the jurisdiction a "sanctuary jurisdiction," defined as having in effect an ordinance or policy that prohibits or restricts any governing entity or official from exchanging information regarding the immigration status of any alien with another government entity or from complying with a lawful request by the U.S. Department of Homeland Security to comply with a detainer for an alien.

### **HB 2114 LAW ENFORCEMENT OFFICERS; DATABASE; RULES**

A "prosecuting agency" (defined) is prohibited from placing a law enforcement officer's name in a "rule 15.1 database" (defined) unless the officer is given at least 10 days prior written notice by mail or email to the officer's current or last known employment address. Information that must be included in the written notice is listed, including information on the right to request reconsideration of the allegations and placement in the database. If an officer submits a request for reconsideration, and the reconsideration is approved on its merits, the officer's name must be removed from the database. A prosecuting agency that maintains a rule 15.1 database is required to adopt a policy that includes specified provisions, including the criteria used to place a law enforcement officer's name in the database and the notice requirements of this legislation. A law enforcement agency is prohibited from using the placement of an officer's name in a rule 15.1 database as the sole reason for taking a list of employment actions against the officer.

### **HB 2145 PSPRS; CORP; DEATH BENEFITS; SUICIDE**

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For the purpose of Public Safety Personnel Retirement System and Corrections Officer Retirement Plan death benefits, the definition of "killed in the line of duty" is modified to include suicide, if the decedent had received counseling. Retroactive to January 1, 2019.

### **HB 2149 FORFEITURE; CRIMINAL CONVICTION; PROPERTY RIGHTS**

Numerous changes to statutes related to forfeiture. The definition of "racketeering" is modified to limit the offenses to criminal acts that result in a conviction, instead of acts that are chargeable or indictable. Following a person's conviction for a criminal offense that provides for forfeiture, the court is authorized to order the person to forfeit property acquired through the commission of the offense, property that is directly traceable to property acquired through the commission of the offense, and any instrumentality the person used in the commission of the offense. The property exempt from forfeiture is expanded to include homesteaded real property, vehicles with a value of less than \$2,500, and U.S. currency totaling \$500 or less. Does not prevent property from being forfeited by plea agreement. Forfeiture proceedings are added to the list of proceedings and circumstances under which a public defender is required to defend any person who is entitled to counsel and who is not financially able to employ counsel. A peace officer, sheriff or other law enforcement officer is prohibited from requesting, requiring or inducing in any manner a person to execute a document that purports to waive the right to contest a forfeiture. Statute governing uncontested forfeiture is repealed. If property is seized, the defendant or any other person with an ownership interest in the property is authorized to request a pretrial hearing to determine the validity of the seizure and whether the court should grant a writ of replevin or another remedy. A claimant may petition the court to determine whether a forfeiture is excessive, and factors the court may consider is determining whether the forfeiture is disproportional to the seriousness of the offense are listed.

### **HB 2227 CRIMINAL JUSTICE COMMISSION; DATA COLLECTION**

Arizona Criminal Justice Commission is authorized, unless prohibited by federal or state law, to require any state or local criminal justice agency to submit any necessary "information" (defined) that is available to the criminal justice agency or that can be collected without imposing a significant burden on or cost to the criminal justice agency. The Commission is also authorized to establish guidelines for submitting and retaining criminal justice information and includes procedures for data transfer, data privacy and security, and conditions for the release of data.

### **HB 2228 THEFT BY EXTORTION; DEFENSE**

It is a defense to prosecution to theft by extortion by knowingly obtaining or seeking to obtain property or services by means of a threat to bring criminal charges, expose a secret or take or withhold action as a public servant that the property or services obtained or sought to be obtained was a reasonable claim, instead of was lawfully claimed as compensation, restitution or indemnification.

### **HB 2234 SENTENCING; AGGRAVATING CIRCUMSTANCES**

The list of aggravating circumstances for the purpose of determining the sentence for a felony is modified so that any other factor that the state alleges is relevant to the defendant's character or background or to the nature or circumstances of the crime may only be considered if the trier of fact or the court has already determined that at least two of the other aggravating

circumstances are true.

**HB 2235 RECORD OF PROCEEDINGS; CERTIFIED REPORTER**

The state, political subdivisions, the judiciary and courts of law are authorized to use for any purpose electronic devices in lieu of certified reporters for court proceedings. Either party is permitted to provide a certified reporter or stenographer in addition to the electronic devices used by a court to record the proceedings. The official record of the proceedings is the record prepared by the court pursuant to rules adopted by the Supreme Court. Various statutory references to a "court reporter" are replaced with "certified reporter." A judge of the superior court is authorized to appoint a certified reporter, instead of required to appoint a court reporter. The certified reporter is required to attend court during the hearing of matters before it as directed by the judge, instead of a court reporter being required to attend court during the hearing of all matters before it unless excused by the judge.

**HB 2236 DEFERRED PROSECUTION PROGRAM; DEFINITION**

The county attorney is no longer prohibited from diverting or deferring the prosecution of a person who has been previously convicted of serious offense, a sexual offense, a dangerous offense, or a dangerous crime against children, or a person who has been convicted three or more times of personal possession of a controlled substance or drug paraphernalia.

**HB 2240 PAWNBROKERS**

Numerous changes to statutes relating to pawnbrokers and pawn transactions. The length of all pawn transactions is decreased to 30 days, from a minimum of 90 days, for an original loan followed by a 30-day grace period. A pledgor is permitted to renew the loan at or before the end of the loan period or grace period by paying pawn service charges for a total of 60 days. If a pledgor fails to pay or renew the loan after the forfeit date or the end of the grace period, title to and ownership of the pledged collateral moves to the pawnbroker. In the first 24-hour period after a person enters into a pawn transaction with a pawnbroker, the person is permitted to cancel the pawn transaction and is not responsible for any charges, fees, interest or other costs. A pawn transaction is not reportable to a consumer reporting agency. A pawnbroker is authorized to charge interest on the amount financed at a rate of up to 2 percent per 30-day period, and to charge or receive a pawn service charge of any amount, except that the total amount including the interest component cannot exceed 20 percent of the amount financed for each 30-day period. Authorization for a pawnbroker to charge interest of up to 13 percent per month is deleted.

**HB 2260 HEALTH FACILITIES; RESUSCITATION; EMERGENCY CARE**

All licensed health care institutions that provide congregant or residential care are required to provide cardiopulmonary resuscitation (CPR) and first aid training for all staff as prescribed in rule by the Department of Health Services. Facility staff who are certified in CPR must be available at all times. These facilities are required to establish and implement policies that require facility staff to immediately evaluate the condition and circumstances of any resident who experiences cardiac arrest, any other cessation of respiration or any other medical emergency. On a determination that immediate resuscitation or first aid is feasible and appropriate in accordance with that resident's advance directives or do-not-resuscitate order, facility staff are required to provide basic appropriate CPR or first aid care. These facilities are prohibited from implementing policies that prevent employees from providing immediate

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resuscitation that complies with these requirements. A facility or facility staff member who in good faith renders emergency care or emergency assistance in reasonable accordance with training to a person who experiences a medical emergency is not liable for civil damages as the result of any act or omission by the person, unless the person acted with gross negligence.

**HB 2275 SCHOOL SAFETY; SCHOOL RESOURCE OFFICERS**

School resource officers and juvenile probation officers are authorized to respond any suspected crime against a person or property that is a serious offense or that involves a deadly weapon or dangerous instrument or serious physical injury and any conduct that poses a threat of death or serious physical injury to employees, students or anyone on school property according to protocols established by their law enforcement agency. Previously, school resource officers were authorized to respond only to situations that present the imminent danger of bodily harm. If a school district or charter school enters into a memorandum of understanding or any other agreement with a law enforcement agency for the purpose of hiring a school resource officer or juvenile probation officer, the memorandum of understanding or agreement is required to include specified provisions, including that the officer is not responsible for student discipline except in response to those suspected crimes. By January 1, 2021, all school resource officers and juvenile probation officers who serve on school grounds are required to complete a basic school resource officer course and an adolescent mental health training. By September 1 of each year, each school district and charter school is required to report to the Department of Education the number of school resource officers or juvenile probation officers per school. Appropriates \$241,500 from the general fund in FY2020-21 to the Department for the costs of the training.

**HB 2285 MOTORCYCLE OPERATION; PASSING VEHICLES**

The operator of a two-wheeled motorcycle is permitted to overtake and pass another vehicle that is stopped in the same direction of travel in the same lane and to operate the motorcycle between the lanes of traffic on a street that is divided into at least two adjacent traffic lanes in the same direction of travel with a speed limit that does not exceed 45 miles per hour, if the motorcycle is traveling at a speed that does not exceed 15 miles per hour.

**HB 2303 MANDATORY VEHICLE IMPOUNDMENT; EXCEPTION**

The list of reasons for which a peace officer is required to cause the removal and either immobilization or impoundment of a vehicle is expanded to include if the peace officer determines that the person's driving privilege is suspended for any reason except for failure to pay a civil penalty or failure to appear as directed for a scheduled court appearance. A peace officer who needs to be immediately present at an "emergency" (defined) is not required to immobilize or impound a vehicle if the location of the emergency is different than the location of the vehicle.

**HB 2313 FIRE SPRINKLERS; EXISTING BUILDINGS; PROHIBITION**

A municipality is prohibited from adopting a code or ordinance that requires a person or entity to install fire sprinklers in an existing building that was not required to have fire sprinklers when the building was originally constructed. A municipality is prohibited from imposing any fine, penalty or other requirement on a person or entity for choosing not to install or equip fire sprinklers in such a building. Municipalities are authorized to require the installation of fire sprinklers in an existing building if the owner undertakes a "major renovation or remodel."

**HB 2389 PUBLIC NUISANCE; NOISE; EVIDENCE**

A prosecution for a public nuisance violation that involves noise is required to include an accurate recording and measurement of the noise made by a peace officer or code enforcement officer. Measurement standards are specified. Applies to all cases in which the defendant did not plead guilty or no contest and that, as of the effective date of this legislation, have not been submitted to the fact finder to render a verdict.

**HB 2440 DEATH BENEFIT; TRANSITIONAL HOUSING BENEFIT**

In addition to any other death benefit, if a law enforcement officer or firefighter is killed in the line of duty, the state will pay to the decedent's surviving spouse or surviving dependent a transitional housing benefit payment that covers the cost of a residential mortgage loan or lease agreement for one year for a primary residence. The benefit payments cannot exceed \$5,000 and must be deposited into a third-party managed escrow account. Appropriates \$500,000 from the general fund in FY2020-21 to the newly established Transitional Housing Benefit Fund to pay for the benefit established by this legislation.

**HB 2469 LAW ENFORCEMENT OFFICERS; ADDITIONAL BENEFITS**

If a law enforcement officer was killed in the line of duty, the surviving spouse continues to receive workers' compensation death benefits until the surviving spouse's death regardless of whether the surviving spouse remarries. If a surviving spouse of a deceased law enforcement officer who was killed in the line of duty is receiving payment for health insurance premiums from the officer's employer and the surviving spouse remarries, the health insurance premium payments are no longer discontinued, and family coverage is required to include coverage for the additional new family members. In addition to any other death benefits, a surviving spouse, or a dependent if there is not a surviving spouse, of a deceased member of the Public Safety Personnel Retirement System (PSPRS) or Corrections Officer Retirement Plan (CORP) must receive payment for all of the deceased member's unused sick leave. If a PSPRS or CORP member is receiving an accidental or catastrophic or total and permanent disability pension, the retired member's employer is required to continue to pay the employer portion of the health care benefits that was being paid by the employer on the date that the member's disability pension commenced until the retired member is eligible for Medicare.

**HB 2471 ASSESSMENT; PEACE OFFICER TRAINING EQUIPMENT**

The \$4 assessment levied on civil penalties and deposited in the Peace Officer Training Equipment Fund is levied on every fine, penalty and forfeiture imposed and collected by the courts for criminal offenses and any civil penalty imposed and collected. The assessment cannot be waived and is not subject to a surcharge.

**HB 2472 WORKERS' COMPENSATION; HEART-RELATED CASES; PRESUMPTION**

The presumption that a heart-related, perivascular or pulmonary injury, illness or death of a firefighter is an occupational disease for the purpose of workers' compensation under specified circumstances is conclusive and irrebuttable if there is no evidence that exposure to tobacco products is a substantial contributing cause. Previously, the presumption could be rebutted by a preponderance of the evidence that there was a specific cause of the illness or death other than

the employment.

**HB 2473 CRIMINAL SPEEDING**

A person is guilty of excessive speeding, a class 3 (lowest) misdemeanor, if the person exceeds 90 miles per hour, increased from 85 miles per hour, in locations other than those specified for other speeds.

**HB 2474 PEDESTRIANS; STREET CROSSING; MEDIANS**

Pedestrians are prohibited from being on a "median" (defined) for any purpose other than to cross a street. Some exceptions. Violations are a class 2 (mid-level) misdemeanor.

**HB 2475 LAW ENFORCEMENT OFFICERS; RIGHTS; PRIVILEGES**

A law enforcement officer has all of the officer's rights and privileges that are due to a law enforcement officer 24 hours each day and not only when the law enforcement officer is on duty.

**HB 2476 PENALTY ASSESSMENT; DRIVING SCHOOL FEES**

Levies a penalty assessment of \$13 on every fine, penalty and forfeiture imposed and collected by the courts for criminal offenses and any civil penalty imposed and collected. The court is required to transmit the first \$13 collected from a person for the assessment. Assessment monies are deposited in the Department of Public Safety Forensics Fund. The surcharge for attending defensive driving school is reduced to \$13, from \$45.

**HB 2480 INTERLOCK RESTRICTED LICENSES; VIOLATIONS; REPORTING**

If a person's privilege to operate a motor vehicle has been suspended due to an alcohol-related offense and the person meets specified criteria allowing the person to drive between certain places, the Department of Transportation is required to issue a special ignition interlock restricted driver license that allows the person to operate a motor vehicle that is equipped with a functioning certified ignition interlock device. If a person has a special ignition interlock restricted driver license, the ignition interlock device must report the global positioning system location of the device each time that the vehicle's ignition is successfully started and each time the vehicle's ignition is disengaged. The ignition interlock manufacturer or case management service provider is required to report to the Department of Transportation each time that the person operates the vehicle in violation of the restrictions on the license. The person is required to pay the cost for monitoring the person's special ignition interlock restricted driver license.

**HB 2543 FIREARM TRANSFERS; DOMESTIC VIOLENCE OFFENSES**

For the purpose of the criminal code, the definition of "prohibited possessor" of a firearm is expanded to include any person who has been convicted of either a domestic violence offense that involved another of a specified list of offenses, or any other offense that involves the use or attempted use of physical force or the threatened use of a deadly weapon if the victim and the defendant have a domestic relationship (as defined elsewhere in statute), and to include any person who is subject to an order of protection that was issued after the person received notice and had an opportunity to participate in the proceedings. At the time of sentencing, the court is

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required to inform a person who is a prohibited possessor due to a domestic violence conviction that the person is prohibited from owning or possessing a firearm, and to order the person to transfer all firearms to the appropriate law enforcement agency or a federally licensed firearms dealer within 24 hours after the court issues the order. The law enforcement agency or federally licensed firearms dealer that receives a transferred firearm may dispose of the firearm in accordance with state and federal law.

### **HB 2594 BIG GAME; SALVAGE PERMIT (~~BIG GAME; SALVAGE PERMIT (TITLE 17)~~)**

The carcass of a big game animal may be possessed and transported if a peace officer or an authorized employee of the Department of Game and Fish issues a big game salvage permit. A big game salvage permit may be issued only under specified circumstances, including to the driver of a motor vehicle or another individual if the animal was killed as a result of an accidental collision with a motor vehicle or is euthanized by a peace officer or Department employee as result of injuries sustained by an accidental collision with a motor vehicle, and to the person who reports the carcass if the big game animal died as a result of natural causes. A big game salvage permit is not transferable. A big game salvage permit cannot be issued for a big game animal that the peace officer or Department employee suspects is diseased or spoiled.

### **HB 2598 SANCTUARY JURISDICTION; LIABILITY; CIVIL ACTION**

State officials and agencies, counties, municipalities, and other political subdivisions, including law enforcement officers, are required to comply with a valid immigration detainer that is requested by the federal government or an authorized agent of the federal government. An official, an agency, or a law enforcement officer that intentionally or knowingly fails to comply with a valid immigration detainer that is issued for a person who is detained or incarcerated by the official, agency or law enforcement officer is subject to a civil penalty. If the Attorney General or county attorney finds cause to believe that an entity is violating this requirement, the Attorney General or county attorney is required to commence an action in superior court. An individual, or the spouse, parent or child of the individual if the individual is deceased or permanently incapacitated, is authorized to bring an action for damages against a "sanctuary jurisdiction" (defined) if the individual is the victim of a felony, an "alien" (defined) was arrested, convicted and sentenced to a term of imprisonment for at least one year for the felony, and within ten years before the offense occurred, the jurisdiction intentionally or knowingly failed to either comply with a detainer for, or notify about the release of, the alien or contact the federal government to determine the immigration status of the alien if required by statute. If a sanctuary jurisdiction is found responsible, the clerk of the court is required to notify the State Treasurer of the judgment, and the State Treasurer is required to prepare an itemized claim against the sanctuary jurisdiction for the alien's incarceration costs.

### **HB 2604 CONSULAR IDENTIFICATION CARDS; PERMITTED USE**

The state and its political subdivisions are required, instead of prohibited, to accept a consular identification card issued by a foreign government as a valid form of identification if the foreign government uses "biometric identity verification techniques" (defined) in issuing the consular identification card.

### **HB 2611 RECORDS; CONFIDENTIALITY; HEARING OFFICER**

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For the purpose of statute allowing eligible persons to file an affidavit to request county officers and state agencies prohibit access to that person's information contained in certain public records, the definition of "eligible person" is expanded to include hearing officers appointed for civil traffic violations.

**HB 2624 HUMAN TRAFFICKING; CIVIL ACTION; LIABILITY**

A person who engages in the trafficking of a person or who intentionally or knowingly benefits from participating in a venture that traffics another person is liable to the person trafficked for damages that arise from the trafficking of that person by the person or venture. It is not a defense to liability that the person was acquitted or has not been prosecuted for or convicted of an offense under the criminal code. A claimant who prevails must be awarded actual damages, including damages for mental anguish even if an injury other than mental anguish is not shown, court costs and reasonable attorney fees, and may also recover exemplary damages. These rights and remedies supplement fees, and may also recover exemplary damages. These rights and remedies supplement any other rights and remedies provided by law, including common law rights.

**HB 2646 MANSLAUGHTER; SUICIDE ASSISTANCE; VIOLATION**

A person who is at least 18 years of age commits manslaughter, a class 2 (second highest) felony, by intentionally providing advice or encouragement that a minor uses to commit suicide with the knowledge that the minor intends to commit suicide.

**HB 2652 UNAUTHORIZED RACING MEETINGS; PENALTIES; RACKETEERING**

A person, association or corporation that knowingly holds an "unauthorized racing meeting" (defined as any racing meeting conducted outside the bounds of a racing permit) is guilty of a class 6 (lowest) felony. Holding an unauthorized racing meeting is added to the definition of "racketeering" for the purpose of the criminal code.

**HB 2702 TRESPASSING; CIVIL UNMANNED AIRCRAFT**

For the purpose of criminal trespass, the definition of "entry" is expanded to include the intrusion of any part of any "civil unmanned aircraft" (defined) inside the external boundaries of a structure or unit of real property.

**HB 2703 CIVIL ACTION; INVASION OF PRIVACY**

A person is liable for damages in a civil action for either the physical invasion of privacy by knowingly entering onto the land or into the airspace above the land of another person without permission or trespassing for the purpose of capturing any type of visual image, sound or other physical impression of another person who is in a "private, personal or familial activity" (defined) and in a manner that is offensive to a reasonable person, or for the constructive invasion of privacy by attempting to capture, in a manner that is offensive to a reasonable person, any type of visual image, sound or other physical impression of another person who is engaging in a private, personal or familial activity through the use of any device, whether or not the person physically trespasses, if the visual image, sound or other physical impression could not have been captured by the person without trespassing and the use of the device. Applies only to a visual image, sound or other physical impression that is captured or taken in Arizona

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beginning January 1, 2021. Does not limit any other rights or remedies that the plaintiff may have. Does not impair or limit any otherwise lawful acts by law enforcement personnel or employees of a government agency during an investigation of any conduct to obtain evidence of suspected illegal activity.

**HB 2708 WRONGFUL ARREST; RECORD CLEARANCE**

If a law enforcement officer, party in a criminal case or court has grounds to believe that a person might have been wrongfully arrested, indicted or otherwise charged for a crime, the officer, party or court is required to notify the person of the right to file a petition for entry on all records of a notation that the person has been cleared. The clerk of the court is prohibited from imposing a fee for filing the petition. A person whose record is cleared is authorized to deny that the arrest, indictment or charges ever occurred.

**HB 2713 AGENCY ACTIONS; PROCEDURES; FEE AWARDS**

Modifies statutes governing fees and other expenses the court awards to a party that prevails in an action against the state or a county or municipality by an adjudication on the merits. An award of fees against the state or a county or municipality cannot exceed \$125,000, increased from \$75,000, for fees incurred at each level of judicial appeal. The maximum rate for attorney fees awarded is \$350 per hour for any awards of attorney fees against the state or a county or municipality, instead of only for specified cases, and the maximum rate of \$75 per hour for all other cases is deleted. A person is entitled to have an agency not base a decision regarding any filing or other matter submitted to an agency on a requirement or condition that is not specifically authorized by statute, rule or state tribal gaming compact, and an agency is prohibited from doing so. A determination by an agency that an application is not administratively complete is an appealable agency action. Changes relating to expenses awarded by the court apply to all proceedings that are pending on or filed after the effective date of this legislation.

**HB 2751 DETAINED JUVENILES; ADVISEMENTS; NOTIFICATIONS**

A peace officer who takes a juvenile into temporary custody is required to immediately advise the juvenile of the juvenile's legal rights in language that is comprehensible to a juvenile and to immediately notify the juvenile's parents, guardian or custodian of the juvenile's custody. The arresting peace officer is also required to advise the juvenile's parents, guardian or custodian of the juvenile's legal rights. If a juvenile is a ward of the state, the arresting peace officer is required to notify the public defender or a court-appointed special advocate of the juvenile's custody.

**H2823: AMBULANCE SERVICE; INTERFACILITY TRANSFERS**

Any person wishing to operate an ambulance service in Arizona to provide "interfacility transfers" (defined) is required to apply to the Department of Health Services for a certificate of operation. Requirements for a certificate of operation are specified, including obtaining a hospital system "sponsorship" (defined) and filing a surety bond. Does not apply to any person that has been issued and holds a valid certificate of necessity. The initial certificate of operation must be for a term of three years. Various statutes governing a certificate of necessity are expanded to include a certificate of operation.

**HB 2826 TOBACCO; VAPING; PENALTIES; LEGAL AGE**

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It is unlawful for a person to knowingly sell, give or furnish a tobacco product, vapor product or any instrument or paraphernalia solely designed for smoking or ingesting tobacco or shisha to a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act, instead of to minors. Establishes penalties for violations, including mandatory attendance at a court-approved tobacco retailer educational course and graduated fines. In addition to the fines, if a person commits a second or subsequent violation, the Department of Revenue is required to suspend the person's use of the transaction privilege tax class code for the retail sale of tobacco products and vapor products for a specified period based on the number of violations.

### **HB 2830 TRAFFIC STOPS; POLICE CARS; UNIFORMS**

For the routine enforcement of traffic laws in Arizona, a law enforcement agency is required to use a vehicle that is appropriately marked to show that it is an official law enforcement vehicle, except that a law enforcement agency may use a specially marked law enforcement vehicle if its use will contribute to the safety of the traveling public. The number of specially marked law enforcement vehicles that an agency uses to enforce traffic laws cannot exceed ten percent of the total number of law enforcement vehicles used to enforce traffic laws. A law enforcement officer who operates a law enforcement vehicle for the purpose of making traffic stops and enforcing traffic laws is required to be dressed in an official law enforcement uniform.

### **HB 2831 EPINEPHRINE INJECTIONS; FIRST RESPONDERS; IMMUNITY**

Pursuant to a standing order issued by a licensed physician or nurse practitioner, a "first responder" (defined) who is trained in administering epinephrine injections is authorized to administer an epinephrine injection to a person who the first responder believes in good faith is experiencing anaphylaxis. Licensed physicians and nurse practitioners who issue a standing order and first responders who administer epinephrine injections are immune from professional liability and criminal prosecution for any decision made, act or omission or injury that results from that act if the person acts with reasonable care and in good faith, except in cases of wanton or willful neglect.

### **HB 2853 FURNISHING TOBACCO; MINORS; ENTERPRISE PENALTIES**

It is unlawful for a person to knowingly sell, give or furnish a tobacco product, vapor product or any instrument or paraphernalia solely designed for smoking or ingesting tobacco or shisha to a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act, instead of to minors. Establishes penalties the court must impose on an enterprise that violates this prohibition based on the number of violations. Penalties include mandatory attendance at a court-approved tobacco retailer educational course and graduated fines. For a second or subsequent violation, the court is required to prohibit the enterprise from selling, giving or furnishing tobacco products or vapor products for a specified time period. A violation of this restriction is a petty offense, subject to an additional fine and an extension of the prohibition.

### **HB 2897 MUNICIPAL ELECTION; FIRE SERVICE TAX**

If approved at an election, a municipality is authorized to assess and levy a secondary property tax to pay for the costs of fire protection services and emergency medical services. The manner of calling an election, providing notice of an election, conducting and voting at an election, contesting an election, keeping poll lists, canvassing votes and certifying returns must be the

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same, as nearly practicable, as in elections for officers of the municipality. The words to appear on the ballots must include "fire service tax, yes" and "fire service tax, no."

**SB 1030 EMERGENCY RESPONSE PLANS; EXECUTIVE SESSION**

Charter school governing bodies and school district governing boards are authorized to discuss or consider emergency response plans in executive session. An emergency response plan is not subject to inspection under public records laws.

**SB 1080 CHILD IN DISTRESS ALERT; REQUIREMENTS**

The Department of Public Safety (DPS) is required to establish the child in distress alert notification system as a quick response system designed to issue and coordinate alerts following the report of a missing child who is under 19 years of age and who is in the custody of the Department of Child Safety (DCS) or the foster care system. Circumstances under which DPS is required to issue a child in distress alert are specified. If DPS issues an alert, the law enforcement agency investigating the missing child is required to collect a list of information about the child and disseminate that information to other law enforcement agencies and on social media platforms. DCS is required to disseminate information about the missing child to major media outlets and social media platforms, contact state and federal agencies providing monies to DCS for the child and request that the agency stop providing monies, and contact the missing child's biological family.

**SB 1141 DETENTION OFFICERS; ARREST WARRANT; CUSTODY**

A detention officer who is acting in the officer's official capacity pursuant to a warrant is authorized to arrest a person who is at a hospital facility or a superior, justice or municipal court facility, or a person who is within a jail facility as a visitor and who is found to have an outstanding warrant. A detention officer who is acting in the officer's official capacity is authorized to take custody of a person whom a judicial officer remands into custody during a court proceeding.

**SB 1160 FIREFIGHTERS; CANCERS; PRESUMPTION; WORKERS' COMPENSATION**

The list of diseases or impairment of a firefighter's health that are presumed to be an occupational disease for the purpose of workers' compensation is expanded to include ovarian and breast cancer. Eliminates the requirement that a firefighter was exposed to a known carcinogen and informed the department of the exposure and that the carcinogen is reasonably related to the cancer in order for the presumptions to be granted. The presumptions apply to all firefighters and fire investigators who are currently in service, and to former firefighters or fire investigators who are 65 years of age or younger and who are diagnosed with one of the specified cancers no more than 15 years after the last date of employment as a firefighter or fire investigator. The presumption is conclusive and irrebuttable if the statutory requirements are met. Previously, the presumption could be rebutted by a preponderance of the evidence that there was a specific cause of the cancer other than an occupational exposure. Contains a legislative findings and intent section.

**SB 1161 CANCERS; PRESUMPTION; WORKERS' COMPENSATION**

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The list of diseases or impairment of a firefighter's health that are presumed to be an occupational disease for the purpose of workers' compensation is modified to include any cancer. Deletes the requirement that a firefighter or peace officer was exposed to a known carcinogen and informed the department of the exposure and that the carcinogen is reasonably related to the cancer in order for the presumptions to be granted. The presumptions apply to all firefighters or peace officers who are currently in service. The presumption is conclusive and irrebuttable if the statutory requirements are met. Previously, the presumption could be rebutted by a preponderance of the evidence that there was a specific cause of the cancer other than an occupational exposure. Contains a legislative findings and intent section.

### **SB 1278 VICTIMS' PRIVACY; CRIMINAL CASE INFORMATION**

A victim's identifying and locating information that is obtained, compiled or reported by a law enforcement agency or prosecution agency must be redacted from records pertaining to the criminal case involving the victim, including discovery disclosed to the defendant's attorney or any of the attorney's staff.

### **SB 1333 PEACE OFFICER RIGHTS; DUE PROCESS**

Various changes to statutes relating to disciplinary action for law enforcement officers. Unless the officer waives the right to written notice or immediate action is necessary to preserve evidence, an employer is required to provide the law enforcement officer with a written notice of the intent to interview the officer at least one calendar day before the interview. The notice must include the specific alleged policy violations and the officer's right to have a representative at the interview. In an interview during an administrative investigation, an employer is allowed to ask the law enforcement officer only questions that are material and relevant to the alleged misconduct described in the notice of investigation, and the employer is prohibited from intentionally misrepresenting that direct evidence of the officer's misconduct exists when the evidence does not exist. If allowed by the employer, a law enforcement officer's representative may be on duty during the interview. The employer is not obligated to compensate the representative for overtime pay during the interview. A hearing officer, an administrative law judge and members of an appeals board or a commission that hears an appeal of a disciplinary action by a law enforcement officer are public officials and have the authority to subpoena a witness.

### **SB 1498 WORKERS' COMPENSATION; PHYSICIANS; EXPERTISE; HEARINGS**

An employee, or if the employee is deceased, the employee's estate, surviving spouse or dependent, is permitted to bring any person to any workers' compensation hearing without prior approval of the administrative law judge. The Industrial Commission is prohibited from adopting any rule that in any way restricts this right. A physician who performs a medical examination for workers' compensation and any other physician who testifies at an employee's workers' compensation hearing regarding the employee's condition is required to have expertise in diagnosing and treating the employee's specific injury.

### **SB 1508 LAW ENFORCEMENT OFFICERS; ADDITIONAL BENEFITS**

If a law enforcement officer was killed in the line of duty, the surviving spouse continues to receive workers' compensation death benefits until the surviving spouse's death regardless of whether the surviving spouse remarries. If a surviving spouse of a deceased law enforcement officer who was killed in the line of duty is receiving payment for health insurance premiums

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from the officer's employer and the surviving spouse remarries, the health insurance premium payments are no longer discontinued, and family coverage is required to include coverage for the additional new family members. In addition to any other death benefits, a surviving spouse, or a dependent if there is not a surviving spouse, of a deceased member of the Public Safety Personnel Retirement System or Corrections Officer Retirement Plan must receive payment for all of the deceased member's unused sick leave.

### **SB 1556 CIVIL ASSET FORFEITURE; CONVICTION; PROCEDURES**

The list of property subject to seizure and forfeiture is modified to require the proceeds to be traceable to an offense that resulted in a criminal conviction. Property is subject to forfeiture only if the owner is convicted of an offense to which forfeiture applies and the state establishes by clear and convincing evidence that the property is subject to forfeiture. The state is prohibited from initiating forfeiture proceedings before a criminal conviction for an offense to which forfeiture applies unless no claims for the seized property were timely filed or the court waived the conviction requirement. After a person is convicted of an offense for which forfeiture applies, the court may order the person to forfeit property acquired through the commission of the offense, property directly traceable to property acquired through the commission of the offense, and property the person used in the commission of the offense or to facilitate the offense. Establishes circumstances under which the court is allowed to waive the conviction requirement. Does not prevent property from being forfeited by the terms of a plea agreement. A person who claims to be an innocent owner has the burden of production to show that the person either held a legal right, title or interest in the property seized at the time the illegal conduct occurred, or acquired as a bona fide purchaser a legal right, title or interest in the property after the commission of the crime. All property seized by a law enforcement Agency at any time must be returned to the owner, if known, within ten business days after the property's seizure unless the owner has been arrested and charged with a criminal offense subject to forfeiture, the property is sought to be used as evidence, it is illegal for the owner to possess the property, or the property was seized for forfeiture. Within 60 days after making a seizure for forfeiture, the state is required to file a notice of pending forfeiture proceeding or return the property to the person from whom it was seized. Establishes requirements for serving the notice of pending forfeiture. Allows an owner of the property to file a claim against the property at any time within 60 days after the notice or 60 days before a criminal trial, whichever is later. Beginning August 28, 2020, the Attorney General is prohibited from using monies from the Anti-Racketeering Revolving Fund to pay salaries for full-time equivalent positions. Statutes governing various forfeiture proceedings are repealed and replaced.

### **SB 1664 CIVIL LIABILITY; GUN-FREE ZONES**

A government entity that establishes a "gun-free zone" (defined) is liable for any damages claimed by a person who was harmed by criminal conduct in the gun-free zone if a reasonable person would believe that possession of a firearm could have helped the person defend against the criminal conduct. The court is authorized to award treble damages to the person who was harmed if the criminal conduct is found to be a terrorist attack or the person harmed is disabled, a member of a minority group, or over 65 years of age at the time of the criminal conduct.

### **SB 1667 FIREWORKS; AERIAL DEVICES**

The definition of "permissible consumer fireworks" in a county with a population of more than 500,000 persons is expanded to include "multiple-tube aerial devices" (defined as specified

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mine and shell devices and multiple tube fireworks devices and pyrotechnic articles that are defined in an American Pyrotechnics Association rule, with some exclusions).

## Transportation

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### *New Laws*

#### **SB 1305 (CHAPTER 78) PERSONAL DELIVERY DEVICES**

Establishes a new article in Title 28 (Transportation) regulating "personal delivery devices" (defined). A person may operate a personal delivery device only if the person is a business entity and a human who is an agent is capable of monitoring or exercising physical control over the navigation and operation of the device. When a personal delivery device operated by a business entity is engaged, the business entity is the operator of the personal delivery device solely for the purpose of assessing compliance with applicable traffic laws. Establishes requirements for personal delivery devices, including operating in a manner that complies with traffic laws that apply to pedestrians and yielding to or not obstructing the right-of-way of all other traffic, including pedestrians. A personal delivery device may be operated at speeds up to 12 miles per hour in a pedestrian area, or at speeds up to 20 miles per hour on the side or shoulder of a highway in an area that is not a pedestrian area. Local authorities are authorized to establish a lower maximum speed in a pedestrian area in specified circumstances, but the maximum speed cannot be less than 7 miles per hour. Establishes personal delivery device equipment requirements, including a braking system and lights for nighttime operation. A business entity that operates a personal delivery device is required to maintain an insurance policy that includes general liability coverage of at least \$100,000 for damages arising from the operation of the device. Local authorities cannot regulate the operation of a personal delivery device in a manner inconsistent with this legislation. Effective September 1, 2020.

### *Bills that Failed*

#### **HB 2200 APPROPRIATION; STATE AVIATION FUND**

Appropriates \$10 million from the general fund in FY2020-21 to the State Aviation Fund.

#### **HB 2442: HIGHWAY SAFETY FEE REPEAL**

Repeals the highway safety fee that was previously required to be in an amount established by the Director of the Department of Transportation annually in order to fund 110 percent of the Department of Public Safety Highway Patrol budget for each fiscal year.

#### **HB 2485 PARKED VEHICLES BLOCKING SIDEWALK; PROHIBITION**

The prohibition against a person stopping, standing or parking a vehicle on a sidewalk includes stopping, standing or parking a vehicle so that any part of or attachment to the vehicle blocks an area of a sidewalk and impedes continuous pedestrian use of the sidewalk in a manner that is not consistent with the Americans With Disabilities Act.

#### **HB 2605 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."

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**HB 2750 APPROPRIATION; LOOP 101 SLIP RAMP**

Appropriates \$5 million from the general fund in FY2020-21 to the Department of Transportation to distribute to the City of Tolleson for the Loop 101 slip ramp access project.

**HB 2899 FUEL; ELECTRIC CARS; HYBRIDS; TAXES**

Establishes an additional tax on motor vehicle fuel possessed, used or consumed in Arizona of 24 cents per gallon in FY2020-21, 30 cents per gallon in FY2021-22, and 36 cents per gallon in FY2022-23. Imposes a tax on natural gas used in the propulsion of any vehicle at a rate of 24 cents per gallon in FY2020-21, 30 cents per gallon in FY2021-22, and 36 cents per gallon in FY2022-23. Imposes a tax on propane used in the propulsion of any vehicle at a rate of 18 cents per gallon in FY2020-21, 23 cents per gallon in FY2021-22, and 28 cents per gallon in FY2022-23. Imposes a tax on electricity used in the propulsion of any vehicle at a rate of 2 cents per kilowatt in FY2020-21 and FY2021-22, and 3 cents per kilowatt in FY2022-23. Imposes use fuel taxes on use fuel, natural gas, propane and electricity used in the propulsion of a light class motor vehicle, and establishes use fuel tax rates. Imposes a tax on a vehicle that accesses a street or highway and that is propelled by electricity of \$111 per year for FY2020-21, \$139 per year for FY2021-22, and \$155 per year for FY2022-23. Imposes a tax on a vehicle that accesses a street or highway and that is propelled by a combination of electricity and other fuels of \$45 per year for FY2020-21, \$56 per year for FY2021-22, and \$67 per year for FY2022-23. For FY2023-24 and each year after, each of these rates must be adjusted annually to reflect the change in the gross domestic product implicit price deflator reported by the U.S. Department of Commerce from January 1, 2020 to December 31 of the prior year. Monies collected from these taxes are deposited in the newly established Arizona Road Use Account in the Highway User Revenue Fund. Monies in the Account must be used exclusively for maintaining, preserving and constructing streets, road and highways and administering those activities. The Department of Transportation is required to study the feasibility of converting from a flat tax rate for electric vehicles to a kilowatt per mile, or egallon, tax rate or equivalent, and to submit a report of the study to the Governor and the Legislature by December 31, 2025. Also requires the Department of Agriculture Division of Weights and Measures to adopt rules requiring the retail sale of compressed natural gas and liquefied natural gas that are used as a motor vehicle fuel to be dispensed in a specified manner. Contains legislative findings. 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 1156 APPROPRIATION; INTERSTATE 10; RECONSTRUCTION**

Appropriates \$15 million from the general fund in each of FY2020-21 and FY2021-22 to the Department of Transportation to reconstruct Interstate 10 from Miller Road to Verrado Way. The Department is permitted to spend the monies only if the Department determines that the federal government and entities other than the federal government or the state will pay at least 50 percent of the total cost of the project.

**SB 1157 APPROPRIATION; STATE ROUTE 101**

Appropriates \$40 million from the general fund in FY2020-21 to the Department of Transportation to widen State Route 101 from 75th Avenue to Interstate 17. The Department is permitted to spend the monies only if the Department determines that the federal government and entities other than the federal government or the state will pay at least 50

percent of the total cost of the project.

**SB 1669 VEHICLE SPEED LIMITS**

The definition of excessive speeding, a class 3 (lowest) misdemeanor is modified to include exceeding the posted speed limit by more than 20 miles per hour, instead of exceeding 85 miles per hour. If the maximum speed limit on a public highway in Arizona is 65 miles per hour, a person is prohibited from driving a motor vehicle at a speed in excess of 65 miles per hour on that highway. If the speed at which the person is alleged to have driven or the speed at which the court finds the person drove is 75 miles per hour or less, the offense is designated as the waste of a finite resource and is a civil traffic violation. If the maximum speed limit on a public highway in Arizona is 75 miles per hour, a person is prohibited from driving a motor vehicle at a speed in excess of 75 miles per hour on that highway. If the speed at which the person is alleged to have driven or the speed at which the court finds the person drove is 85 miles per hour or less, the offense is designated as the waste of a finite resource and is a civil traffic violation.

## Water/Environmental Resources

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*New Laws*

No bills.

*Bills that Failed*

**HB 2101 APPROPRIATION; ARIZONA WATER PROTECTION FUND**

Appropriates \$1 million from the general fund in FY2020-21 to the Arizona Water Protection Fund.

**HB 2309 GROUNDWATER; WATERLOGGED AREA EXEMPTION; DATE**

The exemption from irrigation water duties for persons entitled to use groundwater under an irrigation grandfathered right is extended ten years, to December 31, 2034. The exemption from any applicable conservation requirements for the distribution of groundwater for the Arlington Canal Company, the Buckeye Water Conservation and Drainage District and the St. John's Irrigation District is extended ten years, to December 31, 2034. The Director of the Department of Water Resources is required to submit a recommendation to the Governor and the Legislature by November 15, 2031 regarding extending these exemptions.

**HB 2613 WATER RESOURCES ANNUAL REPORT**

The deadline for the Department of Water Resources to provide the Governor and the Legislature with an annual operations report is moved to August 15 of each year, from July 1. The report must be made available to the public on the Department's website.

**HB 2675 WATER CONSERVATION NOTICE; NO ABANDONMENT**

Beginning on the effective date of this legislation, a person who is entitled to the use of water is authorized to file with the Department of Water Resources a water conservation plan notice. Information that must be included in the notice is listed. On filing a water conservation plan notice, the conservation of water pursuant to the plan does not constitute abandonment or forfeiture of the water conserved. A person cannot accrue long-term storage credits for any water that is conserved in a water conservation plan notice. A water conservation plan is required to designate a duration of up to 10 years, and the person filing the notice may file a subsequent notice for one or more periods of up to 10 years. Contains a legislative intent section.

**HB 2677 GROUNDWATER REPLENISHMENT RESERVES**

Modifies the calculation for groundwater replenishment reserve targets for active management areas within a multi-county water conservation district.

**HB 2818 ADJUDICATION; SUBFLOW WELLS; CLAIM; PRIORITY**

In a watershed that is subject to the jurisdiction of a court, a person is authorized to apply for a right to withdraw appropriable surface water from a well for beneficial use if a list of specified conditions apply, including that the well existed in the boundaries of the subflow zone when the court entered the final judgment establishing its boundaries and that the well has historically withdrawn water for any beneficial use. The priority date of this water right is the date that water withdrawn from the well was first put to beneficial use. A person whose well has been determined to exist in a subflow zone is authorized to file a new or amended statement of claimant and a notice of filing with the court. Within a reasonable time after the filing, the master is required to determine whether there is clear and convincing evidence that the well that is the subject of the statement of claimant is withdrawing appropriable surface water, determine what proportion of the water withdrawn by the well is surface water, and recommend water rights attributes for the well. On receipt of the master's report, the court is required to enter a judgment that determines the extent of the appropriable surface water right in the well and the priority date of the water right.

**HB 2880 ASSURED WATER SUPPLY; AVAILABILITY; PLATS**

For an application to modify or renew a designation of assured water supply in the Pinal Active Management Area, the Department of Water Resources is prohibited from reviewing the physical availability of groundwater that was determined to be physically available under the previous designation. The following are deemed physically available for purposes of an assured water supply designation: stored water that is to be recovered by the applicant within the "area of impact" (defined) on an annual basis or under long-term storage credits pledged to the designation, and physically available water that will be stored within the area of impact on an annual basis or as long-term storage credits in the future. For the purposes of statute governing an assignment of a certificate of assured water supply, and for a holder of a certificate of assured water supply for a platted subdivision, an increase in the total number of housing units does not constitute a material change in the subdivision plat, plan or map. Contains a legislative intent section.

**SB 1301 WATER BANKING; STORAGE CREDITS; SUBCONTRACTORS**

The Arizona Water Banking Authority is authorized to distribute long-term water storage credits to Central Arizona Water Conservation District's (CAWCD) municipal and industrial subcontractors. Long-term water storage credits that are distributed to a CAWCD municipal and industrial subcontractor cannot be sold, and the subcontractor is responsible for all fees assessed by the Authority or the Department of Water Resources for the distribution of the long-term storage credits and all costs of recovery of the long-term storage credits.

## Other Legislation

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### *New Laws*

#### **HB 2902 (CHAPTER 49) BUDGET; BRB; K-12 EDUCATION; 2020-2021 (~~K-12 EDUCATION; BUDGET RECONCILIATION; 2020-2021~~)**

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 \$4,305.73, from \$4,150.43, for FY2020-21. 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 transportation support level per route mile funding for FY2020-21. Increases the per student amount for charter additional assistance to \$1,875.21, from \$1,843.14, for preschool for children with disabilities and grades K-8, and to \$2,185.53, from \$2,128.15, for grades 9-12. The reduction amount of basic state aid for district additional assistance required by the FY2018-19 budget for FY2020-21 is lowered to \$64.37 million, from \$128.7 million. The reduction amount of charter additional assistance required by the FY2018-19 budget for FY2020-21 is lowered to \$3.4 million, from \$6.81 million. The reductions of basic state aid for district additional assistance and charter additional assistance for FY2021-22 are eliminated. The state equalization assistance property tax rate in tax year 2020 is \$0.4426, and the qualifying tax rates in tax year 2020 are modified. Establishes an allocation formula for monies in the Results-Based Funding Fund. Schools that perform in the top 13 percent of all schools statewide on statewide assessments and that have fewer than 60 percent of enrolled students qualifying for free and reduced-price lunches will receive \$225 per student. Schools that perform in the top 13 percent of all schools statewide on statewide assessments and that have 60 percent or more of enrolled students qualifying for free and reduced-price lunches will receive \$400 per student. Schools that perform in the top 27 percent but not in the top 13 percent of all schools statewide on statewide assessments and that have 60 percent or more of enrolled students qualifying for free and reduced-price lunches will receive \$225 per student.

#### **HB 2903 (CHAPTER 50) BUDGET; BRB; HIGHER EDUCATION; 2020-2021 (~~HIGHER EDUCATION; BUDGET RECONCILIATION; 2020-2021~~)**

Makes policy changes in college and university programs that affect the state budget. For FY2020-21, each dollar raised by the surcharge on student registration assessed by the Arizona Board of Regents for the Financial Aid Trust Fund may be matched by less than \$2 appropriated by the Legislature. Operating state aid for community college districts for FY2020-21 and state aid for science, technology, engineering and mathematics and workforce programs for community college districts for FY2020-21 are as specified in the general appropriations act.

#### **HB 2904 (See Identical Bill SB 1687) BUDGET; BRB; HUMAN SERVICES; 2020-2021 (~~HUMAN SERVICES; BUDGET RECONCILIATION; 2020-2021~~)**

Makes various policy changes in the areas of human services that affect the budget. The Department of Economic Security (DES) is authorized to use monies in the Special Administration Fund to pay for domestic violence prevention and cost-effectiveness study client services. During FY2020-21, DES is required to screen and test each adult recipient of

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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. By September 30, 2021, the Auditor General is required to provide to the Governor and the Legislature a report regarding the Department of Child Safety's practices for classifying and locating runaway or missing children. Information that must be included in the report is specified.

**HB 2905 (See Identical Bill SB 1688) BUDGET; BRB; HEALTH; 2020-2021  
(~~HEALTH; BUDGET RECONCILIATION; 2020-2021~~)**

Makes various policy changes in the area of public health that affect the budget. For the contract year beginning October 1, 2020 and ending September 30, 2021, the Arizona Health Care Cost Containment System (AHCCCS) Administration is authorized to continue the risk contingency rate setting for all managed care organizations and the funding for all managed care organizations administrative funding levels that was imposed for the contract year beginning October 1, 2010 and ending September 30, 2011. By December 31, 2021, for FY2020-21, the AHCCCS Administration is required to transfer to the counties the portion, if any, as may be necessary to comply with the federal Patient Protection and Affordable Care Act. Specifies county contributions for ALTCS, and AHCCCS acute care and hospitalization and medical care for FY2020-21. County contributions for Proposition 204 administrative costs and for competency restoration treatment are excluded from county expenditure limitations. The Department of Health Services is authorized to increase fees in FY2020-21 for services provided by the Bureau of Radiation Control in order to generate \$1.9 million for deposit in the Health Services of Radiation Control in order to generate \$1.9 million for deposit in the Health Services Licensing Fund. Monies in the Health Services Lottery Monies Fund may be used for the purposes specified in the FY2020-21 general appropriations act. Disproportionate share hospitals (DSH) payments for FY2020-21 include \$113.8 million for a qualifying non-state operated public hospital, \$4.2 million of which must be distributed to the Maricopa County Special Health Care District, \$28.5 million for the Arizona State Hospital, and \$884,800 for private qualifying hospitals. After these DSH payments are made, the allocations of DSH payment must be made available first to qualifying private hospitals located outside of the Phoenix metropolitan statistical area and the Tucson metropolitan statistical area before being made available to qualifying private hospitals within those areas.

**HB 2906 (See Identical Bill SB 1689) BUDGET; BRB; ENVIRONMENT; 2020-2021  
(~~ENVIRONMENT; BUDGET RECONCILIATION; 2020-2021~~)**

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 FY2020-21. DWR is authorized to increase fees in FY2019-20 for services in FY2019-20 to generate \$100,200. Allows monies appropriated to the Arizona Navigable Stream Adjudication Commission from the Arizona Water Banking Fund to be used in FY2020-21 to pay legal fees. Notwithstanding statutory requirements, the general fund appropriation to the Water Quality Assurance Revolving Fund (WQARF) for FY2020-21 is capped at \$10 million. Appropriates \$2.8 million from the Emissions Inspection Fund, \$1.1 million from the Air Quality Fund, and \$1.05 million from the Recycling Fund in FY2020-21 to the WQARF. The Department of Environmental Quality (DEQ) is required to charge the same fees in FY2020-21 that were charged in FY2019-20 for vehicle emissions testing conducted in Area A (Phoenix metropolitan). Allows DEQ to use up to \$6.53 million from the

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Underground Storage Tank Revolving Fund in FY2019-20 for administrative costs of DEQ and for remediating sewage discharge issues in Naco, Arizona and other border areas of Arizona.

**HB 2908 (See Identical Bill SB 1691) BUDGET; CAPITAL OUTLAY; APPROPRIATIONS; 2020-2021 (CAPITAL OUTLAY; APPROPRIATIONS; 2020-2021)**

Makes various appropriations for capital expenditures for FY2020-21. Appropriates \$378.7 million from the State Highway Fund to the Department of Transportation (DOT) for state highway construction. Appropriates \$30.9 million from the general fund in FY2020-21 to DOT for deposit in the State Aviation Fund to plan, construct develop and improve county and municipal airports as determined by the State Transportation Board. Appropriates \$11 million from the general fund and \$19 million from other funds in FY2020-21 to the Department of Corrections to replace locking, HVAC and fire suppression systems at the Lewis and Yuma state prison complexes. Also appropriates \$16 million from the Capital Outlay Stabilization Fund to the Department of Administration, \$5.46 million from the Department of Corrections Building Renewal Fund to the Department of Corrections, \$1.58 million from the Game and Fish Fund to the Game and Fish Department, and \$13 million from the State Highway Fund to DOT for building renewal projects and expenditures.

**HB 2910 (CHAPTER 47) PUBLIC SCHOOL CLOSURES; CORONAVIRUS DISEASE**

If, following the statewide school closure announced on March 15, 2020 by the Governor and the Superintendent of Public Instruction in response to a state of emergency declaration by the Governor related to the coronavirus disease 2019 (COVID-19), the statewide closure of public schools in Arizona is lifted on or before March 29, 2020, all of the following apply: public schools are not required to extend the number of school days or add additional instructional hours after the statewide closure ends to make up for the days and hours missed, the testing window for the statewide assessment is extended through May 31, 2020, a public school's letter grade for the 2019-2020 school year is the higher of the school's 2018-2019 letter grade or 2019-2020 letter grade, and each public school is required to continue to pay all its employees, including hourly employees, for the duration of the school closure. If the statewide school closure is not lifted on or before March 29, 2020, a list of provisions applies, including that the statewide assessment is canceled, a public school's letter grade is the 2018-19 letter grade, and the State Board of Education is required to adopt rules for high school graduation for the 2019-20 school year. For the 2019-20 school year, students are not required to demonstrate sufficient reading skills in order to be promoted from the third grade. Public schools are not required to extend the number of school days or add additional instructional hours after the statewide closure ends to make up for the days and hours missed as a result of the first two weeks of the closure, and beginning on March 30, 2020, each public school is required to offer students general educational delivery via alternative formats as determined by the school for the duration of the statewide closure as a condition of the school receiving continued formula funding based on the school's 100th-day average daily membership. If the closure is not lifted before the scheduled end of the school's 2019-2020 posted school year calendar, the school is required to continue offering general educational delivery via alternative formats until the scheduled end of the school year. If the closure is lifted before the scheduled end of the school year, the school is required to either resume physical operations or continue offering general educational delivery via alternative formats until the scheduled end of the school year. If the closure causes the daily route mileage of a school district to be lower in FY2019-20 than it was

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in FY2018-19, the daily route mileage for the purpose of calculating the transportation support level in FY2020-21 is the daily route mileage from FY2018-19. A public school's transportation fleet is allowed to be used to perform school operations that are deemed to support students and their families during the statewide closure as determined by the school. Each public school is required to continue to pay all its employees, including hourly employees, for the duration of the school closure, if employees that are able to perform work tasks remotely do so and other employees are reassigned to other tasks performed remotely beginning March 30, 2020 through the duration of the closure. During the 2019-20 school year, public schools are authorized to deviate from statutory requirements relating to special education program. Public schools are authorized to use any monies generated during the 2019-20 school year to provide summer school instruction during the summer of 2020 only. For the 2019-2020 school year, statutory prohibitions on supplanting federal and state monies are suspended. By April 15, 2020, the Department of Education is required to apply to the U.S. Department of Education for a waiver of specified requirements that cannot be met in the 2019-20 school year due to the state of emergency declaration by the Governor related to COVID-19. Retroactive to March 16, 2020. Emergency clause.

**SB 1690 (CHAPTER 56) BUDGET; BRB; BUDGET PROCEDURES; 2020-2021**

Makes various changes that affect the budget across agencies. Requires any unrestricted federal monies received by Arizona in FY2020-21 to be deposited in the general fund. Maintains the Capital Outlay Stabilization Fund rental rates for state-owned buildings of \$17.87/square foot for office space and \$6.43/square foot for storage space. For FY2020-21, FY2021-22, and FY2022-23, the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund. Retroactive to July 1, 2020, the Motor Vehicle Pool Consolidation Fund start date is moved to July 1, 2021, from July 1, 2020. Reimbursement of expenses incurred by counties to administer the 2020 presidential preference election must be made as prescribed by the FY2020-21 general appropriations act. Establishes the Crisis Contingency and Safety Net Fund, to be administered by the Governor, and allows monies in the Fund to be spent only following a state of emergency declaration by the Governor for specified types of economic assistance during the state of emergency. Before spending monies in the Fund, the Governor is required to notify the Legislature on the intended use of the monies. Makes a supplemental appropriation of \$50 million from the general fund in FY2019-20 to the Fund. States that the legislature intends for counties and municipalities to review their eviction policies and procedures during the state of emergency declaration by the governor related to the coronavirus disease 2019 (COVID-19) to allow individuals and families to remain in their places of residence.

**SB 1694 (CHAPTER 48) UNEMPLOYMENT COMPENSATION; CORONAVIRUS DISEASE**

The Department of Economic Security is authorized to implement alternative benefit eligibility and employer contribution requirements for the federal-state unemployment insurance program for individuals and employers who are affected by a federal declaration of emergency related to the coronavirus disease 2019. The Department is authorized to adopt rules necessary to administer this authorization. Contains a legislative intent section. Retroactive to March 11, 2020. Emergency clause.

**HB 2127 MUNICIPAL PUBLIC LIBRARIES; ANNUAL REPORT**

The due date for the trustees of a municipal public library to make a report to the municipal governing body is changed to the second Monday of July of each year, instead of the first Monday of July of each year.

**HB 2349 HISTORICAL SOCIETY; LOCAL CHAPTERS; FUND**

Establishes a Historical Society Chapter Building Enhancement Fund for each chapter organized by the Arizona Historical Society Board of Directors, consisting of monies, gifts and contributions donated to a chapter. By December 1, each chapter is required to prepare an annual report to the Society that accounts for all monies received in a fund and the purposes for which the monies were spent during the previous fiscal year.

**HB 2607 STATE CONTRACTORS; BIDDERS; LOBBYING PROHIBITION**

A person or firm that responds to a solicitation for the procurement of materials, services or construction is prohibited from engaging in "lobbying" (defined elsewhere in statute) beginning on signature of the first nondisclosure agreement pertaining to a particular solicitation or at the time of request for a sole source procurement or competition impracticable procurement and ending at the time of contract award. A person or firm that is awarded a state contract for materials, services or construction may not engage in lobbying beginning at the time of contract award and ending at the expiration of the contract.

**HB 2608 OVERDOSE; DISEASE PREVENTION; PROGRAMS**

Counties, municipalities, and nongovernmental organizations, or any combination of these entities, are authorized to establish and operate an overdose and disease prevention program, and required objectives for the program are listed. A program is required to offer specified services, including disposal of used needles and hypodermic syringes, needles and hypodermic syringes at no cost, access to kits that contain naloxone hydrochloride or any other opioid antagonist that is approved by the U.S. Food and Drug Administration to treat a drug overdose or referrals to programs that provide access, and consultations concerning mental health or substance use disorder 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 verification that the item was obtained from a program.

**HB 2685 GOVERNMENT ASSISTANCE; POINT OF CONTACT**

In any written communication between a state agency or a municipality and a person that demands payment of a tax, fee, penalty, fine or assessment or that denies an application for a permit or license, the state agency or municipality is required to provide the name, telephone number and email address of the employee who is authorized and able to provide information about the communication. An employee who is authorized and able to provide information about any such communication is required to reply within five business days after the state agency or municipality receives that communication.

**2020 END OF SESSION REPORT  
HB 2739 LIQUOR OMNIBUS**

Various changes to statutes relating to spirituous liquor. Alcoholic beverages that are "commercially produced" (defined) by a duly licensed producer are exempt from Department of Health Services food control statutes and rules. Distillers and brewers are authorized to provide sampling of up to 16 ounces of beer or cooler products, increased from 12 ounces. A representative of a producer or wholesaler participating at a special event is allowed to consume small amounts of the products of the producer or wholesaler on the premises of the special event for the purpose of quality control. A licensee with joint premises privileges is prohibited from allowing a person under the legal drinking age to remain in an area where the primary use is the sale, dispensing or consumption of spirituous liquor if the person is not accompanied by a spouse, parent, grandparent or legal guardian of legal drinking age, instead of if the person is not accompanied by an adult. A licensed craft distiller that produces up to 3,566 gallons, increased from 1,289 gallons, of distilled spirits in a calendar year is allowed to make sales and deliveries of distilled spirits that the licensed craft distiller produces to on-sale and off-sale retailers.

**SB 1335 TOURISM MARKETING AUTHORITIES**

Establishes a new chapter in Title 9 (Cities and Towns) and a new chapter in Title 11 (Counties) allowing the governing body of one or more municipalities and/or of a county with a population of less than 2 million persons (all but Maricopa County) to adopt a resolution, on presentation of a petition signed by the owners of at least 67 percent of the transient lodging rooms in the geographic area, forming a tourism marketing authority to promote and enhance tourism in that geographic area. Establishes powers and duties of a tourism marketing authority, including authorization to levy an assessment of up to \$5 per room on transient lodging rooms sold per night. A tourism marketing authority is governed by a board of directors, and budgeting, recordkeeping and reporting requirements for the board are specified. Establishes a process for termination of a tourism marketing authority.

**SB 1391 SMOKING REGULATION; ELECTRONIC SMOKING DEVICES**

For the purposes of the statutes prohibiting smoking in all public places and places of employment in Arizona, the definition of "smoking" is expanded to include marijuana and the use of an "electronic smoking device" (defined). The list of places exempt from the prohibition on smoking in public places is modified to remove veterans and fraternal clubs when they are not open to the public and smoking as part of a theatrical performance on a stage or in the course of a film or television production. Other definitions are also modified. 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 1401 SMOKING DEVICES; TOBACCO PRODUCTS; DEFINITIONS**

For the purposes of the statutes prohibiting the furnishing of tobacco products to minors and statutes regulating tobacco sales, the definition of "tobacco products" is expanded to include any product containing, made of or derived from tobacco or nicotine and that is intended for human consumption, and to include an "electronic smoking device" (defined) and any substance that may be aerosolized or vaporized by the device, whether or not it contains nicotine, and any component, part, or accessory that is used in the consumption of these products.

**SB 1435 DEATH BENEFIT; TRANSITIONAL HOUSING BENEFIT**

In addition to any other death benefit, if a law enforcement officer or firefighter is killed in the line of duty, the state will pay to the decedent's surviving spouse or surviving dependent a transitional housing benefit payment that covers the cost of a residential mortgage loan or lease agreement for one year for a primary residence. The benefit payments cannot exceed \$5,000 and must be deposited into a third-party managed escrow account. Appropriates \$500,000 from the general fund in FY2020-21 to the newly established Transitional Housing Benefit Fund to pay for the benefit established by this legislation.

**SB 1459 PRIVATE ATTORNEY RETENTION; MUNICIPALITIES; COUNTIES**

Counties and municipalities are prohibited from entering into a contingency fee contract with a private attorney unless the county or municipal attorney makes a written determination before entering into the contract that contingency fee representation is both cost effective and in the public interest. The written determination is required to include specific findings for a list of specified factors. Before a contingency fee contract with a private attorney is effective and enforceable and before any monies may be spent by the county or municipality, the county or municipality is required to receive approval from the Attorney General's Office for the contract. Counties and municipalities are prohibited from entering into a contingency fee contract that provides for the county's or municipality's private attorney to receive a contingency fee from the county's or municipality's portion of the recovery in excess of an aggregate of a list of specified percentage based on the recovery amount. The contingency fee received by the county's or municipality's private attorney cannot exceed \$50 million. Establishes additional requirements for county or municipal contracts for contingency fee attorney services. Does not apply to any contingency fee contract in which a county or municipality hires a private attorney to pursue debt collection cases.

**SB 1510 PUBLIC CONTRACTS; PAYMENT METHODS**

In lieu of retaining ten percent of an estimate, a government "agent" (defined elsewhere in statute) entering into a contract with a contractor, at the option of the contractor, is required to accept as a substitute an assignment of money market accounts or demand deposit accounts. The amount deposited in a money market account or demand deposit account in lieu of the retention cannot be released by the financial institution to the contractor except on written authorization of the agent.

**SB 1640 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.

## Elections/Public Notice

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*New Laws*

**No bills.**

*Bills that Failed*

**HB 2028 CANDIDATE SIGNS; PROHIBITION; PRIMARY**

Increases the period of time that political signs may be placed in a public right-of-way to 150 days before the date of the general election until 7 days after the date of the general election, instead of 45 days before the primary election until 7 days after the general election. The date of the election does not include the period of early voting for that election.

**HB 2144 STATE LIQUOR BOARD; MEMBERSHIP**

One of the five members of the State Liquor Board with no financial interest in business licensed to deal with spirituous liquors is required to be a current or former elected municipal officials. Session law allows current Board members to continue to serve until the expiration of their normal terms.

**SB 1283 APPROPRIATION; EMERGENCY SHELTER BEDS; SENIORS**

Appropriates \$5 million from the general fund in FY2020-21 to the Department of Economic Security for emergency shelter beds in western Maricopa County to shelter and serve homeless seniors who are at least 55 years of age. The Department is required to distribute the monies to a single Arizona nonprofit provider that meets a list of specified requirements.