



**CITY OF GLENDALE**

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Public Affairs Department

# 2019 End of Session Report

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## Session Summary

The 54th Legislature, First Regular Session concluded *Sine Die* on May 28, 2019 after 135 days. Legislators introduced 1,418 bills, memorials, and resolutions and sent 331 bills to the Governor. Of these, 320 were signed into law and 11 were vetoed by Governor Ducey. The new laws will become effective 90 days after adjournment (August 27, 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 2019 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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As Arizona continues to experience profound economic growth and works to attract new businesses from across the country, state revenues continue to increase. Debate at the capitol focused on what to do with nearly \$1 billion in new revenue, with the executive budget recommendation requesting that increased funding be dedicated to paying off state buildings, placing money in the state rainy day fund, and maintaining commitments made to K-12 education during the 2018 Legislative Session.

In total, the Fiscal Year 2019-20 (FY 20) budget includes state General Fund spending of \$11.8 billion which is a 13.4% increase above last year. Major areas of spending include \$5.2 billion for primary and secondary education (an increase of \$500 million from the previous year), \$1.7 billion for AHCCCS, \$1.13 billion for the Department of Corrections, and \$751.9 million for the three instate Arizona Universities. Ongoing General Fund increases were provided to the Department of Education (\$164.7 million) to fund the first of two annual 5 percent teacher salary increases (In addition to the 10% salary increase in FY2019). The adopted budget also included a number of one-time increases including \$95 million in transportation and infrastructure funding, \$190 million for paying off the debit associated with the Arizona Capitol buildings, \$20 million for well water infrastructure as part of the Drought Contingency Plan, and \$271 million to the Budget Stabilization (Rainy Day) Fund. It is estimated that the state will end FY 18 with a cash balance of \$64 million, not including the balance in the rainy-day fund which is currently over \$310 million. The budget package for FY 20 was signed into law on May 31, 2019.

## Fiscal Sustainability

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*New Laws*

### **HB 2007 (CHAPTER 25) ASRS; POLITICAL SUBDIVISION PLANS; ADJUSTMENTS**

An employee of a political subdivision who was previously a member of another public employee retirement system and who receives or is eligible to receive retirement benefits from that system is ineligible to receive service credit from the Arizona State Retirement System (ASRS) for the same period of employment. ASRS employers are permitted to correct a contributions error by making payment adjustments through the employer's payroll reporting if the adjustment is made within the same fiscal year and the employer obtains written consent from the employee.

### **HB 2027 (CHAPTER 124) ONLINE LODGING MARKETPLACE; LOCAL TAXATION**

Municipalities and other taxing jurisdictions are authorized to levy a transaction privilege or other similar tax or fee on an online lodging marketplace from any activity subject to tax under the model city tax code, with the tax base for an online marketplace being limited according to statute governing the online lodging marketplace classification of transaction privilege taxes and subject to specified conditions, including that the tax imposed on online lodging marketplaces and online lodging operators must be uniform with all other taxpayers engaging in the same activity within the jurisdictional boundaries. Previously, municipalities and other taxing jurisdictions were authorized to levy a transaction privilege or other similar tax or fee on online lodging "as provided by" the model city tax code, subject to specified conditions, including that the tax imposed was required to be uniform on online lodging marketplaces, online lodging operators, and other taxpayers "of the same class" within the jurisdictional boundaries.

### **HB 2078 (CHAPTER 35) LOCAL GOVERNMENT INVESTMENT POOL**

For the purpose of local government investment pools, "political subdivision" is defined as any governmental entity operating under the authority of this state, including a city, town, county, school district or community college district or any other entity organized under state law.

### **HB 2188 (CHAPTER 90) FUNERAL DIRECTOR INTERNS**

An intern licensed by the Board of Funeral Directors and Embalmers is authorized to arrange and direct funerals under the supervision of a licensed funeral director.

### **HB 2373 (CHAPTER 203) TAX CORRECTIONS ACT OF 2019**

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.

### **HB 2422 (CHAPTER 36) PUBLIC RETIREMENT SYSTEMS**

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Numerous changes relating to public retirement systems. The Public Safety Personnel Retirement System (PSPRS) Board is required to establish a deferred compensation plan in which a PSPRS member may voluntarily participate, and plan provisions are specified. An active member of the Elected Officials' Defined Contribution Retirement System (EODCRS) or Public Safety Personnel Defined Contribution Retirement Plan (PSPDCRP) who volunteers or is ordered to perform military service is permitted to receive years of service for up to 60 months of military service as provided by federal law. The member's employer is required to make employer contributions and the member is required to make member contributions. Provides a process for paying contributions and crediting service. For deaths occurring from and after January 1, 2014 for the EODCRS or from and after July 1, 2017 for the PSPDCRP, in the case of a member who dies while performing qualified military service, the survivors of the member are entitled to any benefits, other than benefit accruals relating to the period of qualified military service, provided under the EODCRS or PSPDCRP as though the member resumed and then terminated employment on account of death. The provisions relating to defined contribution retirement plans are retroactive to the dates these death benefits are valid. Credited service provisions for military service members of the Arizona State Retirement System and PSPRS are extended to a member who served in any military reserve unit of any branch of the U.S. Armed Forces.

### **HB 2445 (CHAPTER 53) TPT; RESIDENTIAL RENTALS; NOTICE**

A municipality that levies a transaction privilege or other similar tax or fee, however denominated, applied to the business of renting or leasing real property for residential purposes is required to send a notice by first class mail to each residential transaction privilege tax licensee that is licensed with the Department of Revenue and to the address of each residential rental property that there is a new or increased rate of tax at least 60 days before the effective date of the new or increased rate of tax.

### **HB 2677 JLAC; AUDITOR GENERAL**

Makes various changes relating to audits of public agencies. The Auditor General is required to conduct annual, instead of at least biennial, financial and compliance audits of financial transactions and accounts kept by or for all state agencies subject to the federal single audit requirements. 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. 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. Modifies the list of factors a committee of reference must consider when determining the need for continuation or termination of an agency. Deletes the requirement for community college district expenditure reporting to be done by fund and to include a reconciliation of expenditures to the expenditure limitation report. – VETOED BY GOVERNOR DUCEY

### **HB 2747 (CHAPTER 263) BUDGET; GENERAL APPROPRIATIONS ACT; 2019-20**

The "feed bill" for FY2019-20, containing appropriations for state agencies and programs. Provisions include: Appropriates \$3.8 billion in FY2019-20 for basic state aid to school districts for maintenance and operations funding, which includes an increase of \$164.7 million that the Legislature and Governor intend to be used for teacher salary increases and that are in addition

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to teacher salary increases provided for FY2018-19. Continues deferment of \$930.7 million in basic state aid payments to schools until FY2020-21. Appropriates \$30 million from the general fund in FY2021-22 to the Superintendent of Public Instruction for basic state aid to eliminate the K-12 rollover for school districts with a student count of less than 1,350 students. Makes a supplemental appropriation in FY2019-20 of \$1 million from the general fund to the Superintendent of Public Instruction for gifted education. Makes a supplemental appropriation of \$25 million from the general fund in FY2018-19 to the School Facilities Board for building renewal grants. Appropriates \$35 million from the general fund in FY2019-20 to the three state universities for capital improvements or operating expenditures. Makes supplemental appropriations from the Federal Child Care and Development Fund Block Grant in FY2018-19 of \$7.4 million to the Department of Child Safety and \$48.4 million to the Department of Economic Security (DES) for child care subsidies to increase the number of children served and to increase maximum reimbursement levels. Makes a supplemental appropriation of \$10.4 million from the general fund, \$1 million from the Health Services Lottery Monies Fund and \$24 million from developmental disabilities Medicaid expenditure authority in FY2018-19 to DES for division of developmental disabilities program expenses. Appropriates \$1 million from the general fund in FY2019-20 to DES for the Family Caregiver Grant Program. Appropriates \$271.1 million from the general fund in each of FY2018-19 and FY2019-20 to the Budget Stabilization Fund. Deposits \$7.32 million received in FY2019-20 from vehicle license taxes in the general fund instead of the State Highway Fund. Appropriates the following amounts from the general fund in FY2019-20 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 allocated equally among all counties with a population of less than 300,000 persons. Appropriates \$190 million from the general fund in FY2019-20 to DOA to retire the lease-purchase agreements for state owned facilities entered into pursuant to the FY2010-11 budget. 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. Appropriates specified amounts to specified state agencies in FY2019-20 for employee salary increases and specifies the positions that the legislature intends to receive the salary increases. Within 10 days after receipt of a complaint alleging a violation of statute prohibiting the use of school resources to influence an election, the Attorney General is required forward a copy of the complaint to the Governor and the Legislature. Makes various supplemental appropriations for FY2018-19.

### **HB 2751 (CHAPTER 267) BUDGET; BRB; BUDGET PROCEDURES; 2019-20**

Makes various changes that affect the budget across agencies. Requires any unrestricted federal monies received by Arizona in FY2019-20 to be deposited in the general fund. Increases the Capital Outlay Stabilization Fund rental rates for state-owned buildings to \$17.87/square foot for office space, from \$16.08/square foot, and to \$6.43/square foot for storage space, from \$5.79/square foot. Retroactive to July 1, 2019, increases the pro rata share of the overall cost of information technology services for all budget units and the legislative and judicial branches to .43 percent of the total payroll, from .30 percent. For FY2019-20, FY2020-21, and FY2021-22, the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund. Monies in the State Web Portal Fund may be used for operating costs of the Government Transformation Office. Establishes the County Contributions to the Voter Registration System Fund and the Motor Vehicle Pool Consolidation Fund. A political party that is eligible to participate in the 2020 presidential preference election is authorized to opt out

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of participating by sending a written notice to the Secretary of State by September 16, 2019. If a political party opts out, the Secretary of State is required to notify each county recorder and officer in charge of elections and the clerk of each county board of supervisors no later than five business days after receiving the written notice from the political party that the 2020 presidential preference election for that party is canceled. Also establishes various reporting requirements.

**SB 1016 (CHAPTER 158) ASRS; INELIGIBLE CONTRIBUTIONS; UNFUNDED LIABILITY**

The requirement for an employer to pay to the Arizona State Retirement System (ASRS) any unfunded liability resulting from providing benefits or credits to a person who is ineligible by statute for ASRS membership is expanded to apply if an employer pays contributions to the ASRS on behalf of any person who is ineligible by rule for ASRS membership or on compensation that is not eligible by statute or rule for ASRS contributions. The definition of "unfunded liability" is modified to establish a calculation for determining the unfunded liability for contributions on compensation that is not eligible by statute or rule for ASRS contributions.

**SB 1017 (CHAPTER 37) ASRS; PAYING INTEREST; AUTHORIZATION**

The Arizona State Retirement System is prohibited from paying interest on any amount paid to a member, an alternate payee or an employer unless specifically authorized by statute.

**SB 1018 (CHAPTER 181) ASRS; COMPENSATION; DEFINITION**

For members of the Arizona State Retirement System (ASRS) whose membership began on or after January 1, 2020, the definition of "compensation" for the purpose of calculating retirement benefits is modified to mean only gross wages paid to the member by the employer for services rendered during the period considered as credited service, with a list of specified exclusions.

**SB 1019 (CHAPTER 189) TPT; OVER-THE-TOP SERVICES (~~APPROP; SCHOOL DISTRICTS; REIMBURSEMENT~~)**

The list of services exempt from the telecommunications classification of transaction privilege taxes is expanded to include "over-the-top services" (defined as audio or video programming services that are received by the purchaser by means of an internet connection, regardless of the technology used, that include linear or live programming and that are generally considered comparable to programming provided by a radio or television broadcast station, regardless of whether the services are provided independently or packaged with other audio or video programming). Over-the-top services do not include "pay-per-view audio and video programming" (defined). Municipalities and other taxing jurisdictions are prohibited from levying a transaction privilege or other similar tax or fee, however denominated, on gross proceeds of sales or gross income derived from over-the-top services.

**SB 1213 (CHAPTER 302) ASRS; RETURN TO WORK (~~TAX CREDITS; AFFORDABLE HOUSING~~)**

An Arizona State Retirement System (ASRS) employer is not required to pay contributions at an alternate contribution rate on behalf of a retired member that returns to work with the

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employer in a position that is currently filled by an employee who is an active ASRS member and for which the employer is currently required to pay and is paying contributions on behalf of the active member in that same position. An ASRS employer is permitted to pay contributions at an alternate contribution rate for a retired member who meets the requirements for an exemption. For contributions made beginning July 1, 2019, if ASRS and the employer determine that the "alternative" contribution rate does not apply to a member for whom the employer has paid contributions at the alternate contribution rate, the employer is permitted to request an employer credit, not including interest, for those contributions within 90 days after the end of the fiscal year in which the contributions were paid. If ASRS determines that an employer credit is not feasible, ASRS is required to issue a refund to an employer in a form determined by ASRS. For the purpose of the Elected Officials' Retirement Plan, any pension payments received by a member, who retired on or after July 1, 2009, while holding the same office from which the member retired within one full term after the date of retirement are considered overpayments and are subject to repayment up to the maximum of only the amount received during that term. For the purpose of the Public Safety Personnel Retirement System (PSPRS) and the Corrections Officer Retirement Plan (CORP), any pension payments received by the retired member who retired on or after July 1, 2009 during a period of reemployment are considered overpayments, with some exceptions. If the PSPRS Board determines that the retired member's reemployment during the 12-month period and the failure of the employer or local board to suspend the member's pension were not intentional, the pension payments received by the retired member after reemployment are subject to repayment up to only the amount received between the date of the member's reemployment and the expiration of the 12-month period. If a retired PSPRS or CORP member who retired on or after July 1, 2009 and who is reemployed terminates employment, the retired member may be subsequently reemployed with the same employer and resume receiving pension payments after a period of 12 months, less the period of time the member was not reemployed with the same employer after retirement, if at least 60 days of the 12 months are consecutive.

### *Bills that Failed*

#### **HB 2026 PUBLIC RESOURCES; INFLUENCING ELECTIONS; PENALTIES**

Any resident of a jurisdiction that is alleged to have used county, municipal, school district or charter school resources or employees to influence elections is authorized to initiate a suit in the superior court for the purpose of enforcing compliance. Civil penalties paid for violations must be paid to the Attorney General or County Attorney in actions filed by those officers and must be paid to the resident in an action filed by a resident.

#### **HB 2088 PSPRS; NORMAL RETIREMENT; EMPLOYEE CONTRIBUTIONS**

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

#### **HB 2100 APPROPRIATION; 2020 CENSUS; OUTREACH**

Appropriates \$5 million from the general fund in FY2019-20 to the Secretary of State for distribution to counties and municipalities on a pro rata basis, based on population, to conduct

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an outreach effort before the 2020 U.S. decennial census for the purpose of increasing the response rate and accuracy of the census in Arizona.

**HB 2103 APPROPRIATION; DOR; AUDITORS AND COLLECTORS**

Makes a supplemental appropriation of \$6.73 million and 106 FTE positions from the general fund in FY2019-20 to the Department of Revenue for personal services and employee-related expenditures for additional audit, compliance, collection and support staff in specified numbers and positions. By December 1, 2019 and December 1, 2020, the Dept is required to submit to the Governor and the Legislature a detailed report of the amount of tax revenues collected that is attributable to each FTE position appropriated by this legislation.

**HB 2153 TPT; DIAPERS; FEMININE HYGIENE; FORMULA**

Through December 31, 2027, the list of exemptions from the retail classification of transaction privilege and use taxes is expanded to include disposable diapers and a list of feminine hygiene products. Through December 31, 2027, the list of items that municipalities and special taxing districts are prohibited from levying a transaction privilege or use tax on is also expanded to include baby formula, disposable diapers, and a list of feminine hygiene products.

**HB 2158 FOOD; MUNICIPAL TAX EXEMPTION**

Municipalities and other taxing jurisdictions are prohibited from levying a transaction privilege, sales, use or other similar tax or fee on the sale of food items intended for human consumption in the home as defined by Department of Revenue rules.

**HB 2159 PRESCRIPTION DRUGS; MUNICIPAL TAX EXEMPTION**

The list of items that municipalities and special taxing districts are prohibited from levying a transaction privilege or use tax on is expanded to include sales of drugs and medical oxygen, including a delivery hose, mask or tent, regulator and tank, prescribed by a member of the medical, dental or veterinarian profession who is licensed to administer such substances.

**HB 2313 TPT; USE TAX; SERVICE; EXCLUSIONS**

For the purposes of the prohibition on new or increased taxes on services in the state Constitution, service does not include any business activity subject to tax under statutes governing transaction privilege taxes and local excise taxes before December 31, 2017.

**HB 2346 RETIREMENT SYSTEMS; INVESTMENT FEES; DISCLOSURES**

Each "alternative investment manager" (defined) that receives capital commitments for an "alternative investment vehicle" (defined) from the governing board of a public retirement system is required to file a disclosure on each alternative investment vehicle at least annually with the State Treasurer. The disclosure must include a list of specified information, including the fees and expenses incurred, and compensation for the alternative investment manager's named executive officers. Applies to all new, amended, renewed or extended contracts beginning January 1, 2019. Retroactive to January 1, 2019.

**HB 2390 STATE PARKS; HERITAGE FUND; LOTTERY**

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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, \$10 million must be deposited in the Arizona State Parks Board (ASPB) Heritage Fund established by this legislation. The ASPB is required to spend monies in the ASPB Heritage Fund for specified purposes in specified percentages. The ASPB is required to submit an annual report to the Legislature by June 30 of each year that includes specified information on Fund expenditures. The Auditor General is required to conduct a performance audit of the Fund at the same time any agency performance audit of the ASPB is conducted.

### **HB 2406 PUBLIC WORKS CONTRACTS; PROHIBITED AGREEMENTS**

The list of prohibited provisions in a public works contract is modified to remove requiring a contractor to participate in or contribute to an apprenticeship program that is registered with the U.S. Department of Labor and requiring a contractor to become a party to any project labor agreement.

### **HB 2424 UNDESIGNATED FELONY; MISDEMEANOR DESIGNATION**

An undesignated felony offense must be treated as a misdemeanor until the court enters an order designating it a misdemeanor or felony, instead of being required to be treated as a felony until the court enters an order designating it a misdemeanor. On agreement of the person and the state, the offense must be treated as a felony for all purposes until the court enters an order designating the offense a misdemeanor or felony. Before final designation by the court, the person or the state is permitted to petition the court to designate the offense either a misdemeanor or felony. On the person's "successful" (defined) fulfillment of the conditions of probation and discharge by the court, the court is required to designate an undesignated offense a misdemeanor and to convert all outstanding monetary obligations to a criminal restitution order. Does not apply to a person who owes victim restitution or who willfully fails to pay a monetary obligation ordered by the court. For the purposes of sentencing and imprisonment and restitution and fines, an undesignated offense that is treated as a misdemeanor is required to be treated as a class 1 misdemeanor.

### **HB 2502 COUNTIES; MUNICIPALITIES; CONTRACTS; SMALL BUSINESS**

If a county or municipality anticipates a contract for services will total more than \$5,000, the county or municipality is required to first solicit bids from "small businesses" (defined).

### **HB 2533 MUNICIPAL TAX EXEMPTION; SPECULATIVE BUILDERS**

In computing the tax base for transaction privilege and other use taxes for a speculative builder, municipalities and other taxing jurisdictions are required to exclude from the gross proceeds of sales or gross income the price of any lease on real property or other intangible or personal property included in determining the total selling price of the improved real property to the extent allocated in the affidavit of legal value for the sale. The resulting tax may not be less than the tax that would have been paid under the prime contracting classification for the improvements that were constructed or reconstructed. Retroactive to February 1, 2019.

### **HB 2551 PROPERTY TAX EXEMPTIONS; STATUTORY CONFORMITY**

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

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Constitution being amended by a vote of the people at the next general election by passage of an unspecified HCR (blank in original) to consolidate and reorganize provisions relating to exemptions from property taxation.

### **HB 2559 PEER-TO-PEER CAR SHARING**

Establishes a new chapter in Title 28 (Transportation) regulating "peer-to-peer car sharing" (defined). Establishes requirements for motor vehicle liability insurance policies for a peer-to-peer car sharing program (program). A peer-to-peer car sharing program is prohibited from offering or selling insurance except in conjunction with and incidental to car sharing program agreements, from advertising or portraying itself or any of its employees or agents as licensed insurers unless the program is actually a licensed insurer, and from paying a person any compensation that is dependent on the placement of insurance under a peer-to-peer car sharing program's license. A motor vehicle insurer is prohibited from canceling, voiding or rescinding a policy of personal private passenger motor vehicle liability insurance of a shared vehicle owner solely on the basis that the vehicle has been made available for sharing through a program. Establishes requirements for car sharing program agreements and agreement disclosures. This legislation does not prohibit or restrict a public airport from implementing rules or licensing requirements or from assessing fees or charges that apply to shared vehicle transactions that are conducted at the public airport. Peer-to-peer car sharing programs, shared vehicle owners and shared vehicle drivers are exempt from car rental and vehicle license tax surcharges. Peer-to-peer car sharing programs are required to obtain a transaction privilege tax license from the Department of Revenue (DOR) for the payment of taxes levied by the state and one or more counties, municipalities, or special taxing districts for the taxes due from a shared vehicle owner for any shared vehicle transaction facilitated by the peer-to-peer car sharing program. A shared vehicle owner is entitled to an exclusion from any applicable taxes for any shared vehicle transaction that is facilitated by a peer-to-peer car sharing program and for which the owner has obtained written notice that the program is licensed with DOR to collect applicable taxes for all shared vehicle transactions that are facilitated by the program, and transaction history documenting tax collected by the program. A licensed peer-to-peer car sharing program is required to electronically remit to DOR the applicable taxes, and to electronically report the taxes monthly. Establishes requirements for the sourcing of peer-to-peer car sharing transactions for tax purposes. Establishes a formula for the distribution of state transaction privilege taxes collected from a peer-to-peer car sharing program under the personal property rental classification. The tax base of the personal property rental classification does not include the gross proceeds of sales or gross income received by a shared vehicle owner from any shared vehicle transaction for which the shared vehicle owner has received documentation from a licensed peer-to-peer car sharing program that the program will remit the applicable tax to DOR.

### **HB 2560 EVENT TICKETS; TRANSFERABILITY**

A "ticket issuer" (defined) is permitted to use a "nontransferable ticketing system" (defined) only if the consumer is offered an option at the time of initial sale to purchase the same ticket in a transferable form that allows tickets to be given away or resold independently of the ticket issuer's preferred "ticket platform" (defined) without penalty or discrimination. A ticket buyer or seller cannot be penalized, discriminated against or denied access to an event solely because the ticket was resold or because of the ticket platform through which the ticket was resold.

### **HB 2636 MOBILE FOOD VENDORS; MUNICIPALITIES**

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A mobile food vendor is permitted to operate on private property in a residential area if the mobile food vendor obtains a separate written agreement with the property owner and does not serve members of the general public. Municipalities are authorized to establish a limit on the hours of operation and number of days a mobile food vendor may operate on a private property parcel in a residential area. Municipalities are prohibited from requiring a mobile food vendor to pay more than one fee per year to operate on private property within that municipality, and from requiring a mobile food vendor to be fingerprinted unless the mobile food vendor operates in an area zoned for residential use that is not on private property.

### **HB 2638 MUNICIPAL TAX; EXEMPTION; FOOD**

Municipalities and other taxing jurisdictions with a population of 625,000 persons or more are prohibited from levying a transaction privilege, sales, use or other similar tax or fee on the sale of food items intended for human consumption in the home as defined by Department of Revenue rules.

### **HB 2688 MOBILE HOMES; TAXES; ABANDONMENT; SALES**

Various changes relating to mobile homes. If delinquent taxes on a mobile home were levied and became delinquent when the mobile home was the property of a previous owner, the county treasurer is permitted, instead of required, to extend the due date for up to one year with no interest and penalty and to exempt the current owner from accrued interest or penalties on the delinquent tax amount. Delinquent taxes that are extended become due and payable immediately if the mobile home is transferred or to be removed from its location or if the owner applies for monies from the Mobile Home Relocation Fund. The list of requirements for a tenant to be eligible for payment from the Mobile Home Relocation Fund is expanded to include that the property taxes on the mobile home are paid in full. For personal property taxes, the definition of "mobile home" is expanded to include a manufactured home.

### **HB 2702 TPT; MARKETPLACE FACILITATORS; NEXUS**

Establishes the marketplace facilitator classification of transaction privilege taxes (TPT), which is comprised of the business of facilitating retail sales as a "marketplace facilitator" (defined). The tax base for the marketplace facilitator classification is the gross proceeds of sales or gross income from all sales the marketplace facilitator facilitates on behalf of "marketplace sellers" (defined) sourced to Arizona if the marketplace seller is not an affiliate of the marketplace facilitator. All sales that a marketplace facilitator facilitates on behalf of a marketplace seller must be sourced to the purchaser's location in Arizona. A marketplace facilitator is required to pay TPT on all sales facilitated by the marketplace facilitator and sourced to Arizona regardless of whether the marketplace seller for whom sales are facilitated is required to be registered with the Department of Revenue or would have been required to pay TPT had the sale not been facilitated by the marketplace facilitator. Any person that conducts business in an activity classified under TPT classifications with purchasers in Arizona is engaging or continuing in business in Arizona, is subject to and is required to pay TPT if the person meets any of the following criteria in the previous or current calendar year: the gross proceeds of sales or gross income derived from the person's transactions with purchasers in Arizona is more than \$100,000, the person engages in at least 200 separate transactions with purchasers in Arizona, the gross proceeds of sales or gross income derived from a marketplace facilitator's transactions with purchasers in Arizona on its own behalf or on behalf of at least one marketplace seller is more than \$100,000, or the marketplace facilitator engages in at least 200 separate transactions with purchasers in Arizona on its own behalf or on behalf of at least one marketplace seller.

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For the purposes of determining whether a person meets any of these criteria, all members of a person's affiliated group must be aggregated. Establishes provisions governing a marketplace facilitator's liability for transaction privilege taxes and allows for liability relief in specified percentages, which are phased out between 2019 and 2026. The list of exemptions from the retail classification of TPT is expanded to include sales of tangible personal property by a marketplace seller, if the sale is facilitated by a marketplace facilitator and the marketplace seller has received documentation from the marketplace facilitator that the marketplace facilitator has paid the applicable tax and will remit the tax to the Department of Revenue.

### **HB 2734 TPT; CONTRACTORS; REFORM**

Establishes a 14-member Taxation of Prime Contracting Study Committee to analyze the legal framework surrounding the taxation of prime contracting, study best practices from other states and policy experts on the taxation of prime contracting, and study compliance elements, including ways to decrease noncompliance with the taxation of prime contracting. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by November 15, 2019, and self-repeals October 1, 2020.

### **SB 1143 CONFORMITY; INTERNAL REVENUE CODE; RATES**

For computing income tax for tax year 2018, the definition of "Internal Revenue Code" would have been updated to mean the U.S. Internal Revenue Code in effect on January 1, 2018. For tax year 2018, the Department of Revenue would have been required to reduce the income tax rates provided in statute by 0.11 percentage points. Would have applied retroactively to tax years beginning January 1, 2018. – VETOED BY GOVERNOR DUCEY

### **SB 1166 CONFORMITY; INTERNAL REVENUE CODE; EXCEPTIONS**

For computing income tax for tax year 2018, the definition of "Internal Revenue Code" is updated to mean the U.S. Internal Revenue Code in effect on January 1, 2018. For tax year 2018, in computing Arizona adjusted gross income for a taxpayer that elects to itemize deductions, specified amounts are required to be added to Arizona gross income. In computing taxable income for tax year 2018, at the election of the taxpayer and in lieu of the standard deduction, the taxpayer may take itemized deductions as allowed by statute and may also deduct a list of specified amounts. Other additions and subtractions to taxable income for tax year 2018 are specified. Retroactive to tax years beginning January 1, 2018. Emergency clause.

### **SB 1367 CLASS ACTION SETTLEMENTS; ATTORNEY GENERAL (RECONSTRUCTION CONTRACTING; LOCAL TAX; EXEMPTION)**

The Attorney General is required to protect Arizona residents from consumer "class action" (defined) settlement abuse and is authorized to protect Arizona's interest in preventing consumer class action settlement abuse. When the Attorney General believes that a "proposed consumer class action settlement" (defined) does not provide fair, reasonable and adequate restitution or other relief for "class members" (defined), or unlawfully or unfairly compensates class counsel or named class members over unnamed class members, the Attorney General is authorized to file a motion to intervene in the proceedings in the name of the state to represent the interests of Arizona and class members in Arizona by seeking an order that rejects or amends the proposed settlement. Inaction by the Attorney General in connection with a particular consumer class action settlement does not affect the rights of this state or the

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Attorney General's ability to act under statute, including the ability to bring a case and seek all available relief. Contains a legislative intent section.

### **SB 1460 TPT; DIGITAL GOODS & SERVICES**

For transaction privilege and use taxes and local excise taxes, the gross income, gross receipts, gross proceeds, purchase price or sales price from selling, leasing, licensing, purchasing or using "digital services" (defined) is excluded from tax. Does not apply to an online lodging marketplace. Establishes the digital goods classification of transaction privilege taxes, which is comprised of the business of selling, leasing or licensing the use of "prewritten computer software" or providing "specified digital goods" (both defined). Establishes a list of exemptions from the digital goods classification. Levies an excise tax on using or consuming prewritten computer software and specified digital goods in Arizona as a percentage of the acquisition price, which applies to any purchaser that purchases these items for resale but that subsequently uses or consumes the items. Some exceptions. Prewritten computer software and specified digital goods must be sourced to the seller's business location if the seller receives the order at a business location in Arizona and the items are to be used in Arizona, and to the purchaser's location in Arizona if the seller receives the order at a business location outside Arizona but the items are to be used in Arizona. Contains a legislative intent section. Applies to taxable periods beginning on or after the first day of the month following the effective date of this legislation.

### **SB 1513 POLITICAL SUBDIVISIONS; COST SHARING; REVISIONS**

Repeals statute requiring the Department of Revenue to assess and collect fees from counties, municipalities, councils of governments and regional transportation authorities to recover operating costs incurred in providing administrative and collection services to local governments. Repeals statute requiring the Department of Juvenile Corrections to annually assess a committed youth confinement cost sharing fee to each county. Increases the percentage of the compensation of a justice of the peace paid by the state in counties with a population of less than 1.5 million persons. Due to voter protection, a section of this legislation that makes conforming changes requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

### **SB 1515 DIGITAL GOODS & SERVICES; TAXATION**

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

## Land Use Planning

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### *New Laws*

#### **HB 2107 (CHAPTER 73) MUNICIPALITIES; PARKING; PUBLIC VEHICLES**

Municipalities cannot prohibit a resident from parking a motor vehicle on a street or driveway in the municipality if the vehicle is required to be available at designated periods at the person's residence as a condition of the person's employment and the resident is employed by either a public service corporation or a public safety agency. Does not prevent a municipality from enforcing public health, safety and welfare requirements, including requirements relating to parking and traffic that are applied on a uniform and nondiscriminatory basis. Contains legislative findings.

#### **HB 2113 (CHAPTER 176) PUBLIC RESTROOMS; DIAPER CHANGING STATIONS (~~DIRECT PRIMARY CARE PROVIDERS; DENTISTS~~)**

Any "public entity" (defined) that constructs a new restroom or "totally renovates" (defined) an existing restroom that is accessible to the public in a "public building" (defined) is required to include in at least one restroom in each building at least one changing station that is capable of serving both a baby and an adult and that is accessible to both men and women. The "responsible authority" (defined) is permitted to grant an exemption from this requirement if the installation would not be feasible or would result in failure to comply with the Americans with Disabilities Act. Does not establish a private right of action. Applies to construction and renovation projects in which the design has been approved on and after January 1, 2020.

#### **HB 2117 (CHAPTER 226) DEVELOPMENTAL HOMES; MONITORING**

A service provider that operates a group home or an intermediate care facility for persons with an intellectual disability is permitted to install, oversee and monitor "electronic monitoring devices" (defined) in common areas, including hallways, of the group home or facility. The Department of Health Services is required to adopt rules regarding the use of electronic monitoring in group homes and intermediate care facilities, and provisions that must be included in the rules are listed, including public disclosure of the device. A service provider that uses an electronic monitoring device before the effective date of this legislation is required to establish policies consistent with the rules and to submit the policies to the Dept within 90 days after the rules are adopted.

#### **HB 2179 (CHAPTER 163) VIDEO SERVICE PROVIDERS**

A video service provider is included in the definition of "cable operator" for the transaction privilege taxes. Various statutes regulating and relating to cable operators and licensed cable television systems are expanded to include video service providers and licensed video service networks, including various public utility regulations, use of public streets for utility right of ways, utility relocation cost reimbursement, and the prohibition against fraudulently obtaining video services.

#### **HB 2229 (CHAPTER 76) CABLE LICENSING; VIDEO SERVICE PROVIDERS**

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Establishes a new chapter in Title 11 (Counties) relating to "video service" (defined) regulation by counties. Declares that the licensing of video service providers and the regulation and use of video service are matters of statewide concern and not subject to further regulation by a county except as specified in this legislation. Beginning January 1, 2020, this legislation preempts and limits the ability of a county to regulate or enforce any local law and any agreement with the county that contains specified provisions relating to video service providers. Beginning January 1, 2020, a county has the exclusive authority to issue a uniform video service license to a person to provide video service and to construct and operate a video service network in any service area within its boundaries. Establishes procedures for an incumbent cable operator to either continue to operate within a service area as defined in the local license or to terminate a local license by applying for an obtaining a uniform video service license. Counties are required to adopt a standard form of uniform video service license agreement, which must include a list of specified provisions and is limited to those provisions. Establishes a process for obtaining a uniform video service license, specifies the authority granted by the license, and provides for amendment or transfer of a license. Establishes duties of video service providers, including reporting requirements and nondiscrimination requirements. Establishes regulations relating to county management of highways as it relates to video service provider equipment. Places limits on license fees and other license requirements. Establishes provisions for enforcement, including requirements for filing a complaint and dispute resolution procedures. Contains legislative findings.

**HB 2240 (CHAPTER 51) LIMITATIONS OF ACTIONS; DEDICATED PROPERTY**

Municipalities and counties are prohibited from instituting or maintaining an action or arbitration against a person who develops or develops and sells real property or who completes other construction activities on an improvement to real property that is dedicated to the municipality or county more than eight years after the improvement to real property has been accepted by the municipality or county for ownership, operation and maintenance if the action or arbitration is based on either a municipal or county code, ordinance or other legal requirement, or a permit that is required as a condition of development. This limitation does not apply to an action or arbitration that is based on a claim of a willful, reckless or concealed violation of a municipal or county requirement. Does not limit any immunity or defense available to a municipality or county under statute.

**SB 1094 (CHAPTER 185) PLANNED COMMUNITIES; APPLICABILITY (TELECOM FUND; REPORT; POSTING)**

Statute regulating planned communities does not apply to a nonprofit corporation or unincorporated association of owners that is created or incorporated before January 1, 1974 and that does not have authority to enforce covenants, conditions and restrictions related to the use, occupancy or appearance of the separately owned lots, parcels or units in a real estate development, unless a majority of all the members of such a nonprofit corporation or unincorporated association of owners elect in writing to subject the corporation or association to those statutes by recording a notice of election with the county recorder. The notice of election must include the written approval of a majority of all the members and is effective as of the date of recording. The election may be rescinded in the same manner as an election. Contains a legislative intent section. Retroactive to July 17, 1994.

**SB 1241 (CHAPTER 304) STATE PARKS BOARD; HERITAGE FUND**

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Establishes the Arizona State Parks Heritage Fund to be administered by the Arizona State Parks Board. The Board is required to establish criteria for the use of monies in the Fund and monies in the Fun are required to be used for specified purposes in specified percentages. By December 31 of each year, the Board is required to submit a report to the Legislature that includes specified information on Fund expenditures. The Auditor General is required to conduct a performance audit of the Fund at the same time any agency performance audit of the Board is conducted. Contains a legislative intent section.

**SB 1300 (CHAPTER 308) LOW-INCOME HOUSING; TAX EXEMPTION**

The requirements for property used exclusively for affordable rental housing to qualify for exemption from taxation are modified. The list of entities that may own and operate the property is expanded to include a single purpose entity that is wholly owned by one or more "eligible nonprofit corporations" (defined). The amount of rent of the occupants cannot exceed the amount prescribed by deed restrictions or by regulatory agreements pursuant to the financing or financial assistance terms. The property cannot exceed 200 units, instead of 200 residents.

**SB 1528 (CHAPTER 319) VIDEO SERVICE PROVIDERS; LICENSE**

Various changes relating to video service provider licenses issued by local governments. The deadline for a local government to issue a uniform video service license is extended to 45 days, from 30 days, after the application filing date. Local governments are authorized to assess additional video service provider license fees due at any time within four years after the date on which the fees were required to be paid. A complaint for a violation of license fee obligations is required to be filed three years after a written demand is made, increased from two years, and no sooner than six months, increased from four months, after the written demand.

*Bills that Failed*

**HB 2084 MUNICIPAL ZONING; REZONING PROTESTS**

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

**HB 2087 INVESTOR-OWNED SHORT-TERM RENTALS; LOCAL REGULATION**

The list of purposes for which municipalities and counties may regulate vacation rentals or short-term rentals is expanded to include ensuring that "investor-owned" (defined) vacation rentals or short-term rentals comply with residential use and zoning ordinances if the ordinances are applied in the same manner as other property classified as class 3 or class 4 property for property tax purposes.

**HB 2108 REAL ESTATE SIGNS; CITIES; COUNTIES**

Counties and municipalities cannot prohibit an owner of real property or the owner's agent from displaying on the property and/or in an area within a public or private right-of-way a sign

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advertising that the property is for sale or rent, an open house, the owner or agent's name and contact information, and directions to the property.

**HB 2128 POLITICAL SIGNS; REMOVAL AFTER PRIMARY**

For a political sign for a candidate in a primary election who does not advance to the general election, the period during which it is a class 2 (mid-level) misdemeanor to remove or cover the sign ends seven days after the primary election, instead of seven days after the general election.

**HB 2365 TAX CREDITS; 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, 2020. 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 five consecutive taxable years. The maximum aggregate credit amount is \$12 million in any calendar year. Effective January 1, 2020.

**HB 2534 REZONING PROTESTS; MUNICIPAL ZONING**

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

**HB 2546 ANTIDISCRIMINATION EMPLOYMENT; HOUSING; PUBLIC ACCOMODATIONS**

The list of attributes for which a person cannot be discriminated against in employment practices, various housing related statutes, and in places of public accommodation is expanded to include "sexual orientation" and "gender identity" (both defined).

**HB 2736 TOBACCO PRODUCTS; DISTRIBUTOR LICENSES**

Tobacco products held or stored for sale or distribution in Arizona by or on behalf of a distributor are no longer prohibited from being held or stored at a residential location if the sole luxury for sale or distribution by or on behalf of the distributor is taxed as a cigar and the product weight of the cigars is no more than 500 pounds. As a condition of licensure, the distributor is required to provide written consent and allow access to the Department of Revenue to inspect the stock of luxuries and all books, papers, invoices, records and electronically stored data showing sales, receipts and purchases of luxuries. An applicant for a tobacco distributor license is prohibited from including a residential location or post office box address as the applicant's principal place of business or other business location.

**SB 1519 FLOOD CONTROL DISTRICTS; PROCEDURES**

Various changes to statutes relating to flood control districts. The procedures for the adoption and enforcement of flood control district rules are modified. Districts are prohibited from

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submitting a rule to the district board of directors that is substantially different from the proposed rule contained in the notice of proposed rulemaking, and factors that must be considered in determining a substantial difference are specified. Establishes requirements for incorporation by reference in district rules. Any person is authorized to petition the district to make, amend or repeal a rule or review an existing district practice or policy statement, and a process for responding to the petition is specified. Any person who is or may be affected by a rule may obtain a judicial declaration of the validity of the rule by filing an action for declaratory relief in the superior court. A district is prohibited from adopting any new rule that would increase existing regulatory restraints or burdens on the free exercise of property rights or the freedom to engage in an otherwise lawful business or occupation, with some exceptions. Also, for any floodplain use permit considered by a district, the district is required to consider any "adverse impact" (defined), except that the district cannot consider an adverse impact on private property unless that adverse impact has a direct impact on a district-owned property or is an imminent threat to public health and safety.

## Military Preservation

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### *New Laws*

#### **HB 2748 (CHAPTER 264) BUDGET; CAPITAL OUTLAY; APPROPRIATIONS; 2019-20**

Makes various appropriations for capital expenditures for FY2019-20, including \$393.4 million from the State Highway Fund to the Department of Transportation (DOT) for state highway construction, \$3.88 million from the general fund to the Department of Emergency and Military Affairs to construct a readiness center, \$1.25 million from the State Parks Revenue Fund for construction of a new pedestrian bridge at the Tonto Natural Bridge State Park, and \$2.4 million from the Board of Fingerprinting Fund to the Department of Public Safety for remote housing replacement. Appropriates \$6.9 million from the State Highway Fund in FY2019-20 to DOT to construct new maintenance buildings and facilities in Seligman, Williams and Wickenburg. Appropriates the following amounts from the State Highway Fund to DOT to expand Interstate 17 between Anthem and Black Canyon City: \$40 million in FY2019-20, \$45 million in FY2020-21, and \$45 million in FY2021-22. Appropriates \$10 million from the general fund in FY2019-20 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, except that the Board is required to distribute at least \$1 million to the Ernest A. Love Field Airport in Prescott. Appropriates the following amounts from the general fund in FY2019-20 for the following highway projects: \$20 million for distribution to the City of Kingman to construct new Interstate 40 traffic interchanges, \$28 million to DOT to expand U.S. Route 95 between Yuma and the Yuma proving ground, and \$18 million for distribution to municipalities. Makes a supplemental appropriation of \$4.1 million in FY2018-19 from the Legislative, Executive and Judicial Public Buildings Land Fund to the Department of Administration to replace elevators at the House of Representatives, Senate and executive tower buildings. Also appropriates \$6.86 million from the Department of Corrections Building Renewal Fund to the Department of Corrections, \$1.04 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.

### *Bills that Failed*

#### **HB 2458 CONSUMER CREDIT LENDING; MILITARY MEMEBERS**

Establishes a new chapter in Title 6 (Banks & Financial Institutions) regulating the terms of consumer credit extended to military members and dependents. Establishes requirements for interest, maximum annual percentage rates, mandatory loan disclosures, and penalties for violations.

#### **HB 2459 DFI; EXAMINATIONS; MILITARY LENDING ACT**

The Superintendent of Financial Institutions is required to examine or cause to be examined enterprises, consumer lenders and premium finance companies to ensure compliance with federal law regulating the terms of consumer credit extended to military members and dependents.

## Neighborhoods

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### *New Laws*

#### **HB 2672 (CHAPTER 240) VACATION RENTALS; SHORT-TERM RENTALS; REGULATION**

The list of purposes for which counties and municipalities are permitted to regulate vacation rentals and short-term rentals is expanded to include requiring the owner to provide contact information for the owner or the owner's designee who is responsible for responding to complaints in a timely manner in person, over the phone or by email at any time of day before offering for rent or renting the vacation rental or short-term rental. Counties and municipalities are required to notify the Department of Revenue and the property owner of "verified violations" (defined) of the county's or municipality's applicable laws and regulations within 30 days after a verified violation. If the owner of a vacation rental or short-term rental has provided contact information to a county or municipality, and if the county or municipality issues a citation for a violation of applicable laws, regulations or ordinances or a state law that occurred on the owner's vacation rental or short-term rental property, the county or municipality is required to make a reasonable attempt to notify the owner or the owner's designee of the citation within seven business days after the citation is issued. Vacation rentals and short-term rentals are prohibited from being used for nonresidential uses, including for a special event that would otherwise require a permit or license or for a retail, restaurant, banquet space or other similar use. An online lodging operator is prohibited from offering for rent or renting a lodging accommodation without a current transaction privilege tax license. The online lodging operator is required to list the transaction privilege tax license number on each advertisement for each lodging accommodation the online lodging operator maintains, including online lodging marketplace postings. Establishes penalties for violations. If there is a legitimate business need relating to enforcing laws, regulations and ordinances, a county or municipal tax official is authorized to redisclose transaction privilege tax information relating to a vacation rental or short-term rental property owner or online lodging operator from the new license report and license update report, subject to a list of specified requirements.

#### **SB 1037 (CHAPTER 298) PRISONERS; PAROLE; RECERTIFICATION (~~TPT; DISTRIBUTION; COMMUNITY COLLEGE DISTRICTS~~)**

The Board of Executive Clemency is permitted to adopt rules for the parole recertification process and to apply specific rules for the recertification process that apply to a prisoner who is serving a sentence for first-degree or second-degree murder, a dangerous offense that caused serious physical injury, a dangerous crime against children, or a felony offense of sexual offenses or sexual exploitation of children. By January 1, 2020, the Board of Executive Clemency is required to draft proposed rules that allow the Board to extend the length of time after an eligible inmate is denied parole until the eligible inmate's next parole recertification hearing to more than one year. Provisions that must be included in the rules are listed, including factors that the Board must consider and a requirement that the procedures be consistent with due process and victims' rights.

#### **SB 1039 (CHAPTER 184) PAIN MANAGEMENT CLINICS; REGULATION**

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A private "pain management clinic" (defined elsewhere in statute) of a licensed health care provider is no longer exempt from statute regulating health care institutions and the related rules adopted by the Department of Health Services. The exemption from health care institution regulation for dispensaries and first aid stations located within business or industrial establishments that meet other requirements applies if the station is under the supervision of a registered nurse practitioner, in addition to a physician.

**SB 1040 (CHAPTER 143) MATERNAL FATALITIES & MORBIDITY; ADVISORY COMMITTEE (~~MATERNAL FATALITIES; MORBIDITY; REPORT~~)**

Establishes a 13-member Advisory Committee on Maternal Fatalities and Morbidity to recommend improvements to information collection concerning the incidence and causes of maternal fatalities and severe maternal morbidity. The Committee is required to submit a report with recommendations to specified legislative committees by December 31, 2019. By December 31, 2020, the Department of Health Services is required to submit a report to the Governor and the Legislature on the incidence and causes of maternal fatalities and morbidity that includes all readily available data through the end of 2019. Emergency clause.

**SB 1076 (CHAPTER 92) ABDUCTING CHILD FROM STATE AGENCY**

Establishes the crime of abduction of a child from a "state agency" (defined as the Department of Child Safety or the Department of Juvenile Corrections) if a person takes or keeps a child from the lawful custody of a state agency or intentionally fails or refuses to immediately return a child to the lawful custody of a state agency and the person knows or has reason to know that the child is entrusted by the authority of law to the custody of the state agency. Abduction of a child from a state agency by refusing to immediately return the child to the lawful custody of a state agency is a class 5 (second-lowest) felony. Abduction of a child from a state agency by taking or keeping the child from the lawful custody of a state agency is a class 3 (upper mid-level) felony if the child is taken outside of Arizona, a class 4 (lower mid-level) felony if the child remains in Arizona, and a class 6 (lowest) felony if the person voluntarily returns the child without physical injury no later than 48 hours after the abduction.

**SB 1086 (CHAPTER 195) HEALTH PROFESSIONS; TEMPORARY LICENSURE**

Health profession regulatory boards are authorized to grant authority to the board's executive director to issue and approve licenses, certifications and registrations to an applicant or licensee who fulfills all requirements of the applicable state statute and meets other specified requirements. Health profession regulatory boards are authorized to issue a "temporary license" (defined) to allow an applicant who is not a licensee to practice in Arizona if the applicant holds an active an unrestricted license in another state and meets other specified requirements. Health profession regulatory boards are required to approve or deny an application for a temporary license within 30 days. If granted, a temporary license expires the earlier of 30 days after it is granted or on approval or denial of the applicant's license application. Health profession regulatory boards are prohibited from issuing more than two temporary licenses to the same applicant within a consecutive 12-month period. Health profession regulatory boards are authorized to establish an application and fee in rule for temporary licensure.

**SB 1244 (CHAPTER 280) CAREGIVERS; ASSISTED LIVING; TRAINING**

By June 1, 2020, the Board of Examiners of Nursing Care Institution Administrators and Assisted Living Facility Managers is required to prescribe rules for assisted living facility

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caregivers that are consistent with the training, competency and test methodology standards developed by the Arizona Health Care Cost Containment System (AHCCCS) Administration for in-home direct care workers. A person who successfully completes the training and competency requirements developed by the AHCCCS Administration for in-home direct care workers satisfies the training requirements for assisted living facility caregivers, except for medication administration training required by the assisted living facility caregiver's scope of practice. An individual who meets these requirements and who registers for a medication administration examination is required to take and successfully complete only the part of the assisted living facility caregiver examination that covers the subject of medication administration.

**SB 1245 (CHAPTER 172) FUNERAL DIRECTORS; DEATH CERTIFICATES; INTERNS (~~VITAL RECORDS; DEATH CERTIFICATES~~)**

A local registrar, a deputy local registrar or the state registrar is required to issue certified copies of a registered birth or death certificate to a licensed funeral director or the funeral director's designee on the funeral director's or designee's written or in-person request. The local registrar, deputy local registrar or state registrar is required to provide the certified copies by mail or in person to the funeral director or the funeral director's designee on request. An intern licensed by the Board of Funeral Directors and Embalmers is authorized to arrange and direct funerals under the supervision of a licensed funeral director. An applicant for licensure as a funeral director is required to have held an active license as an intern, instead of an embalmer, for at least one year. AS SIGNED BY GOVERNOR.

**SB 1246 (CHAPTER 305) BEHAVIORAL HEALTH; FOSTER CHILDREN**

The Department of Child Safety is required to provide behavioral health services for each child who is in a voluntary placement, in Dept custody in an out-of-home placement, or in the custody of a Probation Dept and placed in foster care. Conditionally enacted on funding being made available by January 1, 2024 from the federal government and the state for the Dept to provide behavioral health services to eligible members of the Dept's comprehensive medical and dental program. Effective on the later of the day on which the condition is met or October 1, 2020.

**SB 1247 (CHAPTER 134) RESIDENTIAL CARE INSTITUTIONS; CHILDREN**

Beginning September 1, 2019, licensees that do not contract with the state, that contract with the federal government, that receive only federal monies, and that employ persons who provide direct services to children in a licensed behavioral health residential facility are required to submit to the Department of Child Safety (DCS) information necessary to conduct central registry background checks. The list of purposes for which information contained in the DCS central registry may be used is expanded to include to provide information to licensees that do not contract with the state regarding persons who are employed or seeking employment to provide direct services to children in a licensed behavioral health residential facility. A behavioral health residential facility that provides services to children is required to notify the Department of Health Services (DHS) within 30 days after the facility begins contracting exclusively with the federal government, receives only federal monies and does not contract with the state. A licensed behavioral health residential facility that provides services to children, that contracts with the federal government and that receives only federal monies is required to report to DHS within 24 hours after an actual or alleged event that creates a significant risk of substantial or serious harm to the physical or mental health, safety or well-being of a resident at

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the facility or while the resident is in the custody of the facility and that requires notification to local law enforcement, DCS or the U.S. Department of Health and Human Services. DHS is permitted to accept an accreditation report in lieu of a compliance inspection of a behavioral health residential facility providing services to children only if specified conditions are met. Each licensed premises of a health care institution is required to have its own accreditation report. Emergency clause.

**SB 1535 (CHAPTER 224) AHCCCS; OPIOID TREATMENT PROGRAMS; REQUIREMENTS**

The Arizona Health Care Cost Containment System (AHCCCS) Administration and its contractors are permitted to reimburse opioid treatment program providers for enrolled members only if the provider demonstrates enforcement of each plan contained in the annual report required by this legislation and approved by the AHCCCS Administration. Opioid treatment program providers that receive reimbursement from the AHCCCS Administration or its contractors are required to submit an annual report that contains a list of specified information, including a detailed security plan, neighborhood engagement plan, comprehensive care plan, community relations and education plan, and current diversion control plan. The AHCCCS Administration is required to post the annual reports on its public website. By January 15 of each year, the AHCCCS Administration is required to submit a report to the Governor and the Legislature that summarizes the reports. By December 31, 2019, the AHCCCS Administration and the Department of Health Services are required to establish standards for designating centers of excellence for treating opioid use disorder statewide, and factors that must be included in the standards are listed. The AHCCCS Administration is required to maintain an accurate list of designated centers of excellence on its website. By January 15 of each year, the AHCCCS Administration is required to submit a report to the Governor and the Legislature that lists the designated centers of excellence and summarizes their performance. Also establishes a 14-member Arizona Opioid Use Disorder Review Council to make recommendations to the AHCCCS Administration on the standards for designating centers of excellence for medication-assisted treatment for opioid use disorder. The Council is required to submit a report of its activities and recommendations to the Governor and the Legislature by

**SB 1536 (CHAPTER 320) CONTROLLED SUBSTANCES; MONITORING; DELEGATION**

The State Board of Pharmacy is authorized to release data collected by the Controlled Substances Prescription Monitoring Program to a person who is authorized to prescribe or dispense a controlled substance, or a delegate who is authorized by the prescriber or dispenser, to assist with or verify compliance with the requirements of the Program, the rules adopted for the Program and the rules adopted by the Department of Health Services to reduce opioid overdose and death. Contains a legislative intent section.

**SB 1538 (CHAPTER 321) ADULT PROTECTIVE SERVICES**

Numerous changes relating to Adult Protective Services (APS). Establishes the "Adult Protective Services central intake unit" (defined) as a unit of specialized staff within APS that is responsible for receiving and screening reports of alleged abuse, neglect or exploitation of vulnerable adults and making the necessary referrals. APS is authorized to establish a multidisciplinary APS team to develop resources for prevention, intervention and treatment to better meet the community's needs for adult protection services. The list of persons with a duty

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to report a reasonable belief that a vulnerable adult has been the victim of abuse, neglect or exploitation is expanded to include various health care and emergency personnel and employees of the Department of Economic Security. If a person with a duty to report is an employee or agent of a health care institution and the health care institution's procedures require that all suspected abuse, neglect and exploitation be reported to APS, the individual is deemed to have complied with reporting requirements by reporting or causing a report to be made to the health care institution in accordance with the institution's procedures. Unless otherwise provided by law, all personally identifying information concerning any person who is involved in an APS program, including the reporting source's identity, other than a perpetrator against whom an allegation of abuse, neglect or exploitation has been substantiated, and all information that is gathered or created by APS and that is contained in APS records is confidential and may not be released except as specifically provided in this legislation. APS employees are added to the list of persons who may file an affidavit to request county officers and state agencies prohibit access to that person's residential address and telephone number contained in certain public records, and who must be notified of the expiration of restrictions on related public records. Also modifies the definition of "neglect" for APS statutes.

### **SB 1539 (CHAPTER 262) EXTENDED FOSTER CARE PROGRAM**

The Department of Child Safety is authorized to establish an extended foster care program for "qualified young adults" (defined) ages 18, 19 or 20 who were in the custody of the Dept as a dependent child when s/he became 18 years of age and who are completing secondary education or other specified educational programs, are employed at least 80 hours a month, are participating in a program or activity that promotes employment or removes barriers to employment, or are unable to be a full-time student or to be employed because of a documented medical condition. An extended foster care program may consist of a residential program of less than 24 hours a day supervision for qualified young adults under the supervision of the Dept through a foster home. Every six months, the Dept is required to provide a progress report to a young adult administrative review panel to review and determine whether participating in the extended foster care program is in the young adult's best interest. The Dept is required to develop and coordinate educational case management plans for a program participant to assist the qualified young adult to accomplish specified educational goals. The adoption subsidy is authorized to continue through the age of 20 if the individual is adopted at 16 or 17 years of age and meets the same requirements as extended foster care program participants. Additionally, an interested party is prohibited from filing a dependency petition concerning a child who has been adjudicated delinquent and is under the jurisdiction of the juvenile court, who is awaiting delinquency adjudication or disposition or who has been released from the Department of Juvenile Corrections within the previous six months, unless the interested party contacts the Department of Child Safety (DCS) at least 14 days before filing the petition and provides DCS with notice of the intent to file a petition, the allegations contained in the petition, and the factual basis supporting the allegations. If a petition is filed by an interested party under these requirements, the court is prohibited from issuing any temporary orders with respect to DCS, including placing the child in DCS custody, joining DCS as a party or ordering DCS to provide any services to the child or the family, without first conducting a hearing. The court is required to provide DCS and a party at least 72 hours written or electronic notice of the hearing and an opportunity to be heard as to any proposed orders. If DCS is provided proper notice and fails to appear, the court is permitted to proceed with the hearing.

*Bills that Failed***HB 2115 LANDLORD TENANT; STATE PREEMPTION**

The regulation of the rights, obligations and remedies of landlords and tenants is a matter of statewide concern and is not subject to further regulation by a county, municipality or other political subdivision. Exempts any ordinance or code adopted by a county, municipality or other political subdivision before December 31, 2018.

**HB 2515 MOBILE HOME PARKS; ABANDONMENT**

If a tenant abandons a mobile home unit on a mobile home space, the landlord is permitted, instead of required, to notify the owner of record and lienholder of record of their liability for any costs incurred by the landlord for the mobile home space for that mobile home unit. A landlord's lien attaches to a mobile home when it is placed on the rental premises and extends to a list of specified costs. The lien is not affected by any transfer of the mobile home and remains on the mobile home if removed from the rental premises without paying the lien. The lien does not apply to the tenant's household goods. After a mobile home has been abandoned, the landlord is permitted to notify the owner of record and lienholder of record that the landlord has terminated any right to keep the home on the space and demand payment of monies due to the landlord for rent and utilities. If all monies owed are not paid in full within 72 days after the notice is sent, the landlord may foreclose the lien and sell the mobile home. If a sale is held, the landlord is required to distribute the proceeds of the sale to specified persons in a specified order.

**SB 1098 HOUSING ASSISTANCE PILOT PROGRAM; APPROPRIATION**

Establishes a Housing Assistance Pilot Program to provide grants to assist individuals who are transitioning off public assistance or seriously mentally ill persons in specified settings in securing housing. Establishes a 4-member Housing Assistance Advisory Board to administer the Program. The Board is required to establish criteria and an application process for housing assistance grants, and award housing assistance grants to qualified applicants. The Board is required to submit a report on the Program to the Governor and the Legislature by December 15, 2022. Appropriates \$5 million from the general fund in FY2019-20 to the Board for the purposes of this legislation. The Program and the Board self-repeal October 1, 2023. Additionally, the Arizona Health Care Cost Containment System Administration is required to issue a request for proposals for a third-party entity to conduct a program study that measures outcomes of seriously mentally ill residents in community living homes and behavioral health residential facilities that meet other specified requirements. By January 1, 2020, the Department of Health Services is required to adopt rules to allow a behavioral health residential facility to be a secure facility if the behavioral health residential facility is the least restrictive environment that meets the resident's treatment needs and the resident is an incapacitated person who meets other specified requirements.

**SB 1044 SAFE SCHOOLS PLAN TASK FORCE (~~TECH CORRECTION; INSURANCE; UNIFORM PLANS~~)**

The Superintendent of Public Instruction is required to establish a Safe Schools Plan Task Force within the Department of Education to "identity" best practices, model programs and successful strategies to improve mental health supports in public schools. The Task Force is required to include at least a list of specified stakeholders. The Task Force is required to suggest to all school district governing boards a school safety plan that includes specified

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elements. The Task Force is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 30, 2021, and self-repeals January 1, 2025.

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**SB 1238 SCHOOLS; GRADUATION REQUIREMENTS; ADJUSTMENT**

The State Board of Education is required to adjust the minimum number of credits necessary for high school graduation for a student who is in grades 9 through 12 and who is homeless, is a former dependent child or foster child or has been placed in out-of-home placement, or is a delinquent juvenile or an incorrigible child who has been ordered by a court to the Department of Juvenile Corrections, a probation department or private agency, or to receive residential treatment services. A student who qualifies for an adjustment is required to take all required statewide assessments or an achievement assessment from the menu of assessments and is required to correctly answer at least 60 of the 100 questions on a civics test unless otherwise exempt. School districts and charter schools are required to establish a process for requesting qualification for an adjustment, and to identify and inform students who may qualify.

**SB 1249 ANTIDISCRIMINATION; EMPLOYMENT; HOUSING; PUBLIC ACCOMMODATIONS**

The list of attributes for which a person cannot be discriminated against in employment practices, various housing related statutes, and in places of public accommodation is expanded to include "sexual orientation" and "gender identity" (both defined).

**SB 1306 KINSHIP FOSTER CARE; TANF MONIES**

A kinship foster care parent who is not eligible to receive full foster care benefits is not required to file an application in order to receive Temporary Assistance for Needy Families (TANF) cash for a child only case and supplemental financial support. Appropriates \$5 million from the federal TANF block grant in FY2019-20 to the Department of Child Safety for the costs of TANF provided to kinship foster care parents.

**SB 1471 HOMELESS YOUTH; FAMILIES; FUNDING SOURCES**

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Requires \$5 million of tax revenue collected from nonresident sales of real property located in Arizona to be distributed to the general fund, after which \$2 million is distributed to the Seriously Mentally Ill Housing Trust Fund, after which any remaining monies are distributed to the Housing Trust Fund. Monies in the Seriously Mentally Ill Housing Trust Fund from tax collections from nonresident sales of real property located in Arizona may be spent for seriously mentally ill persons in community living homes and behavioral health residential facilities that meet other specified requirements. The Arizona Health Care Cost Containment System Administration is required to issue a request for proposals for a third-party entity to conduct a program study that measures the outcomes of seriously mentally ill residents in each of these settings. Up to \$10 million of the monies deposited in the Housing Trust Fund from tax collections from nonresident sales of real property located in Arizona must be used exclusively for capital projects, rental assistance and services for homeless youth and families, and must supplement and not supplant homeless youth and family funding from other potential sources. The Department of Housing is authorized to use monies deposited from tax collections from nonresident sales of real property located in Arizona in excess of \$10 million for other projects and programs. A person licensed to conduct escrow business is required to file an information return of sales of real property located in Arizona that are reported under specified federal reporting requirements. The filing deadline is March 31 for sales of real property that closed by December 31 of the preceding calendar year. By January 1, 2020, the Department of Health Services is required to adopt rules to allow a behavioral health residential facility to be a secure facility if the behavioral health residential facility is the least restrictive environment that meets the resident's treatment needs and the resident is an incapacitated person who meets other specified requirements. Effective for tax years beginning January 1, 2020.

## Public Safety/Courts

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### *New Laws*

#### **HB 2005 (CHAPTER 201) TRAFFIC SURVIVAL SCHOOL (~~MOVING VIOLATIONS; DEFENSIVE DRIVING SCHOOL~~)**

The Department of Transportation is required, instead of allowed, to require a person who is convicted of an offense in another jurisdiction that would be grounds for suspension or revocation of a driver license if committed in Arizona to successfully complete approved traffic survival school. If a person receives notice requiring successful completion of approved traffic survival school and the Dept receives information of noncompliance, the Dept is required, instead of allowed, to suspend or revoke the person's driver license.

#### **HB 2008 (CHAPTER 70) DUTY TO REPORT; SUPERVISOR; ADMINISTRATOR**

The list of persons with a duty to report a reasonable belief that a minor has been the victim of abuse or neglect is expanded to include any person who is employed as the immediate or next higher level supervisor to or administrator of a person who has a duty to report (other than the child's parent or guardian) and who develops the reasonable belief in the course of the supervisor's or administrator's employment. If the supervisor or administrator reasonably believes that the report has been made by the person with a duty to report, the supervisor or administrator is not required to report.

#### **HB 2012 (CHAPTER 47) HISTORIC EMERGENCY VEHICLES; LIGHTING; PARADES**

The exemption from the prohibition on driving a vehicle capable of displaying a red or red and blue light visible from directly in front of the center of the vehicle is expanded to include any emergency vehicle, instead of only a fire engine, that is solely used for hobby or display purposes and that has been issued a historic vehicle license plate, if the lights are activated only in a parade, for an authorized assemblage of historic vehicles or for testing purposes.

#### **HB 2023 (CHAPTER 27) POLITICAL SIGNS; BALLOT MEASURES; TAMPERING**

It is a class 2 (mid-level) misdemeanor for any person to knowingly remove, alter, deface or cover any political sign in support of or opposition to any ballot measure, question or issue. during the period beginning 45 days before a primary election and ending 7 days after the general election. For a sign for a candidate in a primary election who does not advance to the general election, the period during which political signs are allowed ends 7 days after the primary election.

#### **HB 2055 (CHAPTER 125) JUVENILE COURT; JURISDICTION; UNDESIGNATED FELONY**

The juvenile court is required to retain jurisdiction after a juvenile's 18th birthday for the purpose of designating an undesignated felony offense as a misdemeanor or felony, including after an adjudication is set aside. Factors the court may consider when determining whether to set aside an adjudication for a person who has been adjudicated delinquent or incorrigible are listed. If the court grants an application to set aside an adjudication, any remaining unpaid

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monetary obligation continues to be owed until paid. Also modifies requirements for applications for the destruction of juvenile records.

**HB 2076 (CHAPTER 283) VIRTUAL TRAINING SIMULATORS; LOCATION  
(~~CLEAN ELECTIONS; ENFORCEMENT; EARLY CONTRIBUTIONS~~)**

One of the three virtual training simulators for which the Department of Public Safety received an appropriation in the FY2018-19 budget is moved to the Glendale Regional Training Academy, from the Yuma County Sheriff's Office. The Dept is authorized to allow delivery of the virtual firing ranges, the virtual training simulators and the software for which monies were appropriated in the FY2018-19 budget before sufficient monies are available from the Peace Officer Training Equipment Fund and to pay for the equipment when monies are available from the Fund without paying interest on the outstanding balance if the equipment vendor agrees to that arrangement.

**HB 2080 (CHAPTER 149) CIVIL RIGHTS RESTORATION; APPLICATION;  
PROCEDURES**

Statutes governing the restoration of civil rights after felony convictions are repealed and replaced. At the time of sentencing, the court is required to inform a person in writing of the person's right to the restoration of civil rights. On "final discharge" (defined) and without filing an application, any person who has not previously been convicted of a felony offense must automatically be restored any civil rights that were lost or suspended as a result of the conviction, other than a person's right to possess a firearm, if the person pays any victim restitution imposed. No sooner than two years from the date of the person's final discharge, a person who has previously been convicted of a felony or who has not paid any victim restitution that was imposed is permitted to apply to the superior court to have the person's civil rights restored at the discretion of the judicial officer. The application process is specified. A person who is convicted of a dangerous offense, serious offense or a violent or aggravated offense is prohibited from filing for the restoration of the right to possess or carry a firearm.

**HB 2265 (CHAPTER 287) DEFENSIVE DRIVING SCHOOLS; COURSE  
CURRICULUM**

The Supreme Court must require each defensive driving school to submit to the Supreme Court the school's future schedule of classroom defensive driving courses, including the dates, start and end times, instructors' names and location for each course. Each scheduled defensive driving school class is required to admit only students who are registered with that school. A defensive driving school certified instructor is prohibited from teaching or facilitating a defensive driving school class for more than one certified defensive driving school during the same class instruction time period. A course's date, time and location cannot be changed or canceled except for extraordinary circumstances. The Supreme Court is prohibited from conducting an efficacy study or adopting or amending any rules relating to defensive driving schools until July 1, 2020 unless the Administrative Director of the Supreme Court determines an emergency exists that necessitates an immediate adoption or amendment of a rule.

**HB 2281 (CHAPTER 136) LIQUOR OMNIBUS**

Various changes relating to liquor licenses and control. The number of new on-sale liquor licenses of the same series in the same county that may be issued each year is modified. Liquor licensees and their employees are authorized to use a "biometric identity verification device"

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(defined) to determine a person's age for the purpose of ordering or purchasing spirituous liquor or as a condition of entry to the licensed premises. It is a class 1 (highest) misdemeanor for a person to knowingly "host" (defined) on an unlicensed premises a gathering of two or more persons who are under the legal drinking age if the person knows that one or more of the persons under the legal drinking age are in possession of or consuming spirituous liquor on the unlicensed premises. A retail licensee with off-sale privileges is authorized to take orders by phone, mail, fax, catalog, through the internet or by other means for sale and delivery, and to contract with independent contractors or use common carriers for liquor delivery. At the time the order is placed, the liquor licensee is required to inform a purchaser that the person accepting delivery of the spirituous liquor is required to comply with age verification requirements. Delivery must be made by an employee who is at least 21 years of age to a customer who is at least 21 years of age and who displays identification at the time of delivery. For any sale of a business or change in ownership of a liquor licensee's business, the business, stock-in-trade and spirituous liquor is permitted to be transferred with the ownership, in compliance with applicable state statutes. Business establishments that relied on a form issued by the Department of Liquor Licenses and Control (DLLC) that provides for a small restaurant exemption for 50 or fewer seats before January 31, 2019, are allowed to continue to maintain the capacity of 50 or fewer seats for the duration of the business. This right is not transferable. Production and storage space of a farm winery or craft distiller are excluded from the licensed premises. A craft distiller licensee is permitted to hold a farm winery license. One or more on-sale liquor licensees are authorized to apply to the DLLC for a joint premises permit, and requirements for joint premises permittees are established. The revoking, suspending or refusing to renew a license for unpaid taxes or penalties is a contested case with the Department of Revenue and may be appealed under specified circumstances. An appeals process is specified. Establishes a Pilot Program in the DLLC for liquor licensees at regional shopping centers, which allows the DLLC to issue up to ten extensions of premises to allow liquor licensees to sell spirituous liquor and allow patrons to consume spirituous liquor throughout a designated pedestrian area of a regional shopping center. The owner or management of a regional shopping center that encompasses at least 400,000 square feet of retail space is authorized to designate one retail licensee that may apply for an extension of premises under the Pilot Program, and the designated licensee may then apply to the DLLC for an extension of premises. The application process is specified, including review by the local governing body and submission of plans or diagrams designating the specific extension of premises requested. Establishes conditions for an extension of premises. The Pilot Program self-repeals January 1, 2023.

**HB 2318 (CHAPTER 112) DRIVING; WIRELESS COMMUNICATION DEVICE; PROHIBITION (~~ADOT; CONSULTING WITH THIRD PARTIES~~)**

Unless the vehicle is parked or stopped, a person is prohibited from operating a motor vehicle on a street or highway if the person physically holds or supports with any part of the person's body a "portable wireless communication device" or "stand-alone electronic device" (both defined), or if the person writes, sends or reads any text-based communication on a portable wireless communication device or stand-alone electronic device. Some exceptions. Beginning January 1, 2021, violations are subject to a civil penalty of \$75 to \$149 for a first violation, and \$150 to \$250 for a second or subsequent violation. A violation that results in an accident causing the death of or serious physical injury to another person is classified as causing serious physical injury or death by a moving violation, a class 1 (highest) misdemeanor. The Department of Transportation is required to post signs at each point where an interstate highway or U.S. highway enters Arizona that informs vehicle operators of the prohibition on using a portable wireless communication device while operating a motor vehicle. A peace

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officer who stops a motor vehicle for an alleged violation of this prohibition cannot take possession of or otherwise inspect a portable wireless communication device in the possession of the operator unless otherwise authorized by law. Peace officers may issue only a warning beginning on the effective date of this legislation through December 31, 2020, and are prohibited from issuing a citation for a violation of this prohibition before January 1, 2021. Beginning January 1, 2021, the regulation of the use of portable wireless communication devices while operating a motor vehicle is not subject to further regulation by a county, municipality or other political subdivision, and any regulations in violation of this prohibition, whether enacted before or after January 1, 2021, are void. Session law authorizes enforcement of local laws regulating the use of portable wireless communication devices through December 31, 2020. Additionally, while a person is driving a motor vehicle and the motor vehicle is in motion on a public roadway or on an off-highway vehicle trail, the person is prohibited from watching a video or movie on a portable wireless communication device or stand-alone electronic device, and from recording or broadcasting a video on a portable wireless communication device or stand-alone electronic device. Some exceptions. Emergency clause.

**HB 2366 (CHAPTER 153) MOTOR VEHICLE ACCIDENTS; RESTRICTED LICENSE**

For a first violation of causing serious physical injury or death by a moving traffic violation, the court is required to either suspend or restrict the person's driving privilege, instead of being allowed to suspend the person's driving privilege, for at least 90 days and no more than 180 days if the violation results in serious physical injury and for at least 180 days and up to one year if the violation results in death.

**HB 2466 (CHAPTER 259) CRIMINAL PROCEEDINGS; CHILD WELFARE; PRECLUSION (VICTIMS' RIGHTS)**

An action for the recovery of damages that is based on either an injury that a minor suffers as a result of another person's negligent or intentional act if that act is a cause of "sexual conduct" or "sexual contact" (both defined elsewhere in statute) committed against the minor or the failure to report sexual conduct or sexual contact committed against a minor is required to be commenced within 12 years after the plaintiff reaches 18 years of age and not afterward. States that it is the policy of this state that, following the final disposition of any criminal proceeding, the court may notify the victim that civil remedies may be available under this provision. Applies to any cause of action that is commenced on or after the effective date of this legislation or that was filed before and remains pending on the effective date of this legislation. A cause of action for damages that involves sexual conduct or sexual contact and that would be time barred under this legislation or that would otherwise be time barred because of an applicable statute of limitations, a claim presentation deadline or the expiration of any other time limit is revived and may be commenced before December 31, 2020. A cause of action revived under this provision may be brought against a person who was not the perpetrator of the sexual conduct or sexual contact if that person knew or otherwise had actual notice of any misconduct that creates an unreasonable risk of sexual conduct or sexual contact with a minor by an employee, a volunteer, a representative or an agent. For these claims, the plaintiff has the burden of proving the claim by clear and convincing evidence, and punitive damages may not be awarded. Emergency clause.

**HB 2473 STATE LIQUOR BOARD; MEMBERSHIP**

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One of the five members of the State Liquor Board with no financial interest in business licensed to deal with spirituous liquors would have been required to be appointed after an association representing cities and towns forwarded nominations to the Governor consisting of at least three nominees for the position who were current or former elected municipal officials. Session law would have allowed current Board members to continue to serve until the expiration of their normal terms. – VETOED BY GOVERNOR DUCEY

**HB 2634 (CHAPTER 110) PEACE OFFICERS; DISCIPLINE; HEARINGS; DISCOVERY**

Various changes to statutes relating to law enforcement discipline. During an internal investigation of a law enforcement officer, the employer is required to provide the officer with a copy of any relevant and readily available materials, which may be written, audio or video materials. A law enforcement officer is allowed to record his/her own interview. Recordings made by the officer, the officer's representative or the officer's attorney do not constitute an official record of the interview. In any appeal of a disciplinary action by a law enforcement officer, the duty to disclose information continues to exist throughout the process and up to the end of the appeal process.

**HB 2671 (CHAPTER 188) CRUELTY TO ANIMALS; DOMESTIC ANIMALS (~~LAW ENFORCEMENT INTEGRITY DATABASE; APPEAL~~)**

The list of acts constituting cruelty to animals is expanded to include intentionally or knowingly subjecting a "domestic animal" (defined as a mammal that is kept primarily as a pet or companion or that is bred to be a pet or companion) to cruel mistreatment and intentionally or knowingly killing a domestic animal without either legal privilege or consent of the domestic animal's owner or handler. Cruelty to animals under these circumstances is a class 5 (second-lowest) felony.

**HB 2752 (CHAPTER 268) BUDGET; BRB; CRIMINAL JUSTICE; 2019-20**

Makes policy changes pertaining to criminal justice programs that affect the budget. The highway safety fee determined by the Director of the Department of Transportation is no longer required to fully fund 110 percent of the Department of Public Safety Highway Patrol budget. Beginning July 1, 2021, the registering officer is prohibited from collecting the highway safety fee. The committed youth confinement cost sharing fee that the Department of Juvenile Corrections (DJC) annually assesses to each county is limited to counties with a population of more than 500,000 persons (Maricopa and Pima). DJC is prohibited from assessing this fee to any county for committed youth in secure care facilities in FY2019-20. The list of persons who must be excused temporarily from service as a juror is expanded to include persons employed in the correctional officer class series by the Department of Corrections, effective through January 1, 2022. Beginning from and after the effective date of this legislation, the Attorney General is prohibited from using monies from the Anti-Racketeering Revolving Fund to pay salaries for more than 16 full-time equivalent positions in the Attorney General's Office. In FY2019-20, of the monies deposited in the Gang and Immigration Intelligence Team Enforcement Mission (GIITEM) Fund, after allocation of the first \$500,000 to the county sheriff of a county with a population of less than 500,000 persons but more than 300,000 persons (Pinal County), \$400,000 must be allocated to the county sheriff of a county with a population of less than 2 million persons but more than 800,000 persons (Pima County). The Department of Public Safety (DPS) is authorized to use up to \$144,900 of the amount appropriated in FY2019-20 from the GIITEM Fund for costs related to an increase in the

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Public Safety Personnel Retirement System employer contribution rate. DPS is authorized to use monies appropriated to DPS in FY2019-20 from the Board of Fingerprinting Fund for capital expenditures, to use monies in the State Aid to Indigent Defense Fund and the Concealed Weapons Permit Fund for operating expenses in FY2019-20, and to use monies in the Highway Patrol Fund in FY2019-20 for the Pharmaceutical Diversion and Drug Theft Task Force.

**SB 1087 (CHAPTER 301) VEHICLE LIABILITY INSURANCE; MINIMUM LIMITS**

For motor vehicle liability insurance policies issued or renewed beginning on July 1, 2020, the minimum amounts of coverage required are increased to \$25,000 for bodily injury to or death of one person in any one accident, from \$15,000, to \$50,000 for bodily injury to or death of two or more persons in any one accident, from \$30,000, and to \$15,000 because of injury to or destruction of property of others in any one accident, from \$10,000. Does not apply to a policy issued to a person with a valid certificate of self-insurance or partial self-insurance. Also, an offer of liability limits on an automobile liability insurance policy is required to be made at the time of application for insurance.

**SB 1223 (CHAPTER 168) WRITTEN VEHICLE ACCIDENT REPORTS**

A law enforcement officer who investigates a motor vehicle accident resulting in damage to the property of any person in excess of \$2,000, increased from \$1,000, is required to complete a written report of the accident. Every law enforcement officer who investigates a motor vehicle accident resulting in damage to the property of any person in an amount of \$2,000 or less, instead of \$1,000 or less, and that does not result in the issuance of a citation is required to complete a portion of the written report of the accident.

**SB 1307 (CHAPTER 309) DUI; LICENSE REINSTATEMENT; EVALUATION REQUIREMENTS**

In order to qualify for reinstatement of driving privileges following a driver license suspension or revocation due to a conviction of driving under the influence (DUI), extreme DUI or aggravated DUI, the person is required to successfully complete the alcohol or other drug screening, education or treatment program requirements. If the Department of Transportation reinstates a person's drive license or driving privilege for a revocation that is related to alcohol or other drugs, the Dept is permitted to accept an evaluation that was performed by a physician assistant or registered nurse practitioner, in addition to a physician, psychologist or substance abuse counselor, that the condition does not affect or impair the person's ability to safely operate a motor vehicle.

**SB 1315 (CHAPTER 219) VICTIMS' RIGHTS; REFUSAL OF INTERVIEWS**

A victim is authorized to bring a special action seeking to enforce any right or challenge any order denying any right guaranteed to victims. Victims cannot be charged a filing fee to file a special action or to seek an order to invoke victims' rights. Various requirements to provide notice to a victim are transferred to the juvenile probation department from the juvenile court. Except in cases involving a dismissal with prejudice or an acquittal, the right of a victim and a victim's representative to refuse an interview, a deposition or any other discovery request by the defendant, the defendant's attorney or any other person acting on behalf of the defendant remains enforceable beyond a final disposition of the charges.

**SB 1317 (CHAPTER 21) BODILY FLUIDS EXPOSURE; TESTING**

The list of circumstances under which a public safety employee or volunteer may petition the court for an order authorizing testing of another person for blood borne diseases is expanded to include if the public safety employee or volunteer, as part of official duties, was rendering aid to the person as a result of a medical emergency and was exposed to blood or other bodily fluids on or through the skin or membranes, including if the person is deceased.

**SB 1348 (CHAPTER 260) FIREWORKS; RETAIL SALES; ENFORCEMENT**

The definition of "permissible consumer fireworks" is modified to include "adult snappers" (defined) in a county with a population of more than 500,000 persons (Maricopa County and Pima County). In a county with a population of more than 500,000 persons (Maricopa County and Pima County), the county and municipalities in that county are no longer permitted to prohibit the sale of permissible consumer fireworks from April 25 through May 6 of each year, and from five days before the first day of Diwali through the third day of Diwali of each year. In those counties, the county and municipalities in that county are no longer authorized to prohibit the use of permissible consumer fireworks from May 4 through May 6 and on the second and third day of Diwali of each year. Effective January 1, 2021, the provisions relating to the sale and use of permissible consumer fireworks on days relating to Diwali are repealed. In a county with a population of more than 500,000 persons (Maricopa County and Pima County), the county and municipalities in that county are authorized to prohibit on all days during a stage one or higher fire restriction the use of permissible consumer fireworks within a one-mile radius of the border of any municipal or county mountain preserve, desert park, regional park, designated conservation area, national forest or wilderness area. In counties with a population of less than 500,000 persons, counties and municipalities are authorized to prohibit on all days the use of permissible consumer fireworks within a one-mile radius of the same areas. A fire marshal working for or contracted with a municipality, fire district or county is authorized to seize, remove or cause to be removed all fireworks for sale or offered for sale in the fire marshal's jurisdiction. The municipality, fire district or county is authorized to impose a fine on the owner of the fireworks that at a minimum covers the cost of the enforcement. A person that has fireworks confiscated more than two times in a five-year period is prohibited from selling permissible consumer fireworks in Arizona for the three succeeding years following the most recent violation.

**SB 1468 (CHAPTER 199) SCHOOLS; SUICIDE PREVENTION TRAINING**

Beginning in the 2020-21 school year, school districts and charter schools are required to provide training in suicide awareness and prevention for school guidance counselors, teachers, principals and other school personnel who work with students in grades 6 through 12. Each person required to obtain training is required to complete the training at least once every three years. Training requirements are specified. By July 1, 2020, the Arizona Health Care Cost Containment System Administration is required to annually identify or develop and post online a list of approved materials that schools may use to provide the training. School personnel, entities or any other persons are not civilly liable for any actions taken in good faith under these requirements, except in cases of gross negligence, willful misconduct or intentional wrongdoing. Each teacher training program in Arizona is required to develop or adopt evidenced-based instruction on suicide awareness and prevention and provide that instruction to all teacher candidates in the teacher training programs.

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**SB 1526 (CHAPTER 222) FIREFIGHTING FOAM; PROHIBITED USES  
(~~APPROPRIATION; UNIVERSITIES; STUDENT INTERNSHIPS~~)**

Beginning January 1, 2020, a person, local government or state agency is prohibited from discharging or otherwise using for training purposes "class B firefighting foam" (defined) that contains intentionally added "PFAS chemicals" (defined) unless otherwise required by law or federal regulation. Beginning January 1, 2020, a person, local government or state agency is prohibited from discharging or otherwise using for testing purposes class B firefighting foam that contains intentionally added PFAS chemicals unless otherwise required by law or federal regulation or the testing facility has implemented appropriate containment, treatment and disposal measures.

**SB 1537(CHAPTER 135) SERVICE PROVIDERS; FINGERPRINT CARD**

Each person, whether paid or not, who is licensed by the Department of Child Safety (DCS), is employed by a DCS licensee, is a DCS contractor that provides services directly to juveniles or vulnerable adults, or is an adult working in a group home, residential treatment center, shelter or other congregate care setting is required to have as a condition of employment a valid fingerprint clearance card or must apply for a fingerprint clearance card within seven working days after being employed. The list of purposes for which DCS is authorized to use information contained in the central registry is expanded to include as a factor to determine qualifications for an adult who works in a group home, residential treatment center, shelter or other congregate care setting. Emergency clause.

*Bills that Failed*

**HB 2014 SCHOOLS; VOLUNTARY POSTING; ABUSE HOTLINE**

School district schools and charter schools are authorized to post in a public area of the school that is readily accessible to students a sign that is at least 11 inches by 17 inches, that is placed at students' eye level, and that contains the telephone number of the centralized intake hotline concerning suspected abuse and neglect of children, instructions to call 911 for emergencies, and directions for accessing the website of the Department of Child Safety for more information.

**HB 2025 ANIMAL CRUELTY; DOMESTIC ANIMALS; CLASSIFICATION**

The list of acts constituting cruelty to animals is expanded to include intentionally or knowingly subjecting a "domestic animal" (defined as a mammal that is kept primarily as a pet or companion or that is bred to be a pet or companion) to cruel mistreatment and intentionally or knowingly killing a domestic animal without either legal privilege or consent of the domestic animal's owner or handler. Cruelty to animals under these circumstances is a class 5 (second-lowest) felony.

**HB 2043 MUNICIPAL JUDGES; TERMS; RETENTION ELECTION**

Municipal court magistrates are limited to a four-year term and are subject to election for retention or rejection at a general election in the same manner as superior court or appellate court judges and supreme court justices. A municipal magistrate is required to file a declaration of desire to be retained in office in the office of the municipal clerk at least 60 days before the general election following the expiration of the magistrate's term of office. The name of a

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magistrate whose declaration is filed must be placed on the appropriate official ballot under a nonpartisan designation in a specified form. Session law provides that a municipal magistrate currently holding office continues to serve for the respective term for which s/he was appointed or elected but following that term must be appointed or retained in office as provided by this legislation.

**HB 2052 JUVENILES; DETENTION CENTERS; DANGEROUS OFFENSES**

A juvenile who is charged with or arrested for a "dangerous offense" (defined elsewhere in statute) is no longer prohibited from being detained in a juvenile detention center.

**HB 2062 JUVENILE DISPOSITION; PROBATION TERMS; NOTICE**

If a juvenile is 14 years of age or older and is adjudicated for a class 2, 3 or 4 felony offense and has previously been adjudicated for a class 2, 3, or 4 felony offense, instead of adjudicated as a repeat felony juvenile offender, the juvenile court is required to place the juvenile on juvenile intensive probation. After considering a risk assessment prepared by the probation department, the court is permitted to modify the level of the juvenile's probation. If a juvenile is placed on juvenile probation for an offense involving spirituous liquor or a drug violation and the juvenile violates probation by consuming spirituous liquor or drug use, the court is no longer required to either revoke the probation or have establish additional probation conditions.

**HB 2072 CIVIL FORFEITURE; CRIMINAL CONVICTION**

Various changes relating to forfeiture. At a judicial forfeiture proceeding, it is presumed that a claimant's interest in 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. 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 2081 TRAUMATIC EVENT COUNSELING**

If a licensed mental health professional determines that a peace officer or firefighter needs additional visits of licensed counseling beyond the 12 visits currently authorized in the traumatic event counseling program, the employer is required to pay for up to an additional 36 visits, increased from an additional 24 visits, within one year after the first visit.

**HB 2085 QUALIFIED IMMUNITY; DEFAMATION ACTIONS**

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Unless the person acted with gross negligence, a person is not liable for damages in a civil action involving a claim of defamation for making a statement in good faith that relates to the reporting or investigation of a crime by law enforcement or a prosecutor, or a judicial proceeding, including a statement or communication that is preliminary to a proposed judicial proceeding.

### **HB 2148 SYRINGE SERVICE PROGRAMS; AUTHORIZATION**

A municipality, county or nongovernmental organization or any combination of these entities are authorized to establish and operate a needle and hypodermic syringe service program. A program is required to offer a list of specified services, including disposal of used needles and hypodermic syringes, injection supplies at no cost, and access to kits that contain an opioid antagonist or referrals to programs that provide access to an opioid antagonist. An employee, volunteer or participant in the program cannot be charged with or prosecuted for possession of a needle, hypodermic syringe or other injection supply item obtained from or returned to a program or possession of a residual amount of a controlled substance contained in a used needle, hypodermic syringe or injection supply item obtained from or returned to a program, if the person claiming immunity provides written verification that the item was obtained from a program.

### **HB 2161 ORDER OF PROTECTION; FIREARM POSSESSION**

A person who is at least 18 years of age and who is either a law enforcement officer, a “family or household member” (defined), a school administrator or teacher or a licensed behavioral health professional who has personal knowledge that the respondent is a danger to self or others is permitted to file a verified petition in the superior court for a one-year Severe Threat Order of Protection (STOP order), which prohibits the respondent from owning, purchasing, possessing or receiving or having in the respondent’s custody or control a firearm or ammunition for up to one year. The petitioner is also permitted to request that the court issue an Ex Parte STOP order, which prohibits the respondent from owning, purchasing, possessing or receiving or having in the respondent’s custody or control a firearm or ammunition until a court-scheduled hearing on the one-year STOP order. Establishes required timelines for hearings on STOP orders. Factors the court must consider in determining whether grounds for an Ex Parte STOP order or one-year STOP order exist are listed. Statements that must be included on a STOP order are specified, including that the respondent has the right to request one hearing to terminate a one-year STOP order at any time during the order’s effective period. On issuance of an Ex Parte STOP order or one-year STOP order, the court is required to order the respondent to relinquish to a local law enforcement agency all firearms and ammunition in the respondent’s custody or control or that the respondent possesses or owns. A peace officer who takes possession of a firearm or ammunition is required to issue a receipt that identifies all firearms and ammunition that have been relinquished or removed and file the receipt with the court that issued the Ex Parte STOP order or one-year STOP order. Establishes a process for the return or disposal of relinquished firearms and ammunition.

### **HB 2165 DISTRACTED DRIVING; RECKLESS DRIVING**

A person who drives a vehicle while participating in an activity that willfully distracts the person from safely operating the vehicle is guilty of reckless driving, a class 2 (mid-level) misdemeanor.

### **HB 2173 PEACE OFFICER DATABASE; DISCIPLINARY ACTIONS**

The Arizona Peace Officer Standards and Training Board is required to establish and make available on its website a law enforcement officer database that includes the names and discipline record, if any, of every law enforcement officer in Arizona that is accessible only to a law enforcement agency that is conducting a background investigation of an applicant for the position of a law enforcement officer. Law enforcement agencies are required to check the database before hiring an applicant for the position of a law enforcement officer. Law enforcement agencies are required to report to the Board specified information within 10 days after a final ruling or determination on certain disciplinary actions of law enforcement officers. A person is authorized to bring an action in superior court to enforce these requirements.

**HB 2192 BUDGET CYCLE; POLICE ASSOCIATIONS; MEETING**

County boards of supervisors and municipal governing bodies are required to meet with police associations serving the peace officers of that county or municipality during the budget cycle to discuss the allocations of monies for public safety services.

**HB 2257 CIVIL LIABILITY; GUN-FREE ZONES**

A person, organization or entity or an agency, commission, board or political subdivision of the state 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, under 16 years of age or over 65 years of age at the time of the criminal conduct.

**HB 2298 DRIVING VIOLATIONS; RESTRICTED DRIVING PRIVILEGES**

After a driver license revocation period has been in place 90 or more days, a person convicted of reckless driving or racing on highways may apply to the Department of Transportation for a restricted privilege to drive, which limits the person's privilege to drive to and from specified locations during specified periods of time. After a driver license revocation period has been in place 45 or more days, a person convicted of aggressive driving may apply to the Dept for a restricted privilege to drive.

**HB 2328 APPROP; PEACE OFFICER TRAINING EQUIPMENT**

Appropriates \$2.18 from the Peace Officer Training Equipment Fund in FY2019-20 to the Department of Public Safety to purchase virtual firing ranges, virtual training simulators and software for specified entities. Establishes requirements for the virtual firing ranges and virtual training simulators.

**HB 2357 ELECTRONIC SMOKING DEVICES (~~RECONSTRUCTION CONTRACTING; LOCAL TAX; EXEMPTION~~)**

For the purposes of the Smoke-Free Arizona Act, which prohibits 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) or any oral smoking device. The list of places exempt from the prohibition on smoking in public places is expanded to include retail stores

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that sell electronic smoking devices exclusively and that have an independent ventilation system. For the purposes of the statutes prohibiting the furnishing of tobacco products to minors, the definition of "tobacco products" is expanded to include any product that is made or derived from tobacco or that contains nicotine and that is intended for human consumption, and to include an "electronic smoking device" (defined) and any component, accessory, instrument or paraphernalia that is used in the consumption of a tobacco product, whether or not it contains nicotine. Electronic smoking devices are added to the list of tobacco products that are exempt from the prohibition on delivery sales of tobacco products. A retailer that sells, offers for sale, gives or furnishes an electronic smoking device to another person by mail or delivery service, through an internet or a computer network, by telephone or through any other electronic method is required to use an independent, third-party age verification service that establishes that the person is 21 years of age or older. A retailer that engages in the delivery sales of an electronic smoking device is required to register with the Attorney General's Office, and to include on the outside of each shipping container a specified warning of electronic smoking device age restrictions and tax liabilities in a clear and conspicuous manner. Due to voter protection, provisions of this legislation relating to the Smoke-Free Arizona Act require the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

### **HB 2362 EXPUNGEMENT; ARREST; CONVICTION; SENTENCING RECORDS**

The court is authorized to expunge the record of a person's arrest, conviction and sentence, and a person whose record is expunged must be treated in all respects as if the person was never arrested, convicted or sentenced, except that if the person is convicted of an offense committed after the order of expungement is entered, the court may consider the expunged convicted for sentencing purposes. Establishes requirements for a person to be permitted to petition for expungement of the person's record. Specifies the process for records if the court grants a petition for expungement. If the court denies a petition for expungement, a new petition cannot be filed until three years after the date of the denial, and the petitioner is permitted to file a direct appeal. Does not apply to a person sentenced as a dangerous offender or who is convicted of a dangerous crime against children. Applies to a person who is arrested, convicted or sentenced before, on or after the effective date of this act.

### **HB 2382 DRIVING ON SUSPENDED LICENSE; TOWING**

The list of circumstances under which a peace officer is required to cause the removal and either immobilization or impoundment of a vehicle is expanded to include if the person's driving privilege is suspended and it is the person's second or subsequent violation of driving on a suspended license.

### **HB 2460 PTSD; WORKERS' COMPENSATION; PRESUMPTION**

For the purpose of workers' compensation, post-traumatic stress disorder (PTSD) is presumed to be an occupational disease and deemed to arise out of and in the course of employment for a "first responder" (defined) if a list of specified conditions apply, including that a licensed mental health professional determines that the first responder has PTSD resulting from the performance of his/her job duties. The list of circumstances under which the state and political subdivisions are required to provide licensed counseling to a public safety employee is modified to include the use of deadly force or being subjected to deadly force in the line of duty regardless of whether the employee was physically injured (previously applied only to peace officers), witnessing the death of another public safety employee while engaged in the line of duty

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(previously applied only to firefighters), and in the case of a firefighter or peace officer, being exposed to a psychologically traumatic event or series of events in the course of employment. The list of public safety employees subject to this requirement is expanded to include a rescue or ambulance worker who is a member of any public retirement system. Employers are prohibited from requiring public safety employees receiving treatment under this program to use paid time off and are required to allow the employees to select their own licensed mental health professionals. The repeal date of January 1, 2023 for the licensed counseling requirements is deleted.

### **HB 2516 PUBLIC OFFICIALS; PEACE OFFICERS; CONTACTS**

The Department of Public Safety is required to establish and maintain a publicly accessible electronic database that provide information for each "contact" (defined as a lawful detention or stop to investigate a moving traffic violation, excessive speeding violation or driving under the influence that does not result in the issuance of a citation or an arrest) between a peace officer and an elected or appointed public official in Arizona. The Dept is required to provide a link to the searchable database on the Dept's website. The chief law enforcement officer from each municipality and county is required to submit specified information about each contact to the Dept.

### **HB 2539 SEAT BELTS; PRIMARY ENFORCEMENT**

The prohibition on a peace officer stopping a vehicle for a suspected seat belt violation unless the officer has reasonable cause to believe another violation occurred is deleted, effectively making seat belt law subject to primary enforcement. The list of exemptions from seat belt requirements is expanded to include a person using a motor vehicle primarily for agricultural or mining purposes. Each occupant, instead of only each front seat occupant, of a motor vehicle is required to have the seat belt properly adjusted and fastened while the vehicle is in motion. The first violation of seat belt requirements in a 12-month period is not a civil traffic violation and is prohibited from resulting in a citation. Contains a legislative intent section.

### **HB 2561 KRATOM PRODUCTS; REGULATION**

A "dealer" (defined) that prepares, distributes, sells or exposes for sale a "food" (defined) that is represented to be a "kratom product" (defined) is required to disclose on the product label the factual basis on which that representation is made. A dealer is prohibited from preparing, distributing, selling or exposing for sale any of a list of kratom products that are mixed or packed with other specified substances. A dealer is prohibited from preparing, distributing, selling or exposing for sale a kratom product to an individual under 18 years of age. Establishes civil penalties for violations.

### **HB 2565 APPROPRIATION; INTEROPERABLE COMMUNICATION SYSTEM**

Appropriates \$9.5 million from the general fund in FY2019-20 to the Department of Public Safety to procure an interoperable communication system that will enhance school safety and facilitate emergency response activities in Arizona. Requirements for the system are specified.

### **HB 2566 PEACE OFFICER TRAINING; REQUIREMENTS**

Peace officer training prescribed by the Arizona Peace Officers Standards and Training Board is required to include training on the protocol for interaction when encountering an individual

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with communication deficits, including deafness, developmental disability, or mental illness. The Board is required to develop an in-person training course and an online training course that is administered by the Commission for the Deaf and the Hard of Hearing. All certified peace officers who are certified on or after the effective date of this legislation are required to attend the in-person training course. All peace officers who were certified before the effective date of this legislation are required to complete the online training course within two years. After the initial training course, each peace officer is required to complete the online training course once every three years. Beginning in January 2021, the Board is required to biennially report to the Governor and the Legislature specified information relating to the training course.

### **HB 2575 FIREARM DEALERS; FIREARM TRANSFERS; REQUIREMENTS**

A "firearms dealer" (defined) that transfers firearms to persons in Arizona is required to take reasonable measures to prevent the transfer of firearms to straw purchasers or firearms traffickers, including screening for indicators, prohibiting dealer personnel from directing a customer on how to answer questions on forms that must be completed in connection with the sale, and limiting purchases of firearms to one purchase per 30 days per civilian, non-law enforcement customer. A firearms dealer is required to take reasonable measures to prevent the transfer of firearms to individuals who are prohibited from purchasing firearms and individuals who are too dangerous to possess firearms, including refusing to transfer a firearm until a background check has been completed and the transferee is cleared to purchase the firearm, refusing to transfer a firearm to an individual exhibiting signs of intoxication or mental instability, refusing to sell firearms at firearm shows unless all firearm sales at the shows are conducted only on completion of a background check, and performing background checks for private sellers for a reasonable fee. Also establishes requirements for firearms dealers that sell firearms over the internet or telephone or through other electronic means, requirements for firearms dealers to take reasonable measures to prevent theft, and requirements for firearms dealers to take reasonable measures to assist law enforcement in investigating and preventing criminal access to firearms. A firearms dealer is required to maintain a liability insurance policy with a minimum policy limit of \$1 million to potentially compensate victims for damage to property and for injury to or death of any individual as a result of a firearms dealer's wrongful conduct in the transfer of any firearm or ammunition. Violations are subject to a civil penalty of \$500 for each violation. Civil penalty of \$500 for each violation.

### **HB 2584 DEFENSIVE DRIVING SCHOOL CERTIFICATION; OWNERSHIP**

The rules adopted by the Supreme Court for defensive driving schools are required to prohibit certified defensive driving schools that have a "common ownership or use of assets" (defined) from participating in more than one school listing on the Supreme Court's defensive driving school website or on any other state-sponsored advertisement.

### **HB 2588 ANIMAL ABUSER REGISTRATION; PENALTIES**

An adult who has been convicted of cruelty to animals or animal fighting is required to register with the Secretary of State within 5 days after the conviction or after entering and remaining in the state. Beginning January 1, 2020, the Secretary of State's office is required to maintain a central animal abuser registry with the names and registration information of every person required to register. Beginning January 1, 2020, any person that sells, gives or adopts out three or more animals in one year is authorized to conduct a central animal abuser registry check for the name and address of every person who is requesting or who is provided with an animal, and is prohibited from selling, giving or adopting out an animal to a person whose name is

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listed in the registry. Failing to register is a class 4 (lower mid-level) felony. Knowingly selling, gifting or adopting an animal to a person listed in the registry is subject to a civil penalty of at least \$250.

**HB 2613 SEX OFFENDER REGISTRATION; TERMINATION**

For the purpose of a petition filed by a defendant for an order to terminate any duty to register as a sex offender, the list of circumstances that a defendant is required to avow, under penalty of perjury, is modified, including to allow the victim to be a peace officer posing as a 15, 16 or 17 year old or a fictitious minor purported to be 15, 16 or 17 years of age, and to exclude defendants that were convicted of more than one offense involving more than one victim or that were convicted of specified offenses.

**HB 2620 LAW ENFORCEMENT; PROHIBITED CONTRACTS; BROKERS**

A law enforcement agency is prohibited from hiring or contracting with a person or business to coordinate that agency's off-duty work assignments if the person or business is a broker in the business of providing off-duty law enforcement officers employment or the person has an agency license and has employees or clients who are licensed security guards or law enforcement officers.

**HB 2699 SCHOOL BUILDINGS; VULNERABILITY ASSESSMENT**

School districts and charter schools are required to have a certified peace officer conduct a vulnerability assessment for each building that the school district or charter school owns, rents, occupies or operates. The assessment must evaluate the school environment's vulnerabilities to external and internal safety threats, and the preparedness of school personnel to manage emergency situations. By December 15 of each year, assessment results must be submitted to a local review board to determine any necessary actions to remedy vulnerabilities. The Safe Schools Grant Fund is established, to be administered by the Department of Education. The Dept is required to distribute monies in the Fund to school districts and charter schools to help school sites decrease vulnerabilities to potential external and internal threats. The Fund self-repeals July 1, 2024.

**SB 1047 SEXUAL ORIENTATION; CONVERSION THERAPY; PROHIBITION**

It is unprofessional conduct for a "psychotherapist" (defined) to provide any "conversion therapy" (defined as any practice or treatment that seeks to change the sexual orientation or gender identity of a person) to a person who is under 18 years of age regardless of the willingness of the person or the person's parent or legal guardian to authorize the conversion therapy. Violations are subject to disciplinary action by the appropriate health profession regulatory board.

**SB 1147 TOBACCO PRODUCTS; VAPOR PRODUCTS (MUNICIPAL ECONOMIC DEVELOPMENT; SALE; LEASE)**

The governing body of a municipality is authorized to sell or lease for "economic development activities" (defined elsewhere in statute) land or buildings owned by or under the control of the municipality only pursuant to the requirements of this legislation. The governing body of the municipality is required to appoint an experienced, independent appraiser to determine the sale or lease valuation of any land or building valued at more than \$50,000. The governing body is

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required to give notice of a proposed sale or lease by publication, once each week for four consecutive weeks before executing any sale or lease, in a newspaper of general circulation in the municipality and to make the notice available to the public on the governing body's website. Information that must be included in the notice is specified. Contains a purpose statement. Applies to any agreement made on or after the effective date of this legislation.

**SB 1165 WIRELESS COMMUNICATION DEVICE; DRIVING; PROHIBITION  
(PROHIBITION; TEXTING WHILE DRIVING)**

Unless the vehicle is parked or stopped, a person is prohibited from operating a motor vehicle on a street or highway while physically holding or supporting with any part of the person's body a portable wireless communication device or stand-alone electronic device, and while writing, sending or reading any text-based communication on a portable wireless communication device or stand-alone electronic device. Some exceptions. Beginning January 1, 2021, Violations are subject to a civil penalty of \$75 to \$149 for a first violation, and \$150 to \$250 for a second or subsequent violation. A violation that results in an accident causing the death of or serious physical injury to another person is classified as causing serious physical injury or death by a moving violation, a class 1 (highest) misdemeanor. The Department of Transportation is required to post signs at each point where an interstate highway or U.S. highway enters Arizona that informs vehicle operators of the prohibition on using a portable wireless communication device while operating a motor vehicle. A peace officer who stops a motor vehicle for an alleged violation of this prohibition cannot take possession of or otherwise inspect a portable wireless communication device in the possession of the operator unless otherwise authorized by law. Peace officers may issue only a warning beginning on the effective date of this legislation through December 31, 2020, and are prohibited from issuing a citation for a violation of this prohibition before January 1, 2021. Beginning January 1, 2021, the regulation of the use of portable wireless communication devices while operating a motor vehicle is not subject to further regulation by a county, municipality or other political subdivision, and any regulations in violation of this prohibition, whether enacted before or after January 1, 2021, are void. Session law authorizes enforcement of local laws regulating the use of portable wireless communication devices through December 31, 2020. Additionally, while a person is driving a motor vehicle and the motor vehicle is in motion on a public roadway or on an off-highway vehicle trail, the person is prohibited from watching a video or movie on a portable wireless communication device or stand-alone electronic device, and from recording or broadcasting a video on a portable wireless communication device or stand-alone electronic device. Emergency clause.

**SB 1219 DOMESTIC VIOLENCE OFFENSES; FIREARM TRANSFERS**

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 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

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federally licensed firearms dealer that receives a transferred firearm may dispose of the firearm in accordance with state and federal law.

**SB 1255 CIVIL ACTION; ASSAULT; REPORTING; LIMITATION**

An action for the recovery of damages that is based on an injury that a minor suffers as a result of another person's negligent or intentional act if that act is a cause of a sexual assault committed against the minor, or that is based on the failure to report child abuse or a sexual assault committed against a minor is required to be commenced within seven years after the cause of action accrues. For these circumstances, a cause of action accrues on occurrence of the later of either the plaintiff reaching 18 years of age or the plaintiff first disclosing the sexual assault to a licensed medical or mental health care provider in the context of receiving health care from the provider. Applies to any cause of action that is commenced on or after the effective date of this legislation and that was filed before and remains pending on the effective date of this legislation. Revives any cause of action that would have been time barred by the laws of this state that were in effect before the effective date of this legislation.

**SB 1292 MISCONDUCT INVOLVING WEAPONS; CLASSIFICATION**

The classification for misconduct involving weapons for entering any public establishment or attending any public event and carrying a deadly weapon after a reasonable request by the operator of the establishment or sponsor of the event to remove the weapon and place it in temporary secure storage is reduced to a petty offense, from a class 1 (highest) misdemeanor. The classification for misconduct involving weapons for entering an election polling place on election day carrying a deadly weapon is reduced to a class 3 (lowest) misdemeanor, from a class 1 (highest) misdemeanor.

**SB 1313 JUROR CONTACT; ADVISEMENT; INTERVIEW REQUIREMENTS**

On discharge of a jury, the court is required to advise the jurors verbally and in writing that a juror may accept or decline contact with either party or a party's representative at any time. The jurors must be provided an opportunity to opt in or opt out of contact and the decision of each juror must be made a part of the court record. Unless otherwise directed by the court, any party is permitted to initiate contact with a juror who has opted in by the method of contact that was specified by the juror. On a finding of good cause, the court is authorized to grant a party's request to contact a juror who has opted out. The court may limit the scope of any contact between a party and a juror. A violation of these requirements may result in an order to show cause, and the court is violation of these requirements may result in an order to show cause, and the court is authorized to order any appropriate remedy, including the preclusion of information obtained in violation.

**S1331: LOW-INCOME CREDIT; REPEAL; RESOURCE OFFICERS**

Repeals the low-income individual income tax credit and eliminates the annual \$25 million transfer from transaction privilege tax revenues to the general fund for the cost of the credit. Appropriates \$25 million from transaction privilege tax revenues each fiscal year to the Department of Education to provide school resources officers for the school safety program. Applies to tax years beginning with 2020. 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. Due to a potential increase in state revenue, some sections of this legislation require the

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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 1381 ORDER OF PROTECTION; FIREARM POSSESSION**

A person who is at least 18 years of age and who is either a law enforcement officer, a “family or household member” (defined), a school administrator or teacher or a licensed behavioral health professional who has personal knowledge that the respondent is a danger to self or others is permitted to file a verified petition in the superior court for a one-year Severe Threat Order of Protection (STOP order), which prohibits the respondent from owning, purchasing, possessing or receiving or having in the respondent’s custody or control a firearm or ammunition for up to one year. The petitioner is also permitted to request that the court issue an Ex Parte STOP order, which prohibits the respondent from owning, purchasing, possessing or receiving or having in the respondent’s custody or control a firearm or ammunition until a court-scheduled hearing on the one-year STOP order. Establishes required timelines for hearings on STOP orders. Factors the court must consider in determining whether grounds for an Ex Parte STOP order or one-year STOP order exist are listed. Statements that must be included on a STOP order are specified, including that the respondent has the right to request one hearing to terminate a one-year STOP order at any time during the order’s effective period. On issuance of an Ex Parte STOP order or one-year STOP order, the court is required to order the respondent to relinquish to a local law enforcement agency all firearms and ammunition in the respondent’s custody or control or that the respondent possesses or owns. A peace officer who takes possession of a firearm or ammunition is required to issue a receipt that identifies all firearms and ammunition that have been relinquished or removed and file the receipt with the court that issued the Ex Parte STOP order or one-year STOP order. Establishes a process for the return or disposal of relinquished firearms and ammunition.

## Transportation

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### *New Laws*

#### **HB 2109 (CHAPTER 50) COUNTY TRANSPORTATION EXCISE TAX**

If approved by a majority of the qualified electors, a county transportation excise tax must be levied and collected at a rate that, by itself or together with any tax county transportation excise tax for roads, is not more than 20 percent, increased from 10 percent, of the transaction privilege tax rate in effect on January 1, 1990 (5 percent) or of the jet fuel excise and use tax rate prescribed by statute (currently 3.05 cents per gallon).

#### **HB 2188 (CHAPTER 90) FUNERAL DIRECTOR INTERNS**

An intern licensed by the Board of Funeral Directors and Embalmers is authorized to arrange and direct funerals under the supervision of a licensed funeral director.

#### **SB 1398 (CHAPTER 120) MINIATURE SCOOTERS; ELECTRIC STANDUP SCOOTERS**

An operator of an "electric standup scooter," defined as a device with a floorboard, two or three wheels and handlebars that is powered by an electric motor and/or human power, weighs less than 75 pounds, and has a maximum speed that does not exceed 20 miles per hour, excluding an "electric miniature scooter" (defined as a device with a floorboard, two or three wheels and handlebars that is powered by an electric motor and/or human power, weighs less than 30 pounds, and has a maximum speed that does not exceed 10 miles per hour), is granted all the rights and privileges and is subject to all of the duties of a person riding a bicycle. An electric standup scooter is subject to the same statutory provisions as a bicycle and is not subject to motor vehicle title, registration, vehicle license tax, driver licenses or vehicle insurance requirements. An electric standup scooter is required to have a unique identification that consists of letters and/or numbers and that is visible from a distance of at least five feet. A local authority is not prohibited from regulating electric bicycles and electric standup scooters.

### *Bills that Failed*

#### **HB 2019 HIGHWAY SAFETY FEE; REPEAL; VLT**

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. Repeals changes to the valuation formula for the separate vehicle license tax classification for motor vehicles powered by alternative fuels that are purchased on or after January 1, 2020, which would have become effective January 1, 2020.

#### **HB 2029 VEHICLES; PART-TIME RESIDENCY STICKER; EMISSIONS**

A nonresident who is in Arizona for more than 30 consecutive days is required to apply to the Department of Transportation for a part-time residency registration sticker for each vehicle that the nonresident owns and operates in Arizona, and must be a fee for each sticker in an amount to be determined by the Director of the Dept. The registering officer is required to

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indicate on the face of the registration application that the registrant may be subject to vehicle emissions testing requirements.

**HB 2047 HURF DISTRIBUTION; CITIES, TOWNS, COUNTIES**

Appropriates \$60 million from the general fund in FY2019-20 to the Department of Transportation for distribution to counties and municipalities according to a specified distribution formula. The monies distributed may be used only for street or highway projects, including construction or maintenance.

**HB 2069 TEXT MESSAGING WHILE DRIVING; PROHIBITION**

It is a nonmoving civil traffic violation to use a wireless communication device to manually write or send a written message while operating a motor vehicle on a highway. Some exceptions. Violations are subject to a civil penalty of \$100 for a first violation and \$300 for a second or subsequent violation. If a person in violation is involved in a motor vehicle accident, the person is subject to a civil penalty of \$500, except that if the accident results in the death of another person, the civil penalty is \$10,000.

**H2165: DISTRACTED DRIVING; RECKLESS DRIVING**

A person who drives a vehicle while participating in an activity that willfully distracts the person from safely operating the vehicle is guilty of reckless driving, a class 2 (mid-level) misdemeanor.

**HB 2246 MOTORCYCLE RIDERS; HELMETS; FEES**

All operators and passengers of motorcycles, all-terrain vehicles and motor driven cycles are required to wear a protective helmet at all times, instead of only those operators and passengers who are under 18 years of age. An operator or passenger who is at least 18 years of age may be exempted from the helmet requirement if the owner pays a fee in an amount determined by the Director of the Department of Transportation when registering the vehicle. Fees collected are deposited in the Highway User Revenue Fund (HURF). Violations of the helmet requirement are subject to secondary enforcement and are subject to a civil penalty of \$500. Of the civil penalty, \$200 is deposited in HURF and \$300 is deposited in the Spinal and Head Injuries Trust Fund.

**HB 2295 APPROPRIATION; STREET AND HIGHWAY PURPOSES**

Appropriates \$200.5 million from the general fund in FY2019-20 to the State Treasurer for a onetime distribution to counties for highways and street purposes as prescribed in the state Constitution. The amount allocated to each county is listed.

**HB 2319 HURF TRANSFERS; HIGHWAY PATROL; REPEAL**

Repeals statute requiring the Department of Transportation to allocate and transfer \$10 million from revenues of the Arizona Highway User Revenue Fund (HURF) to the Department of Public Safety for funding a portion of highway patrol costs.

**HB 2320 HIGHWAY SAFETY FEE; REDUCTION**

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Caps the highway safety fee at \$18. The highway safety fee is no longer required to fully fund 110 percent of the Department of Public Safety Highway Patrol budget for each fiscal year. Appropriates \$47 million from the general fund in FY2019-20 to the Arizona Highway Patrol Fund.

**HB 2424 UNDESIGNATED FELONY; MISDEMEANOR DESIGNATION**

An undesignated felony offense must be treated as a misdemeanor until the court enters an order designating it a misdemeanor or felony, instead of being required to be treated as a felony until the court enters an order designating it a misdemeanor. On agreement of the person and the state, the offense must be treated as a felony for all purposes until the court enters an order designating the offense a misdemeanor or felony. Before final designation by the court, the person or the state is permitted to petition the court to designate the offense either a misdemeanor or felony. On the person's "successful" (defined) fulfillment of the conditions of probation and discharge by the court, the court is required to designate an undesignated offense a misdemeanor and to convert all outstanding monetary obligations to a criminal restitution order. Does not apply to a person who owes victim restitution or who willfully fails to pay a monetary obligation ordered by the court. For the purposes of sentencing and imprisonment and restitution and fines, an undesignated offense that is treated as a misdemeanor is required to be treated as a class 1 misdemeanor.

**HB 2440 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 2455 STATE AVIATION FUND; PURPOSE**

The State Transportation Board is required to distribute monies from the State Aviation Fund solely for the purposes of planning, design, development, acquisition of interests in land, construction and improvement of publicly owned and operated airport facilities in counties, municipalities and Indian reservations.

**HB 2456 APPROP; STATE AVIATION FUND**

Appropriates \$65 million from the general fund in FY2019-20 to the State Aviation Fund.

**H2465 APPROP; INTERSTATE 10; WIDENING; STUDY**

Appropriates \$10 million from the general fund in FY2019-20 to the Department of Transportation to study the widening of Interstate 10 in Arizona.

**HB 2535 IMPEDING LEFT LANE; SIGNS; APPROPRIATION**

By September 1, 2022, the Department of Transportation is required to erect signs every 50 miles on highways in rural areas notifying the public of the existing requirement that a person driving a vehicle at less than the normal speed of traffic drive the vehicle in the right-hand lane or as close as practicable to the right-hand curb or edge of the roadway, except when passing another vehicle or preparing for a left turn. Appropriates \$200,000 from the general fund in FY2019-20 to the Dept to erect the signs.

**HB 2536 FUEL; ELECTRIC CARS; HYBRIDS; TAXES**

The tax on motor vehicle fuel possessed, used or consumed in Arizona is increased to 28 cents per gallon in FY2019-20, 38 cents per gallon in FY2020-21, and 43 cents per gallon in FY2021-22, from 18 cents per gallon. Imposes a tax on natural gas used in the propulsion of any vehicle at a rate of 19 cents per gallon in FY2019-20, 25 cents per gallon in FY2020-21, and 28 cents per gallon in FY2021-22. Imposes a tax on propane used in the propulsion of any vehicle at a rate of 23 cents per gallon in FY2019-20, 30 cents per gallon in FY2020-21, and 34 cents per gallon in FY2021-22. Imposes use fuel taxes on natural gas and propane 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 \$130 per year for FY2019-20, \$175 per year for FY2020-21, and \$198 per year for FY2021-22. 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 \$52 per year for FY2019-20, \$70 per year for FY2020-21, and \$80 per year for FY2021-22. For FY2022-23 and each year after, each of these tax rates is required to be adjusted to reflect the change in the gross domestic product implicit price deflator reported by the U.S. Department of Commerce from January 1, 2019 to December 31 of the prior year. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

**HB 2549 VLT; ALTERNATIVE FUEL CLASSIFICATION; REPEAL**

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

**HB 2574 APPROP; RAILWAY SAFETY INSPECTORS**

Makes a supplemental appropriation of \$196,600 from the general fund in FY2019-20 to the Corporation Commission to fund two railway safety inspectors.

**HB 2600 DISTRACTED DRIVING; PENALTIES**

A person is prohibited from driving a motor vehicle while distracted. A person commits distracted driving if, while operating a motor vehicle, the person engages in any activity that is not related to the operation of the vehicle in a manner that interferes with the person's ability to exercise ordinary and reasonable control of the vehicle. Violations are subject to a civil penalty of \$50, except that the civil penalty for a second violation within 12 months is \$125, the civil penalty for a third violation within 12 months is \$50 and traffic survival school, and the penalty for a fourth violation within 12 months is driver license suspension for 3 to 6 months.

**HB 2688 MOBILE HOMES; TAXES; ABANDONMENT; SALES**

Various changes relating to mobile homes. If delinquent taxes on a mobile home were levied and became delinquent when the mobile home was the property of a previous owner, the county treasurer is permitted, instead of required, to extend the due date for up to one year with no interest and penalty and to exempt the current owner from accrued interest or penalties on the delinquent tax amount. Delinquent taxes that are extended become due and payable immediately if the mobile home is transferred or to be removed from its location or if the owner applies for monies from the Mobile Home Relocation Fund. The list of

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requirements for a tenant to be eligible for payment from the Mobile Home Relocation Fund is expanded to include that the property taxes on the mobile home are paid in full. For the purpose of personal property taxes, the definition of "mobile home" is expanded to include a manufactured home.

**SB 1001 HIGHWAY SAFETY FEE; REPEAL; VLT**

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. If monies in the Arizona Highway Patrol Fund are insufficient to fully fund the Highway Patrol in a FY, the Legislature is required to appropriate monies from the general fund to eliminate the insufficiency.

**SB 1125 MOTOR FUEL TAXES**

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

**SB 1141 DISTRACTED DRIVING**

A person would have been prohibited from driving a motor vehicle while distracted. A person would have committed distracted driving if, while driving a motor vehicle, the person engaged in any activity not related to the actual driving of the vehicle in a manner that visibly interfered with safely driving the vehicle, and drove the vehicle in a manner that was an immediate hazard to a person or property or did not exercise reasonable control of the vehicle as necessary to avoid colliding with any object, person, vehicle or other conveyance on, entering or adjacent to the highway. – VETOED BY GOVERNOR DUCEY

**S1165: WIRELESS COMMUNICATION DEVICE; DRIVING; PROHIBITION  
(PROHIBITION; TEXTING WHILE DRIVING)**

Unless the vehicle is parked or stopped, a person is prohibited from operating a motor vehicle on a street or highway while physically holding or supporting with any part of the person's body a portable wireless communication device or stand-alone electronic device, and while writing, sending or reading any text-based communication on a portable wireless communication device or stand-alone electronic device. Some exceptions. Beginning January 1, 2021, Violations are subject to a civil penalty of \$75 to \$149 for a first violation, and \$150 to \$250 for a second or subsequent violation. A violation that results in an accident causing the death of or serious physical injury to another person is classified as causing serious physical injury or death by a moving violation, a class 1 (highest) misdemeanor. The Department of Transportation is required to post signs at each point where an interstate highway or U.S. highway enters Arizona that informs vehicle operators of the prohibition on using a portable wireless communication device while operating a motor vehicle. A peace officer who stops a motor vehicle for an alleged violation of this prohibition cannot take possession of or otherwise inspect a portable wireless communication device in the possession of the operator unless otherwise authorized by law. Peace officers may issue only a warning beginning on the effective date of this legislation through December 31, 2020, and are prohibited from issuing a

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citation for a violation of this prohibition before January 1, 2021. Beginning January 1, 2021, the regulation of the use of portable wireless communication devices while operating a motor vehicle is not subject to further regulation by a county, municipality or other political subdivision, and any regulations in violation of this prohibition, whether enacted before or after January 1, 2021, are void. Session law authorizes enforcement of local laws regulating the use of portable wireless communication devices through December 31, 2020. Additionally, while a person is driving a motor vehicle and the motor vehicle is in motion on a public roadway or on an off-highway vehicle trail, the person is prohibited from watching a video or movie on a portable wireless communication device or stand-alone electronic device, and from recording or broadcasting a video on a portable wireless communication device or stand-alone electronic device. Some exceptions. Emergency clause.

**SB 1302 APPROPRIATION; INTERSTATE 17; EXPANSION**

Appropriates \$130 million from the general fund in FY2019-20 to the Department of Transportation to expand Interstate 17 between Anthem and Black Canyon City in Arizona.

**SB 1305: PEER-TO-PEER CAR SHARING (~~PEER-TO-PEER CAR RENTALS~~)**

Establishes a new chapter in Title 28 (Transportation) regulating "peer-to-peer car sharing," defined as the authorized use of a shared vehicle by an individual other than the shared vehicle owner through a "peer-to-peer car sharing program" (defined). A vehicle rental transaction that is facilitated by a peer-to-peer car sharing program is subject to all laws imposing taxes or fees on private passenger motor vehicle rental transactions and companies. A peer-to-peer car sharing program is required to be licensed as either an insurance producer with a property and/or casualty line of authority or as a rental car agent. A peer-to-peer car sharing program is required to assume liability of a shared vehicle owner for bodily injury or property damage to a third party or uninsured and underinsured motorist or personal injury protection losses during the car sharing period in an amount that is stated in the car sharing program agreement and that is not less than the minimum amount of coverage required by statute. A peer-to-peer car sharing program is required to ensure that during each car sharing period the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle liability insurance policy that recognizes that the vehicle insured under the policy is made available and used through a peer-to-peer car sharing program, and that provides insurance coverage in an amount not less than the minimum amount of coverage required by statute. This insurance is primary during each car sharing period, and coverage under a motor vehicle liability insurance policy that is maintained by a peer-to-peer car sharing program is not dependent on a personal motor vehicle liability insurer first denying a claim. Establishes authorized motor vehicle liability insurer exclusions relating to peer-to-peer car sharing. Establishes various requirements for peer-to-peer car sharing programs, including record collection, car sharing program agreement disclosures, driver license requirements, and responsibility for equipment and safety recalls. A peer-to-peer car sharing program is required to register with the Department of Revenue (DOR) for a license for the payment of transaction privilege taxes levied by the state and one or more counties, municipalities, or special taxing districts for the taxes due from a shared vehicle owner for any vehicle sharing transaction facilitated by the peer-to-peer car sharing program. There is no fee for this license. A licensed peer-to-peer car sharing program is required to electronically remit to DOR the applicable surcharges and taxes, to electronically report the taxes monthly, and to remit the aggregate total amounts for each of the respective taxing jurisdictions. A shared vehicle owner is entitled to an exclusion from any applicable taxes for any vehicle sharing transaction that is facilitated by a peer-to-peer car sharing program and for which the owner has obtained written notice that the program is licensed with DOR to

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collect applicable taxes for all vehicle sharing transactions that are facilitated by the program, and transaction history documenting tax collected by the program. Establishes requirements for the sourcing of peer-to-peer car sharing transactions for tax purposes. Effective January 1, 2020.

## Water/Environmental Resources

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### *New Laws*

#### **HB 2464 (CHAPTER 33) WATER INFRASTRUCTURE FINANCE; MUNICIPAL APPROVAL**

The requirement for a municipality to submit to the voters the question of whether to enter and perform a loan repayment agreement to repay financial assistance from the Water Infrastructure Finance Authority applies to municipalities with a population of more than 150,000 persons, increased from 50,000 persons.

#### **HB 2753 (CHAPTER 269) BUDGET; BRB; ENVIRONMENT; 2019-20**

Makes policy changes pertaining to environmental regulation that affect the state budget. Establishes the Nonnative Vegetative Invasive Species Eradication Fund consisting of legislative appropriations. The Department of Forestry and Fire Management is required to provide grants from the Fund to other state agencies, municipalities, counties, Indian tribes and other political subdivisions for nonnative vegetative invasive species eradication projects that meet specified requirements, and to establish application procedures for grants. The Dept is required to submit an annual report on Fund expenditures to the Governor and the Legislature. The Arizona State Parks Board is required to use \$692,100 from the Board's portion of the Off-Highway Vehicle Recreation Fund in FY2019-20 for repairs, maintenance and development of the Arizona portion of the Great Western Trail. 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 FY2019-20. DWR is authorized to increase fees in FY2019-20 for services in FY2019-20 to generate \$100,200. Notwithstanding statutory requirements, there is no general fund appropriation to the Water Quality Assurance Revolving Fund (WQARF) for FY2019-20. Appropriates \$2.8 million from the Emissions Inspection Fund, \$2.6 million from the Air Quality Fund, \$5 million from the Underground Storage Tank Revolving Fund, \$1 million from the Permit Administration Fund, and \$2.15 million from the Recycling Fund in FY2019-20 to the WQARF. The Department of Environmental Quality (DEQ) is required to charge the same fees in FY2019-20 that were charged in FY2018-19 for vehicle emissions testing conducted in Area A (Phoenix metropolitan). Allows DEQ to use up to \$6.53 million from the 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.

#### **SB 1227 (CHAPTER 1) COLORADO RIVER DROUGHT CONTINGENCY AMENDMENTS**

Establishes the Arizona System Conservation Fund to be administered by the Director of the Department of Water Resources (Director), and appropriates \$30 million from the general fund in FY2019-20 to the Fund. The Director is authorized to spend monies from the Fund to contract with Colorado River water users in Arizona that hold entitlements to Colorado River water under the decree in Arizona v. California to forgo water deliveries or diversions for the purpose of creating system conservation. System conservation created through the use of the Fund is required to provide for Colorado River water to be conserved in Lake Mead through a

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verified reduction in existing consumptive use in order to decrease the likelihood of lake elevations dropping to levels that could result in reductions to Arizona's Colorado River allocation. Beginning July 1, 2021 and each July 1 after, the Director is required to submit a report to the Governor and the Legislature on expenditures from the Fund during the previous fiscal year and the volume of water that was conserved in Lake Mead. The Fund self-repeals April 1, 2027. Prohibits a water banking fee from being levied in the Pinal Active Management Area (AMA) during calendar years 2020 through 2026. In the Pinal AMA during calendar years 2020 through 2026, the Director is required to set the annual groundwater withdrawal fee in an amount of up to \$2.50 per acre-foot per year for groundwater and irrigation efficiency projects. Monies from this fee are required to be used only to finance projects for the construction and rehabilitation of wells and related infrastructure for the withdrawal and efficient delivery of groundwater by irrigation districts in the Pinal AMA. Monies from this fee are deposited in the newly established Temporary Groundwater and Irrigation Efficiency Projects Fund (TGIEP Fund), and requirements for the TGIEP Fund are established. Appropriates \$7 million from the general fund in FY2018-19 to the TGIEP Fund. The TGIEP Fund self-repeals April 1, 2028. Establishes requirements for recovery of water that was effluent stored at a managed underground storage facility that qualifies as an "existing effluent managed underground storage facility" (defined) that has not been designated as a facility that could add value to a national park, national monument or state park. Long-term water storage credits may be used to demonstrate an assured water supply or an adequate water supply only if the managed underground storage facility qualifies as an existing effluent managed underground storage facility and the long-term storage credits were accrued before the effective date of this legislation. By December 31, 2019, the Arizona Water Banking Authority is authorized to enter into agreements to exchange long-term water storage credits accrued or purchased in one AMA with monies collected from specified groundwater withdrawal fees for long-term storage credits held by other persons in another AMA, on request of the Director, if the Director determines that the exchange is beneficial to water management in Arizona and that the exchange will not substantially impair the Authority's ability to meet its firming obligation to firm Indian settlement water. The term of any agreement entered into under this authorization is prohibited from extending beyond December 31, 2026. The Authority is permitted to distribute or extinguish long-term storage credits obtained by exchange. An exchange of long-term storage credits under this authorization is exempt from any fee established by the Dept for an assignment of long-term storage credits. A \$2 million appropriation in FY2018-19 is redirected from the Dept to the TGIEP Fund, and a \$2 million appropriation in FY2019-20 is redirected from the Dept to the Augmentation and Conservation Assistance Fund. Requires the Director to report to the Governor and the Legislature on agreements related to drought contingency plans. Contains a legislative intent section. Severability clause. Emergency clause.

### **SJR1001 (CHAPTER 2) COLORADO RIVER DROUGHT CONTINGENCY PLAN**

The State of Arizona, by and through the Director of the Department of Water Resources (Director), is authorized to forbear its rights and claims by entering agreements in substantial conformance with the draft Agreement Concerning Colorado River Drought Contingency Management and Operations and the draft Lower Basin Drought Contingency Plan Agreement if federal legislation is enacted directing the U.S. Secretary of the Interior to execute and implement the agreements and all parties other than the U.S. and the State of Arizona have authorized the execution of the agreements. The State of Arizona, by and through the Director, is authorized to enter into an agreement in substantial conformance with the draft Drought Contingency Plan Contributions and Intentionally Created Surplus Accumulation Limits Sharing Agreement. The authority granted to the Director does not extend to any future agreements for the sharing of Drought Contingency Plan contributions and separate

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resolutions are required. The Director is required to promptly notify the Legislature and the Governor and provide a written report to specified legislative committees on any agreement entered into under the authority granted by this joint resolution. The authority granted to the Director to enter into any agreement under this joint resolution expires on August 31, 2019. Emergency clause.

### *Bills that Failed*

#### **HB 2013 APPROP; AZ WATER PROTECTION FUND**

Appropriates \$1 million from the general fund in FY2019-20 to the Arizona Water Protection Fund.

#### **HB 2143 WATER; WEST BASIN ADVISORY COUNCILS**

Establishes the Mohave County West Basin Water Users Advisory Council and the La Paz County West Basin Water Users Advisory Council, each consisting of 10 members. The Councils are required to analyze groundwater withdrawal data and make recommendations to the Department of Water Resources on sound groundwater management programs and policies for the basins. The Councils are each required to submit a report of its recommendations to the Governor and the Legislature by December 31, 2022. The Councils terminate on July 1, 2027.

#### **HB 2540 APPROP; GROUNDWATER INFRASTRUCTURE FUND**

Prohibits a water banking fee from being levied in the Pinal Active Management Area (AMA) during calendar years 2020 through 2026. In the Pinal AMA during calendar years 2020 through 2026, the Director is required to set the annual groundwater withdrawal fee in an amount of up to \$2.50 per acre-foot per year for groundwater and irrigation efficiency projects. Monies from this fee are required to be used only to finance projects for the construction and rehabilitation of wells and related infrastructure for the withdrawal and efficient delivery of groundwater by irrigation districts in the Pinal AMA. Monies from this fee are deposited in the newly established Temporary Groundwater and Irrigation Efficiency Projects Fund (TGIEP Fund), and requirements for the TGIEP Fund are established. Appropriates \$5 million from the general fund in FY2018-19 to the TGIEP Fund. The TGIEP Fund self-repeals April 1, 2028. Contains a legislative intent section. Severability clause. Emergency clause.

#### **HB 2541 APPROP; SYSTEM CONSERVATION FUND**

Establishes the Arizona System Conservation Fund to be administered by the Director of the Department of Water Resources (Director), and appropriates \$30 million from the general fund in FY2019-20 to the Fund. The Director is authorized to spend monies from the Fund to contract with Colorado River water users in Arizona that hold entitlements to Colorado River water under the decree in *Arizona v. California* to forgo water deliveries or diversions for the purpose of creating system conservation. System conservation created through the use of the Fund is required to provide for Colorado River water to be conserved in Lake Mead through a verified reduction in existing consumptive use in order to decrease the likelihood of lake elevations dropping to levels that could result in reductions to Arizona's Colorado River allocation. Beginning July 1, 2021 and each July 1 after, the Director is required to submit a report to the Governor and the Legislature on expenditures from the Fund during the previous fiscal year and the volume of water that was conserved in Lake Mead. The Fund self-repeals April 1, 2027. Emergency clause.

**HB 2542 GROUNDWATER SAVINGS FACILITIES; STORAGE CREDITS**

Water stored pursuant to a water storage permit at a storage facility may be credited to a long-term storage account if, in lieu of the requirement that the stored water cannot reasonably be used directly and in addition to other statutory requirements, the Director of the Department of Water Resources determines that the water was stored in a groundwater savings facility and the storage provides a water management benefit to the active management area where the water was stored. Emergency clause.

**HB 2543 WATER BANK; STORAGE CREDITS; EXCHANGES**

By December 31, 2019, the Arizona Water Banking Authority is authorized to enter into agreements to exchange long-term water storage credits accrued or purchased in one active management area (AMA) with monies collected from specified groundwater withdrawal fees for long-term storage credits held by other persons in another AMA, on request of the Director of the Department of Water Resources (Director), if the Director determines that the exchange is beneficial to water management in Arizona and that the exchange will not substantially impair the Authority's ability to meet its firming obligation to firm Indian settlement water. The term of any agreement entered into under this authorization is prohibited from extending beyond December 31, 2026. The Authority is permitted to distribute or extinguish long-term storage credits obtained by exchange. An exchange of long-term storage credits under this authorization is exempt from any fee established by the Dept for an assignment of long-term storage credits. This authorization self-repeals January 1, 2031. Emergency clause.

**HB 2544 EFFLUENT; RECHARGE; CREDITS**

Establishes requirements for recovery of water that was effluent stored at a managed underground storage facility that qualifies as an "existing effluent managed underground storage facility" (defined). Long-term water storage credits may be used to demonstrate an assured water supply or an adequate water supply only if the managed underground storage facility qualifies as an existing effluent managed underground storage facility and the long-term storage credits were accrued after the effective date of this legislation. Emergency clause.

**HB 2545 AMENDMENTS; COLORADO RIVER DROUGHT CONTINGENCY**

Establishes the Arizona System Conservation Fund to be administered by the Director of the Department of Water Resources (Director), and appropriates \$30 million from the general fund in FY2019-20 to the Fund. The Director is authorized to spend monies from the Fund to contract with Colorado River water users in Arizona that hold entitlements to Colorado River water under the decree in Arizona v. California to forgo water deliveries or diversions for the purpose of creating system conservation. System conservation created through the use of the Fund is required to provide for Colorado River water to be conserved in Lake Mead through a verified reduction in existing consumptive use in order to decrease the likelihood of lake elevations dropping to levels that could result in reductions to Arizona's Colorado River allocation. Beginning July 1, 2021 and each July 1 after, the Director is required to submit a report to the Governor and the Legislature on expenditures from the Fund during the previous fiscal year and the volume of water that was conserved in Lake Mead. The Fund self-repeals April 1, 2027. Prohibits a water banking fee from being levied in the Pinal Active Management Area (AMA) during calendar years 2020 through 2026. In the Pinal AMA during calendar years 2020 through 2026, the Director is required to set the annual groundwater withdrawal fee in an

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amount of up to \$2.50 per acre-foot per year for groundwater and irrigation efficiency projects. Monies from this fee are required to be used only to finance projects for the construction and rehabilitation of wells and related infrastructure for the withdrawal and efficient delivery of groundwater by irrigation districts in the Pinal AMA. Monies from this fee are deposited in the newly established Temporary Groundwater and Irrigation Efficiency Projects Fund (TGIEP Fund), and requirements for the TGIEP Fund are established. Appropriates \$5 million from the general fund in FY2018-19 to the TGIEP Fund. The TGIEP Fund self-repeals April 1, 2028. Water stored pursuant to a water storage permit at a storage facility may be credited to a long-term storage account if, in lieu of the requirement that the stored water cannot reasonably be used directly and in addition to other statutory requirements, the Director of the Department of Water Resources determines that the water was stored in a groundwater savings facility and the storage provides a water management benefit to the active management area where the water was stored. Establishes requirements for recovery of water that was effluent stored at a managed underground storage facility that qualifies as an "existing effluent managed underground storage facility" (defined). Long-term water storage credits may be used to demonstrate an assured water supply or an adequate water supply only if the managed underground storage facility qualifies as an existing effluent managed underground storage facility and the long-term storage credits were accrued after the effective date of this legislation. By December 31, 2019, the Arizona Water Banking Authority is authorized to enter into agreements to exchange long-term water storage credits accrued or purchased in one active management area (AMA) with monies collected from specified groundwater withdrawal fees for long-term storage credits held by other persons in another AMA, on request of the Director of the Department of Water Resources (Director), if the Director determines that the exchange is beneficial to water management in Arizona and that the exchange will not substantially impair the Authority's ability to meet its firming obligation to firm Indian settlement water. The term of any agreement entered into under this authorization is prohibited from extending beyond December 31, 2026. The Authority is permitted to distribute or extinguish long-term storage credits obtained by exchange. An exchange of long-term storage credits under this authorization is exempt from any fee established by the Dept for an assignment of long-term storage credits. This authorization self-repeals January 1, 2031. Contains a legislative intent section. Severability clause. Emergency clause.

### **HB 2586 GROUNDWATER REPLENISHMENT; WATER SUPPLY; CREDITS**

For land located in the Pinal Active Management Area (AMA), the initial term of an analysis of assured water supply issued by the Director of the Department of Water Resources (Director) is 10 years. A holder of an analysis of assured water supply for land located in the Pinal AMA is permitted to apply to extend the analysis. The director is required to extend the analysis for an additional 5 years or an additional 15 years if specified conditions are met. The definition of "assured water supply" for proposed use within the Phoenix, Pinal or Tucson AMA is modified to include the effects of expected groundwater replenishment by a conservation district, with some exceptions. A municipality, private water company or irrigation district that has been granted a recovery well permit may withdraw stored water on behalf of a person who owns the long-term storage credits and may transport the stored water to the person who owns the credits. Before January 1, 2030, on application by a conservation district to the Director, credits in the conservation district's replenishment reserve subaccount for an AMA must be transferred and credited to its conservation district account for the same AMA if that transfer does not cause the balance in the replenishment reserve subaccount for the AMA to fall below the reserve target for that AMA. Establishes calculations for the groundwater replenishment obligation during each shortage year for AMAs in which member lands or member service areas are located.

**HB 2590 APPROP; WATER DISTRICTS; INFRASTRUCTURE; DCP**

Appropriates \$20 million from the general fund in FY2019-20 to the Department of Water Resources to distribute to irrigation and water conservation districts in counties with a population of at least 350,000 persons but less than 500,000 persons (Pinal County) for infrastructure related to Arizona's drought contingency plan.

**HB 2591 APPROP; WQARF**

Makes a supplemental appropriation of \$20 million from the general fund in FY2019-20 to the Water Quality Assurance Revolving Fund.

**HB 2592 APPROP; DWR; HYDROLOGISTS**

Makes a supplemental appropriation of \$6.1 million from the general fund in FY2019-20 to the Department of Water Resources to hire additional hydrologists and support staff members.

**HB 2595 ADEQUATE WATER SUPPLY; DESIGNATION; STANDARDS**

For the purposes of determining adequate water supply, water is legally available if the water supply designated by the developer for the proposed use may lawfully be fully used by that developer for that purpose for at least 100 years. Establishes provisions for determining legal availability. For the purposes of determining adequate water supply, water is physically available if there is a sufficient water supply for the proposed use such that the proposed use will have no detrimental impact on existing uses for at least 100 years. Applies to requests for designations of adequate water supply that are not finally issued before January 1, 2019.

**HB 2609 HARQUAHALA NON-EXPANSION AREA; GROUNDWATER TRANSFER**

A "municipal provider" (defined elsewhere in statute) that owns land eligible to be irrigated in the Harquahala irrigation non-expansion area is added to the list of entities that are authorized to withdraw groundwater from the land for transportation to an initial active management area for its own use or use by the Arizona Water Banking Authority if specified conditions are met. The conditions under which the groundwater may be withdrawn are modified to require the withdrawal to be from a depth to 1,500 feet, increased from 1,000 feet, at the site or sites of the proposed withdrawals.

**HB 2615 WATER UTILITY ACQUISITION; MUNICIPAL ACTION**

Voter approval is not required for the construction, purchase, acquisition or lease of any plant or property or portion of any plant or property devoted to the business of providing water and wastewater services to property where the owner has requested to be served by a municipal corporation if the property is located in a service territory in which the holder of a certificate of convenience and necessity whose authority to manage or operate the public utility has been terminated or suspended or the public utility does not have the capacity to provide safe and sufficient services to the property, and if the construction, purchase, acquisition or lease does not cause the rates of the existing municipal utility customers to increase.

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SB 1265 APPROP; WQARF**

Appropriates \$15 million from the general fund in FY2019-20 to the Water Quality Assurance Revolving Fund.

**SB 1369 WATER ADEQUACY REQUIREMENTS; STATEWIDE APPLICABILITY**

County boards of supervisors are required, instead of permitted, to adopt regulations requiring all subdivisions to either have a determination of an adequate water supply from the Department of Water Resources or obtain a written commitment of water service for the subdivision from a municipal or private water company designated as having an adequate water supply by the Dept.

## Other Legislation

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### *New Laws*

#### **HB 2463 (CHAPTER 34) OCCUPATIONAL REGULATIONS; LICENSES; COMMUNICATIONS; NOTICE**

An agency is required to prominently post on the agency's website and print on a license application, a communication denying a license, a cease and desist order or any other communication in which the agency asserts that a person is required to obtain a license a specified notice stating that agencies are required to limit all occupational regulations to those that are demonstrated to be necessary to specifically fulfill a public health, safety or welfare concern, and that the person has the right to petition the agency to repeal or modify the occupational regulation or bring an action in a court of general jurisdiction to challenge the occupational regulation.

#### **HB 2749 (CHAPTER 265) BUDGET; BRB; K-12 EDUCATION; 2019-20**

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 \$4,150.43, from \$3,960.07, for FY2019-20. Increases the transportation support level per route mile funding for FY2019-20. 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. The reduction amount of basic state aid for district additional assistance required by the FY2018-19 budget for FY2019-20 is lowered to \$128.7 million, from \$193.1 million. The reduction amount of charter additional assistance required by the FY2018-19 budget for FY2019-20 is lowered to \$6.81 million, from \$10.22 million. Modifies the calculations for additional state aid for education. The state equalization assistance property tax rate in tax year 2019 is \$0.4566, and the qualifying tax rates in tax year 2019 are modified. If the state equalization assistance property tax rate for the prior FY generated more funding than was needed to fund total equalization assistance for all school districts in the county for the prior FY, the state equalization assistance property tax rate for the county for the current FY is required to equal the rate that would have generated the amount needed to fund total equalization assistance for all school districts in that county for the prior FY, as determined by the Arizona Department of Education (ADE). The general budget limit for a school district that in FY2018-2019 was in a county in which state equalization assistance property tax levies exceeded total equalization assistance for all school districts in the county is increased for FY2019-2020 by a specified calculation. Expands the School Safety Program in ADE to include supporting the costs of placing school counselors and/or school social workers on a school campus. Establishes reporting requirements for schools that received monies from the Results-Based Funding Fund. Session law establishes a formula for distribution of monies from the Fund for FY2019-20. ADE is required to allocate to charter schools that are sponsored by entities other than the State Board for Charter Schools the full amount of the small school weight prescribed in statute, including restoring any monies previously withheld based on statutory limitations. ADE is required to provide charter schools that are sponsored by entities other than the State Board for Charter Schools 67 percent of the small school weight for

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FY2020-21, and 33 percent of the small school weight for FY2021-22. Modifies the calculation of average daily membership for students enrolled in concurrent coursework for classes at a community college or university. For each community college or university course for which three credits are earned, one-eighth of an average daily membership (ADM) is generated. In measuring the statutory square footage per pupil requirements, the School Facilities Board is required to use the projected 100th day ADM for the current school year, instead of the most recent 40th day ADM. Monies in the Arizona Schools for the Deaf and Blind Enterprise Fund are no longer limited to being used to pay costs associated with operating facilities. The Department of Education is required to contract with a third-party administrator to assist in the financial administration of Empowerment Scholarship Accounts. Establishes the Arizona Industry Credentials Incentive Program within ADE to provide incentive awards to school districts, charter schools and career technical education districts for high school graduates who obtain a certification, credential or license that is accepted by a vocation or industry through a career technical education course or program. Establishes a process for receiving incentive awards through the Program and specifies items for which incentive awards monies may be spent. The Program terminates on July 1, 2029.

**HB 2750 (CHAPTER 266) BUDGET; BRB; HIGHER EDUCATION; 2019-20**

Makes policy changes in college and university programs that affect the state budget. The Arizona Teachers Academy is expanded to include community colleges in Arizona that offer postbaccalaureate programs that lead to teacher certification and that have entered into an agreement with the Arizona Board of Regents (ABOR) relative to these programs. Makes various changes to the Arizona Teachers Academy, including to provide participating students with an annual scholarship of \$5,000 per year for undergraduate university students, \$10,000 per year for graduate university students, and \$3,000 per year for community college students, instead of with an annual waiver of tuition and fees, and to provide a one-time scholarship of \$2,500 for teachers seeking national board certification. Teachers seeking national board certification are required to agree to teach at a public school in Arizona for one additional year after completing the national board certification program. All revenues included in the operating budget adopted by ABOR for each university must be retained by each university. For FY2019-20, each dollar raised by the surcharge on student registration assessed by ABOR for the Financial Aid Trust Fund may be matched by less than \$2 appropriated by the Legislature. Repeals statute requiring Arizona State University to distribute the licensing income and other revenues derived from patents. Beginning in FY2018-19, for each university licensure agreement, royalty agreement or agreement for the sale or transfer of intellectual property developed by a university for which the "net income" (defined) for the individual agreement reaches \$1 million over its cumulative lifetime, each university is required to transfer to the State Treasurer 20 percent of the cumulative net income exceeding the \$1 million threshold minus amounts deposited in previous years.

**HB 2754 (CHAPTER 270) BUDGET; BRB; HEALTH; 2019-20**

Makes various policy changes in the area of public health that affect the budget. Municipalities and counties, instead of the state, are required to pay the costs of a defendant's inpatient, in-custody competency restoration treatment. The Department of Health Services is required to license "secure" (defined) behavioral health residential facilities to provide secure 24-hour on-site supportive treatment and supervision by staff with behavioral health training for persons who have been determined to be seriously mentally ill, who are chronically resistant to treatment for a mental disorder, and who are placed in the facility pursuant to a court order. A secure behavioral health residential facility is limited to 16 beds and may provide services only

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to persons placed there by court order. If a court finds that a person meets the criteria for court-ordered treatment, the court may approve the patient's placement in a secure behavioral health residential facility. The court's finding must be based on evidence that establishes a list of conditions by clear and convincing evidence. The Arizona Health Care Cost Containment System (AHCCCS) Administration is authorized to spend monies in the Seriously Mentally Ill Housing Trust Fund for rental assistance for seriously mentally ill persons. By January 31, 2022, the AHCCCS Administration is required to issue to the Governor and the Legislature a report that measures the outcomes of seriously mentally ill persons who reside in secure behavioral health residential facilities. The AHCCCS Administration is permitted to stop processing new applications for KidsCare if the AHCCCS Director determines that federal and state monies appropriated for the program are insufficient, instead of being required to immediately stop processing new applications if the state's federal medical assistance percentage for the program is less than 100 percent. By December 31, 2020, for FY2019-20, 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 FY2019-20. For the contract year beginning October 1, 2019 and ending September 30, 2020, the 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. Disproportionate share hospitals (DSH) payments for FY2019-20 include \$113.8 million for a qualifying nonstate 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. The Department of Health Services is authorized to increase fees in FY2019-20 for services provided by the Bureau of Radiation Control in order to generate \$1.9 million for deposit in the Health Services Licensing Fund. Counties are authorized to meet statutory funding requirements for competency restoration treatment from any source of county revenue, including funds of any countywide special taxing district of which the board of supervisors serves as the board of directors. County contributions for competency restoration treatment are excluded from the county expenditure limitation. Beginning January 1, 2020, the Family Caregiver Grant Program is established for individuals who have "qualifying expenses" (defined) during a calendar year due to caring for and supporting a "qualifying family member" (defined) in the individual's home. Establishes application requirements and income limits to receive a family caregiver grant. The amount of the grant is 50 percent of the qualifying expenses incurred during the calendar year, with a maximum of \$1,000 for each qualifying family member. An individual who receives a grant is not eligible to apply for a grant again for three consecutive calendar years. Establishes various reporting requirements.

### **HB 2755 (CHAPTER 271) BUDGET; BRB; HUMAN SERVICES; 2019-20**

Makes various policy changes in the areas of human services that affect the budget. The Department of Economic Security (DES) is authorized to reduce maximum income eligibility levels for child care assistance in order to manage within appropriated and available monies, and must notify the Joint Legislative Budget Committee of any change within 15 days after implementation. Increases the threshold of the amount of Title IV-D support received in a federal fiscal year after which DES is required to charge certain recipients an annual fee to \$550, from \$500. Deletes the requirement for the legislature to annually adjust, according to the

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percentage change in the metro Phoenix consumer price index, the appropriation made in the previous FY to DES to provide services to persons with developmental disabilities whose service costs exceed the current cost-effective study rate. During FY2019-20, DES is required to screen and test each adult recipient of Temporary Assistance for Needy Families cash assistance who DES has reasonable cause to believe engages in the illegal use of controlled substances, and any recipient who tests positive for the use of a controlled substance that was not prescribed by a licensed health professional is ineligible to receive benefits for one year. House Trust Fund monies may be spent on constructing or renovating facilities and on housing assistance, including support services, for persons who have been determined to be seriously mentally ill and to be chronically resistant to treatment. Establishes reporting requirements.

**HB 2756 (CHAPTER 272) BUDGET; BRB; REVENUE; 2019-20**

Makes various changes relating to general revenues for FY2019-20. Budget unit budget estimates are required to include a detailed estimate of the cost to the state in the next FY attributable to a county's or municipality's establishment of a minimum wage that exceeds the state minimum wage. If the legislature allocates it, the Department of Administration (DOA) is required to collect from a county or municipality an amount to reimburse the state for the cost attributable to the county's or municipality's establishment of a minimum wage that exceeds the state minimum wage. If the county or municipality fails to pay, DOA is required to notify the State Treasurer, and the State Treasurer is required to withhold the amount from any payments of state-shared revenues to that county or municipality. Monies collected from counties and municipalities to reimburse the state for the costs of a minimum wage that exceeds the state minimum wage are required to be credited to the funds in the amounts prescribed in the budget estimates. For the purpose of statutes regulating the situs of sales other than tangible personal property, the definition of "multistate service provider" is expanded to include a taxpayer that has more than 2,000 employees in Arizona and that derives more than 85 percent of its sales from support services provided to a regionally accredited institution of higher education, including all taxpayers required to file a combined report and all members of an affiliated group included in a consolidated return. For this type of multistate service provider, the benefit of support services is deemed received at the billing address of the student to which the services relate. In FY2019-20, 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 Insurance is prohibited from revising fees or assessments in FY2019-20 for the purpose of meeting the requirement to recover between 95 and 110 percent of the Dept's appropriated budget. For FY2019-20, 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. Defines terms and modifies existing definitions relating to the Office of Manufactured Housing. A "factory-built building" excludes a panelized commercial building utilizing "open construction" (defined) and a panelized residential building utilizing open or "closed construction" (defined), instead of excluding any panelized building. By June 30 of each year, the Department of Revenue is required to report to the Joint Legislative Budget Committee and the Governor's office of Strategic Planning and Budgeting on the estimated amount of capital gains tax paid by nonresidents on real estate transactions in the prior tax year.

**HB 2757 (CHAPTER 273) TAX PROVISIONS; OMNIBUS**

For the purpose of Title 42 (Taxation), the definition of "Internal Revenue Code" means the U.S. Internal Revenue Code in effect as of January 1, 2019. For the purpose of computing income tax pursuant to Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax years beginning January 1, 2019 means the U.S. Internal Revenue Code in effect on January 1, 2019, including provisions that became effective during 2018 with the specific adoption of all retroactive effective dates, but excluding any changes to the code enacted after January 1, 2019. For the purpose of computing income tax pursuant to Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax years beginning January 1, 2018 means the U.S. Internal Revenue Code in effect on January 1, 2018, including those provisions that became effective during 2017 with the specific adoption of all retroactive dates, and including provisions of the federal Bipartisan Budget Act of 2018 and the Consolidated Appropriations Act of 2018 that are retroactively effective during tax year 2018. Establishes new income tax brackets and tax rates for taxable years beginning January 1, 2019. For each taxable year beginning with 2020, the Department of Revenue is required to adjust the income dollar amount for each rate bracket according to the average annual change in the metropolitan Phoenix consumer price index published by the U.S. Department of Labor. The amounts of the optional standard deduction are increased to \$12,200 for a single person or a married person filing separately, from \$4,050, and to \$18,350 for a head of household and \$24,400 for a married couple filing jointly, from \$8,100. For taxable years beginning with 2019, the standard deduction must be increased by the amount equal to 25 percent of the total amount of a taxpayer's charitable deductions that would have been allowed if the taxpayer elected to claim itemized deductions. Personal income tax exemptions are eliminated. Establishes an income tax credit for each dependent of a taxpayer. For taxpayers whose federal adjusted gross income is less than \$200,000 for a taxpayer who is a single person, a married person filing separately or a head of household, or is less than \$400,000 for a married couple filing a joint return, the amount of the credit is \$100 for each dependent who is under 17 years of age at the end of the taxable year, and \$25 for each dependent who is at least 17 years of age at the end of the taxable year. For taxpayers whose federal adjusted gross income is more than those thresholds, the amount of the credit is reduced 5 percent for each \$1,000, or fraction thereof, by which the taxpayer's federal adjusted gross income exceeds the applicable threshold. Additionally, any person that conducts business in an activity classified under transaction privilege tax (TPT) classifications with purchasers in Arizona is engaging or continuing in business in Arizona, is subject to and is required to pay TPT if the person meets any of the following criteria in the previous or current calendar year: if the person is a remote seller, the gross proceeds of sales or gross income derived from the remote seller's business with customers in Arizona that is not facilitated by a marketplace facilitator is more than \$200,000 in calendar year 2019, \$150,000 in calendar year 2020, and \$100,000 in calendar year 2021 and after; if the person is a marketplace facilitator, the gross proceeds of sales or gross income derived from the marketplace facilitator's business on its own behalf or on behalf of at least one marketplace seller with customers in Arizona is more than \$100,000. For the purposes of determining whether a person meets any of these criteria, all affiliated persons must be aggregated. A marketplace facilitator is required to report the TPT due from transactions facilitated on behalf of marketplace sellers, and is permitted to report the TPT due with the TPT collected from transactions made directly by the marketplace facilitator on a combined tax return or on a separate return. These provisions supersede all municipal ordinances or other local laws relating to the taxation of business activities classified under these provisions. The municipal tax rate for businesses selling tangible personal property at retail for marketplace facilitators is the municipal tax rate in effect in the municipality for businesses selling tangible personal property at retail on September 30, 2019, until the city or town changes the tax rate. Some exceptions. A marketplace facilitator is not liable for failing to pay the correct amount of transaction privilege

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tax for a marketplace seller's sales through the marketplace facilitator's marketplace if the marketplace facilitator and the marketplace seller are not "affiliated persons" (defined) and if the marketplace facilitator demonstrates that the failure was due to incorrect information given to the marketplace facilitator by the marketplace seller, or that the failure was due to an error other than an error in sourcing the sale. A remote seller is not liable for failing to pay the correct amount of transaction privilege tax if failure to pay the correct amount was due to an error other than an error in sourcing the sale. The liability relief provided under either of these circumstances is limited to 5 percent of the total TPT due for calendar year 2019, 3 percent of the total TPT due for calendar year 2020, and 0 percent for calendar year 2021 and after. The list of exemptions from the retail classification of TPT is expanded to include sales of tangible personal property by a marketplace seller that are facilitated by a marketplace facilitator in which the marketplace facilitator has remitted or will remit the marketplace facilitator in which the marketplace facilitator has remitted or will remit the applicable tax to the Department of Revenue. Municipalities are authorized to levy a transaction privilege tax on the gross proceeds of sales or gross income derived from the sale of a motor vehicle to a nonresident or enrolled member of an Indian tribe if specified conditions are met. Municipalities are authorized to continue to levy an existing transaction privilege tax that was levied on or before May 1, 2019 on the gross proceeds of sales or gross income derived from the sales of livestock and poultry feeds and specified additives. This authorization is removed on January 1, 2020 for municipalities with a population of more than 50,000 and on July 1, 2021 for municipalities with a population of 50,000 persons or less. Contains a legislative intent section and provides for applicability. Specified sections apply retroactively.

### **HB 2760 LEGISLATORS; MILEAGE RATE; DISTANCE**

Modifies the per diem rates for legislators. For a member whose permanent residence is within Maricopa County, the amount is 50 percent of the annual average federal per diem rate for Maricopa County as determined by the U.S. General Services Administration. For a member whose permanent residence is outside Maricopa County, the amount is 100 percent of the annual average federal per diem rate for Maricopa County as determined by the U.S. General Services Administration. After the first 120 days of a regular session, the per diem rates are 50 percent of those amounts. The statutory maximum long-term subsistence allowance does not apply to legislators. **See SB 1558.** – VETOED BY GOVERNOR DUCEY

### **SB 1164 OMBUDSMAN-CITIZENS AIDE; EXECUTIVE SESSION; ACCESS**

The Ombudsman-Citizens Aide, when investigating alleged violations of open meeting law, would have been added to the list of persons who are permitted to review minutes and discussions made at executive sessions. **AS VETOED BY GOVERNOR.** In his veto message, the Governor stated that statute vests the power to investigate and enforce open meeting law violations with the Attorney General and the county attorneys, and expressed his belief that this legislation is unnecessary. – VETOED BY GOVERNOR DUCEY

### **SB 1558 LEGISLATORS; MILEAGE RATE; DISTANCE**

Modifies the per diem rates for legislators. For a member whose permanent residence is within Maricopa County, the amount is 50 percent of the annual average federal per diem rate for Maricopa County as determined by the U.S. General Services Administration. For a member whose permanent residence is outside Maricopa County, the amount is 100 percent of the annual average federal per diem rate for Maricopa County as determined by the U.S. General Services Administration. After the first 120 days of a regular session, the per diem rates are 50

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percent of those amounts. The statutory maximum long-term subsistence allowance does not apply to legislators. – VETOED BY GOVERNOR DUCEY

*Bills that Failed*

**HB 2577 STATE LAW; LOCAL VIOLATION; REPEAL**

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

**HB 2580 GRANTS; INVASIVE VEGETATION ERADICATION**

Establishes the Nonnative Vegetative Invasive Species Eradication Fund and appropriates \$5 million from the general fund in each of FY2019-20 and FY2020-21 to the Fund for grants for nonnative vegetative invasive species eradication projects. The Department of Forestry and Fire Management is required to provide grants to other state agencies, municipalities, counties, Indian tribes and other political subdivisions for nonnative vegetative invasive species eradication projects that meet specified requirements, and to establish application procedures for grants. The Dept is required to submit a semiannual report on the Fund to the Governor and the Legislature.

**HB 2759 APPROPRIATIONS; DIRECT SERVICES; REFERRALS**

Appropriates \$2.5 million from the general fund in FY2019-20 to the Department of Health Services for a Family Health Pilot Program. The Dept is required to distribute the monies to a nonprofit organization to implement a statewide system to provide specified services to the biological or adoptive parents of children under two years of age, including unborn children. The purpose of the statewide system is to encourage healthy childbirth, support childbirth as an alternative to abortion, promote family formation, aid successful parenting and increase families' economic self-sufficiency. The statewide system services must be available to all Arizona residents in both urban and rural areas. Monies are prohibited from being used for abortion referral services and from being distributed to entities that promote, refer or perform abortions. The nonprofit organization is required to submit to the Dept a quarterly report of the services and referrals provided, and information that must be included in the report is specified.

**SB 1365 CIVIL RIGHTS ACT**

For the purpose of employment discrimination statutes, the terms "because of sex" and "on the basis of sex" includes because of or on the basis of pregnancy or childbirth or related medical conditions. Women who are affected by pregnancy or childbirth or related medical conditions must be treated the same for all employment-related purposes, including receipt of benefits under fringe benefit programs, as other persons not so affected but similar in their ability or inability to work. Does not require an employer to pay for health insurance benefits for abortion, except when the life of the mother would be endangered if the fetus were carried to term or when medical complications have arisen from an abortion.

**SB 1431 APPROP; CENSUS; COMPLETE COUNT COMMITTEES**

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Appropriates \$500,000 from the general fund in FY2019-20 to the Secretary of State to distribute to "census complete count committees" (defined) in Arizona.

**SB 1512 STATE LAW; LOCAL VIOLATION; REPEAL**

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

## Elections/Public Notice

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### *New Laws*

#### **HB 2023 (CHAPTER 27) POLITICAL SIGNS; BALLOT MEASURES; TAMPERING**

It is a class 2 (mid-level) misdemeanor for any person to knowingly remove, alter, deface or cover any political sign in support of or opposition to any ballot measure, question or issue. during the period beginning 45 days before a primary election and ending 7 days after the general election. For a sign for a candidate in a primary election who does not advance to the general election, the period during which political signs are allowed ends 7 days after the primary election.

#### **HB 2134 (CHAPTER 284) MUNICIPAL ELECTIONS; WRITE-IN CANDIDATES**

In a municipal or nonpartisan election, a write-in candidate cannot advance to the general or runoff election if the candidate did not receive at least the same number of votes as signatures required for nominating petitions for the same office.

#### **HB 2721 (CHAPTER 80) TOWN ELECTED OFFICIALS; TERM LIMITS**

By majority vote of the qualified electors of the town voting on the initiative, the qualified electors are authorized by initiative to enact, enforce or repeal term limits on the number of terms a member of the common council or mayor may serve. Any enactment, enforcement or repeal of a term limit under this authorization applies to any common council member or any mayor elected after the date that the majority of the qualified electors vote to enact, enforce or repeal the term limit.

#### **SB 1451 (CHAPTER 315) STATEWIDE BALLOT MEASURES; CIRCULATORS; PROCEDURES**

Expands the information that must be included on an application for paid circulators and nonresident circulators to register with the Secretary of State in order to circulate statewide initiative and referendum petitions, including to require a notarized affidavit from the registered circulator that declares the person's eligibility to register under penalty of a class 1 (highest) misdemeanor. A person is prohibited from registering as a circulator if the person has had a civil or criminal penalty imposed for a violation of election law within the immediately preceding five years, has been convicted of treason or a felony and has not been restored to civil rights, or has been convicted of any criminal offense involving fraud, forgery or identity theft. It is a class 1 (highest) misdemeanor to knowingly omit or misrepresent information or provide false information on a circulator registration application. The Secretary of State is required to assign a registration number to each registered circulator, which must be included on the signature sheets. Also, no to each registered circulator, which must be included on the signature sheets. Also, no later than the date of the first petition signature on a nomination petition, a person who may be a candidate for office is required to file a statement of interest with the appropriate filing officer for that office. The statement of interest is required to contain the name of the person, the political party, if any, and the name of the office that may be sought. Any nomination petition signatures collected before the date the statement of

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interest is filed are invalid and subject to challenge. Does not apply to candidates for elected office for special taxing districts, candidates for precinct committeeman, and candidates for President or Vice President of the U.S. These requirements apply to elections held on and after the effective date of this legislation. A candidate who collects signatures before the effective date of this legislation for an election held on or after the effective date is required to file a statement of interest with the appropriate filing officer no later than January 2, 2020. On timely filing of the statement of interest, the candidate's otherwise legally sufficient signatures are valid and not subject to challenge on the basis of their collection before the filing date of the candidate's statement of interest. Severability clause.

*Bills that Failed*

**HB 2021 BALLOT MEASURES; ONLINE SIGNATURE SUBMITTAL**

The Secretary of State is required to provide a system for qualified electors to sign a petition for a statewide initiative or referendum by way of a secure internet portal.

**HB 2049 FEDERAL OFFICE BALLOTS; VOTER ASSISTANCE**

It is a class 3 (lowest) misdemeanor for an election official to give a ballot containing all offices and ballot questions for that precinct to an elector who is only eligible to receive a ballot that contains only federal offices. A person who accompanies and assists a voter in the voting booth is required to be a U.S. citizen.

**HB 2050 MAY PRIMARY ELECTION DATE**

Beginning in 2020, the primary election date is moved to the 17th Tuesday before a general or special election, from the 10th Tuesday before.

**HB 2099 VOTING RIGHTS; RESTORATION; FELONIES**

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

**HB 2127 NOMINATION PETITIONS; FILING PERIOD**

Moves the deadline for filing candidate nomination petitions to no less than 120 and no more than 150 days before the primary election or nonpartisan election, instead of no less than 90 and no more than 120 days before the election.

**HB 2128 POLITICAL SIGNS; REMOVAL AFTER PRIMARY**

For a political sign for a candidate in a primary election who does not advance to the general election, the period during which it is a class 2 (mid-level) misdemeanor to remove or cover the sign ends seven days after the primary election, instead of seven days after the general election.

**HB 2139 CANDIDATE SIGNS; PROHIBITION; PRIMARY**

Increases the period of time that political signs may be placed in a public right-of-way to 75 days before the primary election until 7 days after the general election, instead of 45 days before the primary election until 7 days after the general election.

**HB 2196 EARLY BALLOTS; POLLING PLACE; TABULATION**

A voter who has the envelope containing the completed early ballot and completed affidavit, who appears at that voter's designated polling location on election day and whose identification is verified and confirmed is permitted to remove the completed ballot from the envelope and deposit the ballot in the ballot tabulation equipment in that polling place.

**HB 2197 DAMAGED BALLOTS; VOTER NOTICE; DUPLICATION**

If any ballot is damaged or defective so that it cannot properly be counted by the automatic tabulating equipment, the officer in charge of elections is required to attempt to notify the voter and offer the voter the opportunity to cast a new ballot or to provide sworn, written authorization for the officer in charge of elections to make a true duplicate copy of the damaged ballot. If the officer in charge of elections is unable to contact the voter, the officer is required to make a true duplicate copy of the damaged ballot in the presence of witnesses and substitute it for the damaged ballot.

**HB 2198 NATIONAL VOTER REGISTRATION ACT; CHALLENGE**

Declares the intent of the Legislature that the Attorney General file an action on behalf of Arizona to challenge the constitutionality of the federal National Voter Registration Act of 1993.

**HB 2199 PRIMARY ELECTION DATE**

Beginning in 2020, the primary election date is moved to the 19th Tuesday before a general or special election, from the 10th Tuesday before.

**HB 2201 PARTISAN OFFICES; CITIES; TOWNS**

Municipalities are required to print on the ballot the party designation for all candidates for the office of mayor or city or town council, and statute authorizing municipalities to provide for nonpartisan primary election victories are deleted. Applies to elections held on or after January 1, 2020.

**HB 2202 PERMANENT EARLY VOTING LIST; REPEAL**

Repeals the permanent early voting list.

**HB 2209 EARLY BALLOT COLLECTION; LIMITATIONS; REPEAL**

It is no longer a class 6 (lowest) felony to knowingly collect voted or unvoted early ballots from another person.

**HB 2210 CAMPAIGN FINANCE; COVERED TRANSFERS; DISCLOSURE**

Entities are required to register as a political action committee before making a campaign contribution or expenditure, instead of if the entity is organized for the primary purpose of influencing the result of an election and if the entity knowingly receives contributions or makes expenditures of at least \$1,000 in connection with any election during a calendar year. The

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information that must be included in a campaign finance report is expanded to include "covered transfers" (defined as a donation, transfer or payment of monies by a person to another person if the person receiving the monies makes an independent expenditure or transfers monies to another person who makes an independent expenditure, with some exceptions).

**HB 2211 VOTING CENTERS; BOARD OF SUPERVISORS**

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

**HB 2212 BALLOT MEASURE CIRCULATORS; CHALLENGES**

If a registered circulator is properly served with a subpoena to provide evidence in an action regarding circulation of petitions and fails to appear or produce documents as provided for in the subpoena, the court is authorized to enforce the subpoena against the circulator as otherwise provided by law. On presentation of independent, sufficient evidence that the circulator is ineligible to circulate petitions or engaged in fraud with respect to some or all of the signatures obtained, the court is permitted to order that those signatures collected by that circulator are deemed invalid. Previously, if a registered circulator failed to appear or produce documents as provided for in the subpoena, all signatures collected by that circulator were deemed invalid.

**HB 2216 VOTER REGISTRATION SAME DAY**

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

**HB 2269 LEGISLATIVE CANDIDATES; PRIMARY RESIDENCE (~~APPROP; DPS;~~ REMOTE HOUSING)**

Appropriates \$2.4 million from the Board of Fingerprinting Fund in FY2019-20 to the Department of Public Safety for remote housing.

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**HB 2489 ELECTION PROCEDURES OVERSIGHT COMMITTEE**

Establishes a 7-member Election Procedures Oversight Committee to examine the collection and transfer of voting results from the 2018 and following general elections in order to audit those transfers for accuracy and reliability, and to review election security technology and other methods of improving election security. The Committee is required to compile and submit a report of its findings to the President of the Senate and the Speaker of the House of Representatives. The Committee self-repeals February 2, 2026.

**HB 2490 EMERGENCY VOTING; BALLOTS; LABELS**

A ballot used at an emergency voting center is required to be labeled "emergency ballot." All emergency ballots cast at an emergency voting center or otherwise must be separated from the remainder of the ballots, tabulated separately and kept separately from the remainder of the ballots after tabulation.

**SB 1032 ON-SITE EARLY VOTING; IDENTIFICATION REQUIRED**

Requires on-site early voting locations to require each elector to present and confirm identification as prescribed by statute before receiving a ballot.

**SB 1046 EARLY VOTING LIST; MAILING BALLOT**

An elector who is on the permanent early voting list and who has received an early ballot is only permitted to return the voted early ballot by mail and is prohibited from delivering the voted early ballot to an on-site or other early voting location or to a polling place on election day. An elector who is on the permanent early voting list and who does not mail in the early ballot may be allowed to vote a provisional ballot only in person on election day at that elector's designated polling location.

**S1135 PUBLIC RECORDS; RESPONSES**

Access to a public record is deemed denied if a custodian fails to respond to a request for production of a public record within 10 business days after receiving the request. The methods by which a custodian may respond are specified, including providing the record, notifying the requesting person that the request is under review or is denied, and notifying the requesting person that the public body does not maintain the record and directing the person to the public body that maintains the record.

**SB 1234 LIEUTENANT GOVERNOR; DUTIES; BALLOT**

No later than 60 days before the date of the general election, a candidate for Governor is required to submit to the Secretary of State the name of a person who will be the joint candidate for Lieutenant Governor with that gubernatorial candidate and whose name will appear on the general election ballot jointly with that candidate. The direction, operation and control of the Department of Administration is the responsibility of the Lieutenant Governor. Conditionally enacted on the state Constitution being amended by the voters at the 2020 general election by passage of an unspecified SCR (blank in original) relating to the establishment of the office of Lieutenant Governor.

**SB 1430 ELECTIONS; POLLING PLACES; STANDARDS**

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