



**Government Relations
End-of-Session Legislative Report
51st Arizona Legislature
2013 First Regular Session**



Maricopa County



Maricopa County

County Manager's Office

Government Relations
301 West Jefferson Street
10th Floor
Phoenix, AZ 85003-2143
Phone: 602-506-2798
Fax: 602-506-2313
www.maricopa.gov

July 1, 2013

TO: **Andrew Kunasek, Chairman, Board of Supervisors, District 3**
Denny Barney, Supervisor, District 1
Steve Chucri, Supervisor, District 2
Clint Hickman, Supervisor, District 4
Mary Rose Wilcox, Supervisor, District 5
Tom Manos, County Manager
Sandi Wilson, Deputy County Manager
Joy Rich, Deputy County Manager

FROM: **Richard Bohan, Director, Government Relations**

SUBJECT: **2013 Legislative Session Overview**

The 51st legislature's first regular session adjourned sine die on Friday, June 14, 2013 at 12:59 a.m., on the 151st day of session.

There were a total of 1,158 bills introduced this session. Of those, 256 bills were signed into law and 26 were vetoed. A list of vetoed bills and the Governor's veto messages are attached to this report. During the session, Government Relations tracked and participated in discussions on 288 bills. The effective date of non-emergency legislation is September 13, 2013.

In terms of the state budget, Maricopa County made incremental gains again this year. For the second year in a row there is no requirement to make cash payments to the state. We were also successful in lowering the county's share of the costs for housing of sexually violent persons (SVPs) at the Arizona State Hospital. In 2014 our cost share has been reduced from a 50/50 cost share to approximately a 35/65 split.

We are also very happy to report that all of the proposals put forth by the Board of Supervisors for the 2013 session were successful: each of our bills was passed by the legislature and signed by the Governor. We enhanced Board powers by securing the ability for counties to abandon federal patent easements when requested by a property owner, and to waive fees and fines for property owners caught up in the major reclassification effort that was led by our County Assessor and Clerk of the Board. We made Maricopa County government more efficient by enhancing the Medical Examiner's direct relationship with Child Protective Services, and we simplified processes to make taxpayers' interactions with the Flood Control District more user-friendly.

The following report details the state budget, the 2013 Maricopa County Legislative Package, and all other bills relevant to county operations that were enacted or vetoed. We would like to thank all of those who assisted us during this legislative session. There were many bills that impacted county departments and we relied heavily on the expertise of county staff to protect county interests as legislative proposals moved through the process. If you would like more information on any issue contained in this report, please contact our office at (602) 506-3056.

I would like to especially thank my staff, Beth Lewallen, Amanda Nash and Melody Henderson for all of the work they put in during the 2013 session.

State Budget

The following section is a summary of the state's FY 2014 budget and impacts to the counties. Governor Brewer signed the \$8.8 billion dollar budget in the first special session, which began June 11 and ended June 13.

HB2001 2013-2014; general appropriations

- **County Attorney Immigration Enforcement:** Maintains \$1,213,200 for county attorney immigration enforcement, specifying amounts for the Maricopa County Attorney (\$200,000) and the Maricopa County Sheriff (\$500,000). *Sec. 6 (pg. 2)*
- **Capital Post-conviction Prosecution:** One-time appropriation to the Attorney General (AG) of \$500,000. It requires the AG to submit a report on his plan to transition capital post-conviction prosecution responsibilities to Maricopa County during the next four years to the Joint Legislative Budget Committee (JLBC) for review. *Sec. 12 (pg. 8)*
- **Out-of-County Tuition:** Appropriates \$848,800 for rural county reimbursement; Apache County will receive \$466,000 and Greenlee County will receive \$382,800. *Sec. 18 (pg. 11)*
- **County Attorneys Fund:** Provides \$973,600 of Arizona Criminal Justice Commission (ACJC) grant monies to counties. *Sec. 23 (pg. 14)*
- **Environmental County Grants:** Provides \$175,000 to the State Forester for county environmental projects in Eastern Arizona. *Sec. 37 (pg.27)*

- **County Tuberculosis Provider Care and Control:** Appropriates \$590,700 for county tuberculosis programs. *Sec. 44 (pg. 29)*
- **County Judicial Reimbursements:** Provides \$187,900 to the Supreme Court to reimburse counties for state grand juries and capital post-conviction relief (PCR). State grand jury reimbursement is limited to \$97,900 and PCR is limited to \$90,000. *Sec. 52 (pg. 33)*
- **Administrative Office of the Courts (AOC) Probation Study:** Requires AOC to submit a report by 11/1/2013 on county probation positions and their funding sources. *Sec. 51 (pg. 35)*
- **HURF to DPS:** Continues to transfer \$119,961,000 million from HURF to DPS by notwithstanding the statutory cap. *Sec. 79 (pg. 43)*
- **County Fairs, Livestock, and Agricultural Promotion:** Appropriates \$1,779,500 to the County Fairs, Livestock, and Agricultural Promotion Fund, which is administered by the Office of the Governor. *Sec. 80 (pg. 44)*
- **Law Enforcement Boating Safety Fund (LEBSF):** Appropriates \$183,800 to be allocated to county law enforcement agencies in counties that had a law enforcement and boating safety program in existence prior to July 1, 1990. *Sec. 94 (pg. 49)*
- **Direct Appropriations to Counties (Lottery Revenue):** Appropriates \$7,150,500 from the state general fund to the Department of Administration to be equally distributed to all (13) counties under 900,000 persons (Apache, Cochise, Coconino, Gila, Graham, Greenlee, La Paz, Mohave, Navajo, Pinal, Santa Cruz, Yavapai, and Yuma). Each qualifying county receives \$550,000. *Sec. 114 (pg. 59)*
- **Study of County Resource Management Plans:** Provides \$100,000 to offer a grant for a study of resource management plans of counties selected by the Arizona Natural Resources Review Council. The study will determine if the resource management plans include specific desired outcomes of the county related to wildlife management, travel management, and forest management. *Sec. 118 (pg. 61)*

HB2003 2013-2014; K-12 education; budget reconciliation

- **Repeal of Reimbursement for County Assessor Costs:** As permanent law, repeals the provision requiring the reimbursement of the county assessor for costs related to the now-repealed homeowner's rebate affidavit process. *Sec. 45 (pg. 142)*

HB2005 2013-2014; criminal justice; budget reconciliation

- **Sheriff's Safety Equipment (GIITEM):** Expands the uses of GIITEM monies to include safety equipment that is worn or used by a peace officer (such as a bullet proof vest) who is employed by a county sheriff. Further specifies that the first \$1.6 million in monies is distributed from the GIITEM Fund to the Maricopa County Sheriff's Office. *Sec. 8 (pg. 12)*
- **Suspension of County Non-Supplanting Funding Requirements:** Continues the suspension of county non-supplanting requirements associated with funding for probation services, criminal case processing, and alternative dispute resolution programs. *Sec. 14 (pg. 15)*
- **County Grand Jury Expenses & Indigent Defense:** As session law, continues to suspend the requirement of the 50% reimbursement to counties for grand jury expenses and for state-funded representation of indigent defendants in first-time capital post-conviction relief proceedings. Counties are reimbursed using the amount provided in HB 2001 (\$187,900). *Sec. 15 (pg. 15)*
- **Diversion of State Aid to Indigent Defense Fund to the Attorney General's Office:** Allows the Attorney General (AG) to use State Aid to Indigent Defense monies for capital post-conviction prosecution. *Sec. 17 (pg. 16)*

HB2009 2013-2014; revenue; budget reconciliation

- **TPT Revenue for Navajo Technical College:** Directs 5%, up to \$875,000, of all TPT revenues collected from the Navajo Nation be allocated to the Navajo Technical College. *Sec. 4 (pg. 13)*

- **County Flexibility Language:** As session law, allows counties with fewer than 200,000 persons to use any source of county revenue, including countywide special districts controlled by the board of supervisors, to meet a county fiscal obligation for FY 2014. Additionally, counties with fewer than 200,000 persons are required to report to JLBC whether the county used the provision and, if so, the intended amount and sources of funds, by October 1, 2013. *Sec. 14 (pg. 58)*
- **State Parks Board & Commission on the Arts:** Allocates \$1 million of interest income earned from the investment of the budget stabilization “rainy day” to both the Arizona State Parks Board and the Arizona Commission on the Arts. *Sec. 17, 18 (pg. 59)*

HB2010 2013-2014; health; welfare; budget reconciliation

- **Arizona Long Term Care System (ALTCS):** FY 2014 county contributions total \$244,696,100 from all 15 counties to the Long Term Care System Fund. *Sec. 16 (pg. 29)*
- **SVP Payments:** Lowers the reimbursement percentage for counties from a 50/50 split to an estimated 35/65 split by requiring the Department of Health Services to determine a percentage to be reimbursed by counties that increases the state cost (and therefore reduces the county cost) by \$1.8 million. Includes “flexibility” clause allowing the counties to pay via any county resource. *Sec. 17 (pg. 30)*
- **Restoration to Competency (RTC) Payments:** Continues county payments for 100 percent of the RTC population housed by the state. Includes “flexibility” clause allowing counties to pay via any county resource. *Sec. 18 (pg. 31)*
- **AHCCCS:** AHCCCS must transfer any excess monies back to the counties by December 31, 2014, if the counties’ proportion of state match exceeds the proportion allowed under the Federal Affordable Care Act. *Sec. 20 (pg. 33)*
- **Acute Care Contributions:** Sets county Acute Care contributions at \$47,851,000 for all 15 counties. This amount includes an inflation indexing of the Maricopa County contribution (Laws 2005, Ch. 328). *Sec. 21 (pg. 33)*

- **Disproportionate Uncompensated Care Pool (DUC Pool):** Requires the collection of \$2,646,200 in DUC Pool contributions from counties other than Maricopa. *Sec. 22 (pg. 35)*
- **Medicaid (AHCCCS) Expansion Language:** Expands the AHCCCS population by including individuals at or below 133% of the Federal Poverty Level (FPL). AHCCCS is authorized to collect an assessment on hospital revenues or bed days in order to cover the state share of the cost associated with the expansion. Automatically repeals the expanded eligibility if the federal medical assistance percentage (FMAP) falls below 80%. *Multiple statutory sections*

End-of-Session Report 2013

51st Arizona Legislature, First Regular Session

□ MARICOPA COUNTY 2013 LEGISLATIVE AGENDA	2
□ OTHER BILLS OF COUNTY INTEREST	3
➤ ANIMAL CARE AND CONTROL	3
➤ BENEFITS AND HUMAN RESOURCES	4
➤ COURTS AND CRIMINAL JUSTICE	9
➤ ENVIRONMENT	16
➤ GENERAL GOVERNMENT	17
➤ LAND USE AND PLANNING	24
➤ PUBLIC HEALTH	26
➤ SPECIAL DISTRICTS	28
➤ TAXATION AND FINANCE	31
□ GOVERNOR’S VETO LETTERS/BILL MESSAGES	37
□ INDEX	53

Bills in this report are noted in bill order, and an “E” next to the chapter number denotes an emergency measure.

□ MARICOPA COUNTY BOARD OF SUPERVISORS 2013

LEGISLATIVE AGENDA

HB 2031 – Federal Patent Easements; Counties; Abandonment Chapter 49 (Dial)

The bill allows a county to abandon federal patent easements at the request of a property owner, if the county has notified and obtained consent from all affected utilities and has determined that the easement is no longer necessary or being used by the public. It establishes the process of notification, requiring a county board of supervisors (Board) to provide notice via certified mail to the owners of land abutting the easement to be abandoned at least 60 days before the consideration of an abandonment resolution, specifying that this notice must be sent to the address shown in the records of the county assessor, provide the date and time of consideration of the proposed resolution and inform the recipient of the opportunity and deadline to object to the proposed resolution in writing or in person.

It prohibits a Board from abandoning an easement unless a majority of the owners of the land abutting the easement approve the action, but specifies that an owner who does not object in writing or in person to the proposed abandonment before the date of the board's consideration is deemed to have consented to the proposal.

The Board must post a copy of the notice at or within the immediate vicinity of the proposed abandonment.

The bill does not authorize the abandonment of a roadway granted under United State Code 43 § 932 enacted by the United State Congress in 1866.

HB 2067 – CPS Information; Medical Examiner; Disclosure Chapter 4 (Carter)

The legislation requires the Arizona Department of Economic Security to disclose Child Protective Service information to a county medical or alternate medical examiner directing a death investigation.

HB 2138 – Municipalities; Right-of-Way; Transfer Chapter 127 (Pratt)

The legislation allows a county roadway or right-of-way to be transferred by mutual consent of the county and city governing bodies, removing the requirement that the county roadway or right-of-way be adjacent to the municipality for the entire length of the annexation and simply requires the transfer to be adjacent to the annexing municipality.

HB 2178 – Flood Control Districts; Administrative Actions Chapter 170 (Fann)

The legislation permits individuals who violate flood control districts statutes or rules to receive a nonmonetary penalty, and changes the final decision review process. It permits the chief engineer to order a nonmonetary penalty that serves the purposes of

the district, if the person in violation agrees, and requires the written request for a review of the chief engineer's final order to identify the specific section(s) of the order to be reviewed by the Board of Hearing Review (Board). It requires the information presented to the chief engineer in issuing the final decision and order to be made available to all parties on request, and requires the Board to set a date and time to hear the matter requested for review. The hearing must be conducted based on the information presented to the chief engineer in issuing the final decision and order, or the record before the hearing officer on an appeal from a determination of a violation. The bill directs the Board to issue a written order of its decision to the chief engineer within 30 days after completion of the hearing and corrects statutory references from the Board of Supervisors to Board of Directors.

HB 2212 – Legal Holidays; Counties; Courts
Chapter 131 (Brophy McGee)

The bill clarifies that the Friday after Thanksgiving may be designated as a legal county holiday in lieu of Columbus Day, updating language to reflect calendar fluctuations.

HB 2344 – Property Tax Penalty Waiver
Chapter 9 (Lesko)

The legislation permits a county treasurer, in consultation with the board of supervisors, to waive the penalty against a property owner for failure to respond to a request for information regarding the property's classification for tax purposes. The bill is retroactive to July 1, 2012 and is repealed on July 1, 2014.

□ OTHER BILLS OF COUNTY INTEREST

➤ ANIMAL CARE AND CONTROL

HB 2137 – Veterinarians; Dispensing Drugs
Chapter 52 (Pratt)

The bill makes a technical clarification by adding "compounding" to the definition of drugs a veterinarian may keep and dispense.

HB 2355 – License Fees; Working Dogs; Waiver
Chapter 56 (Livingston)

The legislation exempts search and rescue dogs and service dogs from county or municipal licensing fees. It requires the applicant to provide satisfactory proof that the dog is a service animal, search or rescue dog and requires the applicant to sign a statement affirming the status of a dog and acknowledging that to sign falsely is to commit a petty offense subject to a fine of up to \$50.

➤ **BENEFITS AND HUMAN RESOURCES**

HB 2056 – PSPRS; Amendments Chapter 203 (Lovas)

The legislation makes numerous administrative changes to the statutes governing the Public Safety Personnel Retirement System (PSPRS). PSPRS administers the statewide retirement program for public safety personnel who are regularly assigned hazardous duty in the employ of the state. Consisting of 217 participating employers, the PSPRS includes over 31,000 members, approximately 7,200 of whom are currently retired.

The bill prohibits a PSPRS member from borrowing, removing, or taking a loan against any account funds until terminated from membership or upon receipt of a pension. It clarifies that a member whose disability ceases before attaining normal retirement and who is reemployed by an employer is treated as if the member were on uncompensated leave of absence during the disability period and contributes to the PSPRS system during reemployment. It assigns the local board to review all reemployment determinations and voluntary assignments, and allows the local board to suspend pension payments if necessary information for reemployment determinations is not provided. The bill establishes provisions to allow for PSPRS health care subsidies to be distributed as a pre-tax benefit, and modifies the definition of member to include a retired member who is a certified peace officer for purposes of workers compensation.

HB 2147 – Eligibility; Unemployment Benefits Chapter 17 (Petersen)

The bill requires an individual to provide documentation or information sufficient to determine eligibility when filing a claim for unemployment insurance (UI) benefits. The Arizona Department of Economic Security (DES) is tasked with enforcing the law, and an employer is required to provide relevant documentation when it is requested by DES in order to prove an individual's UI benefit eligibility. The burden of providing documentation to prove eligibility is shifted from an employer to the individual if the employer demonstrates that the individual either voluntarily resigned or abandoned employment, and the bill outlines how an employer can demonstrate those circumstances. If an individual receives UI benefits through fraud, that person is prohibited from receiving additional benefits until the total overpayment, penalties and interest have been recovered or otherwise satisfied in compliance with a civil judgment.

HB 2173 – Unemployment Insurance; Omnibus Chapter 204E (Fann)

The bill makes administrative and conforming changes to statutes governing unemployment insurance, including provisions governing the Shared Work Plan and an emergency measure establishing Unemployment Insurance Tax Anticipation Notes. It imposes a penalty of 15% of the amount received on claimants who fraudulently receive unemployment insurance benefits, and prohibits charges to be credited to an employer account if an unemployment insurance payment was made because the employer failed

to timely respond to a request from the Department of Economic Security and the employer has a pattern of not responding adequately.

The bill became effective June 19, 2013, and the provisions relating to Unemployment Insurance Tax Anticipation Notes are repealed January 1, 2016.

**HB 2204 – Law Enforcement; Surviving Spouse; Insurance
Chapter 54E (Robson)**

The legislation rewrites eligibility requirements to allow surviving spouses and dependents of law enforcement officers who are killed in the line of duty to receive health insurance payments, and expands the definition of “law enforcement officer” to include firefighters, correction officers, and firefighters who work for the state through a contract with a private company. The bill became effective April 5, 2013.

**HB 2562 – Public Retirement Systems; Ineligible Employees
Chapter 216 (Robson)**

The legislation makes changes to the state’s retirement systems to allow for the creation of defined contribution plan for state employees who are ineligible for a state retirement plan. The bill establishes and requires participation in a public retirement plan, 401(a), and LTD plan for public employees who are otherwise ineligible for a state retirement system or plan. It also clarifies that mandatory enrollment in the 401(a) plan is limited to Arizona State Retirement System participating employers who do not require employee participation in an alternative retirement plan or participate in a compensation agreement.

**HB 2608 – EORP; Closure; Defined Contribution
Chapter 217 (Lovas)**

The legislation closes the current Elected Officials Retirement Plan (EORP) and establishes the Elected Officials’ Defined Contribution Retirement System (EODC) and Disability Program. The bill, in general, changes elected officials retirement to a 401(k) type plan from a system of guaranteed lifetime benefits. The financially burdened EORP was unsustainable and needed to be addressed prior to financial collapse of the plan. Elected officials in the plan prior to December 31, 2013 are still eligible to remain in the current plan. Those elected after that date will be placed in the new defined contribution plan. Exceptions allow for those in the Arizona State Retirement System (ASRS) prior to election to continue in ASRS during their time as an elected official. The bill also requires each employer, from January 1, 2014 through June 30, 2044, to make level percent compensation contributions of 23.5% of payroll for all employees who are members of EORP or EODC; these monies will cover the normal cost of EORP, amortize the unfunded accrued liability of EORP, and contribute to each EODC member annuity account.

The bill appropriates \$5 million from the state general fund to the EORP Fund each year until 2044 in order to supplement the costs and unfunded liabilities of the closed EORP, but specifies that the monies cannot be used to increase benefits to existing EORP retirees.

SB 1148 – Workers’ Compensation; Reciprocity Chapter 34 (McComish)

The bill extends Arizona workers’ compensation benefits to a worker employed in Arizona who receives a job-related injury while temporarily out of state for work. (It specifies that a worker is “temporarily” working in another state if, during the 365 days immediately before either the worker’s date of injury, or in the case of an occupational disease or cumulative trauma claim, the worker’s last date of injurious exposure, the worker performs fewer than 90 continuous days of required services in the state under the direction and control of the employer.)

The legislation also exempts out-of-state workers and employers from Arizona workers’ compensation statutes if:

- The other employer has furnished workers’ compensation insurance coverage under the other state so the worker is covered during employment in Arizona;
- The provisions of Arizona law are recognized in the other state;
- The Arizona covered employers and workers are equally exempt from the workers’ compensation act or similar laws of the other state;
- The benefits/remedies under the workers’ compensation insurance laws of the other state are the exclusive remedy against the employer for any injury or death received by the worker while temporarily working for the employer in Arizona.

The provisions of the bill apply to any claims made after the effective date of the bill, regardless of the date of any injury.

SB 1170 – ASRS; Amendments Chapter 110 (Yarbrough)

The legislation makes administrative changes to the statutes governing the Arizona State Retirement System (ASRS). It changes the past service funding requirement amortization period from a rolling 30-day period to a period determined by the ASRS Board (Board) and instructs the Board, when determining the amortization period, to seek improvement of the funded status whenever the ASRS Trust Fund is under 100% funded. It conforms to federal laws by limiting the ASRS to use of the Employee Plans Compliance Resolution System or other future guidance prescribed by the Internal Revenue System (IRS) when making corrections regarding excess additions credited on behalf of an ASRS member in violation of the annual limit under IRC § 415(c), rewrites statutory provisions to conform to IRC § 415 limits, and provides that in addition to a complete termination, upon a partial termination of ASRS, the accrued benefit of each member is fully vested and non-forfeitable to the extent then funded. It states that a member’s normal retirement benefit is non-forfeitable upon reaching the member’s normal retirement requirement, except as provided by the felony forfeiture statute, and defines “applicable mortality table” as that described in IRS Revenue Ruling 2001-62.

The bill clarifies that a member is not required to name or maintain a current spouse as their beneficiary or elect a joint and survivor annuity if such an action would violate another law, an existing contract, or a court order, retroactively to, from, and after June 30, 2013. It prohibits inspection of any unredacted records containing a member’s

personal identifying information or any information that is protected by any federal or state law retroactive to July 1, 2013, and prohibits inspection of member information, retroactive to July 1, 2013, in order to protect a member's identity from fraud, abuse, theft or civil or criminal activity, except for limited identifying information.

It removes the \$5,000 threshold for election of a survivor benefit annuity option and limits a survivor to a lump sum or a straight-life annuity option only, rather than a 5, 10 or 15-year option. It allows a beneficiary to select the straight life annuity option if the monthly payout amount is greater than an amount determined by the Board. (The current Board determined amount is \$20 per month.) It eliminates the present value calculation for survivor benefits, which is currently only available if the member had reached an early retirement date or had 15 years of service and the designated beneficiary is a spouse, a member's natural or adopted child under the age of 21 or a member's natural or adopted child of any age who is disabled, and provides a delayed effective date for changes to survivor benefits to new survivors on or after January 1, 2014. Permanent benefit increases for members who join after this act's effective date are prohibited.

It authorizes the ASRS to establish a self-insured health insurance program if the Board determines that such a plan would be more cost-effective than a fully insured plan, and stipulates that if a self-insurance program is established, it must include all health coverage benefits that are currently required under state law. It permits the ASRS to establish a separate account to administer a self-insured health plan and prohibits the ASRS from diverting any funds from said account for any other purpose. Monies in the self-insured health plan account are transferred to another ASRS account upon closure of a self-insurance plan.

The bill also appropriates \$200,000 from the ASRS Administration Account Fund to ASRS for FY 2013-14 and exempts the appropriation from lapsing.

SB 1173 – CORP; Amendments Chapter 78 (Yarbrough)

The legislation modifies statutory provisions governing return to work, disability, and local boards under the Corrections Officers Retirement Plan (CORP). CORP is a defined benefit retirement plan administered by the Public Safety Personnel Retirement System (PSPRS) that provides benefit coverage for full-time state and county detention officers. Corrections officers employed by the Department of Corrections or Department of Juvenile Corrections are members of CORP. CORP is composed of nearly 15,000 active members and 2,800 retirees, with just over 100 members receiving disability. If a member becomes totally disabled as a result of duty, the member may receive 50% of the calculated average monthly compensation in disability payments. Local boards determine membership eligibility and payment of benefits, including eligibility for disability payments. Each employer has a local board composed of three people appointed by the employer and two persons who are CORP members and are elected by employees.

The bill requires a CORP member who applies for disability to also terminate employment due to disability, and prohibits retroactive payment of disability pension payments for a period of more than 180 days before the date of the person's application for benefits. It allows the local board to require a periodic reevaluation of continued accidental disability or total and permanent disability at any time before a disabled retired member reaches the member's normal retirement date, and prohibits disability payments from being recalculated at a disabled retired member's normal retirement date. A member must receive a normal retirement pension if the member is reemployed by a participating employer after an accidental disability ceases and before reaching the member's normal retirement date.

The bill clarifies the type of employer insurance to which the subsidy for the health and accident insurance coverage applies and specifies, for members who join on or after the effective date, that the payment of the health care subsidy does not apply to a retired member or survivor who receives health care coverage under a new employer. It requires the PSPRS board to establish a separate account for health and accident subsidies, prohibits the use or diversion of any part of the corpus or income of the account for any purpose other than subsidy unless the liabilities to provide the benefits are satisfied, and requires the PSPRS board to return any amount remaining in the account to the employer if the liabilities to provide the benefits are satisfied. Payment of the subsidy is subject to specified conditions.

The bill makes more miscellaneous changes, defining "physician" eligible to perform medical evaluations as a medical or osteopathic doctor, prohibiting the PSPRS board from making retroactive payment of pensions for a period of more than 180 days, rather than the current 90 days, before the date of application, and prohibiting a member from borrowing from, taking a loan against or removing contributions from their account before the termination of membership in the plan or the receipt of a pension. It requires each local board to meet at least twice a year, requires the payment of a death benefit directly to an eligible child, rather than the child's legally appointed guardian or custodian, once the child reaches the age of 18 (if that child is subject to a guardianship or conservatorship due to disability or incapacity, the benefit shall continue to be paid to the guardian or conservator) and allows purchase of transferred service on an installment basis for service credits between municipal retirement systems and special retirement plans. This allowance currently exists for purchase of service credits between other plans.

SB 1174 – EORP; Amendments

Chapter 111 (Yarborough)

The legislation makes administrative changes to statutory provisions governing the Elected Officials' Retirement Plan (EORP). It defines "physician" as a medical or osteopathic doctor for purposes of performing disability evaluations, requires survivor benefits be paid directly to an eligible child upon reaching age 18, unless the child is under guardianship or conservatorship due to disability or incapacity, whereas benefits are then paid to the guardian or conservator. It states that an EORP member cannot borrow, remove, or take a loan against any account funds until terminated from

membership or upon receipt of a pension, allows purchase of transferred service on an installment basis for service credits between municipal retirement systems and special retirement plans. (This allowance currently exists for purchase of service credits between other retirement plans.) It includes EORP as a plan wherein a member can transfer service credits to or from a municipal retirement system or plan. (This language currently exists in statute for members of the Public Safety Personnel Retirement System and the Corrections Officer Retirement Plan.) It states that group health care and accident coverage provisions do not apply to retirees and survivors who become eligible after the effective date, are reemployed, and participate in a health care plan provided by the new employer, and establishes an account for deposit of group health and accident coverage benefits to allow for EORP health care subsidies to be distributed as a pre-tax benefit.

**SB 1353 – Health Insurance; Telemedicine
Chapter 70 (Griffin)**

The bill requires health care insurers in rural Arizona (an area located in a county with a population of less than 900,000 or a city or town in a county with more than 900,000 people whose nearest boundary is more than 30 miles away from a city with a population of 500,000 or more) to cover services provided through telemedicine by January 1, 2015, if those services would be covered if provided in person.

➤ **COURTS AND CRIMINAL JUSTICE**

**HB 2067 – CPS Information; Medical Examiner; Disclosure
Chapter 4 (Carter)**

The legislation requires the Arizona Department of Economic Security (ADES) to disclose Child Protective Service information to a county medical or alternate medical examiner directing a death investigation.

This bill was included in the Maricopa County 2013 Legislative Package.

**HB 2088 – Interstate Compact for Juveniles
Chapter 86 (Brophy McGee)**

The bill allows the Director of the Arizona Department of Juvenile Corrections (ADJC) to appoint and delegate duties for administering the Interstate Compact on Juveniles to a Deputy Compact Administrator. The Interstate Compact on Juveniles (Compact) was created in 1955 as an agreement between states and territories to work together in providing supervision and assistance in the movement of youth on probation, parole and runaway status throughout the United States. The legislation requires the Governor to designate the Director of ADJC as the state's Compact Commissioner and authorizes the Director, acting as the state's Compact Administrator, to appoint and delegate duties to an Interstate Deputy Compact Administrator, including the duty to act as the state's voting representative on the Interstate Commission for Juveniles.

**HB 2240 – Small Claims Division; Jurisdiction; Limits
Chapter 208 (Stevens)**

The legislation increases the jurisdictional limit for cases within the small claims division of the justice courts from \$2,500 to \$3,500, and becomes effective January 1, 2014.

**HB 2245 – Request to Leave; Criminal Trespass
Chapter 135 (Stevens)**

The bill expands criminal trespass in the third degree violations to include persons who unlawfully remain on any real property after a reasonable request to leave by a law enforcement officer. The legislation allows a request to leave by a law enforcement officer acting at the request of the property owner or person in lawful control of the property to have the same legal effect as a request to leave made by the property owner or person in lawful control of the property.

**HB 2262 – Scrap Metal Dealers; Registration
Chapter 137 (Forese)**

The bill requires a person to register with the Arizona Department of Public Safety (DPS) in order to conduct business as a scrap metal dealer and authorizes the creation of a web site for law enforcement to post information regarding metal thefts. The legislation requires scrap metal dealers to register with DPS every two years and allows for law enforcement inspections of the registered dealer.

**HB 2303 – Overtime Compensation; Law Enforcement
Chapter 200 (Farnsworth)**

The legislation expands the definition of person engaged in law enforcement activities to include any law enforcement personnel who directly assist officers in law enforcement activities.

**HB 2307 – Post-conviction Relief; Fees
Chapter 94 (Farnsworth)**

The bill removes the 200-hour work limit for appointed counsel of post-conviction relief proceedings and the necessary condition of establishing good cause for additional fees in post-conviction relief proceedings. The statutory timetables have become outdated and do not reflect the time tables that exist today. The bill also sets standards for an attorney to seek additional fees and compensation for handling a post-conviction relief petition.

**HB2308 – Probate; Omnibus
Chapter 26 (Farnsworth)**

The bill makes several changes to the law governing probate proceedings. Changes include permitting the court to require disputes to go to arbitration in all phases of a probate proceeding, including those that occur prior to the appointment of a fiduciary. It also allows the court to require each person who seeks appointment as a guardian or conservator to furnish a full set of fingerprints for the purposes of conducting a criminal background investigation.

**HB 2310 – Administrative Office of Courts; Evaluation
Chapter 140 (Farnsworth)**

The bill requires the Administrative Office of the Courts (AOC) to establish methods and standards to evaluate mental health courts. It contained a conditional enactment, requiring a state appropriation to the AOC before the mandate became effective. The FY 2013-2014 budget did include a \$90,000 appropriation for this purpose.

**HB 2311 – Restitution Lien; Administrative Hearing
Chapter 19 (Farnsworth)**

The bill permits the Director of the Arizona Department of Transportation (ADOT) to remove a restitution lien from a vehicle record under specified circumstances and prohibits certain liens from being perfected against a motor vehicle title. A criminal restitution order establishes that the defendant owes money to victims and/or the courts and liens may be placed on property, including automobiles owned by the defendant. The legislation requires ADOT to place a code on the obligor's record that automatically restores the restitution lien on any vehicle that is subsequently titled or registered by the obligor. It also requires ADOT to provide notice of the hearing to the governmental agency that requested the lien be placed on the obligor's record, which shall then notify any victim for whom restitution was ordered.

**HB 2389 – Peace Officers; Omnibus
Chapter 211 (J. Pierce)**

The legislation makes various statutory changes related to officers and firefighters, specifying that health insurance premiums paid by an employer to the surviving spouse and dependents of an officer killed in the line of duty are effective on or after April 5, 2013 for family members of contracted correction officers and firefighters killed in the line of duty and April 5, 1933 for family members of all other officers or firefighters killed in the line of duty, but does not require pay before the general effective date or back pay.

It extends the ability to limit the phone number and address of a spouse or minor child of a deceased peace officer or a former public official from public record, and defines "former public official" as a person who was duly elected or appointed to Congress, the Legislature or a statewide office, who ceased serving in that capacity and who was the victim of a dangerous offense while in office.

The bill allows an officer to terminate a rental agreement if that officer provides a landlord written notice that the officer is under an injunction against harassment within thirty days of the injunction being issued, and requires an officer who is released from a rental agreement to repay the landlord for any lease concession or benefit received before the officer vacates the dwelling. It asserts that all rights, remedies and obligations as provided in statute regarding early termination of a lease apply to the landlord and officer and permits the state agency head or designee to reject the recommendations of the Law Enforcement Merit System Council (LEMSC) after a hearing involving a peace officer employed by a state agency, if they are arbitrary and without justification. The state agency or designee is required to state the reasons for rejecting a LEMSC recommendation.

HB 2442 – Fitness for Duty; Probation Officers Chapter 201 (Olson)

The legislation allows an employer to order a probation officer to submit to a physical examination if the officer has acted or failed to act in an observable manner that indicates there is a physical condition materially limiting the probation officer's ability to perform the outlined job description. The order must state all specific objective facts on which the order is based except the specific names of the individuals who reported the probation officer's conduct to the supervisor. It must provide at least ten days' notice to the probation officer to be examined, and must include the time, place, manner, conditions and scope of the examination, as well as the person who will conduct the examination. It also allows a representative of the probation officer to be present during the examination with consent of the physician conducting the examination.

The bill allows the employer to provide the examining physician with additional information related to the fitness of the probation officer and mandates the physician to consider and report only on the probation officer's medical records that are directly relevant to the actions in question and record preexisting conditions that are relevant to the examination. The physician may consider and report any condition of the probation officer that the physician identifies to be a danger to the safety of the probation officer or the community. The employer must provide notice to the probation officer when the report is received by the employer. The probation officer must receive the final report of the examination containing the medical professional's findings; it must be provided immediately if the probation officer presents the final report of an independent medical examination or if the probation officer waives any right to request an independent medical examination. The bill waives the probation officer's right to present the results of the independent medical examination if the probation officer does not present the result within twenty days after the employer provides the probation officer notice that the report has been received by the employer. The report must be provided only to the employer and the probation officer except as required for any subsequent appeal or certification action involving the probation officer, and the employer to make a reasonable good faith effort to deliver the report to the probation officer. The employer may not take final action until the probation officer has had at least twenty days to review the report unless the probation officer waives the twenty-day period or the employer grants an extension.

The bill excludes any pre-examination materials from any proceeding held and maintains a probation officer's rights as they exist in statute. It becomes effective October 31, 2013.

HB 2459 – Justice of the Peace Courts Chapter 212 (Boyer)

The legislation makes changes to justice and municipal courts in the area of administration, civil proceedings and criminal proceedings. It establishes that when a justice of the peace is unable to act, the duty to designate another justice precinct is held by the presiding justice of the peace, followed by the presiding superior court judge, and specifies that if a change of venue occurs in a justice court, a precinct with a

close geographic proximity to the precinct of origin will be given preference. It increases the amount a judgment must exceed in order to be appealed from \$10 to \$200, and stipulates that in a trial where the recovery of money does not exceed \$200, no fees are required. It updates statutory references and applicable rules prescribed by the Supreme Court in determining when a defendant is eligible for bail and allows the judge to determine the credit a defendant may receive toward a fine for jail time served.

**HB 2462 – Bail Bond Agents; Lists; Loitering
Chapter 21 (Gowan)**

The bill makes changes to the requirements governing the acceptance of appearance bonds and the keeping of bail bond agent lists, and expands the definition of “loitering” to include persons soliciting bail bond businesses inside or around any county or city jail. The legislation also changes the requirement for the list of persons authorized to post bail bonds to the county or city jails, requiring the list to be updated once a month, and directs the clerk of the court to monthly transmit the list electronically to the county and city jails.

**HB 2516 – Peace Officers; Firearms; Court
Chapter 177 (J. Pierce)**

The bill permits an officer acting in an official capacity to carry a firearm into the Arizona Supreme Court, court of appeals, superior courts, justice courts and municipal courts if the officer carries official peace officer identification. It allows a presiding judge to establish rules or policies consistent with laws pertaining to the carrying of firearms by peace officers.

**HB 2517 – Domestic Violence; Arrest
Chapter 213 (J. Pierce)**

The bill establishes a minimum age requirement of at least fifteen years before a peace officer is required, with certain exceptions, to make an arrest in domestic violence cases involving a deadly weapon or dangerous instrument. It includes websites for local resources in the list of available resources a peace officer must provide to the alleged or potential victim when responding to a domestic violence call.

**HB 2600 – Judicial Nominees; Minimum Requirements; Records
Chapter 62 (J. Pierce)**

The bill establishes a new section of statute which stipulates that the judicial nominating commissions (Commissions) are required to submit at least five nominees to the Governor. It requires the Commission on Appellate Court Appointments to submit the names of at least five nominees to the governor when filling a vacancy in the Supreme Court or appellate court, and requires the Commission on Trial Court Appointments to submit the names of at least five nominees to the governor when filling a vacancy for a superior court judge or a judge of a court of record, except for vacancies occurring in a county with a population less than two hundred fifty thousand people. It allows the Commissions, with a two-thirds vote, to reject an applicant and submit fewer than five names to the governor, and stipulates that if the Commissions submit five or more nominees, no more than 60% may be from the same political party. If fewer than five

nominees are submitted, no more than two nominees may be from the same political party.

It requires the voting records of all members of the Commissions to be recorded in the minutes and made public and specifies that a voting record is required to include how each Commissioner voted.

**HCR 2020 – First Responders’ Recognition Day
(J. Pierce)**

The House resolution establishes March 18, 2013 as First Responders’ Day in Arizona.

**SB 1073 – Parenting Time Hearings
Chapter 31 (Barto)**

The bill requires the court to hold an evidentiary hearing within 60 days after a party files a motion for temporary orders in any pre-decree matter involving legal decision making and parenting time.

**SB 1075 – Impoundment; Immobilization of Vehicles
Chapter 76 (Shooter)**

The bill modifies requirements related to vehicles that are impounded because of law enforcement. The bill sets the daily storage rate at \$15 per day and sets the administrative charge for towing at \$150.

**SB 1089 – Arbitration Bonds; Discharge; Application
Chapter 32 (Burgess)**

The bill specifies via session law that the 2012 legislative changes relating to the transfer of arbitration bond deposits by the clerk of the court to the General Fund apply to all monies in possession of the county on or after August 2, 2012. Laws 2012, chapter 44, section 1 directed the clerk of the court to transfer the deposit to the county general fund, if the court does not provide an order for the disposition of the deposit in an amount not to exceed the deposit but sufficient to reimburse the county for the compensation actually paid to the arbitrator. Any remaining balance is directed to the appellant.

**SB 1175 – Vulnerable Adult; Duty
Chapter 67 (Yarbrough)**

The bill creates a presumption against a petitioner in a position of trust and confidence bringing a civil action against a vulnerable adult regarding a governing instrument, unless shown otherwise by clear and convincing evidence and makes changes to legal proceedings. Persons are deemed to be in a position of trust and confidence to a vulnerable adult if they have assumed a duty to provide care to the vulnerable adult, are a joint tenant or a tenant in common with the vulnerable adult, are in a fiduciary relationship with the vulnerable adult including a de facto guardian or conservator, or are in a court-determined confidential relationship with the vulnerable adult. The legislation requires the superior court to find a transaction by a person using a vulnerable adult’s assets to be for the benefit of the vulnerable adult before giving

approval of the transaction. It also determines that a civil action brought by a person in a position of trust and confidence against a vulnerable adult regarding a governing instrument established by the vulnerable adult is presumed not to be for the benefit of the vulnerable adult, unless shown otherwise by clear and convincing evidence.

**SB 1216 – Clerk of Court; Duties; Records
Chapter 45 (Burgess)**

The bill removes terminology no longer used by the clerk of the court, extraneous language relating to population thresholds and certain information required to be in a renewal affidavit.

**SB 1234 – Victim Compensation Fund; Use
Chapter 102 (Driggs)**

The bill removes the requirement that the County Attorney Victim Compensation Fund be used specifically for medical, counseling and funeral expenses and lost wages of crime victims. Pursuant to A.R.S. § 11-538, the board of supervisors may establish a victim compensation fund (fund) in the county treasury. The county attorney is required to use monies in the fund to assist eligible victims of crime with medical, counseling and funeral expenses and lost wages. The fund can cover a maximum of \$5,000 for mental counseling as well as a maximum of \$5,000 for funeral costs. The fund is prohibited from covering attorney fees, property loss or repair, pain and suffering or the victimization of a person serving a sentence or imprisonment or who has escaped imprisonment in a detention facility, home arrest or a work furlough program.

**SB 1237 – Guardianships; Conservatorships; Transfer
Chapter 36 (Driggs)**

The bill modifies the procedure for Arizona courts to transfer a guardianship or conservatorship to another state. Guardianship, as defined pursuant to A.R.S. § 14-12102, means a person who has qualified as a guardian of an incapacitated person pursuant to testamentary or court appointment. A conservator is defined as a person appointed by the court to manage the estate of an adult protected person. The legislation requires the court to receive a certified copy of a provisional order accepting the proceeding under provisions similar to those used by Arizona in accepting guardianships or conservatorships transferred from other states.

**SB 1294 – Grand Jury; Length of Term
Chapter 46 (Crandell)**

The bill increases the maximum term a grand jury may serve in a county with a population of less than 200,000 persons from 120 to 180 days.

**SCR 1009 – Inmate Labor and Services
(Melvin)**

The non-binding resolution affirms the legislature's support of inmate services and labor for use throughout the state, and declares that the Arizona Department of Corrections is prepared to enter into a contract to provide inmate services and labor. An electronic

copy of the resolution was transmitted to all Arizona agencies, departments and political subdivisions.

➤ ENVIRONMENT

HB 2164 – DHS; Food Inspection; Exception Chapter 6 (Kavanagh)

The bill specifies that all locations that sell only commercially prepackaged food or drink that is not potentially hazardous are exempt from rules relating to food and drink, removing the previous statute that limited the exemption to locations that have a display area less than 10 linear feet. The legislation specifies that the exemption applies even while the Arizona Department of Health Services adopts an updated rule for the exemption.

HB 2551 – Off-Highway Vehicles; Use; Authority; Enforcement Chapter 231 (Gowan)

The legislation allows, rather than requires, authorized state employees to enforce state statutes on wildlife habitat protection. It requires off-highway vehicle regulations to be enforced on land that is either solely under the jurisdiction of this state or a political subdivision, or open as indicated by federal law, and states that certain provisions of the bill only become effective if SB 1223 becomes law, which did happen (Chapter 197).

SB 1143 – Golf Course Pesticide License; Fee Chapter 64 (S. Pierce)

The bill transfers regulatory authority of golf course “not for hire” pesticide applications from the Office of Pest Management (OPM) to the Arizona Department of Agriculture (ADA). The legislation also allows the director of the ADA to set a fee, by rule, for a license or certificate for pesticide use on golf courses and clarifies that OPM’s regulatory authority includes the management by persons “for hire” of health-related pests, aquatic pests, household pests, wood-destroying organisms or other pests, including weeds, that exist on golf courses.

SB 1465 – Solid Waste Facilities; General Permit Chapter 116 (Griffin)

The bill provides an exemption from Arizona Department of Environmental Quality (ADEQ) statute and rules for waste facilities that obtain a general permit. Laws 2011, Chapter 220 authorized ADEQ to establish a general permit, by rule, for solid waste operators. The director may issue by rule a general permit for a defined class of facilities, activities or practices if (a) the cost of issuing individual permits or licenses cannot be justified by any environmental or public health benefit that may be gained from issuing individual permits; (b) the facilities, activities or practices in the class are substantially similar in nature; and (c) the director is satisfied that appropriate conditions under a general permit for operating the facilities or conducting the activity or practice will meet the applicable requirements prescribed by statute for the facility, activity or

practice. The legislation exempts facilities that obtain and maintain coverage under a general permit from:

- ADEQ rules for solid waste facilities for individually permitted solid waste facilities;
- Requirements to submit a solid waste facility plan to ADEQ;
- Compliance with 40 Code of Federal Regulations 257.

**SB 1469 – Applying Aquatic Poisons
Chapter 117 (Griffin)**

The bill requires the Game and Fish Department to submit an impact analysis report to the Arizona Game and Fish Commission before applying Rotenone or Antimycin A to a body of water.

**SCM 1001 – Clean Air Act
(Griffin)**

The memorial asks Congress to amend the Clean Air Act to further clarify that states, not the Environmental Protection Agency, have the primary role in developing plans for regulating air pollutants, and urges Congress to fully consider the impact of new regulations on the economy before approval or implementation of new regulations.

**SCR 1012 – EPA Actions; Haze
(Griffin)**

The resolution declares the legislature's opposition to the Environmental Protection Agency's Federal Implementation Plan and support for Arizona's State Implementation Plan to reduce regional haze.

➤ **GENERAL GOVERNMENT**

**HB 2034 – Nuclear Emergency Appropriation and Assessment
Chapter 13E (Kavanagh)**

The bill appropriates \$2,153,517 in FY 2013-14 and \$2,269,086 in FY 2014-15 from the state general fund to the Nuclear Emergency Management Fund (NEMF), and levies an assessment against each consortium of public service corporations and municipal corporations operating a commercial nuclear generation station in an amount equal to that appropriated to the NEMF, plus any interest. The bill became effective March 28, 2013.

**HB 2087 – Mining; Claim Maintenance Fee Affidavit
Chapter 106 (Brophy McGee)**

The legislation institutes a process to file and record an affidavit of claim maintenance fee payment with a county recorder, outlining the wording of the affidavit and directing the steps of the process.

HB 2174 – Emergency Response Commission; Fees
Chapter 205 (Fann)

The bill allows the Arizona Emergency Response Commission to establish fees, to be deposited in the Emergency Response Fund, in order to implement the Emergency Planning and Community Right-to-Know Act. The Governor’s Regulatory Review Council is required to approve the adopted rules, and the fees are repealed on January 1, 2019.

HB 2212 – Legal Holidays; Counties; Courts
Chapter 131 (Brophy McGee)

The bill clarifies that the Friday after Thanksgiving may be designated as a legal county holiday in lieu of Columbus Day, updating language to reflect calendar fluctuations.

This bill was included in the Maricopa County 2013 Legislative Package.

HB 2217 – Extraordinary Educators Special Plates
Chapter 132 (Dial)

The bill authorizes the creation of an extraordinary educators license plate and creates a special fund from the fees to be distributed to school districts. The legislation requires that a \$25 special license fee be charged to obtain the license plate, with \$8 dollars going to the Arizona Department of Transportation for processing and \$17 going into the Extraordinary Educators Special Plate Fund. The Fund shall establish a process that includes the County School Superintendent for distributing the money in the Fund to educators who propose extraordinary activities, projects or lessons for students in grades K-8.

HB 2241 – Telecommunications Infrastructure; Records; Nondisclosure
Chapter 92 (Stevens)

The legislation prohibits a city, town or county from disclosing any records containing wireline telecommunications construction information or the location of lines, equipment and plants used for telecommunications services on or along public streets or highways. The prohibition does not apply to:

- Disclosing as part of a bid, design, or construction process for a capital project;
- Providing information of the availability of telecommunications services for economic purposes;
- Providing general information on construction activity to residents.

HB 2272 – Burial Duties; Designated Person
Chapter 138 (Forese)

The bill clarifies the parties responsible for the disposition of a person’s remains and adds the term “health care power of attorney” to the list of responsible parties. The bill also requires a funeral director who is aware of criminal charges against the person having authority over the disposition of the remains to allow decisions to be made by the next person statutorily in line.

HB 2305 – Initiatives; Filings; Circulators

Chapter 209 (Farnsworth)

The bill establishes new requirements for a political committee that files petitions with the Secretary of State (SOS), requiring the committee to organize and group the signature sheets in a specified manner. It affords a heightened evidentiary standard for any challenger to the petition circulators if the political committee conducts an arm's length background check on its circulators. It amends the section of law governing campaign finance violations to alter responsibility for enforcement of a specific case if there is a reasonable cause to believe that the enforcement entity has violated the section, and makes this provision retroactive to reasonable findings and subsequent referrals from July 31, 2012.

It specifies that the time-and-date marked text that accompanies the application for initiative, referendum or recall constitutes the official copy of the text of the proposal. The official copy must be used in all instances as the text, and the applicant must file a new copy for any subsequent change in text. The bill contains a statement that the legislature finds the application and enforcement of the constitutional and statutory requirements for recall provide the surest method of safeguarding the integrity and accuracy of the recall process, and declares the intent is for constitutional and statutory requirements for recall to be strictly construed.

The bill establishes a class 1 misdemeanor (6 months/\$2,500) for violation of the prohibition against early ballots being collected by a political committee or volunteer worker, and specifies that a committeeman is not presumed to be acting on behalf of a political committee unless an agent has directed him or her to collect or return early ballots. It removes Permanent Early Voting List (PEVL) registrants if they have not voted an early ballot in 2012 and 2014 unless they have contacted the county recorder in the last 24 months to reaffirm their intent to remain on PEVL (the provision does not apply to persons whose registration records are sealed). The removal process does not become effective until January of 2015, and the SOS is required to implement a statewide public information and voter outreach program to educate and inform voters of the PEVL removal process.

It amends the number of signatures required for nomination petitions and alters the basis from which the signatures are to be gathered to the total voter registration rather than of the candidate's party. The bill validates signatures collected before the effective date of the bill.

HB 2326 – Firearms; Records; Prohibited Acts

Chapter 141 (Farnsworth)

The bill prohibits political subdivisions from requiring or maintaining certain records to include the identifying information of persons who possess or own a firearm, unless it is in the course of a law enforcement investigation. It also removes a previous exemption that allowed political subdivisions to collect identifying information from a federally-licensed firearms dealer.

HB 2393 – State Agencies; Licensure; Time Frames
Chapter 58 (J. Pierce)

The bill permits a person who is required or could be required to obtain a license to petition the Governor’s Regulatory Review Council to require an agency to consider including a recommendation for reducing a licensing timeframe in their five-year report.

HB 2401 – Service Animal; Definition
Chapter 59 (Carter)

The bill updates the definition of service animal to include both dogs and miniature horses that are specially trained, and prohibits the operator of a public place from discriminating against individuals who use service animals if the work performed by the service animal is directly related to the individual’s disability.

HB 2443 – Cities; Counties; Regulatory Review
Chapter 74 (Olson)

The bill modifies provisions of the municipal, county and flood control district Regulatory Bill of Rights, which was enacted by SB 1598 in 2011.

Licensing Time Frames

It requires licensing time frames prepared by local governments to additionally be posted on the local government’s website or on the website of an association of local governments if the local government does not have a website, and specifies that the substantive review time frames and overall time frames do not include the time required for an applicant to obtain other licenses or to participate in meetings as required by statute. It states that a local government must consider delays caused by the need for public hearings, state or federal approval or approvals from public utilities on residential or commercial development projects when establishing substantive review time frames and overall time frames for issuing licenses, and that nothing shall prevent a local government from continuing to process applications during the suspension of applicable review time frames.

It doubles the amount of time that an extension of the substantive review and overall time frames may be granted by mutual consent of the local government and applicant from not more than 25% to not more than 50% of the overall time frame, and specifies that licensing time frames do not apply to a license that is necessary for the construction or development of a residential lot, including swimming pools, hardscape and property walls, subdivisions or master planned communities.

Application; Request for Corrections

The bill allows a local government to make one comprehensive written or electronic request for corrections during the substantive review time frame, and to amend a comprehensive request for corrections once if identified legal requirements were left out of an original request. It strikes language allowing a local government and an applicant to mutually agree to allow the local government to submit supplemental requests for additional information and, if an applicant fails to resolve an issue identified in a request for corrections, the local government may make supplemental requests if they are

limited in scope to issues previously identified in a comprehensive request for corrections. A local government is allowed to make one additional comprehensive request for corrections and grants an extension of not more than 50% of the original substantive review time frame if an applicant requests significant changes or amendments to an application that are consistent with the purposes of the original application and are not in response to the original request.

It states that nothing in the bill prohibits communication between a local government and an applicant regarding comprehensive or supplemental requests for additional information or corrections.

Application Resubmission; Fees

The legislation directs a local government to include an explanation of an applicant's right to resubmit an application and the total fee amount and fee calculation methodology associated with a resubmittal in the required notice, if an application for licensure is denied or withdrawn. It asserts that the right to receive a refund of fees charged for reviewing and acting on an application for licensure may not be waived by an applicant, and prohibits a municipality from assessing any additional application fees that exceed the cost of processing if an application was denied and subsequently resubmitted for the same purposes with only revisions or corrections to the original application. A municipality may not assess any additional application fees that exceed 50% of the original fees that have not been refunded to the applicant if an application was withdrawn and subsequently resubmitted for the original purpose; a county and a flood control district may not assess any additional fees that exceed 50% of the original application fees that have not been refunded to the applicant if the original application for licensure was denied due to missing revisions or corrections, provided that the application is resubmitted for the same purposes before the time of destruction of the original application pursuant to statute. These provisions do not apply to license applications that were denied for disqualifying criminal convictions or that were submitted fraudulently.

Withdrawn Application

The bill allows a local government to consider an application for licensure withdrawn if within a specified time frame the applicant does not supply the documentation or information requested or an explanation of why the information cannot be provided in time.

Regulatory Bill of Right

The bill states that a person is entitled to have a local government *not* request or initiate discussions about waiving any of the rights prescribed in the Regulatory Bill of Rights, and prohibits a local government from requesting or initiating discussions with a person about waiving that person's rights.

Exemptions

The legislation exempts a fire and life safety inspection of areas that are accessible to the general public from the inspection provisions of both the municipal and county

Regulatory Bill of Rights, and specifies that the inspection provisions of a local government's Regulatory Bill of Rights do not apply to inspections requested *and* scheduled by the regulated person. It exempts the function or operation of a municipal airport, public safety department, police department, town marshal's office, fire department, ambulance service or statutory zoning adjustment process from the municipal Regulatory Bill of Rights and removes a design-build project from the requirements of the county Regulatory Bill of Rights if, at the request of the applicant, the county agrees to the exemption.

Miscellaneous

The bill defines the terms "design-build," "fire and life safety inspection," "master planned community," "subdivision," and "request for corrections" and modifies the definition of "food and swimming pool inspection," "license," and "substantive policy statement."

HB 2455 – Unclaimed Property; Firearms; Disposition Chapter 145 (Barton)

The bill requires agencies to sell unclaimed or forfeited firearms in place of the courts. It also prohibits the destruction of a firearm or the acquisition for the purpose of the destruction of a firearm by the state, any agency or political subdivision, unless the firearm is prohibited from being sold under federal or state law. The legislation requires all property that is used as evidence, unclaimed, or found property in the possession of the state, a county or a town agency, be disposed of exclusively by the entity in possession. It requires an agency that takes property from a person to provide the person with a detailed receipt for the property, including a notice on how to retrieve the property from the agency.

HB 2485 – Health and Safety Audit Privilege Chapter 146 (Carter)

The bill allows for documents included in a health and safety audit to be considered privileged information and not a public record. The privilege remains unless the audited company releases the information or removes the privilege.

HB 2529 – Child Care Personnel Chapter 151 (Carter)

The bill allows an employee to provide direct services to children or vulnerable adults, pending the findings of the central registry check, if the employee's certification does not indicate a current investigation or a substantiated report of abuse or neglect. The legislation requires a state agency that conducts central registry background checks for positions providing direct services to children or vulnerable adults to publish a list of disqualifying acts of substantiated abuse or neglect.

HB 2599 – Procurement Code; Amendments Chapter 190 (J. Pierce)

The bill makes changes to the Arizona Procurement Code, updating responsibilities of the Director of the Arizona Department of Administration, establishing limitations on

employees who have a significant procurement role, altering the procedures for procurement appeals, and creating rules and procedures for individuals who lobby or attempt to influence the procurement of materials, services or construction by a state agency. It amends statutes governing the process of competitive sealed bidding, enhances cooperative purchasing authorizations, and exempts several items from the Arizona Procurement Code.

**SB 1231 – Public Buildings; Construction: Indemnity
Chapter 238 (Reagan)**

The bill allows a contracting agent to mandate that a construction or design professional services contract or subcontract require the contractor, subcontractor or design professional that provides work, services, studies, planning, surveys or other preparatory work in connection with a public building or improvement, to indemnify and hold harmless the agent, and its officers and employees, from liabilities, damages, losses and costs, including reasonable attorney fees, caused by negligence, recklessness or intentional wrongful conduct in the performance of the contract or subcontract. The bill also prohibits a contracting agent from requiring that a construction or design professional services contract or subcontract entered into in connection with a public building or improvement require that the contractor, subcontractor or design professional defend, indemnify, insure or hold harmless the contracting agent or its employees, officers, directors, agents, contractors or subcontractors from liability, damages, losses, claims, actions or proceedings and any contract provision, except as provided above.

**SB 1266 – Illegal Dumping; Penalties
Chapter 246 (McGuire)**

The bill modifies requirements relating to illegal dumping in a city, town or county. It removes the requirement that appeals must be heard by the county board of supervisors, and directs a person, firm or corporation who is required to remove any trash illegally placed on another person's property to provide the county with a receipt from a disposal facility. It increases, from a Class 2 to a Class 1 misdemeanor, the penalty for a person who knowingly commits criminal littering by unlawfully dumping litter on public property or another person's property for a non-commercial purpose if the amount of litter is more than 100 pounds but less than 300 pounds, or more than 35 cubic feet but less than 100 cubic feet.

It directs all assessed fines or civil penalties for illegal dumping in a city, town or county and criminal littering or polluting to be deposited in the general fund of the city, town or county in which the fine or civil penalty was assessed, and requires at least 50% of the assessed fine or civil penalty to be used for illegal dumping cleanup. It prohibits an assessment for the cost of the removal, abatement or injunction of trash, weeds or dilapidated structures in a city, town or county from being levied against state or federal property, and excludes state and federal landowners from the definition of "owner" as it relates to illegal dumping in a city, town or county.

**SB 1278 – Homeowners’ Associations; Public Roadways
Chapter 103 (Barto)**

The legislation prohibits homeowners’ associations whose declaration is recorded after December 31, 2014, from regulating any roadway owned or held by a government entity.

**SB 1324 – Critical Infrastructure; Information Disclosure
Chapter 69 (Crandell)**

The bill exempts from public disclosure information that is protected by the Critical Infrastructure Information Act of 2002 and that is provided to, or in the possession, of any state agency or political subdivision of this state, instead of provided to the Arizona Department of Public Safety or any local government. It stipulates that when protected critical infrastructure and key resource information is provided, the provider is responsible for notifying the recipient and clarifies that all critical infrastructure and key resource information protected in statute is not only exempt from public disclosure but also confidential. The definition of “critical infrastructure information” is expanded to include the security of critical infrastructure or protected systems as it relates to a natural disaster and emergency response plans.

**SCR 1016 – Rejection of Unconstitutional Federal Actions
(Crandell)**

The ballot referral, which will be put before voters in the next general election, would permit the state to exercise its sovereign authority to restrict its personnel and the use of its financial resources to purposes that are consistent with the Constitution by either passing an initiative or referendum, passing legislation, or pursuing any other legal remedy. It would prohibit the state’s usage of personnel or financial resources from enforcing, administering, or cooperating with a federal action or program, if the state exercises its authority pursuant to the fore mentioned methods. The referral reaffirms that the federal and state government must abide by the U.S. Constitution.

➤ **LAND USE AND PLANNING**

**HB 2031 – Federal Patent Easements; Counties; Abandonment
Chapter 49 (Dial)**

The bill allows a county to abandon federal patent easements at the request of a property owner, if the county has notified and obtained consent from all affected utilities and has determined that the easement is no longer necessary or being used by the public. It establishes the process of notification, requiring a county board of supervisors (Board) to provide notice via certified mail to the owners of land abutting the easement to be abandoned at least 60 days before the consideration of an abandonment resolution, specifying that this notice must be sent to the address shown in the records of the county assessor, provide the date and time of consideration of the proposed resolution and inform the recipient of the opportunity and deadline to object to the proposed resolution in writing or in person.

It prohibits a Board from abandoning an easement unless a majority of the owners of the land abutting the easement approve the action, but specifies that an owner who does not object in writing or in person to the proposed abandonment before the date of the board's consideration is deemed to have consented to the proposal.

The Board must post a copy of the notice at or within the immediate vicinity of the proposed abandonment.

The bill does not authorize the abandonment of a roadway granted under United State Code 43 § 932 enacted by the United State Congress in 1866.

This bill was included in the Maricopa County 2013 Legislative Package.

**HB 2138 – Municipalities; Right-of-Way; Transfer
Chapter 127 (Pratt)**

The legislation allows a county roadway or right-of-way to be transferred by mutual consent of the county and city governing bodies, removing the requirement that the county roadway or right-of-way be adjacent to the municipality for the entire length of the annexation and simply requires the transfer to be adjacent to the annexing municipality.

This bill was included in the Maricopa County 2013 Legislative Package.

**SB 1098 – Marijuana; Cultivation; County Zoning
Chapter 101 (S. Pierce)**

The bill allows county zoning ordinances to apply to the cultivation of cannabis or marijuana by excluding it from the “general agricultural purposes” definition.

**SB 1103 – Charter Schools; Zoning Procedures
Chapter 178 (Yee)**

The legislation specifies that charter schools must be classified the same as public schools that are operated by a school district for zoning purposes and assessment of zoning, site plan and development fees, including any required hearings or applications. It prohibits a municipality or country from enforcing any ordinance, procedure or process against a charter school that cannot legally be enforced against a school district, but stipulates that voluntary compliance of a school district in the zoning regulations of a municipality or county does not result in the application of those zoning regulations to a charter school. A charter school is permitted to authorize a third party to apply to a municipality or county as its representative for any application or action related to zoning.

**SB 1322 – Assured Water Supply Requirements; Exemption
Chapter 248 (Griffin)**

The bill provides an extension of a law that was passed in 2007. Laws 2007, Chapter 51 authorized the Director of the Arizona Department of Water Resources to exempt proposed subdivided land in an Active Management Area from the assured water

supply requirement needed to obtain plat approval or a public report if specific criteria are met. The law would have been repealed on September 1, 2014, but SB 1322 extends the repeal date to September 1, 2024.

SB 1454 – Campaign Finance; In-Kind Contributions; Disclosures Chapter 254 (Yee)

The legislation makes numerous changes to statutes governing elections and homeowner associations. The bill also includes language regarding planned communities and local government zoning, prohibiting the planning or zoning entity of a local government from requiring that a developer establish an association as part of a subdivision approval or zoning ordinance. It asserts that a developer cannot be penalized because a real estate subdivision or development does not constitute or include a planned community. It also permits a local government to require a developer to establish an association to maintain private, common or community-owned improvements that are approved and installed as part of a preliminary plat, final plat or specific plan while prohibiting local governments from requiring that an association be formed or operated other than for the maintenance of common area or community owned property.

➤ PUBLIC HEALTH

HB 2045 – AHCCCS; Hospital Reimbursement Methodology Chapter 202 (Carter)

The bill outlines provisions related to direct pay prices for health care providers and facilities and requires the Arizona Health Care Cost Containment System (AHCCCS) to adopt a hospital reimbursement methodology consistent with Title XIX of the Social Security Act.

It requires a health care provider, if applicable, to provide upon request or online the direct pay price for at least 25 of the most common services updated at least annually and based on the services from a 12-month period that occurred within the 18-month period preceding the annual update. It contains some exemptions, and does not require health care services provided by health care providers in Veteran Administration facilities, health facilities on military bases, Indian health services hospitals and other Indian health service facilities, tribal-owned clinics, the Arizona State Hospital and any health care facility that does not serve the general public to provide direct pay prices. A health care provider that is not exempt from the provisions of the bill is considered to commit unprofessional conduct if they do not follow the requirements regarding direct pay prices.

A health care facility with more than 50 inpatient beds is also required to make available on request or online the direct pay price for at least 50 of the most used diagnosis-related group codes and the 50 most used outpatient service codes. The health care facility must update the direct pay prices at least annually based on the services from a 12-month period that occurred within the 18-month period preceding the annual update.

A health care facility with 50 or fewer inpatient beds must make available on request or online the direct pay price for at least 35 of the most used diagnosis-related group codes and the 35 most used outpatient service codes. The health care facility must update the direct pay prices at least annually based on the services from a 12 month period that occurred within the 18-month period preceding the annual update. The direct pay price disclosure does not apply if a discussion of the direct pay price would be a violation of the federal Emergency Medical Treatment and Labor Act. The bill exempts Veteran Administration facilities, health facilities on military bases, Indian health services hospitals and other Indian health service facilities, tribal-owned clinics and the Arizona State Hospital from requirements on disclosure of direct pay prices. If the director of the Arizona Department of Health Services (ADHS) determines that a health care facility does not serve the general public, then the facility is exempt. ADHS is authorized to perform an investigation of a health care facility under the department's powers and duties. If a health care facility fails to comply, the penalty must not include the revocation of the license to deliver health care services.

The bill contains guidance on how direct pay prices must be identified, states that direct pay requirements do not prevent a health care provider/facility from offering additional discounts or additional lawful health care services for an additional cost to a person or an employer paying directly, and clarifies that a health care provider/facility is not required to report the direct pay price to any government or government authorized entity for review or filing. It restricts a government, government-authorized or government created entity from approving, disapproving or limiting a health care provider's/facilities' direct pay price for services or adjustment of prices. It provides direction on direct payments, states that a health care provider/facility who receives direct payment for a lawful health care service is not responsible for submitting any documentation for reimbursement to any health care system for that claim, and outlines the relationship between direct pay regulations and the provision of a health care system's private health care network

The bill becomes effective December 31, 2013, and is repealed December 31, 2021. Additional provisions relating to an AHCCCS hospital reimbursement methodology are effective October 1, 2014.

HB 2064 – Training Permits; Military Health Professionals Chapter 25E (Carter)

The legislation requires the State Board of Dental Examiners and the Arizona Medical Board to issue a temporary training permit to a qualified military health professional, and exempts physician assistants serving in the armed forces and acting on official orders from obtaining licensure. The bill became effective April 3, 2013.

HB 2430 – Immunizations; Reimbursement Chapter 173 (Brophy McGee)

The legislation allows local health departments to enter into contracts governing reimbursements and claims with private health care insurers of pupils or parents for the purpose of receiving reimbursement for the pupil's required school immunizations.

Local health departments may enter into contracts with insurers on their own, in conjunction with other local health departments or through qualified intermediaries. The bill stipulates that if local health departments choose not to contract with insurers or do not respond to contract requests from insurers within 90 days, the insurers are not required to reimburse the health departments for immunizations. If insurers decline to contract or do not respond to a request to contract with local health departments or qualified intermediaries within 90 days, the insurers must reimburse the local health departments at the in-network provider rate

**HB 2513 – Dentistry
Chapter 150 (Boyer)**

The bill modifies dental licensure requirements with respect to retired and permanently disabled licensees and expands the definition of “unethical conduct” for dentists to include engaging in a policy or practice that interferes with the professional judgment of a licensee providing dental services for a business entity or compromising a licensee’s ability to comply with the prescribed dental statutes.

**HB 2550 – Health Insurance; Policies; Rating Areas
Chapter 215 (Carter)**

The legislation authorizes state authority over health care insurers, establishes health care rating areas, and provides regulations in compliance with the Patient Protection and Affordable Care Act.

➤ **SPECIAL DISTRICTS**

**HB 2118 – Flood Protection Districts; Property Exclusion
Chapter 38 (Pratt)**

The bill repeals A.R.S. §48-2815, which allowed flood protection districts to exclude lands from the district. There are no flood protection districts in Maricopa County.

**HB 2165 – Public Libraries; Circulation Records; Privacy
Chapter 89 (Dial)**

The bill modifies statutory provisions governing library disclosure of records and information. Current law prohibits a library or library system supported by public funds from disclosing any information which identifies a user of library services as requesting or obtaining specific materials or services or using the library for any other purpose. However, a library or library system supported by public funds is authorized to disclose information if necessary for the reasonable operation of the library, upon written consent of the user, on receipt of a court order, or if required by law. Any person who knowingly discloses such information without authorization is guilty of a class 3 misdemeanor. The legislation adds e-books to a statutory provision governing disclosure of library circulation records. It also allows for library records to be disclosed if necessary for the reasonable operation of the library upon written consent of the user, on receipt of a court order, or if required by law.

HB 2178 – Flood Control Districts; Administrative Actions Chapter 170 (Fann)

The legislation permits individuals who violate flood control districts statutes or rules to receive a nonmonetary penalty, and changes the final decision review process. It permits the chief engineer to order a nonmonetary penalty that serves the purposes of the district, if the person in violation agrees, and requires the written request for a review of the chief engineer's final order to identify the specific section(s) of the order to be reviewed by the Board of Hearing Review (Board). It requires the information presented to the chief engineer in issuing the final decision and order to be made available to all parties on request, and requires the Board to set a date and time to hear the matter requested for review. The hearing must be conducted based on the information presented to the chief engineer in issuing the final decision and order, or the record before the hearing officer on an appeal from a determination of a violation. The bill directs the Board to issue a written order of its decision to the chief engineer within 30 days after completion of the hearing and corrects statutory references from the Board of Supervisors to Board of Directors.

This bill was included in the Maricopa County 2013 Legislative Package.

HB 2242 – Road Improvement and Maintenance District Chapter 134 (Stevens)

The legislation permits petitioners for the formation of a road improvement and maintenance district to request assessments to be allocated on a per-parcel basis, with each separate assessor's parcel in the district to be assessed an equal amount without regard to the improvements to or size of the parcel or assessed value of the property. It prohibits assessments from being made in excess of \$100 per parcel per year, unless the owner of the parcel consents to a higher assessment and states that assessments must be levied and collected as prescribed by law. It stipulates that in any petition, petitioners must submit signatures from the owners of 75 percent of the total number of assessor's parcels in the district or proposed district. For purposes of determining the number of signatures submitted:

- If multiple owners own a parcel of property, those owners are deemed to be one owner and only one signature is eligible to be counted; and
- If a person owns multiple parcels of property, that owner is deemed to be an owner for every separate assessor's parcel owned and the owner's signature is eligible to be counted as a separate signature for each parcel owned.

HB 2572 – Financial Standards; Fire Districts Chapter 232 (Coleman)

The bill reorganizes statute relating to a fire district's power, duties and annual budget. It eliminates the requirement for the district to publish their annual budget in a newspaper of general circulation in the district and instead requires a complete copy of the proposed annual budget to be posted on a district's official website 20 days before the public hearing to adopt the budget. It specifies that every budget adopted by a district must include the following:

- A certification that the district has not incurred any debt or liability in excess of taxes levied and to be collected and the money actually available and unencumbered at that time in the district's general fund, except for certain liabilities as prescribed in statute;
- A certification that the district complies with specific provisions of this law;
- An estimate of the revenue or expense for the next two FYs for each of the items listed in the approved budget summary; and
- A study of merger, consolidation or joint operating alternatives if a district's total estimate of expenses exceeds its total estimate of revenues for any fiscal year.

It requires any district audit or report made pursuant to statute to be presented in person to the district's board (board) by the auditor and directs the board to approve the audit or report. The audit or report must include a certification by the auditor of the district that the district has not incurred any debt or liability in excess of taxes levied and to be collected and the monies actually available and unencumbered at that time in the district general fund except for those liabilities as prescribed in statute, and that the district complies with specific provisions of this law. Districts may only maintain separate accounts with a financial institution for operating a payroll account or for holding special revenues, ambulance revenues or both. It removes authorization for a district to maintain a separate account for contributions, grants and trust monies. Districts are required to reconcile all balance sheet accounts for each calendar month of the fiscal year within 30 days of the end of that calendar month, and must review the reconciled balance sheet accounts monthly to produce monthly financial reports to include a register of checks, warrants and deposits, a statement of financial activities and a statement of net assets for each calendar month.

Districts must produce and update cash flow projection reports for each fiscal year with the actual revenues and expenditures from the preceding month. Each month the board must review the financial reports, updated cash flow projection reports and all month-end fund statements and reports of the preceding month provided by the county treasurer and each of the financial institutions with which the district maintains an account. The board's chairman must report any district violation of statutory annual budget requirements or any violation that would indicate an adverse impact on the ongoing operations or liquidity of the district in writing and deliver the report by certified mail to the county treasurer and the county board of supervisors within 10 days after discovery.

It removes language that allows the board to adopt resolutions for a financial reimbursement schedule to taxpayers for installation of certain fire protection systems and the requirements for these resolutions.

SB 1251 – Irrigation Districts; Audit Requirements Chapter 113 (Shooter)

The bill modifies audit schedules for irrigation or water conservation districts based on the size of their annual budgets. A.R.S. § 48-251 requires all special taxing district boards, including irrigation or water conservation districts, to submit an annual report to

the board of supervisors of each county in which the district is located. Each of the reports must be audited according to A.R.S. § 48-253. It requires an annual audit of an irrigation or water conservation district with a budget of at least \$5 million, requires an irrigation or water conservation district with an annual budget between \$1 million and \$5 million to be audited every five years and to undergo a financial review each year an audit is not performed, and requires an irrigation or water conservation district with an annual budget between \$100,000 and \$1 million to be audited every 10 years and to undergo a financial review each year an audit is not performed.

**SB 1282 – Countywide Fire Districts; Study Committee
Chapter 104E (Crandell)**

The bill is an emergency measure that establishes a study committee on countywide fire districts and outlines membership and responsibilities. The legislation requires the study committee to submit a report with its findings and recommendations to the Governor, President of the Senate, and Speaker of the House of Representatives, and to provide a copy to the Secretary of State by December 31, 2013. The bill became effective April 11, 2013.

**SB 1292 – Fire Districts; Treasurer; Authorization
Chapter 24 (Griffin)**

The bill states that a designated fire district board member who has been given access to the financial books and records of the fire district may lawfully access those records.

➤ **TAXATION AND FINANCE**

**HB 2033 – Foreclosures; Deeds of Trust; Affidavits
Chapter 50 (Ugenti)**

The bill requires a beneficiary of a foreclosed trustee's deed to complete and submit to the county recorder a declaration of legal value if the beneficiary receives payment based on private mortgage insurance in addition to the proceeds of a sale. It requires a trustee to provide an unrecorded copy of the signed trustee's deed to the purchaser upon request, and states that on or before the date of the trustee's sale, a trustee must notify the beneficiary of their obligation to submit a declaration of additional funds.

**HB 2111 – Transaction Privilege Tax Changes
Chapter 255 (Lesko)**

The legislation makes many significant changes to the process of collecting state transaction privilege tax (TPT) and local taxes. The bill requires the Arizona Department of Revenue (DOR) to create an online portal for businesses to use to pay TPT and local taxes. It requires DOR to work with the cities and towns on auditing provisions. DOR and the cities and towns will share data and information on collections and auditing results. The legislation also provides that a contractor who works directly for a property owner to maintain, repair, or replace existing property is subject to a retail tax on materials purchased as part of the service contract and is longer exempted from TPT under the prime contracting classification.

HB 2172 – ADOT Administration

Chapter 90 (Fann)

The legislation increases the maximum value of a bond the Arizona Department of Transportation (ADOT) may require from a motor vehicle fuel supplier from \$1 million to \$5 million, and it requires the director of ADOT, on a monthly basis, to deposit 1.6% of motor fuel tax monies in the State Lake Improvement Fund. One percent of the monies is to be retained to pay for administrative expenses. The maximum financial aid that a displaced farm, nonprofit organization or small business may receive from ADOT is raised from \$10,000 to \$25,000.

The bill allows the State Transportation Board to issue parity bonds to refund or refinance any outstanding bonds specified criteria are met.

HB 2209 – Industrial Development Authorities

Chapter 130 (Brophy McGee)

The legislation eliminates the requirement for a Department of Housing review and approval on selected types of industrial development authority financing. It clarifies that only corporations, the formations of which have been approved by the governing body of a county or municipality having a population of more than seven percent of the total state population, have the powers granted to an industrial development authority. It also exempts a corporation approved by a governing body of a county or municipality having a population of more than seven percent of the total state population from the requirement of the Department of Housing approval for a bond project.

HB 2277 – Uniform Commercial Code; Funds Transfers

Chapter 121 (Forese)

The bill specifies that the provisions of the Electronic Fund Transfer Act (EFTA) govern the transaction when there is an inconsistency between laws. It clarifies that the provisions of the bill apply to a funds transfer that is a remittance transfer, unless the remittance transfer is an electronic fund transfer as defined in the EFTA. In a fund transfer to which the provisions of the bill apply, in the event of an inconsistency between an applicable provision of the bill and an applicable provision of the EFTA, the provision of the EFTA governs to the extent of the inconsistency.

HB 2325 – Personal Property; Exemptions

Chapter 123 (Farnsworth)

The bill replaces a specific list of household property exempted from the bankruptcy process with a general exemption of all household furniture, furnishings, goods and appliances of aggregate value less than \$6,000. It increases the value limit certain personal items cannot exceed in order to be exempt from the bankruptcy process as follows:

- Musical instruments from \$200 to \$400;
- Domestic animals from \$500 to \$800;
- Engagement and wedding rings from \$1,000 to \$2,000;
- One watch from \$100 to \$150; and
- Miscellaneous items from \$500 to \$1,000 in aggregate.

It includes a computer in the list of miscellaneous exempted personal items. Up to \$6,000 of equity in a motor vehicle is exempted from bankruptcy proceedings and \$12,000 if the debtor or dependent is physically disabled. It increases the amount of money in a single bank account protected from execution or attachment from \$150 to \$300, and specifies that telephone numbers, client or customer contact information, marketing tools and other intangibles are considered tools and equipment exempt from bankruptcy process. The market value limit of exempted tools and equipment is increased from \$2,500 to \$5,000.

HB 2336 – Taxation; Retail Classification; Cash Equivalents

Chapter 233 (Forese)

The bill exempts the sale of cash equivalents, defined as items or intangibles with a value denominated in money purchased in advance and redeemable for property, intangibles or services, from retail transaction privilege taxes. Prepaid calling cards are not included in the definition of “cash equivalents.”

The bill applies retroactively to January 1, 1999. To obtain a refund for taxes paid under this category since 1999, a claim must be filed with the Arizona Department of Revenue (DOR) prior to December 31, 2013. DOR can fund only up to \$10,000 in refunds, and cannot distribute refunds until they determine the amount of all refunded claims.

The legislation includes a purpose clause stating that the intent is not to establish a new exemption or deduction, but to clarify that sales of cash equivalents are not – and should never have been – subject to taxation under the retail classification.

HB 2344 – Property Tax Penalty Waiver

Chapter 9 (Lesko)

The legislation permits a county treasurer, in consultation with the board of supervisors, to waive the penalty against a property owner for failure to respond to a request for information regarding the property’s classification for tax purposes. The bill is retroactive to July 1, 2012 and is repealed on July 1, 2014.

This bill was included in the Maricopa County 2013 Legislative Package.

HB 2346 – Valuation; Rural Electric Cooperatives

Chapter 226 (Lesko)

The bill provides a formula that the Arizona Department of Revenue must follow to determine the valuation of distribution and transmission property of electric distribution cooperatives, and amends applicable definitions. It expands the definition of “distribution cooperative” to include additional statutory entities. The valuation changes in the bill are applicable to valuation years from and after December 31, 2013.

HB 2347 – Tax Levy; Bond Costs

Chapter 188 (Lesko)

The bill prohibits property tax levies that exceed the net amount necessary to make the annual payment for bond principal and interest, and expands the list of eligible investments for monies managed by treasurers of counties, noncharter cities, or towns. It allows a property tax-levying jurisdiction to use a single debt service fund, designated the “interest and redemption fund,” rather than two separate funds for payment of interest and bonds. A treasurer may invest in special taxing district bonds, notes, or other evidences of indebtedness, including registered warrants. The legislation eliminates the restriction that treasurers may invest only in bonds, debentures, and notes issued by corporations organized and doing business in the U.S, allowing treasurers to invest in any bonds, debentures, notes, or other evidences of indebtedness that are denominated in U.S. currency and rated “A” or above by two nationally recognized rating agencies. It prohibits investment in U.S. companies that are in violation of federal restrictions on exports to countries supporting international terrorism.

HB 2489 – Bonds; Financing; Student Loans

Chapter 228 (Dial)

The legislation allows a corporation to issue bonds and refund bonds to finance student loans under certain circumstances and makes other changes regarding the issuance of revenue bonds and Industrial Development Authorities (IDAs). It authorizes IDAs to exercise powers and issue revenue bonds to finance applicable student loans so that the state’s student loan program is available for eligible students. It requires the state program representative to approve or disapprove a submitted plan, regardless of a hearing, not later than 30 days after receipt of the plan. It requires the state program representative to promptly notify the corporation that submitted the plan of the approval or disapproval of the plan; if the state program representative does not notify the corporation that submitted the plan of the approval or disapproval within 45 days after receiving the plan, it is deemed approved. Approval of a plan means a finding by the state program representative that the origination or acquisition of student loans by the corporation or its agent or agents, a qualified educational institution or an eligible lender to eligible students or their parents will assist the students in attending an educational institution and financing the student’s education, adequate provision has been or will be made for the payment of the principal of or interest on any bonds issued by the corporation to finance the loan program, adequate provision has been made for the payment of the reasonable expenses of the administration of the loan program, and the proposed procedures for application of the bond proceeds, the collection of payments, interest charges and any other matters concerning the administration of the loan program are in conformance with the law.

HB 2535 – Independent Functional Utility

Chapter 153 (Olson)

The bill, retroactive to July 1, 1997, provides a prime contracting tax exemption for machinery or equipment that is exempt from retail tax and that has independent functional utility even if it does not become a permanent attachment. It specifies that

the deduction includes the gross proceeds of sales or gross income derived from all of the following:

- Any activity performed on machinery or equipment with independent functional utility;
- Any activity performed on any tangible personal property relating to machinery or equipment with independent functional utility to assemble, connect, stabilize or protect the equipment or machinery

For a claim to be filed for refunds retroactive to anytime beginning July 1, 2013, an application must be filed with the Arizona Department of Revenue by December 21, 2013. The aggregate amount of total refund associated with this provision is limited to \$10,000.

The bill states that the legislature intends for the bill to ensure that the benefit of statutory retail transaction privilege tax deductions are not diminished through the activity of contracting. It also states that if statutes relating to retroactivity and refund are adjudicated to be invalid by an appellate court, the retroactivity of this bill is voided.

HB 2619 – Public Deposits; Pooled Collateral Chapter 157 (Brophy McGee)

The legislation establishes the Statewide Collateral Pool Administrator (Administrator) in the Office of the State Treasurer and outlines Administrator authorities and regulations regarding collateral for public deposits. The Administrator must establish necessary policies and procedures to implement the bill before July 1, 2014. Any adopted policies must be developed in consultation with financial institutions that serve as eligible depositories and public depositors, and must include a comment period.

The bill establishes the Public Deposit Administration Fund (Fund) in the State Treasury, and directs any fees and penalties collected to be deposited in the State General Fund. It outlines procedures and requirements for the Administrator associated with the Fund.

SB 1169 – Proposition 117; Conformity Chapter 66 (Yarbrough)

The bill makes changes to statute to conform to the provisions of Proposition 117, which voters approved in November 2012. It applies the provisions relating to the definition of limited property value, the exemption for property of widows, widowers, and people with disabilities, calculation of limited property value, exemptions from the limitation on valuation increases, assessed valuation of class five property, application of assessment percentages, and determination of assessed valuation of remote municipal property beginning in tax year 2015. It contains an effective date of January 1, 2014 for conforming provisions relating to school district override elections and budget increases and procedures for local bond elections. Conforming provisions relating to formation of a unified school district, general requirements for community college districts, truth in taxation procedures relating to community college district finances and local property tax levies, the truth in taxation levy for equalization assistance to school districts,

computation of taxes otherwise payable on remote municipal property, and limitation of bonded indebtedness for a special health care district are effective January 1, 2015.

SB 1179 – Ignition Interlock Devices; TPT Exemption Chapter 236 (Yarbrough)

The bill makes changes relating to the taxation of certified ignition interlock devices (IIDs), qualified destination management companies (QDMCs), sales of food, property used to manufacture biodiesel fuel, and contributions to both college savings plans pursuant to Internal Revenue Code (IRC) § 529 as well as qualifying charitable organizations, multistate service providers, and enterprise zones.

It exempts the leasing or rental of certified IIDs from personal property rental transaction privilege tax (TPT), and prohibits a municipality from levying a TPT, use, sales, or other similar tax against the leasing or rental of certified IIDs. This exemption applies retroactively to taxable periods beginning September 1, 2004, and claims for refunds on tax paid since 2004 are to be administered by the Arizona Department of Revenue. The total amount of TPT that can be refunded under this provision is \$10,000.

It exempts a QDMC from TPT on the gross proceeds of sale or gross income derived from a qualified contract for destination management services, classifying a QDMC as a final consumer and user of any taxable tangible personal property, activity, or service that the QDMC arranges pursuant to a qualified contract for destination management services (defined as the business of coordinating, designing, and implementing the delivery by a third party of four or more outlined sales categories). This exemption applies retroactively to taxable periods beginning January 1, 2002, and claims for refunds on tax paid since 2002 are to be administered by the Arizona Department of Revenue. The total amount of TPT that can be refunded under this provision is \$10,000.

The bill conforms to federal regulations by replacing statutory references to the Food Stamp Program established by the Food Stamp Act of 1977 with the Supplemental Nutrition Assistance Program established by the Food and Nutrition Act of 2008. It redefines terms and repealing statutes relating to Arizona Department of Revenue publication of information on food taxation.

It extends the existing class six property classification for real and personal property and improvements to property valued at full cash value that are used solely to manufacture biodiesel fuel that is 100% biodiesel and its by-products for a time period beginning January 1, 2007 until December 31, 2023.

It increases the amount that can be deducted from gross income for contributions to college savings plans pursuant to IRC § 529 from \$750 to \$2,000 for a single individual or head of household and from \$1,500 to \$4,000 for married couples filing jointly, effective January 1, 2013.

It removes the requirement for a taxpayer to itemize deductions on tax forms in order to receive a tax credit for contributions to qualifying charitable organizations.

It allows a university that meets specific criteria to make an election to treat sales from services as being in this state based on a combination of income-producing activity sales and market sales, but limits it to the treatment of sales for educational services (defined as tuition and fees required for courses of instruction, transcripts, and graduation). It specifies that the change does not apply on taxable years before the effective date of the legislation.

The bill outlines specific effective dates for diverse sections of new law.

SB 1313 – Tax Corrections Chapter 114 (Yarbrough)

The bill corrects errors, strikes obsolete language, and makes clarifying and conforming changes to Arizona Revised Statutes that are related to taxation.

□ GOVERNOR’S VETO LETTERS/BILL MESSAGES

HB 2322 – Rule Making; Restrictions (Farnsworth)

The legislation would have prohibited state agencies from adopting new rules that restrain or burden the free exercise of vested rights. An agency could only adopt a new rule or an amendment to an existing rule that was strictly ministerial and consistent with the statutory delegation of authority, restricting the adoption of rules under the agency’s statutory delegation of authority if the law was insufficiently clear to allow for strictly ministerial rule making. It would have enabled any person who was subject to civil or criminal proceedings arising from the enforcement of a rule that violates the provisions of the bill to have a defense to the enforcement action, and any court or adjudicatory body considering or reviewing the defense would have been required to rule on the merits without deference to legislative, administrative or executive finding concerning the rule.

In her veto letter, Governor Brewer said the legislation was “a bridge too far,” arguing that the bill would negatively impact state agencies’ ability to fulfill their designated responsibilities and pointing to the steps she has already taken to reduce unnecessary government regulation.

HB 2446 – Property Tax; Religious Institution; Exemption (Olson)

The bill would have broadened the tax exemption for religious property to include any property held primarily for religious use, rather than religious worship, thereby exempting vacant land that is held but not currently being used by a religious association or institution if certain criteria applied.

Governor Brewer's veto letter cited concerns about the vague terms that could complicate implementation of the law, and observed that most county assessors manage to satisfactorily implement tax exempt status. She suggested that the Arizona Department of Revenue adopt rules or guidelines to solve concerns rather than utilizing state statute to do so.

HB 2481 – Permissible Consumer Fireworks; Penalty (Stevens)

The bill would have made it a petty offense (subject to a \$300 fine and no jail) for violating a regulation relating to the use of permissible consumer fireworks within a county or an incorporated city or town.

In her veto letter, Governor Brewer argued that the bill did not acknowledge different regional situations and safety needs regarding the use of fireworks. She stated that the legislation would have negative unintended consequences for Arizona, especially in rural areas.

HB 2512 – Trusts; Beneficiary Suits against Settlor (Allen)

The bill would have established conditions that apply if a beneficiary files a civil action against a settlor regarding a trust or other governing instrument.

Governor Brewer's veto letter stated that while she supports the intent to protect vulnerable populations, the legislation imposed sweeping and strict conditions with overly broad and harshly punitive language.

HB 2578 – Licensing; Accountability; Penalties; Exceeding Regulation (Petersen)

The bill would have established civil penalties on municipal, county, state and district employees who knowingly base a licensing decision in whole or part on a requirement or condition that was not specifically authorized by law. An employee who violated the law would face civil penalties:

- A civil penalty of \$500 for the first violation;
- A civil penalty of \$1,000 for the second violation;
- A civil penalty of \$2,000 for the third violation.

The bill would have established a four-year statute of limitation for any person who was affected by an illegal licensing decision, and any impacted party could have recovered attorney fees, expenses and double damages for unjustified actions.

In her veto letter, Governor Brewer called the bill "both punitive and unnecessary," stating that Arizona law already prohibits government employees from enforcing standards that are not authorized by law.

HB 2591 – Governmental Reporting; Websites; Budgets (Petersen)

The legislation would have required state and local governments to post the previous year's actual budget on the bottom righthand corner of their homepage within 90 days after the end of the fiscal year.

Governor Brewer's veto letter said the bill was duplicative and not adequately defined, since state and local governments are already required to publish comprehensive budget information. She pointed to the Arizona Open Books website, which is directly linked to Maricopa County's financial data as well.

SB 1088 – Constables; Prohibited Acts (Burgess)

The bill would have prohibited constables from engaging in any act as a private process server outside of the constable's elected or appointed duties, and from owning an interest in any entity that operates a private process serving business.

In her veto letter, Governor Brewer clearly stated that the bill was vetoed because the Senate had not followed her request for a moratorium on legislative action until a budget was completed and her policy goals addressed.

SB 1178 – Exercise of Religion; Definition (Yarbrough)

The legislation would have expanded the statutory definition of "exercise of religion" to specifically include both the practice and observance of religion. It would have changed the terminology within the prohibition of burdening a person's exercise of religion to apply to "state actions" instead of "government," and would have defined "state action" as the implementation or application of any law, including state and local laws, ordinances, rules, regulations and policies, whether statutory or otherwise, or other action by the government. It would have allowed a person to assert as a claim or defense that his or her exercise of religion is likely to be burdened by a violation or impending violation of the free exercise of religion statute and specified that a free exercise of religion claim or defense may be asserted in a judicial proceeding regardless of whether the government is a party to the proceeding.

In her veto letter, Governor Brewer clearly stated that the bill was vetoed because the Senate had not followed her request for a moratorium on legislative action until a budget was completed and her policy goals addressed.

SB 1369 – Unemployment Insurance; Reimbursable Employers (Griffin)

The legislation would have allowed employer accounts of employers who elect to make payments to the Arizona Unemployment Trust Fund (Fund) in lieu of tax contributions to be charged a ratio of total benefits paid a claimant equal to the ratio of base-period wages paid by the employer to the claimant's total base-period wages. It would have authorized employers who elect to make payments to the Fund in lieu of tax

contributions to not be charged for benefits paid when the Arizona Department of Economic Security (DES) finds the claimant disqualified due to conditions such as voluntary leave without due cause, discharge for willful or negligent misconduct, or other compelling personal reasons not attributable to the employer. It would also have required the employer to submit information to DES within 10 days of notice that the claimant has filed a unemployment insurance claim that satisfactorily establishes a disqualifying condition of separation.

Governor Brewer's veto letter stated that the bill would have negatively impacted the Fund.

SB 1439 – Legal Tender (Crandell)

The bill would have outlined the recognition and exchanges of legal tender in the state of Arizona, expanding the definition to include legal tender authorized by Congress, specie coin issued at any time by the U.S. government, or any other specie that a court of competent jurisdiction rules by a final, unappealable order to be within the scope of state authority to make a legal tender. It would have prohibited a person, except as expressly provided by contract, from compelling any other person to tender or accept *specie* legal tender, and stipulated that the exchange of one form of legal tender for another does not prompt liability for any type of tax. It would have specified that that legal tender is money and is not subject to taxation or regulation as property other than money.

Governor Brewer's veto letter expressed concern over the vague and uncertain administrative burdens associated with implementing the law. In particular, she pointed to uncertainty over whether the legislation would require Arizona to exempt income tax related to transactions involving the new legal tender, which could also result in reduced revenue to the state.



STATE OF ARIZONA

April 17, 2013

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

The Honorable Andy Tobin
Speaker of the House
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

RE: House Bill 2322 (rule making; restrictions)

Dear Speaker Tobin,

Today, I vetoed House Bill 2322. This legislation would have prohibited an agency from adopting new rules or amending existing rules that would restrain or burden the free exercise of vested rights, and restricted a state agency to only adopting new or amended rules that are strictly ministerial.

As Governor, my first official action was to implement a rulemaking moratorium that would prevent additional burdens on Arizona's job creators. Since then, my administration has diligently and consistently sought new ways to eliminate burdensome regulatory mandates, streamline existing rules and, ultimately, bolster Arizona's economy.

In addition to the rules moratorium, last session I signed into law House Bill 2744 which permits state agencies to conduct expedited rulemaking in order to streamline existing rules and increase efficiency and service quality. Through these regulatory reform efforts we have unshackled both business and governments from overburdening regulations. These efforts have been achieved in a fair and balanced approach that will benefit the citizens of Arizona.

While I can appreciate the effort to bring additional accountability to the rulemaking process, I believe this bill is a bridge too far. This legislation would have a broad negative impact on a state agency's ability to implement state law. Additionally, agencies and the public would be left with out-dated and burdensome rules until the Legislature updates the rules through statutory enactments.

These concerns are among the primary reasons I have vetoed House Bill 2322.

Sincerely,

A handwritten signature in black ink that reads "Janice K. Brewer".

Janice K. Brewer
Governor

cc: The Honorable Andy Biggs
The Honorable Eddie Farnsworth



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

June 19, 2013

The Honorable Ken Bennett
Secretary of State
Capitol Executive Tower, 7th Floor
1700 West Washington
Phoenix, Arizona 85007

Re: House Bill 2446 (property tax; religious institution; exemption)

Dear Secretary Bennett,

Today, I vetoed House Bill 2446, which would have expanded the scope of the existing tax exemption for religious property to include vacant land held by a religious association or institution. I am concerned that the bill goes beyond simply clarifying the tax treatment of vacant land held by organizations that already qualify for the existing religious property exemption. Instead, a number of undefined and vague terms could cause more confusion in our system despite the intent to clarify.

I appreciate the desire to create consistency across counties in the tax treatment of vacant land held by religious intuitions but legislation is not necessary to create that consistency. Current statute appears to be sufficient to allow several county assessors to administer the law in the manner intended by this legislative proposal. The Department of Revenue can develop guidelines for county assessors to follow that will achieve the same goal of consistency without increasing the number of taxpayers that qualify for the exemption.

These concerns are among the primary reasons I vetoed HB 2446.

Sincerely,

A handwritten signature in cursive script that reads "Janice K. Brewer".

Janice K. Brewer
Governor

cc: The Honorable Andy Tobin
The Honorable Andy Biggs
The Honorable Justin Olson



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

April 30, 2013

The Honorable Andy Tobin
Speaker of the House
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

RE: House Bill 2481 (permissible consumer fireworks; penalty)

Dear Speaker Tobin,

Today, I vetoed House Bill 2481, legislation that would have mandated the minimum penalty— a petty offense— for a permissible consumer fireworks violation within any county or city. The bill's language does not take into account different regional circumstances and local safety and fire concerns regarding the use of fireworks. This legislation would have unintended consequences negatively impacting Arizona. The risk and danger from fires started by fireworks are much greater in Arizona's rural areas.

These concerns are among the primary reasons I have vetoed House Bill 2481.

Sincerely,

A handwritten signature in cursive script that reads "Janice K. Brewer".

Janice K. Brewer
Governor

cc: The Honorable Andy Biggs
The Honorable David Stevens



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

April 16, 2013

The Honorable Andy Tobin
Speaker of the House
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Re: House Bill 2512 (trusts; beneficiary suits against settlor)

Dear Speaker Tobin,

Today, I vetoed House Bill 2512, legislation that would have imposed sweeping and strict conditions on a broad list of legal documents and civil actions related to those legal documents involving a grantor and a family member beneficiary. I believe that much of the bill's language is overly broad and harshly punitive. Key provisions also are extremely vague. Accordingly, this legislation will have unintended consequences.

I encourage the sponsor to reexamine this proposal with stakeholders and craft legislation that is not overly broad, but instead precisely defines key terms and concepts and is more narrowly tailored to specifically address the purported problem.

While I applaud the underlying intent to protect vulnerable populations that may be susceptible to individuals with questionable motives, House Bill 2512 in its current form is not the solution.

These concerns are among the primary reasons I have vetoed House Bill 2512.

Sincerely,

A handwritten signature in cursive script that reads "Janice K. Brewer".

Janice K. Brewer
Governor

cc: The Honorable Andy Biggs
The Honorable John Allen



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

April 5, 2013

The Honorable Andy Tobin
Speaker of the House
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

House Bill 2578 (licensing; accountability; penalties; exceeding regulation)

Dear Speaker Tobin,

Today, I vetoed House Bill 2578 (licensing; accountability; penalties; exceeding regulation). This legislation would establish penalties for government employees who base licensing decisions on requirements not specified in statute, rule, ordinance or code.

I believe this bill to be both punitive and unnecessary. Arizona law already prohibits agencies, counties, municipalities, and flood control districts from issuing a licensing decision based on a requirement not specially authorized by statute, rule, ordinance or code. Well-established administrative and judicial processes also exist to remedy an improper licensing decision.

These concerns are among the primary reasons I have vetoed House Bill 2578.

Sincerely,

A handwritten signature in cursive script that reads "Janice K. Brewer".

Janice K. Brewer
Governor

cc: The Honorable Andy Biggs
The Honorable Warren Petersen



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

April 30, 2013

The Honorable Andy Tobin
Speaker of the House
Arizona House of Representatives
1700 West Washington
Phoenix, Arizona 85007

Re: House Bill 2591 (governmental reporting; websites; budgets)

Dear Speaker Tobin,

Today, I vetoed HB 2591, which would have required state and local government entities to post the "actual budget total" in the bottom right-hand corner of their website homepage. The bill is duplicative and not adequately defined.

State and local governments already are required to publish comprehensive budget information. Additionally, the Department of Administration maintains the website openbooks.az.gov which provides both detailed and summary state expenditure data.

Finally, the publishing requirement in the bill is not clear and likely will be interpreted in a number of ways that would not result in budget transparency.

These concerns are among the primary reasons I have vetoed House Bill 2591.

Sincerely,

A handwritten signature in black ink that reads "Janice K. Brewer".

Janice K. Brewer
Governor

cc: The Honorable Andy Biggs
The Honorable Warren Petersen



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

May 23, 2013

The Honorable Andy Biggs
President of the Senate
Arizona State Senate
1700 W. Washington
Phoenix, Arizona 85007

Re: Senate Bill 1088 (constables; prohibited acts)

Dear President Biggs,

Today, I vetoed Senate Bill 1088, legislation that would have prohibited constables from acting as private process servers while duly-elected or appointed to serve as a constable.

I regret being forced to write this letter. The transmission of these bills has left me little choice but to exercise the clear terms of a bill moratorium I enacted more than two weeks ago. At that time, I warned that I would not sign additional measures into law until we see resolution of the two most pressing issues facing us: adoption of a Fiscal 2014 State Budget and plan for Medicaid. It is disappointing I must demonstrate the moratorium was not an idle threat.

The Arizona Legislature has now been in session for 130 days. We have just five weeks until the end of the fiscal year, by which time it is necessary that the State of Arizona have a new budget in place in order to assure there is no suspension of critical services or programs.

Arizonans enrolled in the Arizona Health Care Cost Containment System (AHCCCS) face a different sort of deadline. Without legislative action, an estimated 63,000 AHCCCS members will lose their coverage on January 1, 2014. Fortunately, this need not happen. We have a Medicaid Restoration Plan that will maintain coverage for those in need, honor the will of Arizonans who have twice voted to expand Medicaid, save our General Fund, keep Arizona tax dollars in Arizona and protect rural and safety-net hospitals.

I respectfully ask that legislators join me to resolve our budgetary and health care challenges. Once these priority issues are behind us, I am happy to once again consider unrelated legislation.

The Honorable Andy Biggs
May 23, 2013
Page 2

These concerns are among the primary reasons I have vetoed Senate Bill 1088.

Sincerely,

A handwritten signature in cursive script that reads "Janice K. Brewer". The signature is written in black ink and is positioned above the printed name and title.

Janice K. Brewer
Governor

cc: The Honorable Andy Tobin
The Honorable Judy Burges



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

May 23, 2013

The Honorable Andy Biggs
President of the Senate
Arizona State Senate
1700 W. Washington
Phoenix, Arizona 85007

Re: Senate Bill 1178 (exercise of religion; definition)

Dear President Biggs,

Today, I vetoed Senate Bill 1178, legislation that would have amended the definition of exercise of religion. The bill also would have allowed persons to assert likely claims, rather than actual claims, and would allow the assertion of claims regardless of whether the government is a party to the proceeding.

I regret being forced to write this letter. The transmission of these bills has left me little choice but to exercise the clear terms of a bill moratorium I enacted more than two weeks ago. At that time, I warned that I would not sign additional measures into law until we see resolution of the two most pressing issues facing us: adoption of a Fiscal 2014 State Budget and plan for Medicaid. It is disappointing I must demonstrate the moratorium was not an idle threat.

The Arizona Legislature has now been in session for 130 days. We have just five weeks until the end of the fiscal year, by which time it is necessary that the State of Arizona have a new budget in place in order to assure there is no suspension of critical services or programs.

Arizonans enrolled in the Arizona Health Care Cost Containment System (AHCCCS) face a different sort of deadline. Without legislative action, an estimated 63,000 AHCCCS members will lose their coverage on January 1, 2014. Fortunately, this need not happen. We have a Medicaid Restoration Plan that will maintain coverage for those in need, honor the will of Arizonans who have twice voted to expand Medicaid, save our General Fund, keep Arizona tax dollars in Arizona and protect rural and safety-net hospitals.

I respectfully ask that legislators join me to resolve our budgetary and health care challenges. Once these priority issues are behind us, I am happy to once again consider unrelated legislation.

The Honorable Andy Biggs
May 23, 2013
Page 2

These concerns are among the primary reasons I have vetoed Senate Bill 1178.

Sincerely,

A handwritten signature in cursive script that reads "Janice K. Brewer". The signature is written in black ink and is positioned above the printed name and title.

Janice K. Brewer
Governor

cc: The Honorable Andy Tobin
The Honorable Steve Yarbrough



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

June 19, 2013

EXECUTIVE OFFICE

The Honorable Ken Bennett
Secretary of State
1700 W. Washington
Phoenix, Arizona 85007

Re: Senate Bill 1369 (unemployment insurance; reimbursable employers)

Dear Secretary Bennett,

Today, I vetoed Senate Bill 1369. The bill attempts to exempt reimbursable employers from having to compensate the State Unemployment Insurance (UI) Trust Fund for costs related to former employees in certain situations.

Since March of 2010, the State of Arizona has borrowed approximately \$1.5 billion from the Federal government in order to continue to pay the state's share of unemployment insurance benefits. As you will recall, the Legislature agreed to levy a Special Assessment on employers in 2011 and 2012 in order to help address the Trust Fund insolvency and avoid a higher Federal Unemployment Tax Assessment (FUTA) tax on employers. This year, House Bill 2173 further attempts to bring the Trust Fund back to solvency before the next FUTA penalty is assessed.

If implemented as intended, Senate Bill 1369 will negatively impact the State UI Trust Fund. The Department of Economic Security (DES) estimates that, if the changes proposed in Senate Bill 1369 were in place in 2012, the potential impact to the Trust Fund would have been \$5.4 million.

Senate Bill 1369 undermines the recent Special Assessment on employers and other efforts by the State and business community to bring the Trust Fund back to solvency.

These concerns are among the primary reasons I have vetoed Senate Bill 1369.

Sincerely,

A handwritten signature in cursive script that reads "Janice K. Brewer".

Janice K. Brewer
Governor

cc: The Honorable Andy Biggs
The Honorable Andy Tobin
The Honorable Gail Griffin



STATE OF ARIZONA

JANICE K. BREWER
GOVERNOR

EXECUTIVE OFFICE

May 2, 2013

The Honorable Andy Biggs
President of the Senate
Arizona State Senate
1700 West Washington
Phoenix, Arizona 85007

RE: Senate Bill 1439 (legal tender)

Dear President Biggs,

Today, I vetoed Senate Bill 1439. This bill would have recognized Specie coin authorized by Congress as legal tender in the state of Arizona. While I believe the concern over a devalued dollar as a result of an unsustainable federal deficit is justified, I am unable to support this legislation. I believe the provisions in this legislation need to be more carefully examined and there should be prior coordination with those government agencies tasked with the oversight of these transactions.

It is important to note that the administrative and fiscal burdens for both the taxpayers and the Department of Revenue remain vague. For example, it is unclear whether this legislation would require Arizona to exempt income tax related to a transaction involving collectable coins or bills that were originally authorized by Congress and may be used as legal tender. This would result in lost revenue to the State, while giving businesses that buy and sell collectable coins or currency originally authorized by Congress an unfair tax advantage.

These concerns are among the primary reasons I have vetoed Senate Bill 1439.

Sincerely,

A handwritten signature in cursive script that reads "Janice K. Brewer".

Janice K. Brewer
Governor

cc: The Honorable Andy Tobin
The Honorable Chester Crandell

INDEX OF COUNTY INTEREST BILLS

Bill No.	Chapter No.	Reference Title	Page No.
HB 2031	49	federal patent easements; counties; abandonment	2, 24
HB 2033	50	foreclosures; deeds of trust; affidavits	31
HB 2034	13E	nuclear emergency appropriation and assessment	17
HB 2045	202	AHCCCS; hospital reimbursement methodology	26
HB 2056	203	PSPRS; amendments	4
HB 2064	25E	training permits; military health professionals	27
HB 2067	4	CPS information; medical examiner; disclosure	2, 9
HB 2087	106	mining; claim maintenance fee affidavit	17
HB 2088	86	interstate compact for juveniles	9
HB 2111	255	transaction privilege tax changes	31
HB 2118	38	flood protection districts; property exclusion	28
HB 2137	52	veterinarians; dispensing drugs	3
HB 2138	127	municipalities; right-of-way; transfer	2, 25
HB 2147	17	eligibility; unemployment benefits	4
HB 2164	6	DHS; food inspection; exception	16
HB 2165	89	public libraries; circulation records; privacy	28
HB 2172	90	ADOT administration	32
HB 2173	204E	unemployment insurance; omnibus	4
HB 2174	205	emergency response commission; fees	18
HB 2178	170	flood control districts; administrative actions	2, 29
HB 2204	54E	law enforcement; surviving spouse; insurance	5
HB 2209	130	industrial development authorities	32
HB 2212	131	legal holidays; counties; courts	3, 18
HB 2217	132	extraordinary educators special plates	18
HB 2240	208	small claims division; jurisdiction; limits	10
HB 2241	92	telecommunications infrastructure; records; nondisclosure	18
HB 2242	134	road improvement and maintenance district	29
HB 2245	135	request to leave; criminal trespass	10
HB 2262	137	scrap metal dealers; registration	10
HB 2272	138	burial duties; designated person	18
HB 2277	121	uniform commercial code; funds transfers	32
HB 2303	200	overtime compensation; law enforcement	10
HB 2305	209	initiatives; filings; circulators	19
HB 2307	94	postconviction relief; fees	10
HB 2308	26	probate; omnibus	10
HB 2310	140	administrative office of courts; evaluation	11
HB 2311	19	restitution lien; administrative hearing	11

HB 2322	Vetoed	rule making; restrictions	37
HB 2325	123	personal property; exemptions	32
HB 2326	141	firearms; records; prohibited acts	19
HB 2336	233	taxation; retail classification; cash equivalents	33
HB 2344	9	property tax penalty waiver	3, 33
HB 2346	226	valuation; rural electric cooperatives	33
HB 2347	188	tax levy; bond costs	34
HB 2355	56	license fees; working dogs; waiver	3
HB 2389	211	peace officers; omnibus	11
HB 2393	58	state agencies; licensure; time frames	20
HB 2401	59	service animal; definition	20
HB 2430	173	immunizations; reimbursement	27
HB 2442	201	fitness for duty; probation officers	12
HB 2443	74	cities; counties; regulatory review	20
HB 2446	Vetoed	property tax; religious institution; exemption	37
HB 2455	145	unclaimed property; firearms; disposition	22
HB 2459	212	justice of the peace courts	12
HB 2462	21	bail bond agents; lists; loitering	13
HB 2481	Vetoed	permissible consumer fireworks; penalty	38
HB 2485	146	health and safety audit privilege	22
HB 2489	228	bonds; financing; student loans	34
HB 2512	Vetoed	trusts; beneficiary suits against settlor	38
HB 2513	150	dentistry	28
HB 2516	177	peace officers; firearms; court	13
HB 2517	213	domestic violence; arrest	13
HB 2529	151	child care personnel	22
HB 2535	153	independent functional utility	34
HB 2550	215	health insurance; policies; rating areas	28
HB 2551	231	off-highway vehicles; use; authority; enforcement	16
HB 2562	216	public retirement systems; ineligible employees	5
HB 2572	232	financial standards; fire districts	29
HB 2578	Vetoed	licensing; accountability; penalties; exceeding regulation	38
HB 2591	Vetoed	governmental reporting; websites; budgets	39
HB 2599	190	procurement code; amendments	22
HB 2600	62	judicial nominees; minimum requirements; records	13
HB 2608	217	EORP; closure; defined contribution	5
HB 2619	157	public deposits; pooled collateral	35
HCR 2020		first responders recognition day	14
SB 1073	31	parenting time hearings	14
SB 1075	76	impoundment; immobilization of vehicles	14
SB 1088	Vetoed	constables; prohibited acts	39

SB 1089	32	arbitration bonds; discharge; application	14
SB 1098	101	marijuana; cultivation; county zoning	25
SB 1103	178	charter schools; zoning procedures	25
SB 1143	64	golf course pesticide license; fee	16
SB 1148	34	workers' compensation; reciprocity	6
SB 1169	66	proposition 117; conformity	35
SB 1170	110	ASRS; amendments	6
SB 1173	78	CORP; amendments	7
SB 1174	111	EORP; amendments	8
SB 1175	67	vulnerable adult; duty	14
SB 1178	Vetoed	exercise of religion; definition	39
SB 1179	236	ignition interlock devices; TPT exemption	36
SB 1216	45	clerk of court; duties; records	15
SB 1231	238	public buildings; construction; indemnity	23
SB 1234	102	victim compensation fund; use	15
SB 1237	36	guardianships; conservatorships; transfer	15
SB 1251	113	irrigation districts; audit requirements	30
SB 1266	246	illegal dumping; penalties	23
SB 1278	103	homeowners' associations; public roadways	24
SB 1282	104E	countywide fire districts; study committee	31
SB 1292	24	fire districts; treasurer; authorization	31
SB 1294	46	grand jury; length of term	15
SB 1313	114	tax corrections	37
SB 1322	248	assured water supply requirements; exemption	25
SB 1324	69	critical infrastructure; information disclosure	24
SB 1353	70	health insurance; telemedicine	9
SB 1369	Vetoed	unemployment insurance; reimbursable employers	39
SB 1439	Vetoed	legal tender	40
SB 1454	254	campaign finance; in-kind contributions; disclosures	26
SB 1465	116	solid waste facilities; general permit	16
SB 1469	117	applying aquatic poisons	17
SCM 1001		clean air act	17
SCR 1009		inmate labor and services	15
SCR 1012		EPA actions; haze	17
SCR 1016		rejection of unconstitutional federal actions	24