# **2024 CSA LEGISLATIVE SUMMARY**



























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# **CSA POLICY GUIDELINES**

Arizona's County Supervisors provide regional leadership over critical policy areas, including policies necessary to ensure safe communities, protect public health, promote economic development, and plan and manage land use for sustainable development. Supervisors also provide important oversight of county operations, including overseeing strategies to promote sound fiscal management and develop a high-quality county government workforce.

The County Supervisors Association (CSA) serves as a non-partisan forum for county officials to address important issues facing local constituents, share information, and develop a proactive state and federal policy agenda.

CSA membership includes the 61 elected Supervisors from Arizona's 15 counties. The Association's efforts are strengthened by the participation of county professional staff, who provide the technical expertise necessary to inform policy decisions.

All Supervisors serve on the CSA Board of Directors and provide input into organizational strategy and the evaluation of operational performance. The board annually elects six members to serve in CSA leadership positions. Each county appoints a representative to the Legislative Policy Committee (LPC), and the LPC meets as often as necessary to evaluate legislative measures and make policy recommendations to the full board.

The LPC and CSA follow several policy guidelines:

- Empower county Boards of Supervisors with sufficient authority to deal effectively with evolving and expanding local public needs and conditions.
- Establish appropriate means to compensate counties for the cost of complying with state laws.
- Provide sufficient fiscal capacity for counties to cope with cost increases, population growth, and escalating service demands.
- Enable the counties to provide public services in a more responsive, efficient, and cost-effective manner.
- Define appropriate fiscal and administrative responsibilities within various state/county and municipal/county partnership programs.

Though most business matters of the Association require a simple majority vote to authorize action, legislative matters require a supermajority vote.

# **LEGISLATIVE TEAM**

# 2024 LEGISLATIVE POLICY COMMITTEE



# 2024 CSA PROFESSIONAL STAFF

Executive Director Craig Sullivan

Director of Finance & County Services **Penny Adams** 

Legislative Liaison Jacob Emnett

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# LEGISLATIVE SUMMARY

## **2024 SESSION NARRATIVE**

#### Government leaders look to overcome significant budget deficit.

Much of the 2024 legislative session centered on the cooperation necessary to overcome the state's massive budget deficit, which totaled \$1.3 billion between fiscal years 2024 and 2025. Per a <u>January 2024</u> meeting of the state's Finance Advisory Committee, that deficit could be attributed to underperformance of the state's individual income tax (due to lower pre-tax income and the "*logistics*" of the flat tax), as well as the corporate income and sales taxes failing to meet projections. This revenue shortfall was further compounded by the billions of dollars of one-time spending in FY 2024 that left the state's government with little breathing room.

In the end, the deficit was eliminated with a swathe of cuts – negotiated between the Senate President, House Speaker, and Governor – that necessitated support from a bipartisan array of legislators (and attracted a similarly bipartisan group of detractors). With the Legislative Majority having taken major reforms to the ESA program off the table, and parties reluctant to dip into the state's \$1.5 billion rainy day fund, the deficit was erased through the sweeping of \$776 million in agency funds (including a significant hit to the Water Infrastructure Finance Authority), \$407 million in ongoing cuts (created via a statewide 3.5% cut to agencies and a shift in the revenue share of self-supporting regulatory agencies), and delays and reductions to a number of infrastructure projects. Other notable budget moves included a \$200 million increase in the hospital assessment and the appropriation of over \$200 million in opioid settlement monies. This latter action was unsuccessfully challenged by the state's Attorney General, Kris Mayes, in court.

#### Key stakeholders continue to navigate divided state government.

Following the 2023 inauguration of Governor Katie Hobbs - and, with her, the state's first divided government in decades - the process by which the State Senate processed state agency, board, and commission nominees underwent significant change. Whereas hearings on the nominees of Hobbs' immediate predecessor were largely quick and congenial, the hearings for her own nominees for agency directorships became lengthy and contentious under a new Senate committee given sole responsibility for their evaluation. Following the committee's rejection of three nominees, its delay in the confirmation of two others, and its slow pace, the Governor withdrew her nominees entirely. Subsequently, in a bid to install her chosen candidates without the Senate's assent, the Governor undertook a process whereby a) she appointed a senior aide to head an agency, b) that aide - as the new Director - subsequently conveyed all the office's powers and authorities to the chosen nominees (who were then Executive Deputy Directors), and c) the aide resigned the agency's directorship. This practice temporarily allowed the Governor's preferred nominees to head their agencies without receiving the support of the State Senate. While the legality of this practice was immediately challenged by the Senate Majority - and, in mid-2024, found to be illegal - the practice's progress through the courts preempted further developments for the duration of the 2024 legislative session.

The 2024 session saw policy disagreements between the Executive and the Legislature take place in a separate venue: the reauthorization of state agencies. Like the confirmation

process, agency reauthorizations – where agencies must go before the Legislature for a performance review and an extension of their charter – has recently resulted in eight-year extensions for most agencies without substantial audit findings. This year, <u>as evidenced by the strike-everything amendment to HB 2632</u>, some members of the Legislative Majority supported a blanket two-year extension of all agencies. Some bills also saw the inclusion of various policy riders - prohibiting the spending of money or resources on <u>"training, orientation, or therapy that presents any form of blame or judgment on the basis of race, ethnicity, or sex,"</u> or <u>electric vehicle charging</u> – or eliminated specific agencies, like the Arizona Commerce Authority, altogether. Despite a number of contentious hearings, the Governor was ultimately able to secure continuations for all 15 agencies that would have otherwise terminated at the end of FY 2024.

As we've shared, Governor Hobbs' 2023 single-session record of 143 vetoes nearly tripled Governor Napolitano's prior record of 58 in 2004. Even after halving the number of vetoes issued in her first year in office, the Governor's vetoes in her second year would have, themselves, beaten the single-year record under Governor Napolitano. In an attempt to avoid seeing some of their 2024 priorities meet a similar fate, the Legislative Majority made frequent use of their ability to refer measures to voters at the general election. While the success of this tool – placing items on the ballot for voter consideration – is entirely dependent on the ability to mount a successful supportive campaign for the measure, it does permit the Legislature to propose policy absent the Governor's signature. Additionally, there are some indications that the Legislative Majority hopes to drive turnout in their base with measures they believe will garner support. In total, the Legislature sent seven measures to the Secretary of State in 2024. When combined with the measures sent in 2023, the Legislature will send 11 ballot referrals – spanning elections, ballot initiatives, border security, judicial retention, peace officer death benefits, and more – to the ballot. The number of measures voters will have to consider will only grow as citizen-backed initiatives and local measures are added to the ballot.

#### Policymakers fail to reach consensus in key areas.

Despite significant external pressures to see policy advancements in key areas, Arizona's policymakers were unable to pass legislation to address key issues.

- There seemed to be increased bipartisan interest in regulation of sober living homes.
   However, the remaining piece of legislation to introduce reforms SB 1316: sober
   living homes (Carroll) did not receive the Senate Final Reading that would have been
   necessary to send it to the Governor. Another bill, SB 1655: behavioral health entities;
   regulation (Hatathlie), died in the House Health and Human Resources Committee in
   mid-March.
- Similarly, despite wide bipartisan support for "something" on water, the Executive and Legislature were unable to reach consensus on legislation to allow rural communities a degree of control over the usage of their groundwater and important changes in Active Management Areas. They were, however, able to agree on laws relating to the most recent Active Management Area created by voters in the Douglas basin and providing alternative pathways to designations of Assured Water Supply.

## 2024 CSA FINANCIAL AGENDA

Repeal Arizona Department of Juvenile Corrections (ADJC) Cost Shift: Urge state lawmakers to repeal local cost sharing fee requiring Maricopa County taxpayers to pay \$6.7 million to fund the state's obligation to ADJC.

• The state budget continued the cost shift to Maricopa County.

**Fund State Probation Officer Salaries:** Urge state lawmakers to provide appropriate funding for salary adjustments previously extended to state funded probation officers.

The state budget did not include funding for prior salary adjustments. The Governor's
Office will provide \$10.1 million in one-time funding to the Administrative Office of the
Courts using federal resources.

**Reauthorize Flexibility Language:** Allow counties with under 250,000 persons to use up to \$1.25 million of restricted county funds to meet any county fiscal obligation.

• The state budget reauthorizes flexibility language and continues to include reporting requirements. (*Laws* 2024, *Ch.* 219)

# 2024 CSA LEGISLATIVE AGENDA

HB 2716: Arizona Criminal Justice Commission; membership (*Travers*) (*Laws 2024, Ch. 125*) Effective Date: General Effective Date (90 days after sine die).

**Summary:** Adds two additional members – one Public Defender and one victim advocate – to the Arizona Criminal Justice Commission (ACJC). As such, expands the Commission's membership from 14 to 16 members. Specifies that not more than eight members may be from the same political party.

# **CSA BOARD ADOPTED RESOLUTIONS**

**Resolution 2-23:** A resolution of the County Supervisors Association of Arizona affirming its dedication to providing quality analysis and feedback to inform state policy deliberations affecting limited local tax dollars and constituent services and respectfully requesting a collaborative partnership between state and county governments for the benefit of our shared constituents. (<u>Text</u>)

**Resolution 3-23**: A resolution of the County Supervisors Association of Arizona calling on the state and administrative office of the courts to work collaboratively to examine policies that increase state support for the court system, to improve the efficient deployment of taxpayer resources, and to identify a long-term funding solution for the court system. (*Text*)

**Resolution 4-23:** A resolution of the County Supervisors Association of Arizona urging state leaders to leverage historic federal resources and regional and tribal partnerships to complete critical infrastructure necessary for statewide access to broadband. (*Text*)

**Resolution 5-23:** A resolution of the County Supervisors Association of Arizona urging the state to maximize the draw-down of federal resources to Arizona and provide for long-term funding solutions to support state and local transportation infrastructure. (*Text*)

**Resolution 6-23:** A resolution of the County Supervisors Association of Arizona urging the Public Safety Personnel Retirement System Board of Trustees to continue making responsible changes to the debt repayment plan and requesting that state lawmakers exercise restraint in enacting policies that increase costs or modify contributions to the system. (*Text*)

## **FY 2025 STATE BUDGET**

#### **SUMMARY**

The Arizona House and Senate passed budget bills on June 15, 2024. The budget bills outline a \$16.1 billion spending plan for FY 2025 that aims to solve the state's deficit by instituting large-scale fund transfers, one-time spending cuts and delays to capital projects, and several ongoing spending cuts. This includes a sweep of Water Infrastructure Finance Authority funds and the cancellation of a planned \$333 million deposit in FY 2025, delays to – or outright cancellation of -transportation projects, an average cut of 3.5% across state agencies, and a plan to reallocate opioid settlement money to the Department of Corrections, Rehabilitation, and Reentry.

Below is a summary of revenues and expenditures followed by the county related issues in each of the 16 bills.

| Dollars in millions*      | FY2024     | FY2025     | FY2026     | FY2027     |
|---------------------------|------------|------------|------------|------------|
| <b>Beginning Balance</b>  | \$2,527.2  | \$638.7    | \$95.0     | \$19.5     |
| <b>Total Revenues</b>     | \$17,786.1 | \$16,278.9 | \$16,459.1 | \$17,107.0 |
| <b>Total Expenditures</b> | \$17,147.4 | \$16,183.9 | \$16,439.6 | \$17,131.6 |
| Ending Balance^           | \$638.7    | \$95.0     | \$19.5     | \$6.9      |
| Ongoing Revenues          | \$14,818.1 | \$15,608.0 | \$16,347.1 | \$17,107.0 |
| Ongoing<br>Expenditures   | \$14,805.2 | \$15,568.0 | \$16,340.5 | \$16,779.8 |
| Structural Balance        | \$12.9     | \$40.0     | \$6.6      | \$327.2    |

\*Figures may not add due to rounding

## **MAJOR COUNTY ISSUES**

- Department of Juvenile Corrections (ADJC) Cost Shift: Appropriates \$6.7 million from the Department of Juvenile Corrections Local Cost Sharing Fund, requiring that the department assess the fee to Maricopa County. \$6.7 million cost to Maricopa County (HB 2897 Sec. 60).
- **Probation Officer Salary Costs:** Does not provide funds for probation officer salary increases in FY 2025. Does not carry forward the \$6.75 million one-time FY 2024 allocation for "probation salary increase backfill" item intended to cover the remaining state share of probation officer salaries approved by counties in FY 23 (*HB* 2897 Sec. 59).
- Restricted Flexibility Language: As session law, allows counties with under 250,000 persons to
  use up to \$1.25 million of any county-wide special district funds to meet any county fiscal
  obligation. Counties are still required to report to the JLBC by October 1, 2024, if the county
  used the flexibility language and, if so, the specific amount and source of revenue used (HB 2907,
  Sec. 1).
- Arizona Long Term Care System (ALTCS): FY 2025 contributions total \$399.9 million for all 15 counties into the Long Term Care System Fund. This is an increase of \$33.7 million from FY 2024 (HB2903, Sec. 3).
- Other County Priorities: Continues other ongoing payments to counties including appropriations to maintain essential county services and to defray the increased cost of Elected Officials' Retirement Plan contributions for some counties (HB 2897, Sec. 121).

#### **COUNTY ISSUES BY BUDGET BILL**

HB 2897: general appropriations act; 2024-2025 (Livingston) (Laws 2024, Ch. 209)

- Water Infrastructure Finance Authority; Long-term Water Augmentation Fund; Reduction: Sweeps \$97.3 million from the Long-Term Water Augmentation Fund (LTWAF) to the state General Fund in FY 2024 (Sec. 133) and eliminates the planned \$333 million appropriation to the LTWAF in FY 2025 (Sec. 5).
- Water Infrastructure Finance Authority (WIFA); Water Supply Development Revolving Fund; Reduction: Sweeps \$59.7 million from the WIFA Water Supply Development Revolving Fund in FY 2024 (Sec. 133).
- Department of Education Basic State Aid: Increases appropriation by \$29 million to the
  Department of Education from the General Fund in FY 2028 for basic state aid and a onetime
  district additional assistance supplement and appropriates \$39 million from the General Fund
  in FY 2028 to continue funding for Free and Reduced-Price Lunch Group B Weight Supplement
  (Sec. 4).
- Long Term Water Augmentation Fund FY 25 Reduction: Eliminates \$333 million appropriation from the General Fund to the Long-term Water Augmentation fund in FY 2025 (Sec. 5).
- State Emergency Operations Center: Reallocates the \$30 million FY 2023 appropriation to the Department of Public Safety (DPS) for state emergency operations center construction costs in the following manner (Sec. 3):
  - \$2.3 million is reserved for state emergency operations center construction costs.
  - \$12.2 million is apportioned to DPS in FY 2025 for local border support, specifically funding local law enforcement officer positions for border drug interdiction, and "to deter and apprehend any individuals who are charged with drug trafficking and other border related crimes."
  - o \$15.4 million is apportioned to DPS in FY 2025 for border drug interdiction.
- Law Enforcement Retention Initiatives: Redistributes FY 2024 Law Enforcement Retention Initiatives line item to the following law enforcement agencies for recruitment and retention services and software. Specifies that money may be used coaching services, an online platform, and technology solutions for recruitment and retention activities (Sec. 9).
  - \$500,000 to Arizona Department of Public Safety
  - \$200,000 to Yavapai County Sheriff's Office
  - \$225,000 to Peoria Police Dept.
  - \$350,000 to Tempe Police Dept.
  - \$125,000 to Oro Valley Police Dept.
  - \$175,000 to Queen Creek Police Dept.
  - \$150,000 to Flagstaff Police Dept.
  - \$150,000 to Buckeye Police Dept.
  - \$125,000 to Surprise Police Dept.
- Veterans Substance Abuse Treatment Grants: Appropriates \$5 million of the opioid-claims related money deposited into the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund to the Veterans Substance Abuse treatment grants line item of the Attorney General's budget for veterans' services organizations that treat opioid use disorder (Sec. 21).

- Out of County Tuition: Appropriates \$1.08 million from the state General Fund for rural county reimbursement subsidies for counties without an established community college district. Apache County receives \$699,300 and Greenlee County receives \$383,600 (Sec. 28).
- County Attorneys Fund: Continues to appropriate \$973,700 from the State Aid to the County Attorneys Fund to support County Attorney offices in improving criminal case processing (Sec. 32).
- Indigent Defense Fund: Continues to appropriate \$700,000 from the State Aid to Indigent Defense Fund to the Arizona Criminal Justice Commission for state aid to indigent defense (Sec. 32).
- **Juvenile Dependency Proceedings**: Continues to appropriate \$2.0 million for State Aid for Juvenile Dependency Proceedings (*Sec. 32*).
- Graham County Rehabilitation Center: Specifies that the \$800,000 appropriated to the Department of Economic Security in FY 2024 to remodel the Graham County rehabilitation center facilities in Safford and Willcox is exempt from the "lapsing of appropriations" until June 30, 2025 (Sec. 37).
- County Participation; Child Support Enforcement: Appropriates \$8.54 million for county participation in child support enforcement to the Department of Economic Security. This amount is unchanged from last year (Sec. 37).
- State Forester; Environmental County Grants: Continues to appropriate \$250,000 to the State Forester for county environmental projects (Sec. 46).
- **Hazardous Vegetation Removal**: Continue to appropriate \$3.04 million to the state Department of Forestry and Fire Management for hazardous vegetation removal. This amount is unchanged from last year (*Sec. 46*).
- **Wildfire Mitigation:** Appropriates \$27.02 million to the state's Department of Forestry and Fire Management in FY 2025 for wildfire mitigation (*Sec. 46*).
- County Fair Livestock and Agricultural Promotion: Appropriates \$6.03 million to the County Fairs Livestock and Agriculture Promotion Fund (Sec. 48).
- County Tuberculosis Provider Care and Control: Maintains a \$590,700 appropriation to the Department of Health Services to support county tuberculosis programs (Sec. 51).
- **Local Cybersecurity Grants**: Appropriates \$10 million to the Department of Homeland Security for statewide cybersecurity grants. This amount is unchanged from last year (*Sec. 54*).
- **Housing Trust Fund**: Appropriates \$15 million from the General Fund to the Housing Trust Fund (*Sec. 56*).
- Automobile Theft Grants: Maintains \$1.4 million appropriation to the Department of Insurance and Financial Institutions (DIFI) for local grants. Appropriates \$4.5 million to the Arizona vehicle theft task force to be used by DIFI to pay for 75% of the personal services and employee-related expenditures for sworn officers who participate in the task force (Sec. 58).
- Automobile Theft Authority Fund Sweep: Sweeps \$8.8 million from the Department of Insurance and Financial Institutions' Automobile Theft Authority Fund to the General Fund in FY 2024 (Sec. 133).

- County Judicial Reimbursements: Continues to provide \$187,900 to the Arizona Supreme Court to reimburse counties for state grand juries and capital post-conviction relief (PCR). The state grand jury reimbursement is limited to \$97,900 and the PCR reimbursement is limited to \$90,000 (Sec. 59).
- State Share of Superior Court Judges: Provides \$29.9 million for 50% of the Superior Court Judge salaries and employee-related expenditure costs for all counties. This reflects the state's share of additional judges in Yavapai and Yuma Counties (*Sec. 59*). In addition to other appropriations made in FY 2024, appropriates \$813,700 from the Criminal Justice Enhancement Fund in FY 2024 for Superior Court judges' compensation (*Sec. 111*).
- **Probation Officer Salaries Backfill:** Removes \$6.75 million one-time FY 2024 appropriation to the "Probation salary increase backfill" line item. The funds were to cover the remaining state share of probation officer salaries approved by counties in FY 2023 but were not made on-going (Sec. 59).
- **Probation Officer Salary Adjustments FY 2025:** Does not add resources to cover probation officer salary increases above FY 2023 (*Sec. 59*).
- County-by-County Probation Officer Report: Continues to require the Administrative Office
  of the Courts to report to the Joint Legislative Budget Committee and the Governor's Office of
  Strategic Planning and Budgeting, by November 1, 2024, the number of authorized and filled
  probation positions on a county-by-county basis, along with total receipts and expenditures by
  county (Sec. 59).
- **Probation Salary Increases Report:** Requires by November 1, 2024, the Administrative Office of the Courts report to Joint Legislative Budget Committee on the county-approved salary adjustments provided to probation officers since November 1, 2022 (*Sec. 59*).
- Supreme Court Juvenile Monetary Sanctions Funding Backfill: Continues appropriation of \$250,000 per year from FY 2024 to FY 2026 to backfill the court lost revenue associated with SB 1197 (2024) (Sec. 59).
- ADJC Cost Shift: Appropriates \$6.74 million from the Department of Juvenile Corrections Local Cost Sharing Fund established by A.R.S. § 41-2833. Continues to require that the department assess the fee on only Maricopa County (Sec. 60).
- Local Border Support: Appropriates \$5 million to Local Border Support line item, \$4 million of which is one-time, for border drug interdiction to deter and apprehend individuals charged with drug trafficking and other border-related crimes (Sec. 84).
- **Border Drug Interdiction:** Appropriates \$1.85 million in FY 2025 to the Department of Public Safety for "border drug interdiction" (*Sec. 84*).
- Major Incident Division: Appropriates \$15.5 million as ongoing funding to the Major Incident Division line item to the Department of Public Safety (Sec. 84).
- Access Voter Information Database: Appropriates \$483,500 to the Secretary of State in FY 2025 to fund the Access Voter Information Database (Sec. 90).
- ADOT; Maintenance & Prevention:
  - Appropriates \$163.2 million to the Arizona Department of Transportation (ADOT) in FY 2025 for the performance of highway maintenance (Sec. 94).
  - Appropriates \$36.1 million to ADOT in FY 2025 for preventive surface treatments (Sec. 94).

- **Justice of the Peace (JP) Salaries:** Appropriates \$2.3 million to the Arizona State Treasurer to cover the state's share of JP salaries. This amount is \$500,000 less than last year (*Sec. 95*).
- Law Enforcement Boating Safety Fund: Appropriates \$2.18 million to be allocated to county law enforcement agencies in counties which had a law enforcement and boating safety program in existence prior to July 1, 1990 (Apache, Coconino, Gila, La Paz, Maricopa, Mohave, Navajo, Yuma). This amount is unchanged from last year (Sec. 95).
- Rural Water Studies: Appropriates \$1.2 million to assess local water use needs and to develop plans for sustainable future water supplies in rural areas outside of the state's active management areas. This amount is unchanged from last year (Sec. 103).
- Water Supply & Demand Assessment: Appropriates \$3.5 million in FY 2025 to the Department of Water Resources (ADWR) to perform water supply and demand assessments (Sec. 103).
- Camp Verde Meat Processing Facility: Reduces FY 2023 appropriation from the General Fund to the Arizona Board of Regents for the Camp Verde Meat Processing Facility by \$9.7 million (Sec. 104).
- Rural Broadband Accelerated Match Fund Sweep: Eliminates the FY 2024 Rural Broadband Accelerated Match Fund deposit of \$23.6 million to the Arizona Commerce Authority. Reverts to the General Fund in FY 2025 (Sec. 117).
- Health Care Interoperability Grants Sweep: Eliminates FY 2024 Healthcare Interoperability Grant deposit of \$1.5 million from the General Fund to the Department of Administration (Sec. 117).
- Extended Foster Care Service Model Fund Sweep: Eliminates FY 2024 Extended Foster Care Service Model Fund deposit of \$2.7 million from the General Fund to the Department of Child Safety (Sec. 117).
- Yavapai County Fairgrounds: Exempts FY 2024 appropriation of \$15.3 million for a rodeo at the Yavapai County fairgrounds from lapsing. Specifies that if a court rules that money may not be distributed, the money shall revert to the General Fund (Sec. 119).
- Antihuman Trafficking Grant Fund Sweep: Allows funds from the Antihuman Trafficking Grant Fund to be used beyond FY 2024 and exempts money from lapsing. Eliminates the fund from and after June 30, 2025, and directs unexpended and unencumbered money to be diverted to the General Fund (Sec. 120, HB 2901).
- Direct Appropriations to Counties (In-Lieu Lottery Revenue): Appropriates \$7.15 million from the state General Fund to the Department of Administration to be equally distributed to the thirteen 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 \$550,050 (Sec. 121).
- **Graham County Assistance:** Appropriates \$500,000 from the state General Fund to the Department of Administration for distribution to Graham County for maintenance of essential county services (*Sec.* 121).
- Elected Officials Retirement Plan (EORP) Relief: As session law, appropriates \$3.0 million from the state General Fund to be distributed equally across counties with a population under 300,000. Each qualifying county receives \$250,000 (Sec. 121).

- Department of Revenue (DOR); Integrated Tax System Modernization Project: Appropriates \$19.4 million to continue the DOR integrated tax system modernization project. Includes requirements for the system to meet (Sec. 122).
- Judicial Salary Increases: Appropriates the following amounts from the General Fund in FY 2025 to pay for judicial salary increases: \$63,100 to the Supreme Court (Sec. 124), \$252,200 to the Court of Appeals (Sec. 125), and \$819,600 to the Superior Court (Sec. 126).
  - As of January 1, 2025, the annual salary for a superior court judge is \$190,000. As of January 1, 2026, the annual salary of a superior court judge is \$200,000 (Sec. 126).
- **Peace Officer Training Equipment Fund:** Appropriates the following amounts in FY 2025 from the Peace Officer Training Equipment Fund to the following recipients (*Sec. 127*):
  - \$600,000 to the Pinal County Sheriff's Office for a pilot program to connect records management systems and computer aided dispatch systems
  - \$312,000 to Maricopa County Attorney's office for a de-escalation simulator
  - o \$600,000 to Yavapai County Sheriff's Office to create law enforcement simulations
  - \$1,441,200 to the following agencies for pepperball and pepperball weapons:
    - \$56,000 Cochise County Sheriff's Office
    - \$83,000 Santa Cruz County Sheriff's Office
    - \$191,500 Pinal County Sheriff's Office
    - \$122,200 to Scottsdale Police Department
    - \$112,800 to Nogales Police Department
    - \$51,000 to City of Peoria Police Department
    - \$225,000 to Tempe Police Department
    - \$37,800 to Payson Police Department
    - \$38,600 to San Luis Police Department
    - \$59,000 to Navajo County Sheriff's Office
    - \$213,900 to City of Phoenix Office of the Police Chief
    - \$64,200 to Apache Junction Police Department
    - \$33,500 to Tombstone Marshal's Office
    - \$74,900 to Goodyear Police Department
    - \$76,300 to Queen Creek Police Department
- Fire Incident Management Fund Sweep: Transfers \$6.1 million fund balance from the Fire Incident Management Fund to the General Fund in FY 2024. Eliminates Fire Incident Management Fund in FY 2025 (Sec. 133, HB2902).
- Opioid Settlement Funds: Makes the following supplemental appropriations from the Consumer Remediation Subaccount of the Consumer Restitution and Remediation Revolving Fund pursuant to opioid-claims related litigation:
  - \$75 million in FY 2024 to the Attorney General to transfer to the Department of Corrections Opioid Remediation Fund for past and current department costs for care, treatment, programs, and other expenditures for individuals with opioid use disorder (Sec. 139)
  - \$40 million in FY 2025 to the Attorney General to transfer to the Department of Corrections Opioid Remediation Fund for past and current Department costs for care, treatment, programs, and other expenditures for individuals with opioid use disorder (Sec. 140)

- \$3 million to the Attorney General to transfer to the Department of Emergency and Military Affairs Opioid Remediation Fund for approved purposes as prescribed by the one Arizona distribution of opioid funds agreement (Sec. 141)
- \$1 million to the Attorney General to transfer to the Department of Health Services Opioid Remediation Fund for approved purposes as prescribed by the One Arizona distribution of opioid funds agreement (Sec. 142)

## HB 2898: amusements; 2024-2025 (Livingston) (Laws 2024, Ch. 210)

• Arizona Competes: Prior law, specifically § 5-572 (F), annually apportions \$3.5 million from the state lottery fund to the Arizona Competes fund. HB 2898 halves the annual distribution, resulting in a new distribution of \$1.75 million. Simultaneously, re-amends that same statute, with an effective date of June 30, 2027, restoring the original annual distribution (Sec. 2,3).

## HB 2899: capital outlay; 2024-2025 (Livingston) (Laws 2024, Ch. 211)

- State Highway Fund ((\$9.13) in FY 23, \$462.48 M in FY 2025)
  - Transfers, on or before June 30, 2024, \$9.13 million from the State Highway Fund (SHF) specifically, from the \$925.45 million in transaction privilege tax and severance tax revenues distributed to the SHF in FY 2023 (Laws 2022, Chapter 321, Section 20) to the General Fund "for the purposes of providing adequate support and maintenance for the agencies of this state" (Sec. 30).
  - O Appropriates \$462.48 million from the State Highway Fund to the Arizona Department of Transportation (ADOT) "to plan and construct state highways, including the national system of highways within this state, the state primary or secondary system, the county primary or secondary system and urban rural routes, to acquire rights-of-way and to provide for the cost of contracted field administration and field engineering on construction project and debt service payments on bonds issued for highway construction." Requires several reports from ADOT to the Joint Legislative Budget Committee and the Office of Strategic Planning and Budgeting and exempts the appropriation from review by the Joint Committee on Capital Review. (Sec. 4)
- Pavement Rehabilitation ((\$29.3 M) in FY 2023, (\$41 M) in FY 2024)
  - Reduces by \$29.3 million the FY 2023 appropriation from the State Highway Fund (SHF) to the Arizona Department of Transportation for the rehabilitation of pavement on road projects "selected pursuant to Laws 2021, Chapter 406, Section 34" (Sec. 11).
    - Transfers, on or before June 30, 2024, \$29.3 million from the SHF- specifically, from the \$925.45 million in transaction privilege tax and severance tax revenues distributed to the SHF in FY 2023 (Laws 2022, Chapter 321, Section 20) to the General Fund "for the purposes of providing adequate support and maintenance for the agencies of this state" (Sec. 11, (C)).
  - Reduces by \$41 million the FY 2024 appropriation (Laws 2023, Chapter 135, Section 13) from the state's General Fund to the Arizona Department of Transportation for the rehabilitation of pavement on road projects (Sec. 13).
- Airport Planning & Development (\$25.5 M in FY 2025)
  - Appropriates \$25.55 million in FY 2025 from the State Aviation Fund to the Arizona Department of Transportation to "plan, construct, develop, and improve state, county, city or town airports as determined by the State Transportation Board. Specifies reporting requirements (Sec. 5).

- I-10 (Widening; SR 85 and Citrus Road) ((\$55.9 M) in FY 2023, (\$52.1 M) in FY 2024, \$30 M in FY27, \$78 M in FY 28)
  - Modifies the following appropriations to the Arizona Department of Transportation (ADOT) in Laws 2022, Chapter 309, Section 8 and Laws 2023, Chapter 135, Section 20:
    - Reduces by \$55.9 million the FY 2023 appropriation from the State Highway Fund (SHF) to construct additional vehicle lanes and a lighted median on Interstate 10 (I-10) between State Route 85 and Citrus Road (Sec. 10, (A & B)).
      - Transfers, on or before June 30, 2024, \$55.9 million from the SHF specifically, from the \$925.45 million in transaction privilege tax and severance tax revenues distributed to the SHF in FY 2023 (Laws 2022, Chapter 321, Section 20) to the General Fund "for the purposes of providing adequate support and maintenance for agencies of this state" (Sec. 10, (E)).
    - Reduces by \$52.1 million the FY 2024 appropriation from the state's General Fund to construct additional vehicle lanes and a lighted median on the I-10 between State Route 85 and Citrus Road (Sec. 10, (C) & (D)).
  - Appropriates \$30 million in FY 2027 and \$78 million in FY 2028 from the state's General Fund for construction of additional vehicle lanes and a lighted median on the I-10 between State Route 85 and Citrus Road (Sec. 10, (F)).
- I-17 & SR 303 Interchange (Design) ((\$4 M) in FY 2023)
  - Reduces by \$4 million the FY 2023 appropriation (Laws 2022, Chapter 309, Section 8) from the State Highway Fund to the Arizona Department of Transportation to design the interchange between State Route 303 and Interstate 17 (Sec. 19, (A) & (B)).
- Sonoran Corridor (Tier 2 Study) ((\$2.4 M) in FY 2023)
  - Reduces by \$2.4 million the FY 2023 appropriation (Laws 2022, Chapter 309, Section 12) from the State Highway Fund to the Arizona Department of Transportation to conduct a Tier 2 study for the Sonoran Corridor in Pima County (Sec. 17, (A) & (B)).
- SR 24
  - Reduces the \$87.5 million appropriated from the state's General Fund to the Arizona Department of Transportation to extend State Route 24 to \$59.8 million and adds that funds "shall be distributed to the town of Queen Creek on or before June 30, 2024." (Sec. 34)
- SR 69 & SR 169 (Roundabout) (\$939,100 in FY 2024)
  - Appropriates \$939,100 in FY 2024 from the State Highway Fund to the Arizona Department of Transportation for the construction of a roundabout at the intersection of State Route 69 and State Route 169 (Sec. 16, (A) & (B)).
- SR 83 (Improvements; Santa Cruz County) (\$1.1 M in FY 2024)
  - Appropriates \$1.1 million in FY 24 from the State Highway Fund to the Arizona Department of Transportation for improvements to State Route 83 within Santa Cruz County (Sec. 25, (A) & (B)).
- SR 85 (Design & Engineering; Milepost 123 to Maricopa Road) (\$12.6 M in FY 2024)
  - Appropriates \$12.6 million in FY 2024 from the State Highway Fund to the Arizona Department of Transportation for design work and engineering improvements on State Route 85 between milepost 123 and Maricopa Road (Sec. 26, (A) & (B)).

- SR 87 (Intersection Design; Arica Road and Shedd Road) (\$315,000 in FY 2024)
  - Appropriates \$315,000 in FY 2024 from the state's General Fund to the Arizona Department of Transportation for the design of State Route 87 intersection improvements at Arica Road and Shedd Road (Sec. 24, (A) & (B)).
- SR 90 (Pavement Rehabilitation; Campus Drive to Huachuca City) ((\$8.7 M) in FY 2023)
  - Reduces by \$8.7 million the FY 2023 appropriation (Law 2022, Chapter 309, Section 8 as amended by Laws 2023, Chapter 135, Section 3) from the State Highway Fund to the Arizona Department of Transportation to conduct pavement rehabilitation on State Route 90 between Campus Drive and the U.S. Border Patrol Station in Huachuca City (Sec. 20, (A) & (B)).
- SR 90 (Improvements; Moson Road to Campus Drive) ((\$3.3 M) in FY 2023)
  - Reduces by \$3.3 million the FY 2023 appropriation (Laws 2022, Chapter 309, Section 12 as amended by Laws 2023, Chapter 135, Section 5) from the State Highway Fund to the Arizona Department of Transportation to improve State Route 90 between Moson Road and Campus Drive (Sec. 18, (A) & (B)).
- SR 90 (Improvements; Fort Huachuca) ((\$2.1 M) in FY 2024)
  - Reduces by \$2.1 million the FY 2024 appropriation (Laws 2023, Chapter 135, Section 3) from the state's General Fund to the Arizona Department of Transportation to improve State Route 90 near Fort Huachuca (Sec. 15, (A) & (B)).
- SR 97 (Improvements; Bagdad) ((\$10 M) in FY 2024)
  - Reduces by \$10 million the FY 2024 appropriation (Laws 2022, Chapter 309, Section 18) from the state's General Fund to the Arizona Department of Transportation to improve State Route 97 near Bagdad (Sec. 12, (A) & (B)).
- SR 191 (Pavement Rehabilitation: Armory Road to East Safford) ((\$7.03 M) in FY 2023)
  - Reduces by \$7.03 million the FY 2023 appropriation (Laws 2022, Chapter 309, Section 8 as amended by Laws 2023, Chapter 135, Section 3) from the State Highway Fund to the Arizona Department of Transportation to conduct pavement rehabilitation on State Route between Armory Road and East Safford (Sec. 21, (A) & (B)).
- SR 260 (Improvements; Navajo County) (\$172,200 in FY 2024)
  - Appropriates \$172,000 in FY 2024 from the state's General Fund to the Arizona Department of Transportation for the improvement of State Route 260 within Navajo County (Sec. 27, (A) & (B)).
- SR 347 (Intersection; Casa Blanca Road and Cement Plant Access) (\$1.9 M in FY 2024)
  - Appropriates \$1.9 million in FY 2024 from the state's General Fund to the Arizona Department of Transportation for the improvement of the intersection on State Route 347 at Casa Blanca Road and Cement Plant Access (Sec. 29, (A) & (B)).
- SR 347 & Riggs Road Overpass (Design Plan, Right-of-Way, Easements) (\$1.5 M in FY 2023)
  - Appropriates \$1.5 million in FY 2024 from the State Highway Fund to the Arizona Department of Transportation for "final design plan, right-of-way, and easements for an overpass at Riggs Road and State Route 347 (Sec. 22, (A) & (B)).
- SR 347 & Riggs Road Overpass (Construction) ((\$25 M) in FY 2021, (\$24 M) in FY 2023, \$49 M in FY 2028)
  - Modifies the following appropriations to the Arizona Department of Transportation in Laws 2021, Chapter 406, Section 33 and Laws 2022, Chapter 309, Section 12:

- Reduces by \$25 million the FY 2021 appropriation from the state's General Fund for construction of an overpass at Riggs Road and State Route 347 (Sec. 9, (A) & (B)).
- Reduces by \$24 million the FY 2023 appropriation from the State Highway Fund (SHF) for construction of an overpass at Riggs Road and State Route 347 (Sec. 9, (C) & (D)).
  - Transfers, on or before June 30, 2024, \$24 million from the SHF–specifically, from the \$925.45 million in transaction privilege tax and severance tax revenues distributed to the SHF in FY 2023 (Laws 2022, Chapter 321, Section 20) to the General Fund "for the purposes of providing adequate support and maintenance for the agencies of this state" (Sec. 9, (E)).
- Appropriates \$49 million in FY 2028 to the Arizona Department of Transportation from the state's General Fund for construction of an overpass at Riggs Road and State Route 347 (Sec. 9, (F)).
- US Route 60 (Repaying; Morristown to Wickenburg) (\$427,700 in FY 2024)
  - Appropriates \$427,000 in FY 2024 (\$206,800 from the state's General Fund, \$220,900 from the State Highway Fund) to the Arizona Department of Transportation for the repaving of US Route 60 between Morristown and Wickenburg (Sec. 28, (A) & (B)).
- US Route 60 & SR 303 (Interchange) \$167,000 in FY 2024)
  - Adds by \$167,000 to the FY 2024 appropriation (Laws 2023, Chapter 135, Section 10) from the state's General Fund to the Arizona Department of Transportation for improvement of the interchange at US Route 60 and State Route 303 (Sec. 23, (A) & (B)).
- West Pinal Parkway East-West Corridor ((\$9,240,000) in FY 2024; Moved to FY 2028)
  - Moves \$9,240,000 appropriated in FY 2024 from the state's General Fund to the Arizona Department of Transportation for the West Pinal Parkway East-West Corridor to FY 2028 (Sec. 1 and Sec 33).
- State Agencies (Building Renewal)
  - Arizona Department of Administration
    - Appropriates \$19 million in FY 2025 from the Capital Outlay Stabilization Fund to the Arizona Department of Administration "for major maintenance and repair activities for state buildings" (Sec. 2, (B)).
  - Arizona Department of Corrections, Rehabilitation, and Reentr5
    - Appropriates \$8.55 million in FY 2025 from the Department of Corrections Building Renewal Fund (\$5.86 million) and the Prison Construction and Operations Fund (\$2.69 million) to the Arizona Department of Corrections, Reentry, and Rehabilitation "for major maintenance and repair activities for state buildings" (Sec. 2, (C)).
  - Arizona Game and Fish Department
    - Appropriates \$1.79 million in FY 2025 from the Game and Fish Fund to the Arizona Game and Fish Department "for major maintenance and repair activities for state buildings" (Sec. 2, (D)).
  - Arizona State Lottery Commission
    - Appropriates \$218,200 in FY 2025 from the State Lottery Fund to the Arizona State Lottery Commission "for major maintenance and repair activities for state buildings" (Sec. 2, (E)).

- Arizona Department of Transportation
  - Appropriates \$22.54 million in FY 2025 from the State Highway Fund (\$22.08 million) and the State Aviation Fund (\$457,300) "for major maintenance and repair activities for state buildings" (Sec. 2, (F)).

### • State Agencies (Capital Projects)

- Arizona Pioneers' Home
  - Appropriates \$465,000 in FY 2025 from the Miners' Hospital for Miners with Disabilities Land Fund to the Arizona Pioneers' Home for "capital improvements" (Sec. 3, (D)).
- Arizona Department of Transportation
  - Appropriates \$9.08 million in FY 2025 from the State Highway Fund to the Arizona Department of Transportation for "additional fueling replacement funding for facilities located in Flagstaff, Needle Mountain, Kingman, Tucson, Willcox, Three Points, Saint David, Springerville, Chambers, and Holbrook" (Sec. 3, (E)).

## • State Agencies (Appropriation Reductions)

- o Arizona Department of Veterans' Services
  - Reduces by \$25 million the FY 2022 appropriation (Law 2021, Chapter 406, Section 29) from the state's General Fund to the Department of Veterans' Services for the construction of a veterans' home facility in northwestern Arizona (Sec. 5, (B)).
    - Appropriates \$25 million in FY 2028 from the state's General Fund to the Department of Veterans' Services for the construction of a veterans' home facility in northwestern Arizona. Conditions the expenditure on receiving irrevocable commitment from the federal government totaling 65% of total costs (Sec. 6, (C) & (D)).
- o Arizona Department of Administration
  - Reduces by \$61.2 million (\$12.87 million from building renewal, \$68,600 from building demolition, and \$48.2 million for the West Adams building renovation) the FY 2023 appropriation (Laws 2022, Chapter 309, Sections 2 & 3) from the state's General Fund to the Arizona Department of Administration for capital projects (Sec. 6, (A) & (B)).
  - Reduces by \$27.53 million (\$22.53 million from building renewal, \$5 million from "electric vehicle charging and advance fuel infrastructure") the FY 2024 appropriation (Laws 2023, Chapter 135, Sections 7 & 8) from the state's General Fund to the Arizona Department of Administration for capital projects (Sec. 7, (B)).
- Arizona Department of Corrections, Rehabilitation, and Reentry
  - Reduces by \$76.36 million (\$57.98 million from the replacement of evaporative cooling with HVAC, \$19.38 million from building renewal) the FY 2024 appropriation (Laws 2023, Chapter 135, Sections 7 & 8) from the state's General Fund to the Arizona Department of Corrections, Rehabilitation, and Reentry for capital projects (Sec. 8, (C)).

## HB 2900: commerce; 2024-2025 (Livingston) (Laws 2024, Ch 212)

- Department Revolving Fund: Amends § 6-135 Sec. B which states that any investigative costs, attorney fees or civil penalties recovered for the state by the Attorney General or the Deputy Director shall be deposited into the Department's Revolving Fund. Increases, from \$200,000 to \$700,000, the cap of unencumbered monies in the Department of Insurance and Financial Institutions (DIFI) Revolving Fund before monies must be deposited into the DIFI Receivership Revolving Fund (Sec. 1).
- Rural Broadband Accelerated Match Fund: Repeals the Rural Broadband Accelerated Match Fund, which assists political subdivisions in this state to meet the matching requirement for the federal Broadband Equity, Access and Deployment program (Sec. 5).
- Fraud Unit Assessment Fund: Effective July 1, 2026, establishes the Fraud Unit Assessment Fund, and deposits fees collected for the administration and operation of the Department of Insurance and Financial Institutions' fraud unit into the Fraud Unit Assessment Fund rather than the General Fund (Sec. 3).
- Microbusiness Loan Program Fund (Microbusiness Fund): Eliminates stipulation that
  Microbusiness Loan Program Fund monies be used only in FY 2024. Effective June 30, 2025,
  repeals the Microbusiness Fund, administered by the Office of Economic Opportunity for
  providing funding to eligible entities that provide loads to microbusinesses in Arizona. States
  that all "unexpected and unencumbered monies in the Microbusiness Loan Fund are
  transferred to the State General Fund" (Sec. 6).

## HB 2901: criminal justice; 2024-2025 (Livingston) (<u>Laws 2024, Ch. 213</u>)

- Court Appointed Special Advocate Fund: Renames the Court Appointed Special Advocate Fund the Court Appointed Special Advocate and Vulnerable Persons Fund and allows money to be used for court functions benefiting vulnerable persons (Sec. 2).
- Concealed Weapons Qualification Application: Amends § 13-3112 to state that the
  Department of Public Safety (DPS) shall prioritize in-state residents when issuing a permit for
  concealed carry. Requires DPS to issue a report on July 31 of each year to the Joint Legislative
  Budget Committee detailing the number of permits issued, the number of outstanding
  applications that have not been issued, and the average turnaround time for processing
  applications (Sec. 5).
- Major Incident Division: Delays effective date for the Department of Public Safety to establish a Major Incident Division from July 1, 2025, to June, 2027 (Sec. 7).
- Fentanyl Prosecution, Diversion and Testing Fund: Allows funds from the Fentanyl Prosecution, Diversion, and Testing Fund to be used beyond FY 2024 and exempts money from lapsing. Eliminates the Fund from and after June 30, 2025, and directs unexpended and unencumbered money to be diverted to the General Fund (Sec. 8).
- Antihuman Trafficking Grant Fund: Allows funds from the Antihuman Trafficking Grant Fund to be used beyond FY 2024 and exempts money from lapsing. Eliminates the Fund from and after June 30, 2025, and directs unexpended and unencumbered money to be diverted to the General Fund (*Sec. 9*).
- Nonprofit Security Grant Program: Restricts grants to eligible nonprofit organizations to those who have not received federal funding in the last three federal grant cycles.
   Organizations must be able to demonstrate "greatest risk of a terrorist attack or greatest risk

of hate crimes" to be eligible for funding. Creates an informal review panel consisting of members with experience in security risks to review the Arizona Department of Homeland Security's application scoring process. Eliminates the fund from and after September 20, 2028, at which point all unencumbered and unexpended money shall be transferred to the General Fund (Sec. 10).

 Arizona Department of Corrections Fund Uses: Allows the Department of Corrections, Rehabilitation, and Reentry to use money from the Transition Program Fund and the Alcohol Abuse Treatment Fund for any of the department's expenses in FY 2025 (Sec. 11, 12).

## HB 2902: environment; 2024-2025 (Livingston) (Laws 2024, Ch. 214)

- Emergency Management Training Revolving Fund: Renames the Emergency Management Training Fund as the Emergency Management Training Revolving Fund, specifies that money is continuously appropriated. Removes requirement that money collected from outlined events in excess of event expenses revert back to the General Fund at the end of the fiscal year (Sec. 2).
- Arizona State Parks Store Fund: Amends § 41-511.24, transferring money to the State Parks Revenue Fund exceeding \$1.75 million from the Arizona State Parks Store Fund at the end of the fiscal year (Sec. 3).
- Water Conservation Grant Fund: Allows an eligible entity to apply to the Water Infrastructure Finance Authority for grants from the Water Conservation Grant Fund to distribute rebates for installation of gray water systems (*Sec. 4*).
- **Fire Incident Management Fund:** Allows funds to be used beyond FY 2024, exempts money from lapsing. Eliminates the Fire Incident Management Fund on July 1, 2025, and specifies that all unexpended and unencumbered money shall be reverted back to the General Fund (*Sec. 5*).
- Arizona Water Protection Fund: Allows the Arizona Water Protection Fund Commission to grant the Department of Water Resources up to \$336,000 of the unobligated balance in the Water Protection Fund to pay for administrative costs of the department in FY 2025 (Sec. 6).
- Underground Storage Tank Revolving Fund (Fund): Allows the Department of Environmental Quality to use up to \$6.5 million from the Fund for administrative costs and remediating sewage discharge issues in Naco, Arizona and other border areas in Arizona (Sec. 7).
- Arizona Water Banking Fund: Allows money appropriated to the Arizona Navigable Stream Adjudication Commission from the Arizona Water Banking Fund to be used in FY 2025 to pay for legal fees (Sec. 8).
- Water Quality Assistance Revolving Fund (WQARF): Specifies that monies appropriated to the WQARF from the General Fund may not exceed \$15 million (Sec. 9).
- Department of Environmental Quality Vehicle Emissions Testing Fees: Reduces fees for tests conducted in area A in Maricopa County as defined by § 49-541 so that vehicle emissions testing fee revenues collected from area A are reduced by 5% from FY 2024 collections (Sec. 10).
- Agricultural Fees: Allows the Director of the Department of Agriculture, subject to review from the Department's Advisory Council, to lower existing fees in FY 2025 for any funds held in trust (Sec. 11).
- Emergency Management Assistance Compact and Arizona Mutual Aid Compact Revolving Fund: In FY 2025, allows the Governor to allocate \$500,000 to the Emergency Management

Assistance Compact and Arizona Mutual Aid Compact Revolving Fund, and \$300,000 to the Emergency Management Training Revolving Fund. Each allocation made by the Governor counts toward the \$4 million liability limit aggregate amount allowed in FY 2025 for disasters and emergencies under § 35-192 (F) (Sec. 12).

## HB 2903: health care; 2024-2025 (Livingston) (<u>Laws 2024, Ch. 215</u>)

 Arizona Long Term Care System (ALTCS): FY 2025 contributions total \$399.9 million for all 15 counties into the Long-Term Care System Fund. This is an increase of \$33.7 million from FY 2024 and is equal to the amount published in the FY 2025 Baseline (Sec. 3).

| County     | FY 2024 Enacted | FY 2025       |
|------------|-----------------|---------------|
| Apache     | \$692,800       | \$975,500     |
| Cochise    | \$6,587,900     | \$973,400     |
| Coconino   | \$2,080,000     | \$2,928,200   |
| Gila       | \$2,852,300     | \$3,161,900   |
| Graham     | \$1,540,200     | \$1,596,200   |
| Greenlee   | \$0             | \$43,400      |
| La Paz     | \$682,700       | \$990,200     |
| Maricopa   | \$240,195,400   | \$269,359,200 |
| Mohave     | \$10,847,500    | \$11,389,600  |
| Navajo     | \$2,867,700     | \$4,037,000   |
| Pima       | \$56,396,600    | \$62,975,600  |
| Pinal      | \$18,011,700    | \$16,370,500  |
| Santa Cruz | \$2,582,800     | \$2,880,000   |
| Yavapai    | \$9,820,100     | \$9,862,900   |
| Yuma       | \$11,047,700    | \$12,328,500  |
| Total      | \$366,205,400   | \$399,872,100 |

- ALTCS Excess Funds Reporting: Directs the Arizona Health Care Cost Containment System to submit a report to the State Treasurer, the Joint Legislative Budget Committee, and the Governor's Office of Strategic Planning and Budgeting outlining any unexpended money in the ALTCS system from the previous fiscal year, and report on excess money. The report must include the calculations used to compute the total amount of surplus and amount apportioned between each county and the state (Sec. 1).
- Arizona Health Care Cost Containment System (AHCCCS) Disproportionate Share Hospital (DSH) Payments:
  - Establishes the FY 2025 DSH payments as follows:
    - \$113.8 million for a qualifying non-state-operated public hospital, of which \$4.2 million is distributed to the Maricopa County Special Health Care District (MIHS), and the remaining federal portion is distributed to the state General Fund;
    - \$28.47 million for the Arizona State Hospital, of which the federal portion is distributed into the state General Fund; and

- \$884,800 for private qualifying DSH hospitals, which are hospitals that meet the mandatory definition of disproportionate share to qualifying hospitals, as defined by the Social Security Act, or those hospitals that are located in Yuma County and contain at least 300 beds (Sec 4).
- Arizona Health Care Cost Containment System; Federal Cost Sharing Compliance: Continues session law language that requires the Arizona Health Care Cost Containment System to reimburse the counties for portion necessary to comply with federal cost sharing obligations (Sec. 5).
- Arizona Health Care Cost Containment System; Hospital Assessment Behavioral Health Costs: Allows AHCCCS to use the hospital assessment in FY 2025 and FY 2026 to fund a portion of the nonfederal share of the costs of behavioral health services not covered by Prop. 204 and the Tobacco Litigation Settlement Fund for eligible recipients whose household modified gross adjusted income is between 100% and 130% of the federal poverty guidelines. Repeals in FY 2027. (Sec. 6).
- Collaborative Care Uptake Fund: Allows AHCCCS to use money in the collaborative care uptake fund beyond FY 2024, exempts the money from lapsing, and eliminates the fund on July 1, 2025. All unexpended and unencumbered funds shall be transferred to the General Fund (Sec. 2).
- Acute Care Contributions: Sets County Acute Care contributions at \$43.1 million for all 15 counties. This amount is unchanged from the Joint Legislative Budget Committee baseline and includes a deflator for the Maricopa County contribution (Sec. 8).

| County     | FY 2024 Enacted | FY 2025      |
|------------|-----------------|--------------|
| Apache     | \$268,800       | \$268,800    |
| Cochise    | \$2,214,800     | \$2,214,800  |
| Coconino   | \$742,900       | \$742,900    |
| Gila       | \$1,413,200     | \$1,413,200  |
| Graham     | \$536,200       | \$536,200    |
| Greenlee   | \$190,700       | \$190,700    |
| La Paz     | \$212,100       | \$212,100    |
| Maricopa   | \$15,703,400    | \$15,145,900 |
| Mohave     | \$1,237,700     | \$1,237,700  |
| Navajo     | \$310,800       | \$310,800    |
| Pima       | \$14,951,800    | \$14,951,800 |
| Pinal      | \$2,715,600     | \$2,715,600  |
| Santa Cruz | \$482,800       | \$482,800    |
| Yavapai    | \$1,427,800     | \$1,427,800  |
| Yuma       | \$1,325,100     | \$1,325,100  |
| Total      | \$43,733,700    | \$43,176,200 |

- Budget Neutrality Compliance Fund Expenditure Limit Exclusion: As session law, continues to
  allow counties to exclude payments made to the Budget Neutrality Compliance Fund to help
  cover the cost of Prop. 204 (Sec. 9).
- **Restoration to Competency (RTC) Payments:** As session law continues to exclude payments made by counties for RTC treatments from the county expenditure limit (*Sec. 10*).

HB 2905: human services; 2024-2025 (Livingston) (Laws 2024, Ch. 217)

- Homeless Shelter and Services Fund (HSSF): In prior statute, HSSF statute contained a
  delayed repeal on September 30, 2027. The human services budget reconciliation bill
  accelerates the repeal of the HSSF, amending statute to reflect a delayed repeal date of June
  30, 2025, and makes conforming changes. Additionally, the budget directs monies remaining
  unspent and unencumbered on that date to be transferred to the state's General Fund (Sec. 2).
- Drug Testing; Temporary Assistance for Needy Families (TANF): Continues the state policy
  of screening and testing adult recipients specifically, those otherwise eligible for TANF cash
  benefits who the department "has reasonable cause to believe engages in the illegal use of
  controlled substances." Prohibits a recipient that tested positive for an unprescribed
  controlled substance from receiving TANF benefits for one year (Sec. 3).
- Extended Foster Care Comprehensive Service Model and Fund: In prior statute, the Extended Foster Care Comprehensive Service Model Fund, as well as its related statute, did not contain a sunset. This bill contains new language inserting a delayed repeal "from and after June 30, 2025" and specifying that monies remaining unspent and unencumbered at that time are transferred to the state's General Fund. Substitute's the term "effective date" with the actual effective date (Sec. 1).

### HB 2907: local government; 2024-2025 (Livingston) (Laws 2024, Ch. 219)

• **Flexibility Language:** Contains "flexibility language" for FY 2025, stating that a county with a population of less than 250,000 "may meet any county fiscal obligation from any source of county revenue designated by the county." Specifies that "a county may not use more than \$1.25 million for purposes other than the purposes of the revenue source." Requires counties who use this tool to report usage of this tool, as well as the "specific source and amount of revenues that the county intends to use," to the Joint Legislative Budget Committee by October 1, 2024 (*Sec. 1*).

#### HB 2909: taxation; 2024-2025 (Livingston) (Laws 2024, Ch. 221)

- School Tuition Organizations (STOs): Beginning in FY 2025, caps the aggregate amount of the Low-Income Credit for Corporate Contributions to STOs at \$135,000,000 annually. Adds students who are placed in Arizona foster care before graduating high school to the student population eligible. Prohibits an STO, if a court issues a final non-appealable judgement the cap is unenforceable, from issuing a scholarship or tuition grant for children qualified under foster child student population (Sec. 4, 5, 6).
- **Property Tax Issues:** Maricopa County-only issue related to the Qasimyar Class Action Lawsuit (lawsuit applicable to property in Maricopa) allowing taxing entities that would have a 4% or higher increase in their tax rates to recover and pay tax judgment to use tax anticipation notes to cover a portion. The state loan commission may issue bonds to redeem the anticipation notes (*Sec. 8,9*).
- Type 03 Schools Districts: Requirement of counties where a type 03 district is also a minimum qualifying tax rate (QTR) district to use last year's new 03 levy to reduce this year's minimum QTR. Applies in just the six school districts listed below. Type 03 school districts are districts where there is no designated high school for students residing in those areas. Under 2022 legislation, students can open enroll in the high school of their choice and be funded through the general school district formula based on student count (Sec. 7).

#### Only the counties below are affected by this:

| County   | School District   |
|----------|-------------------|
| Coconino | Chevelon Butte    |
| Gila     | Pine-Strawberry   |
| Mohave   | Yucca             |
| Pima     | Continental       |
| Pinal    | Oracle            |
| Yavapai  | Williamson Valley |

- Department of Revenue (DOR) Tax System Modernization Local Cost Sharing Fee: Sets the
  DOR Tax System fee at no more than \$6,626,900 for counties, cities, towns, Regional
  Transportation Authorities and Councils of Government. This is an increase of \$29,700 from FY
  2024, in line with the 6-year funding plan for the project. Each county's individual share of the
  aggregate county share is set using their 2020 census population factor. The aggregate county
  share of the fee is determined through the following procedure over the prior two fiscal years:
  - 1) Calculate the aggregate amount distributed to counties from:
    - a) A.R.S. § 42-5029 (TPT distribution base)
    - b) A.R.S. § 42-6103 (county general fund excise tax)
    - c) A.R.S. § 42-6107 (county transportation excise tax for roads)
    - d) A.R.S. § 42-6108 & 42-6108.01 (tax on hotels Pima only)
    - e) A.R.S. § 42-6109 & 42-6109.01 (jail facility excise tax Maricopa only)
    - f) A.R.S. § 42-6110 (use tax on electricity)
    - g) A.R.S. § 42-6111 (county capital projects)
    - h) A.R.S. § 42-6112 (county excise tax for county judgment bonds)
- 2) Calculate the aggregate amount distributed to counties, cities and towns, Maricopa Association of Governments, and Pima Association of Governments from:
  - a) All taxes listed under step one
  - b) A.R.S. § 42-6001 (city excise taxes)
  - c) A.R.S. § 43-206 (urban revenue sharing)
  - d) A.R.S. § 42-6105 (MAG transportation tax)
  - e) A.R.S. § 42-6106 (PAG transportation tax)
- 3) Calculate what percentage the aggregate amount calculated under step 1 is of the aggregate amount calculated under step 2 and apply this percentage to the total fee. The total county fee is distributed across counties based on the county's share of the state's population according to the 2020 census.

Sec. 10

#### HB 2910: self-supporting regulatory agencies; funds 2024-2025 (Livingston) (Laws 2024, Ch. 222)

- Boards; Revenue Sharing: From FY 2025 to FY 2028, revises the revenue-sharing of a number of the state's Board-specific funds such as the Technical Registration Fund, the Barbering & Cosmetology Fund, the Board of Accountancy Fund, and more from their current revenue split (90% to the Board, 10% to the state's General Fund) to a revenue split more favorable to the state (85% to the Board, 15% to the state's General Fund) (Sec. 1 Sec. 54).
- **Boards; Fee Increases:** Prohibits 27 state Boards from adopting "any license fee increases" in FY 2025 or FY 2026 save those adopted **a)** on an emergency basis, and **b)** approved by the Governor's Regulatory Review Council (*Sec. 55*).

#### HB 2911: state budget implementation; 2024-2025 (Livingston) (Laws 2024, Ch. 223)

- Unrestricted Federal Monies: Specifies that "any unrestricted federal monies received by this state beginning July 1, 2024, through June 30, 2025, shall be deposited in the state general fund" and "used to pay essential government services" (Sec. 1).
- Budget Stabilization Fund; Exceptions: In FY 2025, FY 2026, and FY 2027, specifies that the Legislature is not required to appropriate or transfer monies to the Budget Stabilization Fund ("Rainy Day Fund"). Additionally, in FY 2025, specifies that the Budget Stabilization Fund is not limited to 10% of the state's General Fund Revenue and, subsequently, the State Treasurer is not permitted to transfer surplus monies from the Budget Stabilization Fund to the General Fund (Sec. 2).

# **LEGISLATIVE REFERRALS**

During the 2023 legislative session, the Legislature referred four measures to voters. One year later, in 2024, the Legislature referred seven additional measures to voters. In total, voters will consider 11 legislatively-referred measures on their 2024 general election ballot. Please find those legislative referrals below:

## SCR 1006: death benefit; assault; first responders (Gowan) (Text) (2023)

**Summary:** Beginning in FY 2026, would impose a \$20 fee on "every conviction for a criminal offense" and transfer that fee to the State Supplemental Benefit Fund for the purpose of providing a \$250,000 death benefit to the surviving family of a first responder killed in the line of duty. Prohibits a court from waiving or mitigating this surcharge. Permits the Legislature to appropriate any fund monies exceeding \$2,000,000 for "peace officer training, equipment, and other benefits." Amends the statutory definition of "aggravated assault." Repeals provisions related to the State Supplemental Benefit Fund after December 31, 2023.

### SCR 1012: rulemaking; legislative ratification; regulatory costs (Kern) (Text) (2024)

**Summary:** Requires a state agency to submit "a proposed rule that is estimated to increase regulatory costs in this state by more than \$100,000 within five years of implementation to the Office of Economic Opportunity for review." Requires legislative ratification for rules estimated to increase regulatory costs by more than \$500,000 within five years of implementation. Specifies that existing rules with costs exceeding \$500,000 are "void and unenforceable" unless ratified as prescribed. Exempts emergency rules and the Corporation Commission.

SCR 1015: initiative; referendum; signatures; legislative districts (Mesnard) (Text) (2023) Summary: Presently, a citizen referendum requires the signatures of 5% of the state's qualified electors to be placed on the ballot. Similarly, a citizen initiative needs the signatures of 10% of the state's qualified electors, or 15% if the initiative will propose a constitutional amendment. SCR 1015 would require that referenda, initiatives, and constitutional amendments secure the statutory proportion of qualified electors in each legislative district, rather than statewide, to ensure placement on the ballot.

#### SCR 1021: NOW: sex trafficking; minors; natural life (Bolick) (Text) (2024)

**Summary:** States that a person convicted of a Class 2 felony for child sex trafficking pursuant to § 13-3212 shall be sentenced to imprisonment for natural life. Specifies that such a person is not eligible for any form of release.

#### SCR 1040: NOW: tipped workers; wages (Mesnard) (Text) (2024)

**Summary:** Enshrines, in the State Constitution, the ability for an employer to pay "a wage up to 25% per hour less than the minimum wage" to an employee "who customarily and regularly receives tips or gratuities" if the employer can prove that – for each week, and when adding tips or gratuities – "the employee received not less than the minimum wage plus \$2 for all hours worked."

## SCR 1041: ballot measures; challenges (Mesnard) (Text) (2024)

**Summary:** Permits constitutionality challenges to constitutional amendments, or initiative measures, prior to the election in which they will be voted on. Specifies that such a challenge must be brought "at least one hundred days before the date of the election at which the measure or amendment will be voted on." Permits an appeal to the Supreme Court within five days of a judgment by the Superior Court. If a court of competent jurisdiction finds the measure

unconstitutional, prohibits the Secretary of State from certifying or printing the measure or amendment on the official ballot.

#### SCR 1044: judicial retention elections (Gowan) (Text) (2024)

**Summary:** Specifies, so long as judges on the Superior Court, Court of Appeals, and Supreme Court maintain "good behavior" – including not a) being convicted of a felony or a crime involving fraud or dishonesty, b) initiating bankruptcy, c) being foreclosed upon, or d) having a majority of the Commission on Judicial Performance Review conclude that the judge does not meet standards – they may maintain their position without retention elections. Requires the Supreme Court to establish an evaluation commission for Supreme Court Justices, judges on the Court of Appeals, and Superior Courts in counties that elect to use a Judicial Nominating Commission.

### HCR 2023: property tax; refund; nuisance enforcement (Toma) (Text) (2024)

**Summary:** Permits a property owner to request a property tax refund from a locality in the amount of expenses incurred to mitigate the effects of **a**) "a policy, pattern, or practice of declining to enforce extisting laws, ordinances, or other legislation" related to homelessness, or **b**) a locality's maintenance of a "public nuisance." Limits the refund to the amount of property taxes paid in the prior year. Prescribes refund mechanisms and processes, as well as exemptions. Repeals after December 31, 2035.

## HCR 2033: primary elections; eligible candidates (Smith) (Text) (2023)

**Summary:** States that Arizona's constitutional "direct primary election law" supersedes contrary provisions "of any charter, law, ordinance, rule, resolution, or policy of any city." Specifies that this "direct primary election" must be conducted in a manner ensuring that each political party that has qualified for ballot representation may nominate "a number of candidates equal to the number of positions to be filled."

#### HCR 2039: NOW: governor; emergency powers (Chaplik) (Text) (2023)

**Summary:** Limits a Governor's powers during a state of emergency to "thirty days after the date on which the state of emergency is proclaimed." Exempts emergencies arising out of flood or fire conditions. Prohibits the Governor from proclaiming a new state of emergency arising out of the same conditions. Permits the Legislature, by concurrent resolution, to amend or extend the emergency powers. Specifies that, on presentation of a relevant petition bearing the signatures of one-third of the House and the Senate, the Governor must call a limited special session focusing solely on emergency powers.

#### HCR 2060: NOW: border; benefits; fentanyl; illegal entry (Toma) (Text) (2024)

Summary: Establishes, in state law, crimes related to entry "directly from a foreign nation at any location other than a lawful port of entry" and to "refusal to comply with an order to return to a foreign nation." Specifies what is an affirmative defense, as well as what constitutes probable cause, and provides solely for prospective enforcement. Provides immunity to "a state or local government entity, official, employee, or contractor" for damages related to enforcement of this law. Creates the Class 2 felony of "sale of lethal fentanyl." Requires a locality, on application by a non-citizen or non-national for federal, state, or local public benefits, to submit the individual's documents to the Systematic Alien Verification for Entitlements program. Criminalizes submission of a "false document" to any entity that administers a federal, state, or local public benefit or to "evade detection of employment eligibility under the E-Verify program." Makes enforcement contingent on the successful enforcement of similar laws, such as Texas' SB 4, "for a period of sixty consecutive days."

## **AIR QUALITY**

HB 2370: oxygenated fuel; federal approval; extension (Griffin) (Laws 2024, Ch. 70)

Effective Date: April 2, 2024, due to emergency clause.

**Summary:** Presently, state statute contains two instances of § 3-3493, which requires "all gasoline produced and shipped to or within this state and sold or offered for sale for use in motor vehicles in a county with a population of 1,200,000 or more persons" for "the period beginning November 1 through March 31 of each year" to "comply with standards for California phase 2 reformulated gasoline." The first, and currently effective, version of that statute requires this fuel to "meet the requirements of § 3-3492 (A) (1)," which specifies standards for a "gasoline-ethanol blend." The second version of § 3-3493 also permits this fuel to meet the standards in § 3-3492 (A) (2) - which references "a blend other than a gasoline-ethanol blend" - but is only effective if the administrator of the U.S. Environmental Protection Agency (EPA) approves a waiver to this effect. When the alternative statute was first enacted, the deadline for the EPA's approval was on July 1, 2022. In 2022, that deadline was extended to July 1, 2024. With **HB 2370**, the deadline for waiver approval is again extended to July 1, 2027.

# **COMMUNITY COLLEGES**

HB 2039: provisional community colleges; accreditation; oversight (*Cook*) (*Laws* 2024, *Ch.* 84) Effective Date: April 8, 2024, due to emergency clause.

**Summary:** Presently, a community college district "that does not meet the requirements prescribed in § 15-1402" – specifically, a district that does not have a net-assessed valuation greater than \$448,017,200 (adjusted annually, since FY 1994, by the average percentage change for all other community college districts with a population less than 500,000) or a minimum population of 40,000 individuals older than 15 years of age – may still organize if it meets the seven statutory requirements outlined in § 15-402.01. The last of those seven requirements necessitates "a regional accreditation and oversight relationship" with another community college district. **HB 2039** amends this requirement, specifying that the "regional accreditation and oversight relationship" need only be with a "postsecondary institution." Defines a "postsecondary institution" as a community college district, a university under the jurisdiction of the Arizona Board of Regents, or a community college "owned, operated, or chartered by a qualifying Indian tribe."

## **COMMERCE**

SB 1670: public-private partnership contracts (Gowan) (Laws 2024, Ch. 201)

Effective Date: May 29, 2024, due to emergency clause.

**Summary:** Permits, with specific legislative authorization, the Director of the Department of Administration and the Director of the Department of Emergency and Military Affairs to "issue a request for proposals and enter into a public-private partnership contract for military rotary wing aviation flight and maintenance training and services." In session law, specifies that the prospective partnership must be established "at locations the Department of Emergency and Military Affairs owns, administers, or controls property" and that the private sector entity eventually selected must prove **a)** that it can deliver services without the use of any state monies and **b)** administer all assigned aspects of the flight and maintenance program. Limits the partnership to training of military personnel and "use

only of aircraft in the United States Department of Defense's inventory or procured ... through the United States foreign military sales program." Self-repeals on September 30, 2026.

HB 2554: Arizona space commission; research fund (*Wilmeth*) (*Laws* 2024, *Ch.* 140) Effective Date: Sept. 14, 2024.

Summary: Establishes the Space Exploration and Aeronautics Research Fund, as well as the Arizona Space Commission (ASC), in statute. Specifies that the Fund consists of "legislative appropriations and gifts, grants, and donations," that the Fund is administered by the ASC, and that Fund monies may be used "to provide grants to businesses or nonprofit organizations in this state that are involved in the space exploration or aeronautics industry or to a governmental entity with which the Board has entered into an intergovernmental agreement." Outlines acceptable uses of Fund monies – developing "emerging technologies" for human space flight, research involving space exploration or flight, related workforce training, "curating post-mission materials," and developing infrastructure "necessary for establishing and maintaining a spaceport" – and directs the ASC to prioritize projects that are a) located within 50 miles of a Federal Aviation Administration-licensed spaceport, b) space defense-related, or c) space defense and commercial use-related. Provides that the ASC shall be composed of 13 members - seven selected by the Governor, three by the Speaker of the House, and three by the Senate President – and that appointment priority should be given to individuals with relevant experience in operations, commercialization, downstream industries, or education. Directs the Arizona Commerce Authority to provide staff support and outlines the Commission's duties.

# **CONTINUATIONS**

HB 2012: department of forestry; continuation (Griffin) (Laws 2024, Ch. 61)

Effective Date: Sept. 14, 2024. Includes retroactivity clause back to July 1, 2024. Summary: Previously, statute specified that the state's Department of Forestry and Fire Management (DFFM) terminated on July 1, 2024. HB 2012 extends DFFM by an additional eight years, pushing the Department's termination date out to July 1, 2032. The bill also requires the State Forester to provide a "written report" to "the legislative committees with jurisdiction over forestry issues ... the Governor, and the Secretary of State" during "the first regular session of each legislature." The bill specifies that this new "written report" shall encompass all requirements currently in statute relating to the State Forester's biannual presentation to the Legislature, but that both the "written report" and the extant presentation shall include "current and ongoing wildfire mitigation and suppression activities" and "the associated budget allocated for wildfire mitigation and suppression and the expected actual costs."

HB 2091: NOW: agency continuations; technical registration; contractors (*Hendrix*) (*Laws* 2024, Ch. 204)

**Effective Date:** Sept. 14, 2024. Includes retroactivity clause back to July 1, 2024. **Summary:** 

• **Board of Technical Registration (BTR):** Previously, <u>statute</u> specified that the state's BTR terminated on July 1. 2024. **HB 2091** extends the BTR by an additional six years, pushing the Board's termination date out to July 1, 2030. Additionally, the bill modifies statutory language relating to the BTR to specify: **a)** that the Board may only "hear and act on complaints or charges" that are specified by the complainant, **b)** that the Board is no longer empowered to "do other things necessary to carry out the purposes of this chapter," **c)** that the Board may only investigate complaints and administer discipline if the complainant had a contractual relationship with the subject, was harmed by the alleged misconduct, or has

- firsthand knowledge of the misconduct. Further, **HB 2091** repeals the "Home Inspector Rules and Standards Committee" within the BTR.
- Registrar of Contractors (ROC): Previously, <u>statute</u> specified that the state's ROC terminated on July 1, 2024. HB 2091 extends the ROC by an additional eight years, pushing the ROC's termination date out to July 1, 2032.

HB 2107: department of homeland security; continuation (*Payne*) (*Laws 2024, Ch. 25*) Effective Date: Sept. 14, 2024. Includes retroactivity clause back to July 1, 2024. Summary: Previously, <u>statute</u> specified that the state's Department of Homeland Security (DHS) terminated on July 1, 2024. HB 2107 extends DHS by an additional four years, pushing the Department's termination date out to July 1, 2028.

HB 2208: continuation; ASRS (*Livingston*) (*Laws 2024, Ch. 30*)

Effective Date: Sept. 14, 2024. Includes retroactivity clause back to July 1, 2024.

Summary: Previously, <u>statute</u> specified that the Arizona State Retirement System (ASRS) Board, and its Director, terminated on July 1, 2024. HB 2208 extends ASRS by an additional eight years, pushing the Board's termination date out to July 1, 2032.

HB 2209: NOW: industrial commission of Arizona; continuations (*Livingston*) (*Laws* 2024, *Ch.* 105)

**Effective Date:** Sept. 14, 2024. Includes retroactivity clause back to July 1, 2024. **Summary:** 

- Industrial Commission of Arizona (ICA): Previously, statute specified that the state's ICA terminated on July 1, 2024. HB 2209 extends the ICA by an additional four years, pushing the Commission's termination date out to July 1, 2028. The bill also states that "labor department determinations, penalties, and fines for labor violations shall be considered, authorized, and determined by a vote of the Commissioners" and that "the Commissioners shall consider whether a violation continues after the employer's course of conduct has ceased." Additionally, permits the Director of the ICA to prohibit an individual from accompanying a compliance safety and health officer conducting an inspection unless the individual is a) an employee of the entity being inspected, b) a safety consultant, attorney, or other agent of the employer, c) a person present with the consent of the employer, d) an authorized employee representative, e) a third party required to be present by law to ensure the state plan is compliant with federal standards, or f) an individual otherwise required to be present by law. Permits the employer to place conditions on a third party accompanying the compliance safety and health officer, including a) limiting the number of individuals present (unless otherwise outlined by law), b) requiring compliance with workplace safety rules regarding personal protective equipment, c) requiring completion of applicable safety trainings, d) stipulating confidentiality agreements with respect to confidential material, and e) prohibiting the entrance of areas that contain trade secrets. Requires the Commission to submit the state plan proposal to the Joint Legislative Audit Committee for review before final submission to the federal Occupational Safety and Health Administration.
- Occupational Safety and Health Advisory Committee: Previously, <u>statute</u> specified that the state's Occupational Safety and Health Advisory Committee terminated on July 1, 2024. HB 2209 extends the Committee by an additional eight years, pushing its termination date out to July 1, 2032.

- **Boiler Advisory Board (BAB):** Previously, <u>statute</u> specified that the state's BAB terminated on July 1, 2024. **HB 2209** extends the Board by an additional eight years, pushing its termination date out to July 1, 2032.
- Occupational Safety and Health Review Board (OSHRB): Previously, <u>statute</u> specified that the state's OSHRB terminated on July 1, 2024. HB 2209 extends the Board by an additional eight years, pushing its termination date out to July 1, 2032.

HB 2210: NOW: state agencies; continuations; duties (*Livingston*) (*Laws* 2024, *Ch.* 206) Effective Date: Sept. 14, 2024. Includes retroactivity clause back to July 1, 2024. Summary:

- Arizona Commerce Authority (ACA): Previously, statute specified that the ACA terminated on July 1, 2024. HB 2210 extends the Authority by five years, pushing its termination date out to July 1, 2029. The bill also expands the list of the Authority's technical advisors to include "an attorney ... appointed jointly by the President ... and Speaker" who has experience litigating cases involving the gift clause. Requires that the Authority's Board's public meetings be recorded, and that these recordings be published online within three business days and maintained there. Limits the Authority's number of full-time employees funded with state monies to 100. Requires that the ACA's annual report be submitted to the Governor, the Senate President, and the Speaker of the House and that the report include "the estimated number of indirect jobs created as a result of the work and programs of the Authority." Creates a new committee – the Municipality Time Frames Advisory Committee (MTFAC) - and specifies that its members are to include: a) an economist, b) a representative of the homebuilding industry, c) a representative of a tax research association, d) a representative of a statewide association of businesses, and e) a representative of a national association "comprised of private, independently owned and operated businesses." Directs that committee to submit recommendations "relating to municipal and county support for economic development projects." Additionally, requires cities and counties to annually submit various timeframes - including the average time a) from building permit application to certificate of occupancy, b) from submission of a zoning application to approval, and c) from submission of a final plat to recordation of that plat to the MTFAC. Permits the MTFAC to necessitate the reporting of other metrics. Finally, prohibits the Authority from using state monies "to provide business executives lodging, alcoholic beverages, personal transportation or tickets to entertainment events for the purposes of attracting businesses." With respect to Arizona Competes Fund grants, requires the ACA's Chief Executive to provide quarterly reports to the Senate President and House Speaker on amendments to written agreements.
- Arizona Department of Administration (ADOA): Previously, <u>statute</u> specified that ADOA terminated on July 1, 2024. **HB 2210** extends the Department by six years, pushing its termination date out to July 1, 2030.
- Governor's Office on Tribal Relations (GOTR): Previously, <u>statute</u> specified that the GOTR terminated on July 1, 2024. **HB 2210** extends the Office by eight years, pushing its termination date out to July 1, 2032.
- Arizona Historical Society (AHS): Previously, <u>statute</u> specified that the AHS terminated on July 1, 2024. HB 2210 extends the Society by eight years, pushing its termination date out to July 1, 2032.
- **Prescott Historical Society (PHS):** Previously, <u>statute</u> specified that the PHS terminated on July 1, 2024. **HB 2210** extends the Society by eight years, pushing its termination date out to July 1, 2032.

• State Personnel Board (SPB): Previously, <u>statute</u> specified that the SPB terminated on July 1, 2024. HB 2210 extends the Board by eight years, pushing its termination date out to July 1, 2032.

HB 2250: state board of equalization; continuation (Carter) (Laws 2024, Ch. 31)

Effective Date: Sept. 14, 2024. Includes retroactivity clause back to July 1, 2024.

**Summary:** Previously, <u>statute</u> specified that the State Board of Equalization terminated on July 1, 2024. **HB 2250** extends the State Board of Equalization by an additional eight years, pushing the Board's termination date out to July 1, 2032.

HB 2378: continuation; PSPRS (Carter) (Laws 2024, Ch. 207)

Effective Date: Sept. 14, 2024. Includes retroactivity clause back to July 1, 2024.

**Summary:** Previously, <u>statute</u> specified that the Public Safety Personnel Retirement System (PSPRS) Board of Trustees terminated on July 1, 2024. **HB 2378** extends the PSPRS Board of Trustees by an additional six years, pushing the Board's termination date out to July 1, 2030.

HB 2438: NOW: ADOT; continuation; administration; licensing; planning (Cook) (Laws 2024, Ch. 208)

Effective Date: Sept. 14, 2024. Includes retroactivity clause back to July 1, 2024. Summary: Previously, statute specified that the Arizona Department of Transportation (ADOT) terminated on July 1, 2024. HB 2438 extends ADOT by an additional eight years, pushing its termination date out to July 1, 2032. Specifies that peace officers designated by ADOT have "the primary duties of protecting this state's transportation infrastructure and promoting road safety through the enforcement of state and federal commercial motor carrier laws and rules and of conducting vehicle inspections and investigations of fraud, abuse, and misconduct pursuant to state law." Prohibits Department-designated peace officers from enforcing traffic violations on the operators of noncommercial vehicles "unless the peace officer determines that a failure to enforce the violation could result in a substantial risk of imminent death or serious physical injury." Limits the operation of mobile ports of entry to within 25 miles of a fixed port of entry unless state or municipal law enforcement request assistance for commercial motor vehicle enforcement to streamline operations or combine" enforcement resources for compliance, education, or training or to ensure safe, secure and efficient commercial transportation across the state." Exempts the Department from § 1-302, which prohibits the operation of public offices during holidays. Prohibits the Department from taking an administrative action against a person's driving privilege or a vehicle's registration if the judicial officer reports a conviction or finding of responsibility to the Department more than five years after the incident occurred. Permits the Department to create and issue specialized commercial vehicle fleet licenses to larger fleets that apply, and pay for, the design and administration of the plate. Limits the validity of a driver license to up to five years for licenses initially issued to applicants aged 60 or older. Requires the Department to search the Federal Motor Carrier Safety Administration's Drug and Alcohol Clearinghouse before issuing, upgrading, renewing, or transferring a commercial driver license or learner's permit. Specifies what actions the Department must take when it receives notification from the Clearinghouse that a driver is prohibited from operating a commercial vehicle. Repeals the ability for a vendor to apply for a refund of use fuel tax more than once per month. Provides more specific notice requirements for the public hearing at which the State Board of Transportation will consider the five-year Transportation Facilities Construction Program.

HB 2447: child safety; department continuation; procedures (Montenegro) (Laws 2024, Ch. 143) Effective Date: Sept. 14, 2024. Includes retroactivity clause back to July 1, 2024. Summary: Previously, statute specified that the Department of Child Safety terminated on July 1, 2024. HB 2247 extends the Department of Child Safety by an additional five years, pushing the agency's termination date out to July 1, 2028. Contains other policy items related to prenatal cannabis exposure, changes in the "standardized hotline assessment tool," submission of proposed child placement rate increases to the Joint Legislative Budget Committee, and reporting requirements. Amends language relevant to specific oversight of the Department by state legislators.

# **COURT-ORDERED EVALUATION & TREATMENT**

SB 1309: mental health evaluations; information; consent (*Miranda*) (*Laws* 2024, *Ch.* 182) Effective Date: Sept. 14, 2024.

Summary: Requires an application for court-ordered evaluation (COE) to include the following additional data: a) the name and address of agents under a health care power of attorney or mental health care power of attorney, b) a statement that the patient is exhibiting behaviors that may be consistent with a mental disorder, c) a statement from the applicant of whether they believe that the proposed patient is willing to undergo voluntary evaluation and the facts on which the statement is based, d) a statement of the proposed patient's relevant history of mental health diagnosis, treatment, and compliance with treatment, e) copies of documents related to guardianship or powers of attorney that allow the guardian/agent to consent to inpatient psychiatric treatment, f) a statement by the applicant of whether they believe, without a period of inpatient observation, stabilization, assessment, or emergency inpatient psychiatric hospitalization, the proposed patient is likely to cause or endure serious physical harm, and g) to the extent known, the names and contact information of persons other than the applicant who have witnessed the behavior on which the application is based. A screening agency may not deny an application, or refuse to process it, because of lack of these individuals. Specifies that an application made by a peace officer or health care professional does not have to be notarized. Requires a screening agency, on the front of the application, to log the date and time of receipt and to note these data in a record. If an application is not acted on within 48 hours, requires the reasons for this delay to be reported. Requires, during a screening agency's prepetition screening, the agency to accept and consider relevant information on the proposed patient from persons who have a significant relationship with the proposed patient. Specifies that informed consent for involuntary inpatient and outpatient evaluation may be granted by the person, their courtappointed guardian, or their designated agent pursuant to a relevant power of attorney. Requires a petition for COE to state the names and contact information of individuals who witnessed the behavior on which the petition is based. A screening agency may not deny a petition, or refuse to process it, because of lack of these individuals. During a COE, requires the agency to "solicit, accept and consider" relevant information from persons known to the agency with significant relationships with the proposed individual. In a petition for treatment that requests the Court to determine if the patient is chronically resistant to treatment, requires facts that support that request. Holds that COE or court-ordered treatment "does not operate to change the legal residence of a patient."

SB 1311: mental health; oversight; data; documentation (*Miranda*) (*Laws 2024, Ch. 163*) Effective Date: Sept. 14, 2024.

Summary: Permits the Director of the Arizona Health Care Cost Containment System (AHCCCS) to "prescribe reporting requirements and standards for contractors and contracted agencies ... for the purpose of understanding the clinical effectiveness of services." Requires semiannual reporting of this data to the Governor, the Senate President, and the Speaker of the House "beginning on or before December 31, 2025." Requires an "interim report" prior to December 31, 2024. Requires the following reporting "to identify and measure clinical outcomes in the past year of members who have received a designation of serious mental illness": a) for members for whom AHCCCS is the primary payor, the number of hospitalizations and rehospitalizations and the average length of stay, b) for members for whom AHCCCS is the primary payor, the "number and percentage of members with a mental health disorder and co-occurring substance use disorder diagnosis who were admitted, discharged, and subsequently readmitted to an inpatient psychiatric facility within the preceding year," c) the number of members "whose Title XIX enrollment is placed in a no-pay status ... due to the member's incarceration status, stratified by the number of times enrollment is suspended," d) the number of members "for whom the Administration ... is notified of a release from incarceration and for whom the Administration ... conducts reach-in services," e) a number of metrics – including crisis phone calls received, mobile teams dispatched, members seen at psychiatric urgent care centers, and more relating to members with a serious mental illness (SMI) designation,  $\mathbf{f}$ ) the number of member deaths, the death rate, and their causes, g) the number of homeless members, h) the number of Title XIX and non-Title XIX members admitted to a behavioral health residential facility (BHRF). discharged from a BHRF, and those subsequently admitted to an inpatient psychiatric hospital after discharge from a BHRF, i) the number and percentage of members who requested courtordered treatment (COT), requested and received removal of an SMI designation, received and adhered to COT, and did not receive a behavioral health service, j) the number of patients discharged from the state hospital and subsequently admitted to a contracted psychiatric hospital, k) the number of members evaluated for SMI, received a designation, and did not receive a designation, and I) the number of members enrolled in Medicare and when this status became known, stratified by Title XIX and non-Title XIX members. Specifies, if an application for a courtordered evaluation (COE), an application for emergency admission for evaluation is denied, that the screening agency's medical director - or the prepetition screening agency - must make a written statement explaining the denial and retain this document with the application. If the prepetition screening agency denies the application for COE - but there "is reasonable grounds to believe that the person has a mental disorder, is in need of further evaluation or treatment and is able and willing to pursue private or public evaluation services" - requires the agency to assist with finding services and, if requested, make a direct referral. Specifies that if a petition for COE is prepared but not filed, as "it has been determined that the person no longer needs an evaluation," requires the medical director to make a written statement explaining the denial and retain this document with the petition. Additionally, if a person admitted for emergency evaluation or a person being evaluated on an inpatient basis is released, requires explanation and retention of denial. Contains session law convening a "Data Gap Workgroup" comprised of stakeholders to the legislation's data gathering and reporting effort.

HB 2744: involuntary treatment; guardians; agents; rights (*Hernandez*, C.) (*Laws* 2024, Ch. 152) Effective Date: Sept. 14, 2024

**Summary:** Specifies that guardians and "agents who have decisional authority to make personal, medical, and treatment decisions ... pursuant to an order of the court or ... a validly executed mental health power of attorney" are to be granted the following rights with respect to the principal: a) notification of petitions for treatment, motions for amended court order, applications for court-

ordered treatment (COT), and requests for judicial review, b) the ability to provide their perspective on requested relief, as well as relevant information, as allowed by the Court, c) the opportunity to provide relevant information to agencies providing inpatient and outpatient screening, evaluation, or treatment to the patient, and d) the ability - when appropriate participate in treatment and discharge planning with outpatient treatment providers. Specifies that if a screening agency determines that an application should be denied – or the application is accepted but the screening agency declines to file a court-ordered evaluation (COE) - the screening agency must comply with the provisions of § 36-521 (C), which relates pre-petition screening procedures and criteria for COE petition preparation. Specifies, if the screening agency performed the prepetition screening and intends to release the patient, that the agency must make efforts to notify the applicant of its intention and must document attempts to do so. If the applicant subsequently requests an explanation of the decision to deny the application, states that the medical director must provide one if a) the screened person does not oppose the disclosure and b) the screened person lacks the capacity to decide and it is determined to be in their best interest. Requires the petitioner to serve a copy of the petition, affidavits in support of the petition, and the notice of the hearing to the identified guardian. Contains related timelines and states that a guardian may elect, rather than receiving personal service, the option to provide a written acknowledgment of their receipt. During a period of outpatient treatment, permits a court to amend its order for treatment without a hearing, on request of a guardian, if the patient is either not complying with the order or the order is no longer appropriate. Specifies, if there is an order for outpatient treatment or guardianship with additional mental health authority, the guardian may, at any time, file a report with the court on whether the patient is complying with the order's terms.

#### **COURTS, CRIMINAL JUSTICE, & PUBLIC SAFETY**

SB 1025: NOW: DUI threshold; drivers (Kavanagh) (Laws 2024, Ch. 101)

Effective Date: Sept. 14, 2024

**Summary:** Presently, statute establishes a legal "blood or breath alcohol concentration" of .08 for noncommercial drivers and .04 if "the violator was driving or in actual physical control of a commercial motor vehicle." Exceedance of this limit can lead to immediate license suspension for "not less than ninety consecutive days" (§ 28-1321) – which includes rights to an administrative review and hearing (§ 28-1385) - and potential charges of "driving or actual physical control while under the influence" (§ 28-1381). **SB 1025** adds "operating a vehicle for hire" and "providing transportation network services … as a transportation network company driver" to the various statutes that impose the reduced .04 limit on "blood or breath alcohol concentration" and provide for license suspension and potential levy of criminal charges.

SB 1059: judgments; interest rates (*Mesnard*) (*Laws* 2024, *Ch.* 3) Effective Date: General Effective Date (90 days after sine die).

**Summary:** Presently, statute holds that interest on "any judgment other than a judgment on medical debt" is the lesser of "10% per year" or "a rate per year that is equal to one percent plus the prime rate as published by the Board of Governors of the Federal Reserve." Additionally, statute specifies that the "prime rate" is the rate in effect on "the date that the judgment is entered." **SB 1059** specifies that "a change in the rate ... takes effect on the first business day following publication by the Federal Reserve."

#### SB 1071: peer support teams; information; disclosure (Shope) (Laws 2024, Ch. 171)

Effective Date: Sept 14, 2024

**Summary:** Presently, a member of a "critical incident stress management team" who in the course of responding to a critical incident "acquires information secretly and in confidence from a designated person" shall not be required to "disclose that information in a legal proceeding, trial, or investigation before any agency ... or political subdivision of this state." Statute provides some exceptions, including: a) the communication indicates clear and present danger to the designated person, b) the designated person who received services consents to the testimony, c) the communication is made during the course of a criminal investigation, d) the designated person voluntarily testifies in the same case, and e) the communication contains a breach of policy amounting to a violation of laws. **SB 1071** expands the definition of "designated person" to include civilian employees, fire district firefighters, and firefighters and emergency medical services personnel under a joint powers authority. Further, the legislation extends statutory protections from disclosure to a designated person's communications with "peer support team members."

## SB 1185: catalytic converter; unlawful use; classification (*Kavanagh*) (*Laws 2024, Ch. 231*) Effective Date: Sept. 14, 2024

**Summary:** Presently, state statute (§ 13-3728) specifies that it is a Class 1 misdemeanor "for a person to purchase, solicit, advertise, possess, or sell a used catalytic converter or any nonferrous parts of a catalytic converter." Statute also contains a number of exemptions, such as purchase by automotive recyclers, those acquired in transaction with an industrial account, businesses that sell or install new catalytic converters, and more. **SB 1185**, in every instance of the phrase "used catalytic converter," inserts the term "detached." Additionally, it specifies that the unlawful possession of ten or more "used, detached catalytic converters" is a Class 6 felony.

### SB 1196: NOW: vehicle lighting law enforcement; exceptions (*Kern*) (*Laws* 2024, *Ch.* 173) Effective Date: Sept. 14, 2024

**Summary:** Permits law enforcement officers "employed in an off-duty capacity for an entity other than the law enforcement agency" to use "a vehicle on which a red or red and blue light or lens" is "visible from the front."

#### SB 1232: NOW: sexual conduct; minor; punishment (Shamp) (Laws 2024, Ch. 233)

Effective Date: Sept. 14, 2024

**Summary:** States that "sexual conduct with a minor who is twelve years of age or under and who suffers serious physical injury" is a Class 1 felony punishable by "imprisonment ... for natural life" that is "not eligible for commutation, parole, work furlough, work release, or release for confinement on any basis."

### SB 1236: internet sex offender website; offenses (Shamp) (<u>Laws 2024, Ch. 158</u>)

Effective Date: Sept. 14, 2024

**Summary:** Presently, § 13-3827 enumerates the crimes whose offenders are required to be listed on the Department of Public Safety's "internet sex offender website." **SB 1236** states that offenders "who at the time of the offense [are] eighteen years of age or older" and those convicted of "preparatory" offenses must also be included on the website. Additionally, statute specifies that a number of outlined offenses necessitate inclusion (§ 13-3827 (A)(2)(d) through § 13-827 (A)(2)(m)) if "the victim is under twelve years of age." **SB 1236** states that these offenders shall also be included on the website if "the offender is sentenced pursuant to § 13-705 and the offender was twenty-one years of age or older at the time of the commission of the offense."

SB 1260: dog racing; simulcast wagering; prohibition (Kavanagh) (Laws 2024, Ch. 325)

Effective Date: Sept. 14, 2024. Includes retroactivity clause to June 30, 2024.

**Summary:** Prohibits "pari-mutuel wagering on simulcast dog racing" after December 31, 2028. Prohibits "pari-mutuel wagering on simulcast dog racing" for races originating outside of the United States on June 30, 2024. Repeals the existing version of § 5-110.

#### SB 1302: child abduction from state agency (Farnsworth) (Laws 2024, Ch. 108)

Effective Date: Sept. 14, 2024

**Summary:** Presently, "abduction of a child from a state agency" ranges from a Class 6 to a Class 3 felony depending on whether a) the child was taken out-of-state, b) the failure to return the child to the state agency occurred at the end of "visitation or access," and c) the child was returned within 48 hours. **SB 1302** specifies that "abduction of a child from a state agency" is a Class 1 misdemeanor if a) "the child has voluntarily and without consent left the placement location," b) the individual who "fails or refuses to return the child" is the child's natural or adoptive parent, and c) the individual's motive "is to protect and care for the child."

SB 1364: probation; transfer (Bolick) (Laws 2024, Ch. 13)

Effective Date: Sept. 14, 2024

Summary: At "the time of sentencing or disposition," permits a probationer to make a written request that the supervising probation department "courtesy transfer" their intensive probation supervision or supervised probation to another county. Limits requests for a "courtesy transfer" to instances where the probationer has family caregiver obligations, employment, housing, or offers of employment or housing that exist in another county and "that will assist in the probationer's positive behavioral change." On receipt of an eligible request, requires a probation department to a) confirm the details of the probationer's employment, housing, or caregiving plans, b) review any victim concerns to ensure compliance with the Victims' Bill of Rights, and c) submit a subsequent "request for permission to proceed" to the receiving county within seven business days of the initial request. The receiving county must provide permission within seven business days and may only stop the process if it "finds the basis for the plan is not factual or the transfer will endanger the victim." States that if an intensive probation supervision or supervised probation is violated or the probationer commits an additional offense subsequent to a "courtesy transfer," the probation department may not return the probationer's supervision to the original county. Exempts "revocation hearings" and "orders of the court" from this prohibition.

## SB 1371: police reports; time; cost requirements (*Bolick*) (*Laws* 2024, *Ch.* 56) Effective Date: Sept. 14, 2024

**Summary:** Specifies that an investigating law enforcement agency must provide the victim of "a domestic violence offense or a sexual offense," or their attorney, with a copy of the related police report and video recordings at no charge. Further, at the victim's request, requires the Court or its clerk to provide to the victim – at no charge – "the minute entry or portion of the record of any proceeding in the case that arises out of the offense committed against the victim and that is reasonably necessary to pursue a claimed victim's right." Directs law enforcement agencies to "prioritize the processing and providing" of these police reports.

### SB 1404: sex offender registration; school notification (*Shamp*) (*Laws 2024, Ch. 57*) Effective Date: Sept. 14, 2024

**Summary:** Adds "if the person has legal custody of a child who is enrolled in school, the child's name and enrollment status" to the information that an individual required to register with the Department of Corrections, Rehabilitation and Reentry, the Department of Public Safety, and the County Sheriff

– and whose information is subsequently published on the Department of Public Safety's "sex offender profile and notification database" – must provide "at the time of registering." Additionally, states that an individual required to register who has legal custody of a child enrolled in school "shall notify the sheriff in person or electronically within seventy-two hours, excluding weekends and legal holidays, after the person makes any changes to the enrollment status of the person's child at the child's school." Finally, amends "community notification requirements" by specifying that notifications for "level one offenders who have been convicted of a dangerous crime against children" must be distributed in the same manner as notifications for level two and level three offenders (dissemination of physical notices to surrounding neighbors, area schools, appropriate community groups, and prospective employers). Specifies that community notifications for the aforementioned level one offender subgroup, as well as level two and level three offenders, must also go to their child's school.

#### SB 1411: organized retail theft task force (Gowan) (Laws 2024, Ch. 167)

Effective Date: Sept. 14, 2024

**Summary:** Directs the Attorney General to establish the "Organized Retail Theft Task Force," comprised of "federal, state, and local law enforcement personnel," for the purpose of "combat[ting] crimes that relate to stealing, embezzling or obtaining retail merchandise by fraud, false pretenses or other illegal means for the purposes of reselling the items." Specifies that the task force shall consist of a prosecutor, a paralegal, a member of the support staff, and six investigators. Charges the task force with **a)** reviewing and providing updates on cases, **b)** "investigat[ing], apprehend[ing], and recommend[ing] for prosecution" individuals participating in retail theft, **c)** investigating offenses under the Attorney General's § 21-422 jurisdiction, **d)** reviewing, investigating, and recommending for prosecution cases brought forward by the state's law enforcement officers or "authorized loss prevention personnel," and **e)** presenting an annual report and recommendations to the Governor, the Speaker of the House, and the Senate President.

#### SB 1436: offenses; lifetime injunction (*Bolick*) (*Laws* 2024, *Ch.* 5)

Effective Date: Sept. 14, 2024

**Summary:** Presently, statute permits the victims of certain crimes (specifically, felonious "dangerous offenses" outlined in § 13-105, "serious offenses" or "violent or aggravated felonies" outlined in § 13-706, and "sexual offenses" or those involving the "sexual exploitation of children" outlined in Title 13: Chapters 13 and 45.1) to request an injunction prohibiting contact by the defendant for the defendant's natural lifetime. Contains exceptions, including a victim's request for early expiration, the dismissal, expunging, overturning, or pardoning of the conviction, or the death of the victim, and permits victims to request a lifetime injunction for offenses for which sentencing occurred before the injunction's existence in law. **SB 1436** expands the list of crimes for which victims may request a lifetime injunction by adding "aggravated assault" involving choking and "domestic violence" (as defined in § 13-1204 (B)), "voyeurism" (as defined in § 13-1424), and "stalking" (as defined in § 13-2923).

#### SB 1453: DUI; license suspension; records (Carroll) (Laws 2024, Ch. 109)

Effective Date: Sept. 14, 2024

**Summary:** Presently, a "person who operates a motor vehicle in this state" gives consent to tests "of the person's blood, breath, urine or other bodily substance for the purpose of determining alcohol concentration or drug content" if **a)** arrested for offenses arising from alleged driving under the influence and **b)** the law enforcement officer directing the test's administration has "reasonable grounds to believe that the person was driving or in actual physical control of a vehicle" while under the influence (or, in the case of an individual under 21, while having any spiritous liquor in the body). If

an individual refuses to submit to a test, the law enforcement officer is directed to a) file a certified report of the individual's refusal with the Department of Transportation, b) serve an order of suspension – effective 30 days hence - to the individual on the Department's behalf, c) require the immediate surrender of the license or permit, d) issue a temporary driving permit valid for thirty days, and e) forward certified copies of the refusal, the completed notice of suspension, and any completed temporary permit to the Department within five days. SB 1453 specifies that the "certified report of the refusal" must be filed with the Department within 30 days of the arrest, and that failure to do so - except in cases resulting in serious injury or death - may not result in an order of suspension. Additionally, as an alternative to immediate service of an order of suspension, permits the law enforcement officer to notify the person of the Department's eventual written communication of the suspension order pending the submission of the certified report. Amends statutory timeframes, specifying that any seized license or permit, and any certified report of refusal, must be submitted to the Department within 30 days. Specifies that any resulting order of suspension issued by the Department is effective 30 days after service. Amends statute in §28-1321 to mirror these changes. Specifies the contents of the Department's written notification of the order of suspension, including a) information on alcohol and drug education and treatment programs, b) disclosure of the 30-day license suspension timeframe, the individual's right to request a hearing or review, and the 30-day timeframe for such request, c) the necessity of passing a drug and alcohol screening post-suspension to have one's driving privilege reinstated, and d) the individual's ability to apply for a "special ignition interlock restricted driver license." Directs the Director of the Department to expunge a suspension if a) in an incident without death or serious physical injury, 12 months have passed without the individual being charged, or b) in an incident resulting in death or serious physical injury, 24 months have passed without the individual being charged. Provides, in cases where an individual is required to equip an ignition interlock device but is prevented from using it because of a medical condition, that the Department must instead require a monthly drug and alcohol screening.

SB 1594: aggravated assault; developmental disability; exception (*Wadsack*) (*Laws 2024, Ch. 113*) Effective Date: Sept. 14, 2024

**Summary:** Presently, an individual commits "aggravated assault" when they knowingly assault a health care worker, health care practitioner, or an individual summoned by a practitioner who is engaged in their professional duties. **SB 1594** exempts an individual's assault from the definition of "aggravated assault" if, despite assaulting the aforementioned parties, they are "unable to form the culpable mental state" because of a developmental or cognitive disability.

SB 1630: NOW: sex offender management board; establishment (*Bolick*) (*Laws* 2024, *Ch.* 241) Effective Date: Sept. 14, 2024.

**Summary:** Establishes a "Sex Offender Management Board" – comprised of, among other members, one member that represents a County Board of Supervisors or a Governing Council who represent a suburban or urban county, one member of a Board or Council who represents a rural county, one member that is a director of a county's human or social services department, and one member who is a public defender with recognizable expertise related to sex offenders – to develop procedures for evaluating, treating, monitoring, and researching evidence-based practices relating to sex offenders. Repeals the Board on January 1, 2033.

#### SB 1639: NOW: subsequent felony; sealing case records (Carroll) (Laws 2024, Ch. 244)

Effective Date: Sept. 14, 2024

**Summary:** Specifies that the Court may not grant or deny a petition to seal case records until 60 days after receiving the petition. Broadens the population of individuals who may petition to have their records sealed. Provides specificity to the list of offenses for which an individual with a sealed record must disclose their criminal history on employment, housing, financial aid, or loan applications. Permits the Board of Fingerprinting to consider sealed case records as a mitigating circumstance when determining whether to grant a good cause exception.

#### SB 1673: NOW: master jury list; juror information (Gowan) (Laws 2024, Ch 175)

Effective Date: Sept. 14, 2024

**Summary:** Amends the definition of "master jury list" to include "dates of birth and, if available, telephone numbers and email addresses" of eligible county residents.

#### SB 1675: prior felony conviction; aggravated DUI (Gowan) (Laws 2024, Ch. 60)

Effective Date: Sept. 14, 2024

**Summary:** Presently, § 13-105 (a) (iv) permits "aggravated driving or actual physical control while under the influence" to be used as a "historical prior felony conviction" in cases where "the offense for which the historical prior felony conviction is being alleged" is also "aggravated driving or actual physical control while under the influence." **SB 1675** amends statute to permit "aggravated driving or actual physical control while under the influence" to be used as a "historical prior felony conviction" if it occurred "within the five years immediately preceding the date of the present offense."

### SB 1683: peace officers; mutual aid agreements (*Gowan*) (*Laws* 2024, *Ch.* 185) Effective Date: Sept. 14, 2024

**Summary:** Requires the Sheriff of each county to develop and adopt a policy on cross-certification of peace officers from adjoining states, including whether it should be allowed in that county. Authorizes a peace officer employed by the county of an adjoining state to possess and exercise all law enforcement powers in Arizona for one year if the peace officer **a**) submits a written request for certification as a peace officer in Arizona to the Sheriff and **b**) provides evidence of their certification as a peace officer in their home state. Grants one year cross-certification to an out-of-state peace officer upon approval of the County Sheriff. Specifies that the peace officer's home state, not Arizona or its political subdivisions, is liable for damages arising from an act or failure to act by the officer. Charges the Arizona Peace Officer Standards and Training (AZPOST) Board with the duty to maintain records of all peace officers from adjoining states who become certified in Arizona. Exempts an adjoining state's peace officer from AZPOST certification requirements if an emergency in Arizona necessitates aid or assistance from the officer. Defines "emergency".

### HB 2045: dangerous drugs; definition; xylazine (*Bliss*) (*Laws* 2024, *Ch.* 85)

Effective Date: Sept. 14, 2024

**Summary:** Adds "xylazine" to the § 13-3401 definition of "dangerous drug." Exempts "licensed veterinarians who lawfully acquire, use, prescribe, dispense or administer any dangerous drug while acting in the course of their medical practice" from § 13-3407 crimes related to possession of, administration of, procuring, or transporting "dangerous drugs."

HB 2064: school safety zone; offenses; sentencing (Bliss) (Laws 2024, Ch. 86)

Effective Date: Sept. 14, 2024

**Summary:** Presently, an individual convicted of a felony offense committed in a school safety zone is eligible for imposition of a sentence "one year longer than the minimum, maximum, and presumptive sentence for that violation" or, if the person is a "criminal street gang member," "up to five years longer than the minimum, maximum, and presumptive sentence." Exempts sale of "marijuana, peyote, dangerous drugs or narcotic drugs in a drug free school zone," which is separately accounted for in § 13-3411, from this section. **HB 2064** specifies that a person "in a position of trust" convicted of offenses specified in § 13-3212 ("child sex trafficking"), Title 13; Chapter 14 ("sexual offenses"), or Title 13; Chapter 35.1 ("sexual exploitation of children") in a school safety zone are also eligible for the five-year sentencing enhancement currently reserved for "criminal street gang members."

HB 2191: property; criminal damage (Cook) (Laws 2024, Ch. 29)

Effective Date: Sept. 14, 2024

**Summary:** Previously, an individual committed the crime of "criminal damage" if – among other potential criteria – they "recklessly [park] any vehicle in such a manner as to deprive livestock of access to the only reasonably available water." "Criminal damage" ranges from a Class 2 misdemeanor to a Class 4 felony depending on the amount of associated damage. **HB 2191** broadened this definition of "criminal damage" beyond the parking of vehicles by removing reference to vehicles and substituting the language "physically obstructing a passageway."

HB 2241: bestiality; visual depiction; minors (Nguyen) (Laws 2024, Ch. 251)

Effective Date: Sept. 14, 2024

**Summary:** States that "possessing, distributing, transporting, exhibiting, selling, purchasing, or electronically transmitting" visual depictions of bestiality is a Class 1 misdemeanor.

HB 2243: fingerprinting; criminal history; records checks (*Nguyen*) (*Laws 2024, Ch. 188*) Effective Date: May 17, 2024, due to emergency clause.

**Summary:** Specifies, when the Board of Fingerprinting is evaluating whether an applicant is eligible to receive a "good cause exemption," the Board's ability to review reports received related to the individual's arrest, charging, or conviction for § 41-1758.07 or § 41-1758.08 offenses under the supervision of its Executive Director is limited to the application for a "good cause exemption." Expands this review to applicants who were previously denied a fingerprint card. Repeals language that a) directed the Board's Executive Director to report arrests, charges, or convictions of specified crimes (those enumerated in § 41-1758.03 and § 41-1758.07) to the state agencies listed on the application, and b) specified that the Board would not report an arrest, charging, or conviction to the state agency listed on the application of an individual who previously received a card under § 15-1881. Excepting ten-print fingerprint requirements, directs the chief officers of the state's criminal justice agencies and political subdivisions to "provide to the central state repository fingerprints and information concerning personal identification data. descriptions, crimes ... process control numbers and dispositions and other such information" for "violations that are not listed in this section." Permits these "chief officers" to provide "other biometric data" as may be pertinent. Defines "biometric data" as "any physical characteristics, including fingerprints and palm prints and face, tattoo, and iris images." States that fingerprints submitted to criminal or noncriminal justice agencies for criminal history records checks "may be searched through the Department and the Federal Bureau of Investigation" to conduct criminal history checks "through state and federal rap back services." Defines "rap back services" as "real-time or near real-time notifications of activity ... for authorized criminal or noncriminal justice purposes in which continuous evaluation ... is required." Similarly, permits the Department of Public Safety (DPS) to retain those fingerprints "for the purpose of being

searched by future submissions to the Department, including latent fingerprint searches." Specifies that when a nonprofit organization submits fingerprints for the purpose of "evaluating the fitness of all current and prospective employees," the fingerprints "may be searched by the Department to conduct state criminal history records checks." Permits DPS to use "rap back services" to update current fingerprint clearance card holders, notifying the employing agency of results, and the release of a criminal history record to the Board of Fingerprinting when evaluating a "good cause exception." Contains session law providing an interim status to individuals who have fulfilled all criteria save their federal criminal records check.

### HB 2245: narcotic drugs; fentanyl; sentencing (*Nguyen*) (*Laws* 2024, *Ch.* 66) Effective Date: Sept. 14. 2024.

**Summary:** Presently, statute prohibits possession or use of a narcotic drug, possession of a narcotic drug for sale, possession of equipment or chemicals for the purposes of manufacturing a narcotic drug, and transport or sale of narcotic drugs, among other related actions. **HB 2245** establishes sentencing guidelines, specifically in cases where an individual possesses, transports, or sells a narcotic drug, when the drug is "fentanyl in an amount of at least two hundred grams." For first-time offenders, sentences range from a minimum of five calendar years to a maximum of 15. For these offenders, the presumptive term of 10 years may be mitigated or aggravated. For repeat offenders, sentences range from a minimum of 10 calendar years to a maximum of 20.

## HB 2310: NOW: child enticement; classification; definition (*Grantham*) (*Laws 2024, Ch. 189*) Effective Date: Sept. 14, 2024.

**Summary:** Establishes the felony of "child enticement," which consists of **a)** luring or enticing, or attempting to lure or entice, a minor to distribute explicit images, or **b)** "committing any act in furtherance of or to facilitate the sexual abuse of a minor." Specifies that "child enticement" is initially a Class 5 felony, but that it is a Class 4 felony if the defendant "is in a position of trust." Specifies that this statute "does not prohibit the distribution of a visual depiction that taken as a whole has serious literary, artistic, political, or scientific value for minors."

# HB 2433: mental health transition program; release (*Livingston*) (*Laws* 2024, *Ch.* 35) Effective Date: Sept. 14, 2024.

**Summary:** Presently, up to 500 eligible Arizona Department of Corrections, Rehabilitation, and Reentry (ADCRR) inmates each fiscal year – defined in statute as inmates that **a)** "agree in writing to provide specific information," and **b)** are "diagnosed as seriously mentally ill and, on release ... eligible for Arizona Health Care Cost Containment System (AHCCCS) Benefits" (with further criteria possible through promulgation of ADCRR rule) - may be placed in a "mental health transition pilot program" where they are provided services, including "AHCCCS-funded services, case management, housing, psychiatric management" and more, for at least 90 days post-release. **HB 2433** exempts inmates convicted of specified violent crimes or sexual offenses from the "mental health transition pilot program," and amends statute to permit participating inmates to be released "three months earlier than the inmate's earliest release date based on the inmate's risk and need and rules adopted pursuant to this section." Additionally, **HB 2433** amends statute to explicitly permit participation for "the duration of the inmate's release."

HB 2479: missing; abducted; runaway children (Parker, B.) (Laws 2024, Ch. 146)

Effective Date: Sept. 14, 2024

Summary: Presently, § 8-810 requires the Department of Child Safety (DCS) – as well as local law enforcement agencies (LEA) - to take a number of actions when the Department receives notification - via a report made pursuant to § 13-3620 or information obtained "during the course of providing services" - indicating that a child who is a ward of the court, or in the Department's care, is "missing, abducted, or a runaway, and the child's location is unknown." **HB 2479** makes a number of modifications to this statute, including requiring: a) that the Department contact the child's school, friends or household members," as well as other persons who may have relevant information, b) that the Department contact the relevant LEA within 24 hours to determine if the situation "meets Amber Alert criteria or Silver Alert criteria," c) that the LEA "document its response" as to whether the situation meets those criteria, d) that the LEA work in tandem with the Department to provide local media - and post on social media - information about the child and their abductor. e) that law enforcement "update social media platforms with updated information regarding the missing, abducted, or runaway child," f) that the LEA work to create age-appropriate progression images for children missing more than two years, g) that the Department contact the LEA every seven days until a missing child is located or reaches the age of majority, h) that the Department provide an initial training on policies related to missing, abducted, or runaway children to new employees, i) that Department efforts outlined in § 8-810 (F) – now (H) – be undertaken monthly, j) that the Department request that the appropriate LEA perform welfare checks "at any location where the child may be," k) that existing post-location action requirements be performed within 24 hours, and I) that the Department report to the appropriate LEA "if it is determined that the child is a sex trafficking victim." Directs the Department to create a checklist to track the Departments duties under this section and - beginning 90 days after the bill's effective date - issue monthly reports to the Governor, the Senate President, and the Speaker of the House detailing: a) the names of all current missing, abducted, and runaway children, b) a report as to whether the Department has successfully followed statutory timeframes, c) the Department's compliance with ongoing search efforts, d) the Department's compliance with post-location statutory requirements, and e) the reason why a child, since returned to the Department, ran away. Directs the Department, starting 150 days after the bill's effective date, to submit a report to the Joint Legislative Budget Committee (JLBC) and the Senate and House Health and Human Services (HHS) Committees on a) the Department's compliance with statutory requirements relevant to missing children, b) the number of missing, abducted, and runaway children, c) the number of the aforementioned children who have been found, and d) the percentage of times the Department was in compliance with specified requirements. Directs the Department, if the monthly report to JLBC and the Legislature's HHS committees shows a compliance rate less than 95%, to establish a "Missing, Abducted, and Runaway Children Unit" - operational 24 hours a day - to ensure compliance. Empowers the Legislature to "convene an oversight committee to address problems and deviations ... and recommend corrective plans" and receive an annual independent audit.

HB 2490: proper venue; challenges; policy statements (*Bliss*) (*Laws 2024, Ch. 194*) Effective Date: Sept. 14, 2024

**Summary:** Provides for a party appealing a "final administrative decision" to bring an action to the Superior Court in "any proper venue." Defines "proper venue" as: a) "the county where the plaintiff, claimant, or appellant resides," b) "the county where the plaintiff's, claimant's, or appellant's principal place of business is located," c) "the county where the agency is headquartered," and d) Maricopa County. Unless otherwise provided by statute, prohibits an agency from a) "restricting the proper venue for any appeal of a final administrative decision" or b) requiring "a party to travel to the agency's county, venue, or headquarters to submit or receive documentation."

#### HB 2508: NOW: public alarm; false reporting; classification (Gress) (Laws 2024, Ch. 97)

Effective Date: Sept. 14, 2024

**Summary:** Presently, an individual commits "false reporting" – initially a Class 1 misdemeanor, then a Class 6 felony – by "initiating or circulating a report of a bombing, fire, offense, or other emergency knowing that such report is false and intending" that **a**) it will cause action by an official or volunteer agency organized to deal with emergencies, **b**) it will place an individual in fear of "imminent serious physical injury," and **c**) "that it will prevent or interrupt the occupation of any building, room, place of assembly, public place or means of transportation." **HB 2508** adds "false reporting by initiating a report ... involving an educational institution or nay place used for worship or for religious services" to the definition of "false reporting" and states that false reporting in these circumstances immediately constitutes a Class 6 felony. The bill also removes the term "offense" from the original definition of "false reporting."

#### HB 2511: diversion; juvenile; conditions (Martinez) (Laws 2024, Ch. 39)

Effective Date: Sept. 14, 2024

**Summary:** Presently, juveniles accused of "incorrigible acts" **a)** who are eligible for diversion, **b)** whose prosecution a County Attorney chooses to divert, and **c)** who, during a personal interview with a juvenile probation officer, "acknowledges responsibility for the delinquent or incorrigible act," will be required to fulfill one or more statutory conditions as an alternative to prosecution. **HB 2511** amends statute by adding an additional potential condition for diversion – "participation in a religious program that is approved by the court" – with the caveat that **a)** "the juvenile's participation must be voluntary," and **b)** "the purpose of the program may not include any effort to coerce the juvenile to adopt or change any religious affiliation or beliefs."

#### HB 2623: vacate conviction; sex trafficking; victims (Gress) (Laws 2024, Ch. 195)

Effective Date: Sept. 14, 2024

**Summary:** Presently, state statute permits an individual convicted of "engaging in prostitution" (§ 13-3214) – or a substantially similar municipal ordinance – to apply for the vacation of their conviction by a Court if, "by clear and convincing evidence," the Court finds that their participation was a result of being a victim of sex trafficking (§ 13-1307). **HB 2623** expands this ability to victims of child sex trafficking (§ 13-3212).

### HB 2665: child sex trafficking; facilitating prostitution (*Biasiucci*) (*Laws* 2024, Ch. 255)

Effective Date: Sept. 14, 2024

**Summary:** Expands the crime of "child sex trafficking" to include "engaging in prostitution with a person for the purpose of facilitating the prostitution of a minor." Specifies that it is not a defense if a peace officer posed "as a person facilitating the prostitution of a minor." Specifies the statutory references for crimes of sexual assault that warrant an additional assessment. Expands the prohibition against introduction of evidence related to chastity.

#### HB 2677: abortion ban; repeal (Stahl Hamilton) (Laws 2024, Ch. 181)

Effective Date: Sept. 14, 2024

**Summary:** Repeals § 13-3603, which specifies that "a person who provides, supplies, or administers to a pregnant woman, or procures such woman to take any medicine, drugs, or substance, or uses or employs any instrument or other means whatever, with intent thereby to procure the miscarriage of such woman, unless it is necessary to save her life, shall be punished by imprisonment in the state prison for not less than two years nor more than five years."

HB 2742: aggravated assault; transit; airport; rail (Hernandez, C.) (Laws 2024, Ch. 257)

Effective Date: Sept. 14, 2024

Summary: Specifies that assault of a public transit employee, airport employee, or railway worker

engaged in the course of their duties constitutes "aggravated assault."

#### **ELECTIONS**

SB 1063: political signs; removal; elections (Kavanagh) (Laws 2024, Ch. 170)

Effective Date: Sept. 14, 2024

**Summary:** Presently, it is a Class 2 misdemeanor to "knowingly remove, alter, deface, or cover" any political sign for a period commencing 45 days before the primary election and lasting until 15 days after the general election. If a candidate fails to advance to the general, that period ends 15 days after the primary. **SB 1063** amends this statute, specifying that the period where removal of a sign is a misdemeanor extends from 71 days before "an election" to 15 days after "an election." For candidates who see success in the primary election, this period's end is extended to 15 days after the general election. Within a subsequent section (§ 16-1019 (C)) prohibiting a locality from removing a sign during certain timeframes, specifies that this protection extends to signs supporting or opposing a "question or issue." Finally, specifies that protections for signs supporting or opposing a ballot measure, question, or issue are only applicable "for the election at which the ballot measure, question, or issue is scheduled to appear."

SB 1278: NOW: legislative vacancies; appointment (Mesnard) (*Laws 2024, Ch. 174*) Effective Date: Sept. 14, 2024

Summary: Amends, or introduces, statutory timelines for a Board of Supervisors' appointment to a legislative vacancy. If the legislative district has "at least thirty elected committeemen," then: a) the state party chair must provide notice of an initial meeting of the precinct committeemen (PCs) within three calendar days, rather than business days, b) the district's PCs must meet and select their three nominees to the vacancy within five calendar days if the Legislature is in-session, in a special session, or if a special session is pending, and within 21 calendar days in all other circumstances, and c) and the Board shall make an appointment from the three nominees within 10 calendar days if the Legislature is in session – whether regular or special – or if a special session is pending and within 21 calendar days in all other instances. Similarly, a citizens' panel - which chooses three nominees if a) the legislative district has "fewer than thirty elected committeemen" or b) the PCs in a district with an adequate number of committeemen cannot select nominees - must: i) be organized by the Board within seven calendar - rather than business - days, ii) meet and send their nominees to the Board within either five calendar days (if the Legislature is, or will be, in session) or 21 calendar days otherwise, and c) have the ultimate appointee chosen by the Board within 10 calendar days (in the case of a session, special session, or pending special session) or 21 calendar days (in all other scenarios). Crucially, a Board's inability to fill a vacancy within the specified 10- or 21-day timeframes will pass the decision between the three nominees to the relevant state party chair (with a three-calendar-day shot-clock). Finally, if one of the district's three nominees withdraws before the Board can make their decision, the state party chair is empowered to immediately select an alternative nominee who a) meets the requirements for legislative service, b) resides - at the time of nomination - in the same district and county, and c) is a member of the same political party as the previous nominee.

SB 1280: school boards; sex offender registry (Hoffman) (Laws 2024, Ch. 11)

Effective Date: Sept. 14, 2024

**Summary:** Declares that "a person who is subject to registration as a sex offender" is ineligible to run for a school district governing board and prohibits their appointment to a board vacancy by the County School Superintendent.

SB 1285: local candidates; petitions; electronic signatures (*Hoffman*) (*Laws 2024, Ch. 2*) Effective Date: March 6, 2024, due to an emergency clause. Summary:

- **Signature Curing:** Provides further specification to the **HB 2785** provision that required City and Town Clerks' offices to be available for signature curing, specifying that the only offices affected are those "that have an agreement with a county to be used as locations at which a voter may submit proof of identification." Defines "regular business hours" as "at a minimum 8:00 A.M. until 5:00 P.M."
- Conditional Provisional Ballots: Amends statute outlining the timeline for curing conditional provisional ballots to mirror the HB 2785 timeframes for signature curing (five calendar days for 2024, 2025, and 2026 elections containing a federal office, three business days for elections without a federal office, and five business days for all other [non-2024, 2025, and 2026] elections containing a federal office).
- E-QUAL; Grandfathering; 2024: Specifies that electronic signatures using the former primary election date for nomination and city, town, or county initiative petitions shall not be rejected "based solely on the date of the primary election."
- Statement of Interest; Grandfathering; 2024: Prohibits a candidate from being required to file a new or amended statement of interest "based solely on the change in the 2024 primary election date."
- City, Town, and County Matters; Grandfathering; 2024: States that an election item "duly called by a city, town, or county ... for the August 6, 2024, primary election date shall be placed on the ballot for the newly designated primary election date."
- E-QUAL; Buffer: Beginning in 2025, permits candidates for city or town office, county office, or the office of precinct committeemen to collect up to 110% of the minimum number of required nomination petition signatures via E-QUAL.

SB 1342: elections; parties; hand count audits (*Kavanagh*) (*Laws* 2024, *Ch.* 79) Effective Date: Sept. 14, 2024

Summary: Presently, individuals are selected for participation in the statutorily required postelection county hand count must be submitted by "the county chairman of each political party." At
least two board workers "who are registered members of any or no political party" must be appointed
per precinct, and, lacking such numbers, the County Recorder or Officer In-Charge of Elections
(OICE) may "substitute additional individual electors ... from anywhere in the state without regard to
party designation" with the permission of at least two county party chairpersons. If the number of
board members provided is "less than four times the number of precincts to be audited," the hand
count may not proceed unless a sufficient number is reached by 5:00 P.M. on the Thursday
preceding the election. The hand count may not proceed if more than 75% of election board
members are from the same political party. SB 1342 amends the process by which partisan
election board members are made available. While the county chairperson of each political party
is responsible for designating and providing the requisite number of election board members, their
failure to designate an adequate number escalates the responsibility first to the state party
chairperson and, subsequently, to the highest-ranking official of that political party that holds
statewide office. Additionally, SB 1342 shifts deadlines for provision of members, notification by

County Recorder or OICE of deficiencies, and provision of a sufficient number of members from the Tuesday, Wednesday, and Thursday preceding the election to the second Tuesday, second Wednesday, and second Thursday preceding the election. Requires the OICE to distribute the list of additional qualified electors – following an identified shortage – to county and state party chairpersons "not later than 5:00 P.M. on the second Friday preceding the election." Requires the results of a hand count to be published on the county's – and the Secretary of State's – website. Continues to permit the County Recorder or OICE to prohibit disruptive persons, and individuals unable to perform assigned tasks, from participating in the hand count.

### SB 1359: NOW: election communications; deepfakes; prohibition (*Carroll*) (*Laws* 2023; *Ch.* 199) Effective Date: Sept. 14, 2024

**Summary:** Within 90 days of an election, prohibits an individual "who acts as a creator" from creating or distributing a "synthetic media message that the person knows is a deceptive and fraudulent deepfake" of a candidate for office in that election "unless the synthetic media message includes a clear and conspicuous disclosure ... that the media includes content generated by artificial intelligence." Exempts **a)** media constituting satire or parody and **b)** internet service providers from this statute. States that individuals who fail to make such a disclosure are liable for a daily civil penalty of \$10 for the first 15 days and \$25 for each subsequent day.

#### SB 1571: campaign finance report; statewide office (Shope) (Laws 2023, Ch. 112)

Effective Date: April 8, 2024, due to an emergency clause.

**Summary:** Requires a statewide candidate's candidate committee to "file a campaign finance report during each calendar quarter comprising the forty-eight-month period preceding the general election for the office."

HB 2080: elections; municipal vacancies; primary (Hendrix) (Laws 2024, Ch. 114)

Effective Date: Sept. 14, 2024

**Summary:** Currently, § 9-821.01 permits a city or town to enact an ordinance providing that any candidate for Mayor or City Council "who receives a majority of all votes cast" in the primary election shall be declared elevated to the office "effective as of the date of the general election." **HB 2080** specifies, if the individual holding the office at the time of the primary election "is holding that office by appointment," that a candidate for the remainder of their term, or a new term, shall be seated after the primary election's canvass and certification and the subsequent administration of the oath of office - if they win the majority of all votes cast during the primary. Mirrors this language in statute detailing Council vacancies, noting that an individual may be seated in the vacancy post-primary if they win a majority of all votes cast. States that if more than one candidate receives a majority of all votes cast, the order of seating is to be determined by number of votes.

### HB 2394: NOW: digital impersonations; injunctive relief; requirements (*Kolodin*) (*Laws 2024, Ch.* 193)

Effective Date: May 21, 2024, due to an emergency clause.

**Summary:** Permits a candidate for public office, or political party office, who will appear on an Arizona ballot to bring an action for digital impersonation within two years of the date the impersonation was published. A plaintiff must prove that the impersonation **a)** was published without their consent and **b)** that it was either not communicated, or not obvious, that the recording or image was an impersonation. In addition to the aforementioned criteria, the candidate must also prove one of the following conditions: **a)** the person will be a candidate for office in an election to be held within 180 days, **b)** the digital impersonation features the individual naked or engaging in a criminal or sexual act, **c)** in the absence of relief, the individual can be

expected to suffer significant personal hardship, financial hardship, or the loss of employment opportunities, or d) in the absence of relief, the individual's reputation will be irreparably harmed. Permits the candidate bringing the action to file "a complaint and a motion for preliminary declaratory relief" in the Superior Court. Directs the plaintiff to make "diligent efforts" to serve and provide prompt notice to all defendants, but specifies that a defendant's failure to appear does not preclude the granting of the requested relief. Requires the Court to rule on the motion within two days - excluding Saturdays, Sundays, and holidays - and states that the order granting preliminary declaratory relief must include: a) the date and hour the order was issued, b) why the order was issued without notice, c) the date and hour of the order's expiration, and d) any additional information deemed necessary. Limits the granting of relief in cases where the defendant does not appear to instances where the plaintiff explains why, with the exercise of reasonable diligence, the defendant could not be served. States that if the defendant is not served within 90 days, the preliminary relief shall expire unless the Court finds that the interests of justice require otherwise. Permits the plaintiff to seek injunctive relief and damages only in cases where: a) the impersonation depicts the plaintiff naked or engaging in sexual acts, b) the plaintiff was not a public figure, or a limited public figure, at the time of the cause of action, and c) the depiction was published with the knowledge - or, lacking the knowledge, was not removed in sufficient time that the depiction was an impersonation. Specifies that "reasonable corrective action" includes disabling access to the impersonation and publishing a statement indicating the depiction was an impersonation. Outlines standards of proof for the actions permitted by this law. Specifies that this section shall be narrowly construed in favor of both free and open discourse on matters of public: concern and artistic expression." States that parties to contested actions seeking permanent declaratory relief, permanent injunctive relief, or damages have a right to trial by jury.

HB 2474: new party recognition; signatures; circulators (*Kolodin*) (*Laws* 2024, *Ch.* 145) Effective Date: April 10, 2024, due to an emergency clause.

**Summary:** Deems "null and void" any signature sheet for a new party petition containing one or more signatures collected 24 or more months before the primary "for which the party seeks recognition." Directs the filing officer to remove the signature sheet from the petition and prohibits them from accepting that signature sheet for filing.

HB 2482: voter registration changes; text notice (*Parker*, B.) (*Laws* 2024, Ch. 73) Effective Date: Sept. 14, 2024

**Summary:** Requires the County Recorder, when making a change to a registered voter's registration information, to notify the elector by text or email – whichever the voter has requested via their "subscription preferences" - within 24 hours of the change. If the elector has not subscribed to the voter registration alert system, the County Recorder is directed to notify the elector in writing within 10 days of making the change. Specifies that the written notice must include instructions for a) checking registration status, b) revising registration information, and c) notifying the County Recorder "if the elector did not request or authorize the change."

HB 2497: NOW: judicial offices; petitions; electronic signatures (*Bliss*) (*Laws* 2024, *Ch.* 148) Effective Date: Sept. 14, 2024

**Summary:** Directs the Secretary of State to provide a system for qualified electors "to sign a nomination petition" for judicial offices requiring nominating petitions and the office of the Clerk of the Superior Court "by way of a secure internet portal." Requires this system to only allow "qualified electors who are eligible to sign the petition" to do so, and - additionally - "provide a method for the qualified elector's identity to be properly verified." Permits the aforementioned two classes of

candidates the ability "to collect up to an amount equal to twenty-five percent more than the full number of required nomination petition signatures."

HB 2785: primary; identification; canvass; recounts; ballots (*Kolodin*) (*Laws 2024, Ch. 1*) Effective Date: Feb. 9, 2024, due to an emergency clause. Summary:

- **Date (2024 Primary Election):** In session law, specifies that the 2024 Primary Election will be on July 30, 2024.
- **Petition Validity (2024 Primary Election):** Permits submission and acceptance of nomination petition signatures as well as county, city, or town initiative petitions that listed the previous date of the 2024 Primary Election.
- **Ballot Proofing:** Shortens the statutorily permitted window for ballot proofing by County Party Chairs from five days to two days.
- Cure Period: Specifies, during primary, general, and special elections that contain federal offices, that the County Recorder and City or Town Clerks' offices must be open during regular business hours during the Friday and weekend before and the Friday and the weekend after the election to allow for the curing of signatures. In session law, specifies that County Recorders or officers in-charge of elections (OICE) must require signature curing within five calendar days of primary, general, or special elections in 2024, 2025, and 2026. In all other elections, requires curing by the third business day. Amends the timeframe for provisional ballot research in a similar fashion.
- Canvassing: Specifies when the governing body of counties, cities, and towns, as well as the Secretary of State (SoS), must canvass an election. Requires delivery of the Primary canvass to the SoS within 13 calendar days, subsequently requires the SoS's canvass by the third Thursday following the Primary. Requires the Board to send the canvass to the SoS physically and electronically, but states that electronic delivery may suffice for the SoS to canvass statewide if evidence of the canvass' mailing is included. Requires the SoS to canvass the General Election by the third Monday following the election. Repeals language permitting the SoS to postpone the statewide canvass day-to-day if a county's official canvass has not been received.
- **Recount:** Requires the SoS to certify the facts requiring a recount "within 24 hours after the last county canvass or the last day for county canvasses prescribed by § 16-642, whichever is earlier." Requires the Superior Court to promptly enter an order requiring a recount. Requires the SoS to conduct logic and accuracy testing "not more than two calendar days after the Court orders a recount." Specifies supervision of the recount, as well as who is not able to serve as contract staff. Requires political party Chairpersons to conduct statutory hand counts simultaneous with the recount.
- **Signature Verification:** Codifies signature verification procedures based on the 2020 Secretary of State Signature Verification Guide, specifying that the section **a)** "does not modify the grounds on which a party-appointed challenger may challenge an early ballot," **b)** does not require signature evaluators to examine "broad" or "local characteristics" one at a time, and **c)** "is not intended to require an exact match."
  - First, requires that evaluator compare the "broad characteristics" (defined) of the ballot affidavit signature with the "broad characteristics" of the signature in the registration record.
    - If the "broad characteristics" of the two signatures are "clearly consistent" (defined), the signature may be accepted.

- o If the evaluator finds discrepancies between the "broad characteristics" of the ballot affidavit and registration record signatures, they must then evaluate the "local characteristics" (defined) of the two signatures.
  - If the "local characteristics" of the two signatures are "clearly consistent," the signature may be accepted.
- If the evaluator on examining both "broad" and "local characteristics" of the two signatures – finds "a combination of broad and local characteristic differences," the evaluator must denote the ballot affidavit signature for a second review using the same standards.
- Early Voting; Signature Curing; Political Parties: From the beginning of the early voting period "through the Monday immediately preceding the election," requires the County Recorder or the OICE to submit "an updated list of all voters whose signatures are missing or inconsistent with the voter's signature on the voter's registration record" to "the political parties that are qualified for continued representation on the state ballot" on a daily basis.
- Post-Election; Signature Curing; Political Parties: "Beginning on the Wednesday immediately following the election through the end of the signature cure period after a Primary, General, or Special Election that includes a federal office, or the third business day after the election for any other election," requires the County Recorder or the OICE to submit "an updated list of all voters whose signatures are inconsistent ... and all voters who voted with a conditional provisional ballot" to "the political parties that are qualified for continued representation on the state ballot" on a daily basis.
- Early Ballot Reporting: Requires the County Recorder or OICE to count the number of early ballots returned to polling places on Election Day and report those totals on its website with the night's last unofficial results.
- **Prohibitions:** Prohibits a County Recorder or OICE from accessing a "complete results file of early voting and vote-by-mail ballots that were processed and tabulated by the end of the early voting period," producing for internal or external use "an aggregated results report or associated files of complete results," or publicly releasing complete or partial results "until all precincts have reported or one hour after the closing of the polls on Election Day, whichever is earlier." Additionally, only permits production of a partial results report or associated files if the production is part of internal preparation for the hand count or logic and accuracy testing. Requires the County Recorder or OICE to publish corroborating, compliance-verifying system logs and "other similar files" within 48 hours.
- Optional Identification: Beginning in 2026, permits qualified electors with early ballots to show identification when dropping the ballot off at polling place. Requires the elections official to verify the participating voter's name and address, stamp the verified ballot's signed affidavit with an "I.D. Verified" stamp, and maintain a tally of the number of ballots deposited in a secured ballot box. Requires chain of custody for those ballots, as well as a signed affidavit by an elections official.
- Hours; On-Site Early Voting & Emergency Voting: Extends the operational hours of onsite early voting locations on the Friday before an election, changing the time of their closure to 7:00 P.M. Relatedly, amends the hours of emergency voting to begin at 7:00 P.M. on the Friday before an election.
- **Polling Locations; State Facilities:** Beginning in 2026, requires the Arizona Department of Administration to cooperate with counties and "provide available and appropriate stateowned facilities for use as a voting location for any city, county, or state election when requested by the OICE."

#### **EMERGENCY MANAGEMENT**

HB 2751: interstate compact; fire management; aid (Cook) (Laws 2024, Ch. 190)

Effective Date: May 17, 2024, due to an emergency clause.

**Summary:** Grants the Governor authority to enter into a compact "to promote effective prevention and control of forest fires in the Great Plains region of the United States by maintaining adequate forest firefighting services by the member states and by providing for reciprocal aid in fighting forest fires among the compacting states of the region." Empowers each participating state's State Forester to **a**) administer the compact, **b**) consult with other member states' like officials, and **c**) "implement cooperation between the states in forest fire prevention and control." Specifies that compact members, if aid is requested, "may render all possible aid to the requesting agency, consonant with maintaining protection at home." States that the forces of a member state, when rendering aid outside that state under the compact "have the same powers … duties, rights, privileges, and immunities as comparable employees of the state to which they are rendering aid." Exempts the power of arrest. Specifies that liability, except as otherwise provided, shall "be assumed and borne by the requesting state." Permits a member state rendering outside aid to seek reimbursement "for any loss or damage to, or expense incurred in the operation of, any equipment used in answering a request for aid, and for the cost of all materials, transportation, wages, salaries, and maintenance of employees and equipment incurred in connection with the request."

HB 2767: emergency management assistance; reimbursement (*Bliss*) (*Laws 2024, Ch. 191*) Effective Date: Sept. 14, 2024

Summary: Specifies that monies in the "Emergency Management Assistance Compact Revolving Fund" – now, the "Emergency Management Assistance and Arizona Mutual Aid Compact Revolving Fund" – may be used to reimburse "supporting partners of this state" that render aid as a part of "Arizona Mutual Aid Compact requests ... coordinated and approved by the Division." Defines "supporting partner" as "any county, city, town, private water or wastewater utility, special taxing district or federally recognized Indian tribe that has a fully executed Arizona Mutual Aid Compact agreement."

#### **ENVIRONMENTAL HEALTH**

HB 2195: on-site wastewater treatment facilities; permitting (*Hendrix*) (*Laws* 2024, *Ch.* 137) Effective Date: Sept. 14, 2024

Summary: States that – until "revised rules" proposed after December 31, 2024, by the Arizona Department of Environmental Quality (ADEQ) are effective – on-site wastewater treatment facilities (OSWTF) with designed flows of between 3,000 gallons-per-day (GPD) and 75,000 GPD may discharge under a general permit if a) the OSWTF complies with existing rules and b) the OSWTF is operated by a service provider "certified by the technology manufacturer." Requires the Director of ADEQ to "include an addendum to the general permit authorization" requiring OSWTFs to "conduct maintenance, monitoring, recordkeeping, and reporting." For OSWTFs with designed flows of 50,000 GPD or more, or for sites with multiple OSWTFs, permits the Director to "require the facility by an addendum ... to provide adequate financial assurance." Grants the Director of ADEQ authority to establish general permit fees for a) OSWTFs with flows between 3,000 GPD and 75,000 GPD and b) sites with multiple OSWTFs. Requires permittees with OSWTFs with flows greater than 3,000 GPD to transition the permittees facility "consistent with the revised on-site wastewater treatment facility permit program" within 180 days of the rules' effective date. Contains legislative intent language directing base fees to explicitly cover "direct and indirect costs."

HB 2367: solid waste; fees; rules (Griffin) (Laws 2024, Ch. 121)

Effective Date: April 9, 2024, due to an emergency clause.

Summary: Permits the Director of the Arizona Department of Environmental Quality to, via rulemaking, establish (or increase) fees related to the following categories: a) retail and wholesale sale of new tires (Sec. 1), b) sale of tires to governmental entities (Sec. 1), c) waste tire collection sites (Sec. 2), d) storage of waste tires outdoors (Sec. 3), e) lead acid battery disposal (Sec. 4), f) septage hauling (Sec. 5), g) general permits (Sec. 6), h) solid waste landfills (Sec. 7), i) storage, collection, transportation, treatment, and disposal of biohazardous medical waste (Sec. 8), j) solid waste facilities (Sec. 8), k) post-closure facilities (Sec. 8), l) biosolids processing and composting (Sec. 8), m) solid waste facility plan review (Sec. 9), n) self-certification solid waste facilities (Sec. 11), o) used oil handling (Sec. 12), p) solid waste landfill disposal (Sec. 13), q) special waste storage, treatment, and disposal (Sec. 14), and r) special waste management plans (Sec. 15). HB 2367 specifies that the fees in rule must be based on the Department's costs and that they "impose the least burden and cost to the parties subject to the fees."

HB 2628: department of environmental quality; omnibus (Griffin) (Laws 2024, Ch. 150)

**Effective Date:** Sept. 14, 2024. Includes a conditional enactment clause for § 49-542, relating to the Department's emissions inspection program, making that implementation contingent on the Environmental Protection Agency's approval of modifications contained in *Laws 2021*, *Ch. 27* and *Laws 2023*; *Ch. 78*.

Summary: Specifies that a solid waste disposal site may knowingly accept waste tires if "the Director has approved waste tire disposal pursuant to the site's solid waste facility plan." Allows the Director of the Arizona Department of Environmental Quality (ADEQ) to permit the disposal of whole tires - "with or without rims" - if the disposal is pursuant to a "solid waste facility plan" and done a) "as a layer immediately above the base liner system of a new solid waste landfill" or, b) "buried with other waste at a depth of fifty feet or more." Specifies that the Small Drinking Water Systems Fund and the Monitoring Assistance Fund can also consist of "federal monies." Amends the Monitoring Assistance Fund upper fund limit – beyond which fund monies must be dedicating to lowering fees – from \$200,000 to "the average annual operating costs as measured by the three preceding fiscal years." Permits ADEQ to adopt rules establishing criteria for a public water system to opt out of the Monitoring Assistance Program. Allows ADEQ to conduct additional sampling for a public water system that triggers a detection limit set by rule. For the purposes of determining compliance with minimum emissions standards, that "a motor vehicle with a model year of 1981 or later, with a gross vehicle weight rating of more than 8,500 pounds" shall be required to pass a a) steady state loaded test, b) a curb idle test, or c) another test approved under the federal Clean Air Act. Amends the definition of a "closed solid waste facility." Removes language requiring "recycling facilities" to "handle wastes that have a significant adverse effect on the environment." Rephrases "conditionally exempt small generator waste" as "very small quantity generator waste."

#### **HOUSING**

HB 2146: mobile homes; cooling; prohibitions (Cook) (Laws 2024; Ch. 64)

Effective Date: April 2, 2024, due to an emergency clause.

**Summary:** Prohibits the owner or operator of a mobile home park from denying a tenant the opportunity to install "reasonably necessary commercial cooling methods" on their mobile home.

HB 2316: NOW: mobile home; relocation; building codes (Gress) (Laws 2024, Ch. 92)

Effective Date: April 8, 2024, due to an emergency clause.

Summary: Presently, a mobile home park tenant is eligible for payment from the Mobile Home Relocation Fund if they a) own their mobile home, b) are subject to a rent increase totaling more than 10% in a twelve-month period, and c) the rent increase will be effective "at the expiration or renewal of the tenant's rental agreement." Further, an eligible tenant may receive "relocation expenses" from the fund if a) they submit a timely contract for the home's relocation to the Director of the Department of Housing and their landlord, b) before the increase's effective date, they have a "fully-signed" contract with a licensed installer or contractor to move the mobile home within 45 days of the rent increase, and c) the Director approves the contract. The contractor is paid when a) it obtains valid permits to move the home, and b) they can provide documentation that the mobile or manufactured home has been installed. The tenant is eligible for "the lesser" of a) the actual moving expenses of relocating the home or b) \$7,500 for a single-section mobile home or \$12,500 for a multi-section mobile home. As an alternative, an eligible tenant may abandon the mobile home in the park and collect 25% of the maximum moving expense from the fund. Tenants are also permitted to receive a payment from the Mobile Home Relocation Fund if their landlord transitions their age-restricted community to an all-ages community, and statute relating to payments is generally mirrored with that of the rent increase section. HB 2316 removes language requiring the "fully-signed" contract with an installer or contractor to include provisions guaranteeing the mobile home is moved within 45 days of the rent increase or notice of the Director's approval (for a community population transition), increases the allowable compensation for a single-section mobile home from \$7,500 to \$12,500, increases the allowable compensation for a multi-section mobile home from \$12,500 to \$20,000, and increases the amount a tenant may receive if they choose to abandon their home from 25% of the allowable payment to 40%.

#### **HUMAN RESOURCES & INSURANCE**

SB 1070: virtual credit cards; payment method (Shope) (Laws 2024, Ch. 48)

Effective Date: Sept. 14, 2024.

**Summary:** Requires a health insurer to accept "tangible checks" as a form of acceptable payment. Additionally, states that a health care provider's decision to "[opt] out of a method of payment" remains in effect "until the ... provider opts back in to the prior method of payment or a new contract is executed."

SB 1402: health care; costs; reimbursement (*Shamp*) (*Laws* 2024, *Ch.* 184) Effective Date: Sept. 14, 2024.

**Summary:** Permits a health insurer to establish a program "that provides a savings incentive for enrollees for medically necessary covered health care services that health care providers and health care facilities provide at a price that is below the health insurer's usual reimbursement." Specifies that this program may enable an eligible enrollee "to have the amount the enrollee pays applied toward the enrollee's deductible and out-of-pocket maximum and be reimbursed for a portion of the amount of the difference between the price ... paid and the health insurer's usual reimbursement."

SB 1677: firefighters; peace officers; PTSD; therapy (Gowan) (Laws 2024, Ch. 203)

**Effective Date:** Enactment is **conditional** on the Food and Drug Administration's approval of midomafetamine for the treatment of post-traumatic stress disorder.

**Summary:** Requires employers to provide workers' compensation coverage to firefighters and certified peace officers who **a**) have been diagnosed with post-traumatic stress disorder (PTSD) by a licensed mental health professional and **b**) who have an accepted workers' compensation claim for

PTSD. States that, "if an independent medical examination reveals a treatment protocol of midomafetamine is deemed a reasonable and necessary treatment" and follows Industrial Commission of Arizona (ICA) treatment guidelines, the workers' compensation coverage "may include one complete course of a treatment protocol of midomafetamine as prescribed by a psychiatrist." Requires the ICA to annually submit a report of the costs of midomafetamine treatment to the Joint Legislative Budget Committee.

HB 2093: emergency services; prudent layperson; definition (*Parker*) (*Laws 2024, Ch. 24*) Effective Date: Sept. 14, 2024.

Summary: In Title 20; Chapter 17, which contains laws related to insurance and "access to emergency health care," "emergency services" are defined as services provided "after the recent onset of a medical condition that manifests itself by symptoms of sufficient severity that the absence of immediate medical attention could reasonably be expected to result in" several enumerated consequences to an individual's health. These consequences include "serious jeopardy to the patient's health," "serious dysfunction of any bodily organ or part," and "serious impairment to bodily functions." HB 2093 amends the definition of "emergency services" in two ways. First, rather than defining "emergency services" as health care services addressing symptoms that "could reasonably be expected" to result in enumerated consequences, the bill specifies that these symptoms can include "severe pain" and that they must instead be "such that a prudent layperson who possesses an average knowledge of health and medicine could reasonably expect" them to result in the aforementioned health consequences. Additionally, the bill amends the enumerated health consequences by a) specifying that "serious jeopardy to the patient's health" can include "mental health," b) specifying that a "serious impairment to bodily functions" or "serious dysfunction of any bodily organ" must specifically impact the patient, and c) adding "harm to the patient or others" as a qualifying consequence.

HB 2103: NOW: constables, traumatic event counseling (*Payne*) (*Laws 2024, Ch. 115*) Effective Date: Sept. 14, 2024.

**Summary:** Amends § 38-673, which provides "peace officers, firefighters, and 911 dispatchers" exposed to any one of several traumatic events detailed in statute with "up to twelve visits of licensed counseling ... paid for by the employer," to specify that constables and deputy constables are to be included under the definition of "peace officer."

HB 2444: grievance process; payment methods; report (*Montenegro*) (*Laws 2024, Ch. 72*) Effective Date: Sept. 14, 2024

**Summary:** In "dispute resolution" statutes related to "timely payment of [insurance] claims," states that a grievance "includes any delay in the timeliness of claim adjudication that results in a delay of payment of a clean claim." Directs the Department of Insurance and Financial Institutions to annually report on the following metrics for the prior fiscal year: a) the total number of grievances received, b) the average time to resolve a grievance, and c) the percentage of grievances where an insurers' decision was overturned. States that statute does not preclude a provider from collecting monies for uncovered or disallowed claims with the written consent of the patient. Requires a health insurer to accept "tangible checks" as a form of acceptable payment. Additionally, states that a health care provider's decision to "[opt] out of a method of payment" remains in effect "until the ... provider opts back in to the prior method of payment or a new contract is executed."

HB 2461: duty of care; leased vehicles (Cook) (Laws 2024, Ch. 144)

Effective Date: Sept. 14, 2024.

**Summary:** States that, in a civil action where a "covered motor vehicle" is involved in an accident, "there is no obligation or duty of care for an owner, lessor, or operator of the covered motor vehicle ... to retrofit the covered motor vehicle with component parts or optional equipment, or to have selected component parts or optional equipment to be included on the covered motor vehicle, if such parts or equipment were not required by the federal motor vehicle safety standards ... when the covered motor vehicle was manufactured or first sold." Specifies that this section "does not apply" if a party fails to comply with a law or regulation issued after the vehicle was manufactured or first sold that requires a "mandatory recall or retrofit."

#### HB 2599: health care appeals (Livingston) (Laws 2024, Ch. 178)

Effective Date: Delayed until Dec. 31, 2024.

**Summary:** Permits a health care insurer, for "group plans" and "grandfathered individual plans," to offer "a voluntary internal appeal ... as an additional internal level of review after a determination of an initial appeal." In instances where an insurer elects not to offer such an appeal, requires delivery of a written determination within a) thirty days, or b) for "a denial of a claim for service that has already been provided," sixty days. If the insurer elects to offer a "voluntary internal appeal," requires delivery of a written determination within a) fifteen days, or b) for "a denial of a claim for service that has already been provided." Prescribes the contents of a written determination, including "basis, criteria used, clinical reasons, and rationale for the determination," and specifies that a member is considered to have exhausted the insurer's "internal levels of review" when the insurer fails to comply with statutory timelines. Permits the member and insurer to mutually agree to a delay, the member to simultaneously initiate an expedited internal review," and the insurer to "waive the internal appeal" process." Requires informational packets to be "prominently displayed" on the insurer's website. Provides additional detail related to who is responsible for reviewing member complaints by subject. If an insurer plans to make a "final internal adverse determination" relying on new or additional evidence, requires provision of that evidence to the patient in advance of the determination. Excepts claim denial or recission of coverage from statute permitting patients to seek an expedited medical review if the typical time periods "are likely to cause significant negative change." With respect to expedited review, extends the time the "utilization review agent" has to determine from one business day to 72 hours. Expands the subjects incorporated in a member's initial appeal, voluntary internal appeal, or in a member's complaint that requires consultation with a medical professional. Appears to condition external independent review on exhaustion of "all applicable internal levels of review." Grants the member five days from receipt of the request for external review to submit additional evidence. Expands the list of appeal subjects that warrant an independent review organization and gives the Director one day after receipt of all necessary information to make the referral. With respect to "cases involving an issue of medical necessity or appropriateness, including health care setting, level of care or effectiveness of a covered benefit, or is experimental or investigational," outlines what the independent review organization must account for when making their decision and the eventual contents of their determination. Requires an insurer and an independent review organization to maintain records related to internal appeals, external appeals, and exception requests for at least three years.

#### **MINING**

HB 2685: mine inspector; geological survey; authority (*Bliss*) (*Laws 2024, Ch. 187*) Effective Date: Sept. 14, 2024.

**Summary:** Directs the Arizona Geological Survey to establish a county-by-county map of areas that contain aggregate resources and existing aggregate mining facilities. States that the State Geologist, on request from the State Mine Inspector, shall update the maps and inventories to include resources discovered since the previous publication. Requires "reclamation plans" to include **a)** the distance in feet, and the direction, of the aggregate mining facility from the closest existing occupied residential structures, and **b)** a statement that the owner "has provided a notice of the proposed reclamation plan to each residential property owner whose property is located within a one-half mile radius of the aggregate mining operation as shown on the current property tax roll." Requires the aforementioned notice to contain the name and contact information of the owner or operator's designated representative. Permits the State Mine Inspector to "consider comments from the State Geologist or any elected official" when evaluating a proposed reclamation plan.

#### **OFF-HIGHWAY VEHICLES**

SB 1055: off-highway vehicle study committee; extension (*Kerr*) (*Laws* 2024, *Ch.* 76) Effective Date: Sept. 14, 2024.

**Summary:** Extends the Off-Highway Vehicle Study Committee, which was created in 2022 to "collect and study information ... regarding off-highway vehicle issues" and submit an annual report on its efforts, by an additional year. Amends the statutory sunset from May 31, 2024, to May 31, 2025.

SB 1567: off-highway vehicles; education requirement (*Kerr*) (*Laws* 2024, *Ch.* 240) Effective Date: Sept. 14, 2024.

Summary: Directs the Arizona Game and Fish Department (AZGFD) to certify an off-highway vehicle safety education course that includes verification of completion. Requires AZGFD to offer this course online and requires – after December 31, 2024 – an individual to complete the course to receive off-highway used indicia. States that if a minor under 12 years of age violates statutory off-highway vehicle (OHV) operating restrictions, a citation shall be issued to their parent or legal guardian. If a minor between 12 and 16 years of age violates operating restrictions, a citation shall either be issued to them or to their parent or legal guardian. Prohibits an individual from allowing a minor to operate or be a passenger in an OHV unless wearing a protective helmet. Exempts situations where children are properly secured in child restraint systems and the OHV is equipped with a rollover function. Prohibits the operation of an OHV on a highway without a valid driver license. Requires related reporting by AZGFD. Amends the definition of "off-highway vehicle" to include a "recreational or utility side-by-side vehicle" – rather than a "utility vehicle" or a "four-wheel drive vehicle" – and includes dirt bikes. In statute (§ 4-251) dealing with "spiritous liquor in motor vehicles" amends the definition of "motor vehicles" to include "a self-propelled vehicle" but exclude vehicles "operated exclusively on water."

#### **PENSIONS**

HB 2203: public retirement plans; liabilities; administration (*Livingston*) (*Laws* 2024, *Ch.* 116) Effective Date: Sept. 14, 2024. Includes a retroactivity clause for Sec. 2 (§ 38-843) to Aug. 5, 2016, and Sec. 6 (§ 38-891) to Aug. 9, 2017.

Summary: With respect to the "Public Safety Personnel Retirement System" (PSPRS) and the "Correctional Officers Retirement Plan," statute currently states that if a member's employment is terminated by either the member or the employer, the total liability associated with the member's relevant service remains with the employer. HB 2203 states that if a member is reemployed in the same plan with a subsequent employer, "assets equal to the actuarially accrued liability earned with the previous employer through the date of reemployment shall transfer to the subsequent employer and all benefit liabilities for the member are attributed to that employer." Additionally, **HB 2203** exempts trust funds administered by the [Public Safety Personnel Retirement System] Board" from state statute related to unclaimed property, simultaneously directing the Board to adopt policies for monies presumed abandoned (including notification and distribution) while outlining criteria funds must meet to be presumed abandoned. Repeals language that prohibited a participant in the PSPRS Deferred Contribution Retirement Plan from taking loans on the assets accumulated in their annuity account. With respect to the "Elected Officials Defined Contribution Retirement System" Disability Program," statute currently requires that employers and members transfer their contributions "within ten working days after each payroll date." HB 2203 amends § 38-840.04 statute to reflect that the 10% "per annum" penalty is to be compounded annually - rather than daily - for each day that contributions are late. In statute referencing supplemental defined contribution plans (§ 38-951 through § 38-953"), adds the "Elected Officials' Defined Contribution Retirement System" and the "Public Safety Personnel Defined Contribution Retirement Plan" to the definition of *"eligible group"* and specifies that a Supplemental Defined Contribution Plan does not replace a Defined Contribution Retirement Plan.

HB 2206: NOW: ASRS; contingent annuitants; account information (*Livingston*) (*Laws 2024, Ch.* 117)

Effective Date: Sept. 14, 2024.

**Summary:** Presently, state statute (§ 38-755 (D)) limits member information subject to inspection as part of a public records request. **HB 2206** permits the Arizona State Retirement System (ASRS) to "provide the value of the member's benefit to a current or former spouse," if shown "proof of serve of a petition for annulment, dissolution of marriage or legal separation," for the purpose of carrying out a "domestic relations order" (§ 38-773). In statute related to optional forms of retirement benefits, specifies that a member that chooses "a period certain" or "actuarially reduced" life annuity may name one or more "period certain" contingent annuitants. Finally, in statute, conditionally permits the ASRS Board to pay "part of the single coverage premium of any health and accident insurance," specifies that a member may only elect "one" contingent annuitant "to receive the optional premium benefit payment."

#### PLANNING AND ZONING

SB 1079: state land auctions; electronic means (Kerr) (Laws 2024, Ch. 228)

Effective Date: Sept. 14, 2024.

**Summary:** Permits the Arizona State Land Department (ASLD) to accept bids "offered through electronic means" during a public auction for state land. Specifies that the Department is not liable for a) a failure of a person's "electronic means" that prevents them from participating in the auction, or b) the failure of the "electronic means" that the Department operates. Requires the ASLD to develop rules to prescribe "the procedure, method, and means" for sales of this nature.

SB 1162: NOW: residential zoning; housing; assessment; hearings (*Shamp*) (*Laws* 2024, *Ch.* 172) Effective Date: Sept. 14, 2024.

**Summary:** Presently, a property owner that is subject to a proposed municipal zoning change and that "owns twenty percent or more of the property by area ... within the ... area of the affected property" may file a "protest in writing" that requires the change to garner a three-fourths vote – rather than a simple majority -of the municipality's governing body. **SB 1162** excludes government-owned property from determinations of eligibility to file protests. Additionally, contains city-specific statute containing zoning amendment shot-clocks – specifically, a city must determine whether an application is "administratively complete" within 30 days and approve or deny the application within 180 days - for determining whether a zoning application is administratively complete and reporting related to housing needs.

SB 1370: youth businesses; licenses; tax; exemption (*Bolick*) (*Laws 2024, Ch. 237*) Effective Date: Sept. 14, 2024.

**Summary:** Prohibits a city, town, or county from requiring "any type of license or permit" for a business that is **a)** operated by a person under 19 years of age, and **b)** operated only "occasionally." Exempts those same businesses from the requirement to obtain a Transaction Privilege Tax (TPT) license or remit TPT unless the "gross proceeds of sales or gross income derived from the person's business is not more than \$10,000 for the calendar year."

HB 2055: underground water storage; permitting (Dunn) (<u>Laws 2024, Ch. 62</u>) Effective Date: Sept. 14, 2024.

**Summary:** Presently, statute outlines a number of timelines for the Department of Water Resources' (DWR) review of permit applications for storage facilities, water storage, and recovery wells. During this process, statute directs DWR to "provide written notice of the proposed permit to the city, town, or county that has ... jurisdiction over the site ... to provide ... the opportunity to comment on the proposed facility's or well's compliance with site planning and operational requirements." With respect to permits for "underground water storage permits," **HB 2055** extends the amount of time allotted to the Director to conduct an application review from 100 to 180 days. Additionally, in cases where "a proper objection to the permit application has been filed" and the Director decides that an administrative hearing isn't necessary, reduces the time allotted to the Director to make the decision from within six months of the circulation of notice of application to within 100 days of that circulation.

HB 2129: improved lot or parcel; definition (*Griffin*) (*Laws* 2024, *Ch.* 63) Effective Date: Sept. 14, 2024.

**Summary:** Amends the definition of "improved lot or parcel" – currently, a lot either containing a residential, commercial, or industrial building or subject to a contract between a subdivider and a purchaser that requires construction of such a building on the lot "within two years after the date on

which the contract of sale for the lot is entered into" – to include a lot with a contract that will result in the construction of a condominium within four years.

HB 2185: liquor; licenses; procedures (Gress) (Laws 2024, Ch. 202)

Effective Date: Sept. 14, 2024.

Summary: Permits the Department of Liquor Licenses and Control (DLCC) to provide for a lease addendum - specifically, to leases between bar or liquor stores and restaurants that derive a significant portion of their revenue from food (greater than or equal to 90%) and simultaneously have off-sale spirituous liquor sales that exceed 30% of prior years – specifying that the restaurant "shall not be subject to the limit on off-sale use by the restaurant licensee's total spiritous liquor sales." States that the addendum shall be effective for a timeframe simultaneous with the lease being renewed. Permits a liquor licensee with on-sale retail privileges to apply for an extension of licensed premises, on an ongoing limited basis, to contiguous private property. Permits the local governing body to "conduct an optional safety inspection of the extended premises on the day of the event." Requires the application to include the proposed physical arrangement of the premises, including egress and ingress, and prevents the licensee from modifying the physical arrangement without notifying the local governing body and the Department 10 days prior to the modification. Permits the Department, in consultation with the local governing body, to approve, reject, or modify the proposed modification. Specifies that permits for extended premises are valid for "six consecutive months or less" and that a permit "does not exempt the applicant licensee from complying with any local governing body event permit requirements." Repeals language that required a producer or wholesaler to separate a designated sampling area from the retailer's premises. Grants the President of a university under the Board of Regents' jurisdiction the authority to deny agencyapproved temporary special event licenses involving spiritous liquor on the university's property.

HB 2325: backyard fowl; regulation; prohibition (Payne) (<u>Laws 2024, Ch. 192</u>) Effective Date: Sept. 14, 2024.

**Summary:** Prohibits a city, town, or county from adopting "any law, ordinance, or other regulation that prohibits a resident of a single-family detached residence on a lot that is one-half acre or less in size from keeping up to six fowl in the backyard of the property." Permits a city, town, or county to **a**) prohibit the keeping of male fowl, **b**) require fowl to be kept in an enclosure located 20 feet from a neighbor's property, **c**) restrict size of the enclosure to 200 sq. ft., **d**) restrict the height of the enclosure to eight feet, **e**) require the enclosure be maintained "and manure picked up and disposed of or composted at least twice weekly," **f**) require water sources have adequate overflow drainage, **g**) require feed be stored in insect- and rodent-proof containers, and **h**) prohibit fowl from running at large. Preempts local ordinances to the contrary. Requires a county to enact an ordinance requiring "an enclosure located in a residential community on a lot less than one acre in size to be shorter than the fence line of the property." Specifies that ordinances enacted after the legislation's effective date may only affect structures prospectively.

HB 2548: NOW: military installations; general plans; land (*Payne*) (*Laws 2024, Ch. 41*) Effective Date: Sept. 14, 2024.
Summary:

• Defines "military installation or range or Arizona National Guard site" as the following, specifically outlined, sites: a) United States Naval Observatory Flagstaff Station, b) Barry M. Goldwater Range, c) Yuma Proving Grounds, d) Buckeye Training Site, e) Camp Navajo, f) Florence Military Reservation, g) Papago Park Military Reservation, h) Picacho Peak Stagefield, i) Rittenhouse Training Site, j) Silverbell Army Heliport. Exempts the Laguna Army Airfield and "any military airport or ancillary ... facility as defined in § 28-8461."

- Defines "influence area" as "all property located within two miles of the exterior perimeter or fence line" of the aforementioned sites.
  - Requires the Arizona State Land Department on or before December 31, 2024, and on receipt of the necessary information – to "prepare electronic legal descriptions and maps of the military installation and range and Arizona National Guard site and their respective influence areas" and provide the legal description and maps to the State Real Estate Department and public.
  - Requires the State Real Estate Department to publish a "military installation or range or Arizona National Guard site influence area map" on its website.
  - o Requires the Commissioner of the State Real Estate Department to "execute and record in the office of the County Recorder in each county" that includes an installation, range, or site a document, applicable to specific land, disclosing the land's location within an influence area. Specifies that this must include a "geospatial description."
- Specifies, when adopting a general plan, comprehensive plan, or an amendment to those plans, that the county and municipality must "consult with, advise, and provide an opportunity for official comment" to "a military installation or range or Arizona National Guard site" if it "has territory in the vicinity."
- Requires county and municipal notification specifically, provision of "relevant documentation ... necessary to adequately describe" including "procedures for providing electronic or written comments" of the "military installation or range or Arizona National Guard site" when an application is "deemed complete" to effectuate any of the following within the site or installation's influence area: a) amending, modifying, or changing a general or comprehensive plan land use designation, b) establishing, amending, modifying, or changing an area, character, master development, or site plan, c) amendments, modifications, or changes to a zoning or overlay zoning designation, d) amendments, modifications, or changes to regulations "related to allowed uses, structure or building heights, or outdoor lighting," and e) subdivision of property "into five or fewer lots." Outlines timelines for installation, range, and site response to the aforementioned notification and local processes for instances where the site chooses not to submit official comments.
  - Exempts counties and municipalities from compliance with notification requirements if the State Land Department has not prepared a map of the influence areas of relevant sites.
- Requires counties and municipalities "that [contain] any portion of an influence area of a military installation or range or Arizona National Guard site" to "include consideration" of related operations in the land use element of their comprehensive and general plans.
- States that if a zoning ordinance rezones land "in the vicinity of" a "military installation or range or Arizona National Guard site," the county or municipality must send copies of the notice of the hearing to the installation or site by first class mail.
- Requires public reports and subdivision public reports prepared by the state's Real Estate
  Department after December 31, 2024, to contain disclosures if any related lots, parcels, or
  fractional interests will be located within an influence area.
- Requires "written affidavits of disclosure" specific to land divisions to include disclosures of whether the property in question a) contains owned or leased battery energy storage devices (and what company leases them), b) water hauling (and who hauls it and where it originates), and c) is located within an influence area. Additionally, requires affidavits to include confirmation that the individual understands "acting in concert" laws with respect to subdividing land.

• Requires counties and municipalities to identify the boundaries of the "influence area" in their comprehensive and general plans for the purpose of planning compatible uses.

HB 2846: NOW: hoophouses; polyhouses; regulation; compliance (*Heap*) (*Laws 2024, Ch. 186*) Effective Date: Sept. 14, 2024.

**Summary:** Exempts a hoophouse or polyhouse from municipal and county building permits if **a**) the structure does not have a permanent anchoring system, **b**) there is no storage of solvents, fertilizers, gases, or other chemicals or flammable materials, **c**) the structure is not wider than 31 feet and there is an unobstructed path of "not more than 150 feet" from any point to a door or fully accessible wall, and **d**) the covering is not greater than "12 mils" in thickness, conforms to "the National Fire Protection Association standard methods", and "yields approximately four pounds of maximum impact resistance to provide egress." Specifies that for a hoophouse or polyhouse "located on a lot less than one acre in size within a residential community," a municipality/county may adopt an ordinance to regulate its height above the fence line. Requires permits for devices "subject to existing electrical or mechanical codes and regulations," as well as for backflow prevention devices if the hoophouse or polyhouse is connected to potable water. Permits a locality to establish an "administrative review" process for these structures to determine whether this section's requirements are met. Defines "hoophouse" or "polyhouse" as "a greenhouse used exclusively for producing and storing live plants".

#### **PUBLIC HEALTH**

SB 1036: social work compact (Shope) (Laws 2024, Ch. 227)

Effective Date: Sept. 14, 2024.

**Summary:** Enters Arizona into a multistate compact to facilitate "interstate practice of regulated social workers." To hold the "multistate license" described by the compact, requires the social worker to **a**) "hold or be eligible for an active ... license in their home state," **b**) pay necessary fees, **c**) submit fingerprints or other biometric data "for the purpose of obtaining criminal history record information from the Federal Bureau of Investigation," **d**) notify the home state "of any adverse action, encumbrance, or restriction on any professional license taken by any member state or nonmember state within thirty days after the date the action is taken," **e**) meet continuing competence requirements, and **f**) abide by the laws. Prescribes additional requirements for a "clinical-category multistate license," a "masters-category multistate license," and a "bachelor's-category multistate license."

SB 1048: child fatality review teams; duties (*Shope*) (*Laws 2024, Ch. 104*) Effective Date: Sept. 14, 2024.

Summary: Presently, statute provides for a "Child Fatality Review Team" (CFRT), within the Department of Health Services (DHS) that is comprised of various stakeholders and charged with overseeing data collection of, providing cooperating agencies training on, and developing local teams and standards for child fatalities. Beginning in 2025, SB 1048 requires the CFRT to develop an "annual statistical report of the incidence of child fatalities and near fatalities" identified by the Department of Child Safety as arising from abandonment, abuse, and neglect (§ 8-807.01) and submit that report – along with "recommendations for action" to the Governor, President of the Senate, and House Speaker. A subsequent report is required to include "available information regarding plans for or progress toward implementation of recommendations," and requires state agencies to provide written responses to CFRT recommendations. The bill also amends the requirements for an existing annual statistical report, which covers child fatalities more broadly, to require "available information regarding plans for or progress toward implementation of recommendations" and subsequent written agency responses. Finally, with respect to the CFRT, a)

renames the entity the "State Child Fatality Review Team," b) removes the statutory three-year terms, and c) makes several changes to Team membership (including removing the representatives from the Office of Planning and Health Status Monitoring, consolidating representatives from the Administrative Office of the Courts and the Supreme Court, and amending the "public member" seat to a "local child fatality review team member." With respect to "local child fatality review teams" (LCFRT), amends the membership requirement for a licensed psychiatrist or psychologist to specify a "mental health specialist" and requires that the "team chairperson" must newly review the death certificates of women who die within the team's jurisdiction. Additionally, expands the LCFRT's purview involving documents to those involving "near fatality" and institutions providing nursing care. Finally, directs the CFRT to develop policies for its, or an LCFRT's, contacting a family member of a deceased child or woman, including: a) that a process be established "for approving any contact, interview, or request" and b) requiring that any individual engaging with a relative "be trained in trauma informed interview techniques and educated on support services."

## SB 1609: NOW: behavioral health; AHCCCS; health facilities (Wadsack) (<u>Laws 2024, Ch. 200</u>) Effective Date: Sept. 14, 2024.

Summary: Directs the Arizona Health Care Cost Containment System (AHCCCS) to require "contracted housing program administrators" to minimize duplicative paperwork requirements and limit the number of entities "that unnecessarily receive personal health information of members with serious mental illnesses." Prohibits contracted housing program administrators from selling or otherwise sharing personal health information unless authorized by law. Requires AHCCCS to develop and implement processes to monitor contractor oversight of peer specialists to ensure they meet qualifications and receive required trainings. Beginning October 1, 2025, requires peer specialists to complete an AHCCCS-developed training that includes "psychosis-specific" and "anosognosia" content and requires AHCCCS to report annually to on the development and implementation of processes related to peer specialists. Requires a health care institution providing inpatient behavioral health to patients with a serious mental illness (SMI) designation to a) develop an accurate list of medications that are necessary for the patient and b) provide that list to the patient, their representative, or an institution that will serve them. By January 31, 2025, requires AHCCCS to study the implementation of a "real-time, automated survey to members with a serious mental illness" - including solicitation of input from the public and individuals with SMI and report to the Joint Legislative Budget Committee and the House and Senate Health and Human Services Committees. Requires AHCCCS to develop rules "regarding the discharge of Arizona Health Care Cost Containment System members with a designation of serious mental illness from inpatient psychiatric facilities" with a focus on ensuring continuity of care.

## HB 2042: food preparation; sale; cottage food (*Grantham*) (*Laws* 2024, *Ch.* 18) Effective Date: Sept. 14, 2024.

**Summary:** Presently, § 36-136 (I)(4) permits the Director of the Department of Health Services (DHS) to "prescribe reasonably necessary measures to ensure that all food or drink, including meat and meat products and milk and milk products sold at the retail level, provided for human consumption is free from unwholesome, poisonous or other foreign substances and filth, insects, or disease-causing organisms." Of the several exemptions to this power, including foods "served at a noncommercial social event," are "cottage foods." In current statute, "cottage foods" exempt from the Director's "necessary measures" are products that are "not potentially hazardous or a time or temperature control for safety food" and that are "prepared in a kitchen of a private home for commercial purposes." Statutory examples of permitted products include "fruit jams and jellies, dry mixes made with ingredients from approved sources, honey, dry pasta, and roasted nuts." Current statute has labeling, certification, and registration requirements for "cottage foods" and those that prepare them. **HB** 

2042 expands the statutory exemption to foods that are "potentially hazardous" or that require "time or temperature control for safety." Additionally, the bill defines a "home kitchen" that may produce such foods as either a) the residential dwelling of the individual registered with DHS, so long as the kitchen is "of a type ... that is normally found in a residential home and that does not exceed one thousand square feet" and b) "a facility for individuals with developmental disabilities." The bill also outlines labeling requirements - that the label contain a) the name and registration number of the preparer, b) the ingredients in the product, c) the food's production date, d) a disclaimer about potential allergen contagion and the food's exemption from a public health inspection, e) a disclosure if the food was prepared in a facility for individuals with developmental disabilities, f) information on how to report foodborne illnesses, how to verify a food preparer's registration, and how to report issues with a preparer's registration status - and similar website notification requirements for products that are offered online. Requires a person preparing the cottage food product or directly supervising said preparation to "complete a food handler training course from an accredited program and maintain active certification" and requires food preparers to register with the related online registry. Prohibits the storage of "cottage food products or food preparation equipment" outside of the home. With respect to the sale and delivery of cottage food products, specifies that a) products "that do not contain dairy, meat or poultry" may be sold and delivered by the food preparer, their agent, and a third-party vendor or carrier, b) products that "are dairy products or that contain meat or poultry" may be sold by the food preparer in-person or remotely - but cannot be sold by third-party food delivery platforms – and must be delivered to the consumer in-person, and c) products that are "potentially hazardous" or require "time or temperature control for safety" and that are subsequently transported "must be maintained at an appropriate temperature ... cannot be transported more than once and cannot be transported for longer than two hours." Requires third-party vendors that sell cottage food products to place the products "in a separate section of the store or on a separate display case" and display a sign noting the product's homemade nature and exemption from inspection. Prohibits the usage of marijuana, its by-products, or ingredients that are not approved by law in cottage food products. Additionally, prohibits a home kitchen from being used as a commissary the use of cottage food products in permitted retail food establishments. With respect to the bill's applicability, states that it a) does not impede DHS from investigating reported foodborne illnesses, b) does not affect "county or municipal building code, zoning code or ordinance or other land use regulation," and c) that a county "may not be required to enforce this article." Directs DHS to promulgate rules effectuating this bill. Specifies that the law does not preclude "brand inspections, animal health inspections ... any food inspections required by state or federal law ... or ... the requirements for the sale of milk, milk products, raw milk, or raw milk products."

HB 2079: food handler certificate; volunteers; limits (*Hendrix*) (*Laws* 2024, *Ch.* 87) Effective Date: Sept. 14, 2024.

**Summary:** Prohibits a county from requiring a volunteer to obtain a food handler certificate or participate in a food handler training certificate training if the person a) volunteers three or fewer times in a calendar year, b) at an activity or function where food is being packaged or heated, and c) is overseen by a certified food protection manager or "person in charge". Defines "person in charge" as "the individual present at a food establishment who is responsible for the management of the operation of the food establishment at the time of inspection". Removes statutory language tying "person in charge" to its definition in Arizona Administrative Code R9-8-101(c)(3)(g)

HB 2116: fatality review; information; access (Willougby) (<u>Laws 2024, Ch. 130</u>) Effective Date: Sept. 14, 2024.

Summary: Expands the § 36-3503 (F) ability of a state or local child fatality review team to interview family members regarding deaths within the team's jurisdiction to "a maternal mortality review program." As such, specifies that entities exercising the § 26-2503 (F) interview ability may obtain information on a "woman who dies within the team's or program's jurisdiction." Expands individuals who may be interviewed to "close contacts" as well as family. Expands various statutes currently applicable to child fatality review teams – such as the ability to close meetings to the public, the exemption of records from subpoena or discovery, and the ability to promulgate policies relating to interviews – to "maternal mortality review program[s]." Similar to 2024's SB 1048 (Laws 2024, Ch. 104), requires creation of policies relating to the interviews of close contacts or family members of the deceased and specifies that interviewers must be trained in "trauma informed interview techniques and educated on support services available." Specifies, with respect to a law enforcement agency's provision of relevant information to "the state or a local child fatality review team," that a law enforcement agency may withhold information requested pursuant to § 36-3503 (A) if it believes that release may interfere with a pending investigation and prosecution and garners the approval of the prosecuting attorney.

HB 2174: school personnel; emergency glucagon administration (*Pingerelli*) (*Laws* 2024, *Ch.* 28) Effective Date: Sept. 14, 2024.

Summary: Presently, a school district governing board or charter school governing body "may adopt policies and procedures to designate two or more school employees to serve as voluntary diabetes care assistants." These individuals are permitted to administer insulin, administer glucagon, or facilitate the self-administration of insulin to students on an emergency basis if a number of statutory criteria are met, including a) a school nurse or other licensed health professional being unavailable, b) the parent of the pupil having previously provided glucagon, insulin, and related equipment to the school, and c) the "voluntary diabetes care assistant" possessing an attestation that they have received proper training. HB 2174 amends law to permit the governing board ort body to "annually request a standing order for glucagon" from a) the Chief Medical Officer of a county Health Department, b) the Chief Medical Officer of the Department of Health Services, c) a licensed physician, d) a licensed nurse practitioner, or e) a physician assistant. Additionally, if the school has "voluntary diabetes care assistants," specifies that the aforementioned training - and related attestation - must be renewed at regular intervals prescribed by the governing board or body. Finally, expands immunity from civil liability "for the consequences of the good faith adoption and implementation of policies and procedures" - presently afforded to the district, schools, employees, and certain health professionals - to all parties in statute, such as the Chief Medical Officer of a county Health Department, who may issue the standing order for glucagon.

HB 2618: spiritous liquor; DHS; inspection; exemption (*Hernandez*, A.) (*Laws* 2024, Ch. 254) Effective Date: Sept. 14, 2024.

**Summary:** Specifies that spiritous liquor produced by a licensed producer, or imported by licensed wholesalers, are exempt from inspection. Extends this exemption to all commercially prepackaged spiritous liquor, as well as spiritous liquor poured at a licensed special event, festival, or fair.

#### **PROCUREMENT**

SB 1054: state construction project delivery methods (*Carroll*) (*Laws* 2024, *Ch.* 46) Effective Date: Sept. 14, 2024.

**Summary:** At present, statute prohibits the Arizona Department of Transportation (ADOT) and any "agent", specifically, "any county, city or town, or officer, board or commission of any county, city or town, and irrigation, power, electrical, drainage, flood protection and flood control districts, tax levying public improvement districts and county or city improvement districts" from using "design-build method[s] of project delivery," "construction-manager-at-risk construction services," and "job-order-contracting construction services" after December 31, 2025. **SB 1054** pushes that statutory sunset out five years to December 31, 2030.

#### RECORDATION

SB 1054: unlawful restrictive covenants; uniform act (Mesnard) (<u>Laws 2024, Ch. 58</u>) Effective Date: Sept. 14, 2024.

Summary: Defines an "unlawful restriction" as "a prohibition, restriction, covenant or condition in a document that interferes with or restricts the transfer, use or occupancy of real property on the basis of race, color, religion, national origin, sex, familial status or disability in violation of state or federal law." Permits "a governing body of an association of owners identified as a governing instrument" – including a condominium or planned community board of directors – to "amend the governing instrument to remove an unlawful restriction" without a vote of full association membership. Permits a member of the aforementioned associations to request - "in a record that sufficiently identifies an unlawful restriction in the governing instrument" - that the governing body amend the governing instrument to remove the restriction. Directs the governing body to determine, within 90 days of receipt, whether the instrument includes an "unlawful restriction." If the association finds that such restriction exists, they are required to remove such language via amendment within 90 days. Similarly, permits "an owner of real property subject to an unlawful restriction" to submit to the County Recorder for recordation in the county's land records "an amendment to remove the unlawful restriction" with respect to their property. Specifies requirements for an owner-led amendment, including the inclusion of an outlined statement, that "the amendment must be executed and acknowledged in the manner required for recordation of a document in the land record ... of each county," and that the amendment does not extend a restriction that would have otherwise expired or affected the "validity or enforceability" of lawful restrictions. Includes an optional form for an owner-led amendment and requires the County Recorder to "record an amendment submitted under this article, add the amendment to the index, and cross-reference the amendment to the document containing the unlawful restriction." Exempts the County Recorder and county from liability related to recording such an amendment.

#### **RECREATION**

HB 2637: state lake improvement fund; drones (*Biasiucci*) (*Laws 2024, Ch. 179*) Effective Date: Sept. 14, 2024.

**Summary:** Expands allowed uses of the State Lake Improvement Fund (ISLIF) to include the purchase of drones for **a**) cleaning "plastic, algae, biomass, and other floating trash from lakes and waterways," and **b**) "search, rescue, and recovery operations and training." Permits projects funded by the SLIF to be undertaken "by the governing body of a fire district."

#### **SPECIAL DISTRICTS**

HB 2160: domestic water improvement districts; reviews (*Bliss*) (*Laws 2024, Ch. 118*) Effective Date: Sept. 14, 2024.

Summary: Presently, statute requires districts organized under Title 48 to submit annual reports that include a) "a schedule of the beginning and ending fund balances and all revenues and expenditures for the preceding fiscal year," b) legal descriptions of boundary changes, c) "the names, occupations, and business telephone numbers of all members of the governing board and officers ... on the last day of the preceding fiscal year," d) the location and schedule of governing board meetings, e) the locations where "public notices of meetings" are posted, f) the name and title of persons completing reporting requirements, and g) a copy of any required audit or financial review. Simultaneously, statute exempts a wide array of special districts from these reporting requirements, including municipal improvement districts, county improvement districts, community facilities districts, rural road improvement districts, and more. HB 2160 removes "domestic water improvement districts" (DWID) that are a) organized under county improvement district statute and b) serving less than 10,000 residents from the statutory reporting exemption. Similarly, HB 2160 subjects these DWIDs to existing requirements to a) submit annual budgets to the Board of Supervisors and the County Treasurer (§ 48-252), and b) conduct an annual audit (§ 48-253).

HB 2274: NOW: theme park districts; formation (Marshall) (<u>Laws 2024, Ch. 252</u>) Effective Date: Sept. 14, 2024.

**Summary:** Permits cities and counties to unilaterally establish theme park districts. Lowers the population threshold for a city to form a theme park district to 500,000 persons. Specifies that districts may exist in a city if formed by a city unilaterally or in conjunction with a county, but a district formed solely by a county must exist entirely within the unincorporated area. Requires property owners within the district to have consented to their inclusion. Outlines membership for the district's Board of Directors.

HB 2381: non-contiguous county island fire districts (*Carter*) (*Laws* 2024, *Ch.* 71) Effective Date: Sept. 14, 2024.

**Summary:** Exempts a "noncontiguous county island fire district" from the requirement that any proposed annexation "be contiguous with the districts' existing boundary". States that a fire district board may "expand its boundaries … to include unincorporated parcels within the city's or town's municipal planning area" if "the parcel is contiguous with the city's or town's boundaries or … the existing district."

#### **TAXATION**

SB 1095: property tax; golf courses; valuation (Mesnard) (<u>Laws 2024, Ch. 8</u>) Effective Date: Sept. 14, 2024.

**Summary:** Presently, to receive the assessment ratio ascribed to commercial or privately-owned golf courses (either Class 1 or Class 2), the property owner must file a deed restriction "restricting the property to use as a golf course for at least ten years" with the County Assessor. If the property owner converts the course to a different use, current law requires the Assessor to "add to the tax levied against the property on the next tax roll a penalty equal to the difference between the total amount of property taxes that would have been levied on the property for the preceding ten years or the period of time the property was valued under this section, whichever period is shorter." **SB 1095** requires a golf course owner, if converting any part of the property to a different use, to "submit notification to the County Assessor in person, electronically, or by certified mail within thirty days" of the conversion. The

bill also requires the refiling of the deed restriction "when the property is split or combined," requires the Assessor to "provide an electronic acknowledgement of receipt" when accepting electronic filings or notices, and expands penalty application to circumstances where some, but not all, of the property is converted.

SB 1431: right to redeem; foreclosure; sale (Mesnard) (<u>Laws 2024, Ch. 176</u>) Effective Date: Sept. 14, 2024.

Summary: Creates a process whereby a) a property owner can receive the proceeds from the sale of a property for which their right to redeem has been foreclosed, b) that proceeds through the Court system, and c) that is administered by a bank, credit union, or other qualified entity. Prior to filing "an action to foreclose the right to redeem," the 30-day notice required by statute to be sent to the property owner of record and the County Treasurer must contain a statement indicating that, should the owner of record believe the property has value beyond its tax burden, they must request an "excess proceeds sale." If the Court finds that the tax lien sale is valid "and that the defendant's request for an excess proceeds sale is unreasonable or the defendant did not request an excess proceeds sale", the Court may foreclose the defendant's right to redeem and direct the Treasurer to expeditiously execute and deliver to the party in whose favor judgment is entered, including the state, a" deed conveying the property described". If the Court finds that the tax lien sale is valid, the tax lien has not been redeemed, and the defendant's request for an excess proceeds sale is reasonable, the Court is required to a) foreclose the right of the defendant to redeem, b) direct the sale of the property, and c) set the opening bid. While the property owner of record may request that the Court determine whether the excess proceeds sale is reasonable, "the Court shall determine that the sale of the property for excess proceeds is reasonable if the sale price of the property is likely to be more than \$2,500 above the total of the amounts described" in the statutory obligations of the certificate of purchase holder. These obligations that the Court must consider consist of a) the costs related to filing the claim to foreclose the right to redeem, b) the amount for which the real property tax lien was sold (with interest at a rate of 16% per annum), and c) the amount of any statutory fees the certificate of purchase holder paid in connection with the certificate (with interest at a rate of 16% per annum), d) the amount of all other recorded state liens or encumbrances on the state property as indicated on a title report e) the cost of the sale of the property, and g) any other necessary evidence. Currently, it also requires the property owner whose right to redeem is being foreclosed to provide a reasonable estimate of the market value of the property. Additionally, statute specifies that foreclosure of the right to redeem does not extinguish the property owner's interest in excess proceeds. Statute provides that the seller can be a bank, credit union, consumer lender, escrow agent, insurance company, or a special master appointed by the court. Seller must provide notice of the property to be sold, and the amount of the opening bid, by a) recording a notice in the office of the Recorder, b) if the property is reasonably accessible, posting a copy of the notice of sale on the property in a conspicuous place (at least 20 days before sale), c) posting at "any building that serves as a location of the Superior Court in the county," d) publishing in a newspaper of general circulation, and e) sending a notice to the property owners notified pursuant to  $\S42-18202$ . Prescribes the form for the notice of sale and stipulates that an error in the legal description of the property that prevents its identification requires the seller to record a cancellation of the notice. Specifies that the sale should be held a) within sixty days after the judgment foreclosing the right to redeem in a Superior Court location, b) Monday through Friday on non-holidays, c) between 9:00 am and 5:00 pm, and d) on the property, the Superior Court building, or the seller's place of business. Requires the seller to offer to sell the property at public auction for cash. Sets requirements for the minimum and opening bid, the auction process, nonrefundable deposits, the payment of the winning bid, and the eventual provision of the deed. Proceeds from the sale go first to the qualified entity to cover the costs of the sale, including the costs of the notice, second to the certificate of purchase holder

covering the lien, interest on the lien, and other procedural costs, third to the County Treasurer to redeem any liens on the parcel and current taxes then to other lien holders, and finally to the property owner whom is not required to be present at the sale in order to receive their distribution.

#### HB 2173: county aid; school districts; revisions (Pingerelli) (Laws 2024, Ch. 134)

**Effective Date: April 10, 2024** due to an emergency clause. Includes retroactivity clause for § 15-971 to June 30, 2023 and § 15-922 to tax years after Dec. 31, 2023.

Summary: Modifies the amount levied by the Minimum Qualifying Tax Rate (MQTR) in a school district not eligible for equalization assistance by subtracting the amount levied by the additional tax in a Type 03 District. Sets the levy for the additional tax at the lesser of a rate equal to the applicable qualifying tax rate (QTR) or a rate that would result in a levy equal to the statewide average per pupil funding for high school students, rather than the countywide average per pupil equalization base, multiplied by the student count of resident high schoolers in the Type 03 District in the prior year. Requires the Arizona Department of Education to annually provide each county Board of Supervisors (BOS) with specific statewide funding averages and student counts and to provide each Type 03 District with specific student counts. Redirects the monies collected from the additional tax from county aid for equalization assistance to the State Treasurer for deposit in the state general fund (GF). Excludes the MQTR and additional tax from the criteria used by the Property Tax Oversight Commission to determine if a school district primary property tax rate exceeds the maximum permissible statutory primary property tax rate. Requires each BOS that levied an additional tax in tax year 2023 to direct the County Treasurer to transmit any unexpended and unencumbered monies to the State Treasurer for deposit in the GF. Repeals this requirement January 1, 2027.

#### HB 2379: internal revenue code; conformity (Carter) (Laws 2024, Ch. 7)

**Effective Date: Various.** "For the purposes of computing income tax pursuant to this title, for taxable years beginning from and after December 31, 2024, "Internal Revenue Code" means the United State Internal Revenue Code of 1986, as amended, in effect on January 1, 2024, including those provisions that became effective during 2023 with the specific adoption of all retroactive effective dates, but excluding any changes to the code enacted after January 1, 2024."

**Summary:** The Legislature's annual bill to conform Arizona's tax statutes to the Internal Revenue Code (as of January 1, 2024), incorporating changes adopted by the U.S. Congress in 2023. Retroactively adopts all effective dates.

## HB 2380: TPT; municipalities; audits; guidelines (*Carter*) (*Laws 2024, Ch. 33*) Effective Date: Sept. 14, 2024.

**Summary:** At present, cities and towns must enter into an "intergovernmental contract or agreement" with the Department of Revenue (DOR) "to provide a uniform method of administration, collection, audit, and licensing of transaction privilege tax and affiliated excise taxes." Cities and towns may request that the Department audit a taxpayer engaged in business in more than one city or town, but DOR may deny the request pursuant to criteria contained in the "intergovernmental contract or agreement." **HB 2380** gives DOR more explicit authority to deny these audit requests and prohibits a city or town from subsequently auditing a taxpayer for which the Department has denied an audit request. Additionally, it expands the duties of DOR's Unified Audit Committee to include establishing and publishing uniform audit guidelines.

HB 2382: TPT; sourcing; validation (Carter) (Laws 2024, Ch. 142)

Effective Date: Sept. 14, 2024.

**Summary:** Requires, by January 1, 2026, the Arizona Department of Revenue (DOR) to establish a certification process for third-party providers who offer sourcing services to taxpayers for transactions involving tangible personal property. Directs the Director of DOR to supervise third-party providers, establish minimum standards for certification, and post a list of certified third-party service providers on DOR's website. Permits the Director to investigate and audit providers and require their certification for the performance of certain functions. Outlines the necessary contents in an application for certification. Finally, deems a provider liable for an incorrect tax payment if an error in sourcing the transaction is to blame for failure to pay the correct amount of tax.

HB 2408: property tax assessment; destroyed property (*Gillette*) (*Laws* 2024, *Ch.* 34) Effective Date: Sept. 14, 2024.

Summary: Presently, a property owner whose property is destroyed after the County Assessor has closed the rolls may "file a notice of claim pursuant to § 42-16254" to "prorate the valuation of the property from the date of destruction." If the County Assessor finds that the property has been destroyed, they must compute the total tax burden by a) prorating the application of the tax rate to the initial assessed value to "the portion of the year the property was intact," and b) adding that to the product of the tax rate and "the reassessed valuer ... for the balance of the year." HB 2408 specifies that the County Assessor may also trigger the post-destruction proration of a property's valuation through issuance of a "notice of proposed correction" and that "the County Assessor may maintain the property classification in place on the date of destruction for a period of five years or until an objectively verifiable change in use occurs, whichever is sooner." Finally, the bill defines "destroyed" and requires the County Assessor to notify the property owner of the post-destruction reassessment.

### HB 2634: department of revenue; reuse zone (*Grantham*) (*Laws* 2024, *Ch.* 43) Effective Date: Sept. 14, 2024.

**Summary:** At present, closed military facilities with runways of at least 8,000 feet long, once transferred to the state, another public entity, or a private entity, may be designated by the Governor as a "military reuse zone" for a renewable 10-year term. If used to provide "aviation or aerospace services" or "[manufacture], [assemble] or [fabricate] aviation or aerospace products," "military reuse zones" benefit from an advantageous property tax classification – Class 6 (§ 42-12006) – for a period of five years. Additionally, modification of "any building, highway, road, railroad, excavation, manufactured building, or other structure, project, development, or improvement" within a "military reuse zone" is exempt from inclusion in the prime contracting tax base. **HB 2634** transfers responsibility for "military reuse zones" – including consulting the Governor on their creation, overseeing tax incentives, and creating an annual report- from the Arizona Commerce Authority to the Department of Revenue.

HB 2875: tax payments; electronic funds transfer (*Carbone*) (*Laws 2024, Ch. 44*) Effective Date: Sept. 14, 2024.

**Summary:** States that when a taxpayer furnishes evidence to the Department of Revenue of the timely payment of their tax, "an electronic payment is deemed to have been made at the date and time, consistent with § 1-242, that the taxpayer successfully authorizes the electronic funds transfer ... as evidenced by [a] ... confirmation." Limits confirmations deemed sufficient to those produced by the Department, the taxpayer's financial institution, or a Department-certified vendor. Contains limited authority for the Department to abate related penalties through the end of 2024 and an associated exemption from statutory rulemaking requirements.

#### **TECHNICAL CORRECTIONS**

SB 1049: reviser's technical corrections; 2024 (Shope) (Laws 2024, Ch. 105)

**Effective Date**: Retroactive [§ 2, 3, 4, 5] (*October 29, 2024*).

**Summary:** A bill drafted annually by the Legislative Council to resolve defects in statute. The most recent report by the Legislative Council on this topic, 2023's *Annual Report on Defects in the Arizona Revised Statutes and State Constitution*, can be found <a href="https://example.com/here">here</a>.

#### **TRANSPORTATION**

SB 1376: vehicle loads; restrictions (Bolick) (Laws 2024, Ch. 183)

Effective Date: Sept. 14, 2024.

**Summary:** Presently, statutory limitations on vehicle load, specifically, requirements that vehicles be "constructed or loaded in a manner to prevent any of its load from dropping, sifting, leaking, or otherwise escaping from the vehicle," and that loads and their coverings are "securely fastened", are applicable only to highways. **SB 1376** expands the efficacy of those requirements to streets and roadways. The bill also exempts "a vehicle when the vehicle is being used for agricultural purposes on a farm," as well as minor material debris from agricultural equipment, from these requirements.

SB 1680: NOW: minors; motorcycle helmets; citations (*Gowan*) (*Laws* 2024, *Ch.* 246) Effective Date: Sept. 14, 2024.

**Summary:** Permits the citation of a motorcycle, all-terrain vehicle, or motor-driven cycle operator who is at least 18 years of age if a passenger under 18 years of age is not wearing a protective helmet. Specifies that an individual who receives a citation for failing to wear a protective helmet while operating or riding in a motorcycle, all-terrain vehicle, or motor-driven cycle must be 16 or 17 years of age. States that the penalty for a 16 or 17-year-old is \$100 or community service. Exempts vehicles operated on private property, and for agricultural purposes, from enforcement.

HB 2318: state match fund; rural transportation (*Dunn*) (*Laws 2024, Ch. 120*) Effective Date: Sept. 14, 2024.

**Summary:** Amends statute relating to the State Match Advantage for Rural Transportation (SMART) fund. Permits usage of the fund to reimburse monies used to match a federal grant, as well as to fund "design and other engineering services expenditures that meet federal standards for projects eligible for a federal grant." Requires applicants awarded funding for design and engineering services to a) apply for a federal grant, and b) repay the Department with monies obtained via a federal grant. Requires funds allocated to localities to be used for projects located in those localities. Expands eligibility for fund monies from "a political subdivision of this state" to "an entity that is eligible to receive a federal grant." Permits the Department to require additional documentation for the purposes of determining whether an applicant is eligible for a federal grant or whether the entity has the necessary financial and technical capacity. Permits the Department to assess whether applicant projects comply with federal statutes and establish factors for which it will give an applicant preference. Permits the Department to use up to 5%, rather than 1%, of the prior year's fund monies for administration. Prescribes the annual reallocation of unawarded monies across all existing subaccounts. Permits the recission of monies for projects that have received multiple awards and permits the State Board of Transportation to close applications for any category.

#### **WATER**

SB 1081: exemption area; assured water supply (Kerr) (Laws 2024, Ch. 226)

Effective Date: Sept. 14, 2024.

**Summary:** Presently, § 45-411.01 exempts individuals entitled to use groundwater "pursuant to an irrigation grandfathered right," whose irrigation acres "are located within the area delineated for exemption," from irrigation or intermediate water duties. **SB 1081** permits the Arizona Department of Water Resources, on application by a city or town for an "assured water supply" (AWS) that contains the "area delineated for exemption under section 45-411.01" to approve their application if a) the portion of the city seeking an AWS designation is located within an irrigation and water conservation district, b) the city or town has contracted with the irrigation and water conservation district to receive water for "not less than one-hundred years," c) sufficient surface water or effluent of an adequate quality will be continuously available "for not less than one-hundred years," and d) the city or town demonstrates the financial capability to construct the facilities necessary to make the supply of water available.

SB 1181: groundwater replenishment; member lands; areas (*Petersen*) (*Laws 2024, Ch. 224*) Effective Date: Sept. 14, 2024.

Summary: Permits a municipal provider that applies for a new "designation of assured water supply" (DAWS) in the Phoenix Active Management Area (AMA) that "relies on a member service agreement" to elect for those parcels of member land to retain a replenishment obligation. Those parcels will have their existing obligation replenished by "the district." If a provider chooses to allow parcels of member land within its service area to retain their replenishment obligation, "the designation of assured water supply and member service area agreement shall provide that the parcels of member land retain the parcel replenishment obligation for the lesser of ... the following:" a) ten years from the date of the first term's commencement, and b) the end of the first term of the designation. On the lesser of the aforementioned conditions, "the municipal provider shall begin to assume a percentage of the groundwater delivered to parcels of member land and any associated parcel replenishment obligation." In the first year, the provider may assume "not less" than 10% of the total reported groundwater delivered. In successive years, the municipal provider must assume an additional 10% annually until all reported groundwater delivered and parcel replenishment obligation are assumed by the municipal. provider." Specifies that if a municipal provider assumes the parcel replenishment obligation of member lands pursuant to a DAWS relying on those same member lands, that associated groundwater allowance or extinguishment credits must be used: a) if the municipal provider assumes the entirety of the replenishment obligation and groundwater delivery on the initial DAWS, the remaining extinguishment credits and allowance may be used by the municipal provider, b) if the municipal provider assumes the replenishment obligation and groundwater delivery in stages, the provider may use the credits and allowance in the same manner. Directs the Arizona Department of Water Resources to amend rules to obtain consistency with this act.

SB 1242: NOW: water conservation grant fund; purpose (Shope) (Laws 2024, Ch. 225) Effective Date: Sept. 14, 2024.

**Summary:** Presently the state, or any of its political subdivisions, that owns irrigable land in the Harquahala Irrigation Non-expansion Area (INA) may withdraw groundwater for transportation to an initial Active Management Area (AMA) if the groundwater is withdrawn **a)** to a depth of 1,000 feet and at a rate which, when added to the existing rate of withdrawals, does not cause the groundwater table to decline more than an average of 10 feet annually, **b)** in an amount, per acre, that is either six acre-feet (a/f) a year (or, for any period of ten progressive years, 30 a/f) or at a rate established by the Director of the Arizona Department of Water Resources (ADWR). **SB 1242** 

permits the following entities to withdraw groundwater: a) the state, b) a political subdivision of the state, c) a public service corporation regulated by the Corporation Commission that holds a "certificate of convenience and necessity for water service." SB 1242 also places additional requirements for entities transporting the relevant groundwater, such as a) requiring public service corporations to cover costs associated with transportation from customers in their service areas, b) requiring ascertainment of compliance with withdrawal by hydrological study and water measuring devices, and c) requiring monthly reporting from eligible entities to the ADWR. The bill also specifies locations that may receive the transported groundwater, such as a) an initial AMA for use by an eligible entity or the Arizona Water Banking Authority, and b) La Paz County (in a total cumulative volume not to exceed 10% of the total annual volume of groundwater available for transport). States that eligible entities in La Paz County may either a) transport groundwater from eligible Harquahala acres to a location in La Paz County for that entity's use, and b) to sell or lease groundwater to a designated provider in the Phoenix, Tucson, or Pinal AMAs. Specifies that "any local use of groundwater by an eligible entity that sells or leases groundwater ... shall count towards the eligible entity's maximum per-acre withdrawal limit." Requires annual reporting by ADWR to the Governor, the President of the Senate, and the Speaker of the House on a) the total amount of groundwater withdrawn from the Harquahala INA within the preceding year, as well as delineated by entity, b) the total amount of groundwater transported from the Harquahala INA in the preceding year, as well as delineated by entity, and c) the end use and destination of all groundwater transported from the Harquahala INA by each eligible entity in the preceding year.

HB 2016: grandfathered right; subsequent AMA; extension (*Griffin*) (*Laws* 2024, *Ch.* 16) Effective Date: March 24, 2024, due to emergency clause. Includes a retroactivity clause to *February* 29, 2024.

**Summary:** In the wake of the creation of the Douglas Active Management Area (AMA), notwithstanding § 45-476 (A) - which required "a person claiming the right to withdraw or receive and use groundwater pursuant to a grandfathered right" to "file an application for a certificate of grandfathered right" with the Department of Water Resources within 15 months of the date of an AMA's designation. Instead specifies in session law that claimants within the Douglas AMA are to be given a deadline of 21 months after that AMA's designation to file their application. Self-repeals on December 31, 2024.

HB 2368: transportation; groundwater; Douglas AMA (*Griffin*) (*Laws 2024, Ch. 253*) Effective Date: Sept. 14, 2024.

**Summary:** Permits the owner of a well in the Upper San Pedro groundwater basin to "annually withdraw groundwater ... for transportation to the Douglas Active Management Area" if **a)** the groundwater is being transported for the same reasons as it was transferred before December 1, 2022, **b)** the owner had previously withdrawn this groundwater for transportation to the Douglas Active Management Area (AMA) before December 1, 2022, and **c)** the owner of the well, if it is a private water company, has a certificate of necessity issued to provide water within the Douglas AMA for a municipal purpose. Prohibits the groundwater transferred to exceed the amounts of transfer in any of the 10 years before December 1, 2022. Requires reporting to the Arizona Department of Water Resources.

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