



**CITY OF GLENDALE**

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Public Affairs Department

# 2021 End of Session Report

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## Session Summary

The 55th Legislature First Regular Session adjourned Sine Die today, June 30, 2021 at 11:22 a.m. The legislative session officially lasted 171 days. Legislators introduced 1,899 bills, memorials, and resolutions and sent 474 bills to the Governor. Of these, 446 were signed into law and 28 were vetoed by Governor Ducey. The new laws will become effective 90 days after adjournment (September 29, 2021), unless the bill contained an otherwise specified effective date.

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

# Glendale's 2021 Municipal Legislative Principles

## FISCAL SUSTAINABILITY

### Preservation of State Shared Revenue

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

### Maintaining Revenue Streams/Directed Funding Sources

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

### Preservation of Local Taxing Authority

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

### Unfunded Mandates

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

## ECONOMIC DEVELOPMENT

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

## LAND USE PLANNING

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

## **MILITARY PRESERVATION**

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

## **NEIGHBORHOODS**

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

## **PUBLIC SAFETY**

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

## **TRANSPORTATION**

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

## **WATER/ENVIRONMENTAL RESOURCES**

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

## State Budget

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The Arizona legislature began the 2020 legislative session with approximately \$400 million in new revenue; however, the Coronavirus pandemic entered our state in February 2020 and businesses across the Arizona were forced to close causing significant economic loss to the state. The legislators passed a FY 2021 “skinny” budget on March 25 which was simply a baseline budget which funds ongoing programs and essential needs for every state agency similar to the continuing resolutions often used by Congress. While the state braced for several economic losses as a result of the pandemic, the opposite happened. Economic policies set forth by the Governor and significant financial assistance from the federal government greatly increased revenues. By January 2021 (the start of the 2021 session), the Arizona legislature had nearly \$2 billion in excess revenues.

As a result, the legislature debated and then passed legislation that converted Arizona’s income tax to a flat tax of 2.5% for most people. This decision was the cause of great contention and debate. Citizens of Arizona have 90 days to collect the necessary signatures to refer this action to the 2022 ballot. If enough signatures are received and accepted by the Arizona Secretary of State, the flat tax proposal will be paused until the November 2022 election.

In total, the Fiscal Year 2021-22 (FY 22) budget includes state General Fund spending of \$12.8 billion which is a 7.8% increase above last year. Major areas of spending include \$5.9 billion for primary and secondary education (an increase of \$700 million from the previous year), \$163 million in new transportation funding, \$1.9 billion for AHCCCS (an increase of \$200 million from the previous year), \$1.3 billion for the Department of Corrections (an increase of \$150 million from the previous year), and \$7.9 million for the Arizona Independent Redistricting Commission. The 2021 Legislative Session also included one special session to address the state’s fire suppression efforts. HB 2001/SB 1001 were mirroring (identical) bills that appropriated \$75 million in total funding from the general fund in FY 2020-21 to the Arizona Department of Forestry and Fire Management (ADFFM) for wildfire emergency response. The funding bills authorize the Arizona Department of Fire Management to spend the monies for a list of expenses, including fire suppression, mitigation of postfire flooding, emergency liabilities, financial assistance to landowners for fire damage, and reimbursement to a state agency or political subdivision for emergency costs. Governor Ducey signed HB 2001 on June 18, 2021.

## Fiscal Sustainability

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### *New Laws*

#### **HB 2008 (CHAPTER 36) ASRS; EMPLOYER; MEMBER; CONTRIBUTIONS**

The Arizona State Retirement System (ASRS) is prohibited from paying an employer earnings attributable to excess contributions but is required to reduce the amount returned to an employer by the amount of losses attributable to the excess contributions. On receipt of an employer credit or return of contributions, the employer is required to return any member portion of the returned contributions to the member. If an employer pays less than the correct amount of employer or member contributions into ASRS, the correct amount of member contributions is prohibited from being paid to ASRS after the death of the member.

#### **HB 2112 (CHAPTER 98) TRUTH IN TAXATION; PRESS RELEASES**

When community college district governing boards and county flood control district governing bodies are required to issue a press release because the proposed primary property tax levy is greater than the amount levied in the preceding tax year, the press release is required to include the name of the newspaper of general circulation in which the truth in taxation notice will be published and the dates on which it will be published. The district or governing body is also required to post the press release on their official website.

#### **HB 2297 (CHAPTER 193) MILITARY LEAVES OF ABSENCE; DURATION**

Military leaves of absence are no longer limited to 30 days in any 2 consecutive years, and the military leave period is instead based on the average total of regularly scheduled hours worked in a weekly work period. An officer or employee of Arizona or a political subdivision is entitled to up to three times the average of regularly scheduled work hours in a weekly work period each year and up to six times the average of regularly scheduled work hours in a weekly work period in any two consecutive years. Contains a legislative intent section.

#### **HB 2316 (CHAPTER 26) CENTRALLY ASSESSED PROPERTY; VALUATION; PIPELINES**

The "base value" (defined), which is part of the calculation for determining property taxes on pipeline property, is required to be adjusted if one of a list of specified circumstances applies, including a final ruling by a court of competent jurisdiction in Arizona that the full cash value of a pipeline in Arizona is more than the market value using standard appraisal methods, and specified agreements between a pipeline company and the Department of Revenue to adjust the base value as a result of a pending tax appeal or to correct an error in the calculation of full cash value of the system plant in service. Retroactive to tax years beginning with 2016.

#### **HB 2321 (CHAPTER 80) DOR; ADMINISTRATIVE RULINGS; PROCEDURES**

The amount of the income tax credit for "qualified investments" in a "qualified facility" (both defined) is increased to \$300,000 for each net new full-time employment position that has job duties associated with the qualified facility, if the total qualifying investment is \$2 billion or

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more. The maximum aggregate amount of income tax credits for qualified investments in a qualified facility that the Arizona Commerce Authority is allowed to preapprove is increased to \$125 million, from \$70 million. The definition of “qualified manufacturing” is expanded to include manufacturing tangible products in Arizona if at least 65 percent of the product is directly sold to one or more qualified facilities, regardless of whether the qualified facilities are preapproved by the Authority. The distribution of revenues to counties and municipalities to fund public infrastructure improvements for the benefit of a manufacturing facility is extended ten years through September 30, 2033.

**HB 2381(CHAPTER 34) PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION**

Various changes to statues governing the Public Safety Personnel Retirement System (PSPRS) and Corrections Officer Retirement Plan (CORP). The powers and duties of PSPRS local boards and CORP local boards are expanded to include deciding all questions of eligibility for membership and disability and in the line of duty death benefits, and a uniform process for reviewing applications for these benefits is established. Each PSPRS local board and CORP local board is required to hire an independent legal counsel, and requirements and prohibitions for the legal counsel are specified. PSPRS and CORP local board members are required to complete local board training within 180 days after appointment or election. PSPRS and CORP employers and local boards are required to submit any materials requested by the PSPRS Board of Trustees for any reason. If the PSPRS Board of Trustees finds through an audit or investigation that a local board is not in compliance with statute or rule, the local board has 60 days to take corrective action, and failure to take adequate correction action authorizes the Board of Trustees to act on behalf of that local board until the matter is resolved. PSPRS and CORP local boards are authorized to enter into an intergovernmental agreement with other local boards to consolidate the boards. Effective January 1, 2022. A

**HB 2386 CHAPTER 422) CRISIS STANDARDS OF CARE (~~TOWN COUNCILS; FINANCIAL STATEMENTS; WEBSITES~~)**

If the Department of Health Services (DHS) adopts or establishes a crisis standards of care plan or crisis guidelines or standards to address resource allocation when the demand for certain health care services exceeds the supply of necessary resources, a list of specified provisions must be included in the plan, guidelines, or standards, including that decisions on the allocation of health care resources cannot be discriminatory on the basis of specified factors, that each patient has the right to an individualized assessment on the basis of the best available objective medical evidence, and that a patient or the patient's family or health care decision maker has the right to appeal any triage decision. A health care provider or health care institution staff member is prohibited from requiring a patient or the patient's health care decision maker to sign a do-not-resuscitate order or make a particular health care treatment decision. DHS is required to modify any existing crisis standards of care plan or crisis guidelines or standards within 60 days after the effective date of this legislation to comply with these requirements.

**HB 2431 (CHAPTER 131) DOR; BOND ELECTION PAMPHLETS; STORAGE**

The governing body of a political subdivision is no longer required to submit a copy of the informational pamphlet for a bond election to the Department of Revenue (DOR) within 30 days after the bond election. DOR is no longer required to maintain copies of the pamphlets.



**HB 2570 (CHAPTER 367) LICENSES; PANDEMICS; REVOCATION PROHIBITION**

State agencies, counties, and municipalities are prohibited from permanently revoking any license that is used to operate a business for not complying with an order issued by the Governor due to a state of emergency proclaimed by the Governor for an epidemic or pandemic disease, unless the agency, county or municipality can demonstrate by clear and convincing evidence that the business was the actual cause of transmission of the disease that is the subject of the order due to the business's willful misconduct or gross negligence. Before a state agency, county or municipality suspends or permanently revokes a business license, the agency must provide written notice of noncompliance and written notice of intent to suspend or permanently revoke the license at least 30 days after the notice of noncompliance. Any dispute relating to the suspension or permanent revocation of a business license must be resolved by a court of competent jurisdiction. The Department of Liquor Licenses and Control (DLLC) is prohibited from assessing or collecting a civil penalty of more than \$500 for a violation of an executive order issued pursuant to the state of emergency related to COVID-19 that was proclaimed on March 11, 2020. DLLC is required to refund any amount collected in excess of this cap by the 10th business day after the effective date of this legislation.

**HB 2696 (CHAPTER 224) GOVERNMENT ASSISTANCE; POINT OF CONTACT**

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

**HB 2772 (CHAPTER 234) FANTASY SPORTS BETTING; EVENT WAGERING**

Numerous changes to statutes relating to gaming. Establishes a new chapter in Title 5 (Amusements and Sports) regulating "fantasy sports contests" (defined), conditionally enacted on each Indian Tribe with a gaming facility in Pima County and in the Phoenix metropolitan area entering into a 2021 Gaming Compact Amendment and publishing in the federal register notice of the U.S. Secretary of the Interior's approval or approval by operation of law. An individual who is licensed by the Arizona Department of Gaming (ADG) is authorized to offer one or more fantasy sports contests if specified conditions apply, including that the individual collects no more than \$10,000 in total entry fees for all fantasy sports contests offered in a calendar year, at least 95 percent of which are awarded to the fantasy sports contest players. Establishes requirements for licensure, authorizes ADG to adopt rules related to conducting fantasy sports contests, and establishes penalties for violations. Individuals who are under 21 years of age are prohibited from participating in a fantasy sports contest. Establishes a list of prohibited actions for licensed fantasy sports contest operators and prohibits fantasy sports contests from being offered on a kiosk or machine open to public use. ADG is required to establish a fee for the privilege of operating fantasy sports contests. In determining the fee, ADG is required to consider the highest percentage of revenue share that an Indian Tribe pays to Arizona pursuant to the tribal-state gaming compacts and any amendments. ADG is authorized to use up to 10 percent of fee monies for the costs of regulating fantasy sports contests and is required to transfer the remaining monies to the general fund. An Indian Tribe that lawfully conducts class III gaming pursuant to a tribal-state gaming compact with Arizona

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is authorized to offer and conduct fantasy sports contests, directly or through a third-party operator, without applying for or holding a license if all activities of the fantasy sports contest occur within the boundary of its Indian lands and the Indian Tribe complies with any regulations that are included in the compact. Establishes a new chapter in Title 5 (Amusements and Sports) regulating "event wagering" (defined), conditionally enacted on each Indian Tribe with a gaming facility in Pima County and in the Phoenix metropolitan area entering into a 2021 Gaming Compact Amendment and publishing in the federal register notice of the U.S. Secretary of the Interior's approval or approval by operation of law. Establishes powers and duties of ADG to enforce event wagering statutes. Event wagering may be conducted only to the extent that it is conducted in accordance with this legislation, and a person is prohibited from offering any activity in connection with event wagering in Arizona unless all necessary licenses have been obtained in accordance with federal and state law and any applicable ADG rules. Does not apply to event wagering conducted exclusively on Indian lands by an Indian Tribe operated in accordance with a tribal-state gaming compact and any amendments. ADG is authorized to issue up to 10 event wagering operator licenses to applicants other than an Indian Tribe and up to 10 event wagering operator licenses to Indian Tribes in Arizona that have signed the most recent Tribal-State Gaming Compact and any applicable amendments. Establishes requirements for licensure as an event wagering operator. A license authorizes an event wagering operator to offer event wagering through a facility within a 5-block radius of the operator's sports facility and event wagering through a mobile platform as specified by ADG. Establishes provisions for license revocation, suspension, or denial. An event wagering operator is authorized to partner with a racetrack enclosure or additional wagering facility that holds a racing permit to obtain a limited event wagering license for event wagering only at one specific physical location. ADG is allowed to issue a total of up to 10 limited event wagering licenses. Management services providers are required to obtain a license from ADG and are authorized to contract with an event wagering operator or operators. ADG is required to establish and collect application and license fees. ADG is required to establish bond in escrow, cash on hand, and insurance requirements for licensees. Establishes a list of prohibited wagers. ADG is required to establish a fee for the privilege of operating event wagering that is not less than the highest percentage of revenue share that an Indian Tribe pays to Arizona pursuant to the tribal-state gaming compact. ADG is authorized to use up to 10 percent of fee monies for the costs of regulating fantasy sports contests and is required to transfer the remaining monies to the general fund. Fantasy sports contest operators and event wagering operators are required to allow problem gamblers to voluntarily exclude themselves and to develop and maintain a program to mitigate and curtail compulsive play or compulsive gambling. After the conditions for enactment of this legislation are met, the Arizona State Lottery Commission is authorized to establish and operate a single "electronic keno game" and a single "mobile draw game" on a centralized computer system controlled by the lottery that allows a player to place wagers, view the outcome of a game and receive winnings over the internet, including on personal electronic devices. An electronic keno game may be operated only within an "authorized keno location" (defined as a physical facility with a specified gaming license that is a fraternal organization, veterans' organization, racetrack enclosure, or wagering facility where pari-mutuel wagering is conducted). If the electronic keno game is to be played on personal electronic devices, players must be geographically restricted by means of geofencing to authorized keno locations. Establishes limits on the number of authorized keno locations and the frequency of electronic keno game draws and prohibits certain user interface depictions. Establishes the 2021 Compact Trust Fund for the exclusive purposes of mitigating impacts to Indian Tribes from gaming authorized by the "2021 Gaming Compact Amendment" (defined) and providing economic benefits to beneficiary Tribes, including those with an effective gaming compact that includes the 2021 amendments and do not engage in gaming. Contains a legislative intent section. Emergency clause.

**HB 2821 (CHAPTER 328) BONDS; CHANGE OF PURPOSE; ELECTION**

The governing body or board of a political subdivision is authorized to call an election to change the purposes for which the monies derived from the sale of bonds authorized at a prior bond election may be spent provided the bonds have not been issued. An election called to change the purposes for which bond monies may be spent may be held only on the first Tuesday following the first Monday in November. This authorization self-repeals January 1, 2025.

**HB 1042 (CHAPTER 204) WORKERS' COMPENSATION; SETTINGS; DEFINITION (~~WORKERS' COMPENSATION; FEE SCHEDULE; SETTINGS~~)**

For the purpose of statute allowing the Industrial Commission to include separate reimbursement guidelines for medications dispensed in settings that are not accessible to the general public, "settings that are not accessible to the general public" does not include mail order pharmacies delivering pharmaceutical services to workers' compensation claimants, if specified conditions are met. Emergency clause.

**SB 1044 (CHAPTER 357) CREDIT FOR REINSURANCE**

Statutes governing credit for reinsurance are repealed and replaced. Establishes requirements for domestic ceding insurers to be allowed a credit for reinsurance. If the assuming insurer does not meet the requirements prescribed in this legislation, the credit for reinsurance cannot be allowed unless the assuming insurer agrees in the trust agreements to a list of specified conditions. The Director of the Department of Insurance and Financial Institutions is authorized to adopt rules to carry out this legislation. Applies to all cessions after the effective date of this legislation under reinsurance agreements that have an inception, anniversary or renewal date at least six months after the effective date. Contains a legislative intent section.

**SB 1045 (CHAPTER 330) DEFINED CONTRIBUTION; HEALTH SUBSIDY; DISABILITY**

Retired members of the Public Safety Personnel Defined Contribution Retirement System (PSPDCRS) are no longer required to pay the premium for coverage in the group health and accident coverage and are no longer excluded from eligibility for benefits under the health insurance premium assistance program for members with disabilities. The accidental disability pension for a member of the Public Safety Personnel Retirement System (PSPRS) must be at least 50 percent of the member's average monthly benefit compensation. The PSPRS Board is required to establish and administer a group health benefits plan for retired participants who elect to participate. For 90 days after the effective date of this legislation, existing PSPDCRS participants must have an opportunity to opt in to the group health benefits plan through an irrevocable election to pay the required costs through payroll deduction. Each participant in the group health benefits plan and the participant's employer are required to pay an equal amount for costs, as actuarially determined, for the plan. Other than provisions relating to accidental disability pension, this legislation becomes effective July 1, 2022.

**SB 1046 (CHAPTER 120) MEMBER DISTRIBUTIONS; DEFERRED RETIREMENT; TRANSFERS**

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For the purpose of Public Safety Personnel Retirement System (PSPRS) rollover distributions, the definition of "eligible retirement plan" is expanded to include a Roth individual retirement account that satisfies the requirements of section 408A of the federal Internal Revenue Code. A PSPRS member or the member's surviving spouse who is entitled to receive an eligible rollover distribution is authorized to elect to directly roll over all or part of that distribution to an eligible retirement plan, and a member's beneficiary other than the spouse is authorized, on the death of the member, to elect to directly roll over all or part of an eligible rollover distribution from the system. Requirements for eligible rollover distributions are specified. Retroactive to January 1, 2020.

**SB 1051 (CHAPTER 135) ASRS; EMPLOYER PAYMENTS; INELIGIBLE CONTRIBUTIONS**

In statutes governing employer payments for ineligible contributions to the Arizona State Retirement System, the term "shall" provide a benefit or credit replaces the term "is legally obligated to" provide a benefit or credit.

**SB 1052 (CHAPTER 238) ASRS; REQUIRED BEGINNING DATE; DISTRIBUTIONS**

For the purpose of the requirement that payment of an Arizona State Retirement System member's deferred benefits begin by the member's "required beginning date," the definition of "required beginning date" is modified to refer to the federal Internal Revenue Code, instead of April 1 following the calendar year in which the member attains 70.5 years of age. If a member dies after the member's required beginning date and the member had not commenced distribution of retirement benefits, ASRS is required to treat the member as having commenced distribution of retirement benefits on the required beginning date.

**SB 1053 (CHAPTER 29) ASRS; NONPARTICIPATORY EMPLOYER LIABILITY**

The list of Arizona State Retirement System (ASRS) nonparticipating employers is modified to remove an employer that is no longer contributing to ASRS on behalf of current employees due to a reduction in the number of actively contributing employees by 30 percent or more over a 3-year period or a reduction in the number of actively contributing employees by 50 percent or more over any period of time, based on the number of contributing employees as of August 3, 2018.

**SB 1054 (CHAPTER 14) ASRS; SELF-INSURANCE PROGRAM**

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

**SB 1220 (CHAPTER 205) MENTAL HEALTH PROFESSIONALS; TRAUMA COUNSELING**

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For the purpose of programs to provide peace officers and firefighters with traumatic event counseling, the definition of "licensed mental health professional" is expanded to include mental health professionals who are licensed by the Board of Behavioral Health Examiners and who hold either a master's or doctoral degree related to the mental health profession, and licensed mental health nurse practitioners or psychiatric clinical nurse specialists.

**SB 1268 (CHAPTER 347) LABOR ORGANIZATIONS; FIDUCIARY GUIDELINES; DISCLOSURE**

To the extent allowed under federal law, a labor organization that collects benefit monies or union dues is subject to similar fiduciary guidelines as required by employers or third-party administrators providing benefits to employees in Arizona, including disclosing an annual statement with specified financial information and regulations relating to benefits. Labor organizations cannot accept dues or benefits contributions for employees that have not voluntarily joined the labor organization. An individual cannot be considered a member of a labor organization or have any union dues or benefits withheld without the individual's affirmative written consent. Employees and employers are prohibited from paying any penalty or fee related to the employee's abstention or resignation from labor organization membership. Applies to any labor organization that is collecting benefit monies or union dues on behalf of an Arizona resident or an employer that is domiciled within Arizona. Does not apply to labor organizations for employees working for the state, a political subdivision of the state, or federal governments.

**SB 1396 (CHAPTER 249) PSPRS; SURVIVOR BENEFITS**

The amount of a surviving spouse's pension from the Public Safety Personnel Retirement System is 40 percent of the deceased member's average monthly salary or 4/5 of what the deceased member's pension would have been on the date of death had the member been retired, whichever is greater. Previously, the surviving spouse's pension was 40 percent of the deceased member's average monthly salary.

**SB 1349 (CHAPTER 331) PROCUREMENT; FINAL LIST; NUMBER**

For the purpose of the procurement code, a request for qualifications is required to state that in a procurement of multiple contracts for professional services to be awarded to a single person or firm, that there will be a single final list of no more than ten persons or firms, instead of at least three and not more than five persons or firms. The maximum number of persons or firms on the single final list for a procurement for multiple contracts that are awarded to separate persons or firms is increased to ten, from five. If the purchasing agency will hold interviews as part of the selection process, the maximum number of interviews held is increased to ten.

**SB 1451 (CHAPTER 229) WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER**

Fire investigators are added to the presumption that specified types of cancer and related diseases that result in disability or death are an occupational disease and are deemed to arise out of employment if specified conditions are met. All insurance carriers, self-insuring employers and workers' compensation pools that secure workers' compensation for firefighters and fire investigators are required to compile and report to the Industrial Commission claim and claim reserve information for all cancer-related claims filed by or on behalf of firefighters and fire investigators. The Commission is required to compile and make available to insurance carriers,

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rating organizations, employers, public safety workers and workers' compensation pools the claim-related information collected to assist with the setting of workers' compensation insurance rates.

In addition to the six uniform percentage deviations already authorized by statute, insurers covering firefighters and fire investigators are permitted to file one uniform percentage deviation that increases the statewide rates under the rating organization's rate filing for the class codes associated with firefighters and fire investigators to address the anticipated increase in losses and expenses for claims that are compensable due to the workers' compensation presumption. The deviation filing must be accompanied by analysis from an actuary that substantively illustrates the basis for the rate increase. Contains a legislative intent section.

**SB 1720 (CHAPTER 220) PEER-TO-PEER CAR SHARING**

Establishes a new chapter in Title 28 (Transportation) regulating "peer-to-peer car sharing," defined as the authorized use of a shared vehicle by an individual other than the shared vehicle owner through a "peer-to-peer car sharing program" (defined). A peer-to-peer car sharing program is required to assume the liability of a shared vehicle owner for bodily injury or property damage that occurs to a third party during the car sharing period in an amount that is stated in the car sharing program agreement and that is at least the minimum amount of motor vehicle liability coverage required by statute. Some exceptions. A peer-to-peer car sharing program is required to ensure that during each car sharing period the shared vehicle owner and the shared vehicle driver are insured under a motor vehicle liability insurance policy that recognizes that the vehicle insured under the policy is made available and used through a peer-to-peer car sharing program, and that does not exclude the use of a shared vehicle by a shared vehicle driver. This insurance is primary during each car sharing period. Establishes authorized motor vehicle liability insurer exclusions relating to peer-to-peer car sharing. Establishes various requirements for peer-to-peer car sharing programs, including record collection, car sharing program agreement disclosures, driver license requirements, and responsibility for equipment and safety recalls. This legislation does not prohibit or restrict a public airport from implementing rules or licensing requirements or from assessing fees or charges that apply to shared vehicle transactions that are conducted at the public airport or that use an off-airport shuttle service provider that contracts with the public airport to access the shared vehicle off of the public airport premises. A shared vehicle transaction is subject to transaction privilege taxes but is not subject to the rental vehicle surcharge. A peer-to-peer car sharing program is required to register with the Department of Revenue (DOR) for a license for the payment of transaction privilege taxes levied by the state and one or more counties, municipalities, or special taxing districts for the taxes due from a shared vehicle owner for any vehicle sharing transaction facilitated by the peer-to-peer car sharing program. A licensed peer-to-peer car sharing program is required to electronically remit to DOR the applicable surcharges and taxes, to electronically report the taxes monthly, and to remit the aggregate total amounts for each of the respective taxing jurisdictions. Establishes requirements for sourcing of shared vehicle transactions. A shared vehicle owner is entitled to an exclusion from any applicable taxes for any shared vehicle transaction that is facilitated by a peer-to-peer car sharing program and for which the program has collected and remitted applicable taxes. Counties, municipalities, and political subdivisions are prohibited from imposing any additional taxes, fees or charges on the gross proceeds or gross income of a shared vehicle transaction that is not imposed on every other transaction involving motor vehicles for hire without a driver by that jurisdiction.

**SB 1752 (CHAPTER 232) CONFORMITY; INTERNAL REVENUE CODE  
(COMMUNITY FACILITIES DISTRICTS)**

For the purpose of Title 42 (Taxation), the definition of "Internal Revenue Code" is updated to mean the U.S. Internal Revenue Code in effect as of March 11, 2021, including provisions that became effective during 2020 with the specific adoption of all retroactive effective dates, but excluding any changes enacted after March 11, 2021. For the purpose of Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax years beginning with 2021 means the U.S. Internal Revenue Code in effect on March 11, 2021, including provisions that became effective during 2020 with the specific adoption of all retroactive effective dates, but excluding any changes enacted after March 11, 2021. For the purpose of Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax year 2020 means the U.S. Internal Revenue Code in effect on January 1, 2020, including those provisions of the Families First Coronavirus Response Act, the Coronavirus Aid, Relief, and Economic Security Act, the Paycheck Protection Program Flexibility Act of 2020, and the Consolidated Appropriations Act of 2021, and the American Rescue Plan Act of 2021 that are retroactively effective during tax year 2020. Provisions of the Coronavirus Aid, Relief, and Economic Security Act that are retroactively effective are also added to the definitions of "Internal Revenue Code" for tax years 2019, 2018, 2017, 2016, 2015, 2014, and 2013.

**SB 1819 (CHAPTER 405) BUDGET; BRB; BUDGET PROCEDURES; 2021-2022  
(~~BUDGET PROCEDURES; BUDGET RECONCILIATION; 2021-2022~~)**

Makes various changes that affect the budget across agencies. Declares that the COVID-19 pandemic is a matter of statewide concern and prohibits counties and municipalities from making or issuing any order, rule, ordinance or regulation related to mitigating the COVID-19 pandemic that impacts private businesses, schools, churches, or other private entities, including mandating face coverings, requiring closing a business, or imposing a curfew. Counties and municipalities are authorized to set and enforce mitigation policies in a building owned by the county or municipality. During a state of emergency in which there is an occurrence or the imminent threat of smallpox, plague, viral hemorrhagic fevers or a highly contagious and highly fatal disease with transmission characteristics similar to smallpox, a person diagnosed or exposed or who may be reasonably expected to be exposed to the illness is allowed to refuse a vaccination required by the Governor's mandate based on the person's personal beliefs. Beginning January 2, 2023, the Governor is permitted to issue an initial proclamation for a state of emergency for a public health emergency for a period of no more than 30 days. The Governor is authorized to extend the state of emergency for additional 30-day periods up to 120 days. The state of emergency terminates after 120 days unless it is extended by passage of a concurrent resolution of the Legislature. The Legislature is authorized to extend the state of emergency in periods of up to 30-days as many times as necessary by concurrent resolution. The Governor is prohibited from proclaiming a new state of emergency for the same conditions without the passage of a concurrent resolution by the Legislature. On extension of a state of emergency by the Governor, the Governor is required to report specified information to the Legislature. Also makes numerous changes relating to elections. Any vendor that provides fraud countermeasures that are contained in and on the paper used for ballots is required to be ISO 27001 certified, ISO 17025 certified, or ISO 9001:2015 certified. Ballot fraud countermeasures are required to include at least three of a list of ten specified features, including watermarking, security inks and unique barcodes. Appropriates \$12 million from the general fund in FY2021-22 to the newly established Election Integrity Fund, to be used to pay county recorders for election security, cybersecurity measures and improvements, and reimbursements for postelection hand tabulations. Establishes the Joint Task Force on Unreported In-Kind Political Contributions, consisting of the designees of the Attorney General and the Secretary of State. The Task Force is required to investigate whether and to

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what extent the business or other practices of social media platforms and internet search engines result in unreported in-kind political contributions to candidates in Arizona in violation of election law. The Task Force is authorized to take enforcement action as appropriate. Appropriates \$500,000 from the general fund in FY2021-22 to the newly established Unreported In-Kind Political Contributions Task Force Fund. The Auditor General is required to review the processes and statutory requirements for maintaining the statewide voter registration database, county early voting lists and county voter registration databases for counties with a population of more than 1 million persons (Maricopa and Pima Counties). The Secretary of State and county recorders are required to provide specified information to the Auditor General. The Auditor General is required to report its findings to the Legislature by June 30 of each even-numbered year. Appropriates \$500,000 from the general fund in FY2021-22 to the Auditor General for this purpose. By December 31, 2021, the Secretary of State is required to submit to the U.S. Election Assistance Commission a request that the Commission include on the federal voter registration form Arizona's state-specific instructions to provide proof of citizenship. Requires the Secretary of State to provide access to the statewide voter registration database to a person or entity that is designated by the Legislature and to the Election Integrity Unit of the Attorney General's Office for the purpose of determining whether voter registration list maintenance procedures comply with federal law with respect to federal-only voters. The person or entity designated by the Legislature is required to be qualified in more than one state to analyze a state's voter registration rolls for compliance with federal law, and is required to report its findings to the Legislature, the Attorney General, and the Secretary of State. Each county recorder is required to submit an annual report to the Legislature regarding federal-only voters, and information that must be included in the report is specified. Session law affirms that the legal defense of state election laws and procedures is of statewide importance and the Attorney General has the authority to defend such laws. In any disagreement between the Attorney General and the Secretary of State or any other state official concerning the defense of a state election law, the authority of the Attorney General to defend the law is paramount. In any proceeding in which the validity of a state election law is challenged, the Attorney General speaks for the state and must be allowed to intervene on behalf of the state. The Attorney General is authorized to intervene at any stage of the proceeding, including to appeal or petition any decision. Establishes the Special Committee on the Election Audit, consisting of the members of the Senate Government Committee, to receive and review the findings of the senate audit of the 2020 general election in Maricopa County, and recommend to the Senate President the appropriate legislative action based on the findings, including a call for a special session to implement the Committee's recommendations. Additionally, requires the Governor to appoint a State Permitting Director to establish and maintain an online database called the Permitting Dashboard that displays the progress to completion for state authorizations for "participating projects" (defined). The Director is required to coordinate with a list of specified state agencies and any other agency that requires authorization for a participating project. Information that may be displayed on the Permitting Dashboard is listed. A project sponsor of an "eligible project" (defined as an activity in Arizona that requires authorization by an agency, that is subject to applicable state environmental laws, that is likely to require a total construction investment of more than \$25 million, and that meets other specified requirements) is authorized to submit to the Director a notice that the project sponsor is initiating a proposed project, and information that must be included in the notice is established. No later than 30 days after receipt of the notice, the Director is required to determine whether the proposed project qualifies as an eligible project and whether to include it as a participating project in the Permitting Dashboard. No later than 45 days after the determination, each agency identified by the project sponsor is required to submit to the Director all anticipated authorizations required for the participating project, including the target completion time for each step required. Agencies cannot require an eligible project to



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participate in the Permitting Dashboard. Establishes a process for resolution of disputes relating to the permitting timetable. Permitting Dashboard provisions self-repeal January 1, 2029. Establishes the Major Events Fund to be administered by the Arizona Commerce Authority and used to support the planning and operation of the competitive bid process for major events in coordination with the Office of Tourism and for other economic development activities associated with major event operations. Liabilities in excess of \$200,000 incurred by the Arizona Department of Forestry and Fire Management during an emergency arising from major disasters may be reimbursed with the approval of the Governor or State Emergency Council. The Director of the Arizona Legislative Council is required to direct and manage the State Capitol Museum and administer the Museum Gift Shop Revolving Fund. Modifies deadlines for various reports to the Governor and the Legislature. Requires any unrestricted federal monies received by Arizona in FY2021-22 to be deposited in the general fund. Maintains the Capital Outlay Stabilization Fund rental rates for state-owned buildings of \$17.87/square foot for office space and \$6.43/square foot for storage space. For FY2021-22, FY2022-23, and FY2023-24, the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund. Before spending monies from specified funds as appropriated by the federal American Rescue Plan Act of 2021 in the amount of \$10 million or more for one designated purpose, the Governor, the Superintendent of Public Instruction, and the Arizona Board of Regents are each required to notify the Legislature of the intended use of the monies. Establishes quarterly reporting requirements for expenditures from these funds. Establishes a 13-member Advisory Committee on the Formation of a Southern Arizona Regional Sports Authority. The amount appropriated to the Department of Public Safety for body cameras is exempt from specified requirements, including independent third-party validation and verification requirements. Makes various changes to the Study Committee on Missing and Murdered Indigenous Peoples, including modifying committee membership, duties, and reporting requirements, and extending the repeal date of the Committee to 2025.

**SB 1823 (CHAPTER 408) BUDGET; GENERAL APPROPRIATIONS ACT; 2021-2022  
(GENERAL APPROPRIATIONS ACT; 2021-2022)**

The "feed bill" for FY2021-22, containing appropriations for state agencies and programs. Provisions include: Requires the Auditor General to conduct a special audit of financial and related information of any private, nongovernmental grant monies used for Arizona's 2020 elections and Maricopa County's procurement of voting systems. The Auditor General is required to submit a report on the audit to the Governor and the Legislature by March 31, 2022, and information that must be included in the report is listed. Requires the Auditor General to compile information on how all Arizona school districts and charter schools spent or plan to spend stimulus monies specified in the federal acts related to the COVID-19 pandemic and how the Arizona Department of Education spent or plans to spend its stimulus discretionary monies specified in the federal acts related to the COVID-19 pandemic in FY2019-20, FY2020-21, and FY2021-22. Appropriates \$4.615 billion in FY2021-22 for basic state aid to school districts for maintenance and operations funding. Continues deferment of \$865.7 million in basic state aid payments to schools until FY2022-23 (K-12 rollover). Makes a supplemental appropriation of \$38.76 million from the general fund in FY2020-21 to the School Facilities Board for building renewal grants. Appropriates \$47.95 million from the general fund in FY2022-23 for a one-time deposit in the New School Facilities Fund. The sum of \$74.7 million is reduced from appropriations made from the general fund in FY2021-22 to eliminate debt service payments following the retirement or defeasance of financing agreements entered into pursuant to the FY2015-16 budget, consisting of \$57.24 million from appropriations to the School Facilities Board New School Facilities Fund and \$17.46 million from appropriations to the Department of Corrections private prison per diem line item.

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Makes a supplemental appropriation of \$977.1 million from the general fund in FY2020-21 to ADOA to pay for the retirement or defeasance of financing agreements and state lottery revenue bonds. Makes a supplemental appropriation of \$17.04 million from the general fund in FY2020-21 to ADOA for distribution to counties with political subdivisions in Arizona that paid refunds ordered in the Transwestern Pipeline Co. v. Arizona Department of Revenue litigation. Makes supplemental appropriations to the Department of Child Safety and the Department of Economic Security (DES) in FY2020-21 for caseload adjustments. Makes a supplemental appropriation of \$62 million from the general fund in FY2020-21 to DES for deposit in the Unemployment Compensation Fund. Appropriates \$55 million from the general fund in FY2020-21 to the Department of Emergency and Military Affairs for deposit in the Border Security Fund. Makes a supplemental appropriation of \$500 million from the general fund in FY2020-21 to the Public Safety Personnel Retirement System (PSPRS) to be deposited in the employer account of the Department of Public Safety PSPRS group to reduce the unfunded accrued liability. Appropriates \$500 million from the general fund in FY2020-21 to the PSPRS to be deposited in the employer account of the State Department of Corrections group of the Corrections Officer Retirement Plan to reduce the unfunded accrued liability. Appropriates the following amounts from the general fund in FY2021-22 to ADOA for distribution to counties for maintenance of essential county services: \$7.15 million for distribution to counties with a population of less than 900,000, \$500,000 for distribution to Graham County, and \$3 million to supplement the normal cost plus an amount to amortize the unfunded accrued liability in the Elected Officials' Retirement Plan, which ADOA is required to allocate equally among all counties with a population of less than 300,000 persons. On or after April 1, 2022, the Department of Economic Security is authorized to use up to \$25 million from the Budget Stabilization Fund to provide funding for reimbursement grants. This appropriation must be fully reimbursed by September 1, 2022. Authorizes the Secretary of State to hire one FTE to serve as legal advisor and represent the Secretary of State and prohibits the Secretary of State from making expenditures to employ outside or private attorneys to provide representation. Appropriates \$1.5 million from the Consumer Fraud Fund to the Attorney General for an Organized Retail Theft Task Force and establishes requirements for the Task Force. Requires various reports and makes various fund transfers.

**SB 1827 (CHAPTER 411) BUDGET; BRB; REVENUE; 2021-2022 (~~REVENUE; BUDGET RECONCILIATION; 2021-2022~~)**

Makes various changes relating to general revenues for FY2021-22. For each taxable year beginning with 2021, for taxable income that is subject to the income tax surcharge imposed by Proposition 208, the combined tax rate of the surcharge and the highest tax rate imposed for individual income taxes cannot exceed 4.5 percent. If the combined tax rate exceeds 4.5 percent, the highest income tax rate imposed must be reduced so that the combined tax rate is 4.5 percent. Establishes the Municipal Firefighter Cancer Reimbursement Fund, to be administered by the Industrial Commission and used to reimburse municipal payors for the compensation and benefits paid to municipal firefighters and municipal fire investigators for specified disability and death benefits. Beginning July 1, 2021, the Commission is required to assess and collect fees from municipalities for deposit in the Fund. The aggregate amount of fees is capped at \$15 million in each fiscal year. The share of fees assessed must be based on population. Municipalities are authorized to meet their obligation for the assessment from any source of revenue, and payments made are excluded from the applicable expenditure limitations. Repeals Department of Revenue administrative fees for costs of tax administration for local governments. The date on which unexpended and unencumbered monies remaining in the Veterans' Income Tax Settlement Fund revert to the general fund is extended two years to June 30, 2023, and the deadline for claims from the fund is extended three years to

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December 31, 2022. In FY2021-22, the Department of Gaming is required to establish and collect a regulatory assessment of 0.5 percent of the amounts wagered from each commercial racing permittee. The Department of Agriculture is authorized to continue, increase or lower existing fees from FY2019-20 and FY2020-21 in FY2021-22 to generate up to \$218,000 to the general fund, \$113,000 to the Pesticide Trust Fund and \$26,000 to the Dangerous Plants, Pests and Diseases Trust Fund. For FY2021-22, counties with a population of less than 250,000 are authorized to meet any county fiscal obligation from any source of county revenue designated by the county, in an amount of up to \$1.25 million. Retroactive to July 1, 2021, the Department of Administration is required to assess and collect \$1.11 million from the City of Flagstaff in FY2021-22 to reimburse the state for costs to the state attributable to the establishment of a minimum wage that exceeds the state minimum wage. Contains a legislative intent section.

### **SB 1828 (CHAPTER 412) OMNIBUS; TAXATION**

Numerous changes to the tax code. By September 30, 2022, the Director of the Joint Legislative Budget Committee (JLBC Director) and the Director of the Governor's Office of Strategic Planning and Budgeting (OSPB Director) are required to jointly notify the Arizona Department of Revenue (ADOR) whether the FY2021-22 general fund revenue, excluding the beginning balance, was \$12,782,80,000 or more (Revenue Notice phase 1 option A). By September 30, 2023 and by September 30 of each year until the notices are provided, the JLBC Director and OSPB Director are required to jointly notify ADOR whether the previous FY general fund revenue was more than \$12,782,800,000 but less than \$12,976,300,000 (Revenue Notice phase 1 option B), or whether it was \$12,976,300,000 or more (Revenue Notice phase 2). On receipt of Revenue Notice phase 1 option A or Revenue Notice phase 1 option B, ADOR is required to use the following tax rates: for a single person or married person filing separately, if taxable income is \$0 to \$27,272, the tax is 2.53% of taxable income, and if taxable income is \$27,273 and over, the tax is \$690 plus 2.75% of the amount over \$27,272; for a married couple filing jointly or a head of household, if taxable income is \$0 to \$54,544, the tax is 2.53% of taxable income, and if taxable income is \$54,545 and over, the tax is \$1,380 plus 2.75% of the amount over \$54,544. This tax rate applies until ADOR receives Revenue Notice phase 2. On receipt of Revenue Notice phase 2, ADOR is required to use a flat rate of 2.5% of taxable income. The tax rates established in the bill for tax year 2022 apply until ADOR receives Revenue Notice phase 1 option A or Revenue Notice phase 1 option B. For each tax year beginning with 2022, ADOR is required to adjust the income dollar amount for each rate bracket according to the average annual change in the metropolitan Phoenix consumer price index, except that the dollar amounts cannot be revised below the amount prescribed in the prior tax year. Beginning in FY2023-24, the Urban Revenue Sharing Fund consists of an amount equal to 18 percent of net proceeds of the state income taxes for the FY two years preceding the current FY, increased from 15 percent. Reduces the assessed valuation of class one property to 17.5 percent of the full cash value or limited valuation in tax year 2022, to 17 percent of the full cash value or limited valuation in tax year 2023, to 16.5 percent of the full cash value or limited valuation in tax year 2024, and to 16 percent of the full cash value or limited valuation in tax year 2025 and after, from 18percent. Beginning July 1, 2022, the maximum weekly unemployment benefit amount is increased to \$320, from \$240. Increases the state unemployment tax taxable wage limit to \$8,000 in 2023 and after, from \$7,000. The maximum number of weeks an individual may receive unemployment benefits is reduced to 24 weeks if Arizona's "unemployment rate in the prior calendar quarter" (defined) is less than 5 percent. The Department of Economic Security (DES) is required to obtain current employment and earned income information from external data sources, including third-party vendors, as part of the employment and income verification process to determine an individual's eligibility for unemployment benefits. By December 31 of each year, DES is

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required to submit a report to the Governor and the Legislature on unemployment insurance fraud. For tax years beginning with 2021, establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2030 at a facility located in Arizona. The amount of the credit is up to \$10,000 for the first 20,000 tons and \$5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed \$500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at \$2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. The maximum amount of benefits, annuities and pensions received during the tax year as retired or retainer pay of the uniformed services of the U.S. that may be subtracted from Arizona gross income for the purposes of individual income taxes is increased to the full amount received for tax years beginning with 2021, from \$3,500 in tax year 2020. Retroactive to tax years beginning January 1, 2021. Beginning in FY2021-22, the aggregate dollar amount of the cap on the tax credit for contributions to school tuition organizations (STO) is increased to \$6 million in any FY, from \$5 million. Increases the maximum STO scholarship amount in 2021 to \$5,600, from \$4,200, for students in kindergarten through 8th grade and students in a preschool program that offers services to students with disabilities, and to \$7,500, from \$5,500, for students in grades 9 through 12. In each year after 2021, the limit must be increased by \$200, instead of \$100. The list of students that may receive an STO educational scholarship or tuition grant is expanded to include students who are homeschooled before enrolling in a qualified school, students who moved to Arizona from out of state before enrolling in a qualified school, and students who participated in an Arizona empowerment scholarship account (ESA) and did not renew the ESA in order to accept an STO scholarship or grant. Also increases the cap on the assessed valuation that a fire district board is required to levy against all property in the district boundaries.

**SB 1409 (CHAPTER 358) ZONING ORDINANCES; PROPERTY RIGHTS; COSTS**

Before adopting any zoning ordinance or zoning ordinance text amendment of general applicability, the legislative body of a municipality is required to consider the probable impact of the proposed ordinance or amendment on the cost to construct housing for sale or rent.

*Bills that Failed*

**HB 2122 BONDS; FINANCIAL ADVISORY FEES**

Deletes the requirement for school or municipal bond financial advisory fees for bonds issued pursuant to a bond election to be paid from either the amount authorized by the voters or current operating funds.

**HB 2138 ABOR; OPTIONAL RETIREMENT PROGRAMS**

The optional retirement programs that the Arizona Board of Regents (ABOR) is authorized to establish are allowed to be purchased for all employees of the institutions under ABOR jurisdiction, instead of only faculty and administrative officers. If an employee does not continue in service with an institution under the jurisdiction of ABOR for at least five years,

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the amount of employer contributions, with interest, are forfeited to the institution and used to make future employer contributions, instead of refunded to the state.

**HB 2139 ASRS; SELF-INSURANCE PRGGRAM**

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

**HB 2211 TPT; PRIME CONTRACTING; EXEMPTIONS; CERTIFICATES**

Various changes to statutes relating to transaction privilege taxes (TPT) for prime contracting. The definitions of "modification" and "alteration" for the purpose of computing the tax base for the prime contracting classification of TPT are modified. A certificate that a contractor provides to a person stating that the contractor is liable for any amount of transaction privilege taxes due is valid for a period of up to one year. After the certificate expires, the contractor is allowed to execute and provide to the person a new certificate. The Department of Revenue (DOR) is required to prescribe a form for a certificate to be used by a prime contractor that is subject to TPT for purchasing tangible personal property, the purchase price of which was excluded from the tax base under the retail classification of TPT. The prime contractor is required to obtain the certificate from DOR, and the certificate is valid for up to one year. After the certificate expires, the contractor is allowed to obtain a new certificate. Applies to contracts entered into beginning January 1, 2022.

**HB 2243 OCCUPATIONAL AND PROFESSIONAL LICENSURE; NOTICE**

A regulating entity under Title 32 (Professions and Occupations) is required to prominently print a specified notice regarding reciprocity on all license and certificate applications and regulating entity websites.

**HB 2420 LAW ENFORCEMENT; PROSECUTION GRANTS; ACCEPTANCE  
(~~LAW ENFORCEMENT BUDGET; REDUCTION; CERTIFICATION~~)**

By October 15 of each year, counties and municipalities are required to certify in writing to each state agency through which the county or municipality receives any state monies that there have been no disproportionate funding reductions to the county's or municipality's law enforcement agency. The certification must include a statement that any reduction in funding or proposed funding to the law enforcement agency is a result of reduced revenue collection and the reduction in law enforcement agency funding is "proportionate" (defined) to the reduction in revenue. A county or municipality that has disproportionately reduced its law enforcement agency funding is not eligible to receive state shared monies. The State Treasurer is required to continue to withhold state shared monies until certification from the county or municipality that the reduction in the law enforcement agency's budget has been restored to a proportionate amount.

**HB 2455 FIRE DISTRICTS; PENSION LIABILITY; FINANCING**

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A fire district, through the district board, is authorized to lease, lease-purchase or grant a lien on any or all of its present or future property to pay amounts to the Public Safety Personnel Retirement System, pension prefunding plan investment accounts, and the Arizona Employers' Pension Prefunding Plan, and to create reserves to supplement those payments as deemed necessary by the board. Emergency clause.

**HB 2506 WORKERS' COMPENSATION; RATES; FIREFIGHTERS; CANCER**

Fire investigators are added to the presumption that specified types of cancer and related diseases that result in disability or death are an occupational disease and are deemed to arise out of employment if specified conditions are met. All insurance carriers, self-insuring employers and workers' compensation pools that secure workers' compensation for firefighters and fire investigators are required to compile and report to the Industrial Commission claim and claim reserve information for all cancer-related claims filed by or on behalf of firefighters and fire investigators. The Commission is required to compile and make available to insurance carriers, rating organizations, employers, public safety workers and workers' compensation pools the claim-related information collected to assist with the setting of workers' compensation insurance rates. In addition to the six uniform percentage deviations already authorized by statute, insurers covering firefighters and fire investigators are permitted to file one uniform percentage deviation that increases the statewide rates under the rating organization's rate filing for the class codes associated with firefighters and fire investigators to address the anticipated increase in losses and expenses for claims that are compensable due to the workers' compensation presumption. The deviation filing must be accompanied by analysis from an actuary that substantively illustrates the basis for the rate increase. Contains a legislative intent section.

**HB 2524 COUNTIES; CITIES; TOWNS; COVID EXPENDITURES**

By September 1, 2021, each county and municipality is required to submit a report to the Governor and the Legislature of all expenditures made in FY2019-20 and FY2020-21 from each "COVID-related federal or state fund source" (defined). Specific information that must be included in the report is listed.

**HB 2716 LICENSING; BUILDING PERMITS; TEMPORARY PERMITS**

In determining the order in which the municipality will review an application for a license, the municipality is prohibited from prioritizing applications for a license that is subject to licensing timeframe requirements over applications for a license that is not. If a municipality requires a building permit for the construction of any single-family dwelling, the municipality is required to issue the building permit within seven calendar days after the applicant submits an administratively complete application if the applicant has satisfied specified requirements. If the municipality fails to issue the building permit within seven calendar days, the applicant is authorized to commence with construction and the municipality is required to issue the permit as soon as practicable.

**HB 2891 BUDGET; BRB; BUDGET PROCEDURES; 2021-2022 (BUDGET PROCEDURES; BUDGET RECONCILIATION; 2021-2022)**

Makes various changes that affect the budget across agencies. Requires the Governor to appoint a State Permitting Director to establish and maintain an online database called the Permitting Dashboard that displays the progress to completion for state authorizations for

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"participating projects" (defined). The Director is required to coordinate with a list of specified state agencies and any other agency that requires authorization for a participating project. Information that may be displayed on the Permitting Dashboard is listed. A project sponsor of an "eligible project" (defined as an activity in Arizona that requires authorization by an agency, that is subject to applicable state environmental laws, that is likely to require a total construction investment of more than \$25 million, and that meets other specified requirements) is authorized to submit to the Director a notice that the project sponsor is initiating a proposed project, and information that must be included in the notice is established. No later than 30 days after receipt of the notice, the Director is required to determine whether the proposed project qualifies as an eligible project and whether to include it as a participating project in the Permitting Dashboard. No later than 45 days after the determination, each agency identified by the project sponsor is required to submit to the Director all anticipated authorizations required for the participating project, including the target completion time for each step required. Agencies cannot require an eligible project to participate in the Permitting Dashboard. Establishes a process for resolution of disputes relating to the permitting timetable. Permitting Dashboard provisions self-repeal January 1, 2029. Contracts for goods and services approved by the Public Safety Personnel Retirement System Board (PSPRS Board) are no longer exempt from the Procurement Code. The PSPRS Board is required to establish and administer an Administration Account. Monies that must be deposited in the Administration Account and expenditures that must be paid from the Administration Account are listed. Establishes the Major Events Fund to be administered by the Arizona Commerce Authority and used to support the planning and operation of the competitive bid process for major events in coordination with the Office of Tourism and for other economic development activities associated with major event operations. Liabilities in excess of \$200,000 incurred by the Arizona Department of Forestry and Fire Management during an emergency arising from major disasters may be reimbursed with the approval of the Governor or State Emergency Council. The Director of the Arizona Legislative Council is required to direct and manage the State Capitol Museum and administer the Museum Gift Shop Revolving Fund. Modifies deadlines for various reports to the Governor and the Legislature. Session law affirms that the legal defense of state election laws and procedures is of statewide importance and the Attorney General has the sole authority to defend such laws. The Attorney General is prohibited from representing or providing legal advice to the Secretary of State or the Department of State on any matters through June 30, 2023. The Secretary of State is authorized to hire one FTE position to serve as legal advisor and represent the Secretary of State, but the Secretary is prohibited from making expenditures or incurring indebtedness to employ outside or private attorneys to provide representation or services. Requires any unrestricted federal monies received by Arizona in FY2021-22 to be deposited in the general fund. Maintains the Capital Outlay Stabilization Fund rental rates for state-owned buildings of \$17.87/square foot for office space and \$6.43/square foot for storage space. For FY2021-22, FY2022-23, and FY2023-24, the Legislature is not required to appropriate monies to or transfer monies from the Budget Stabilization Fund. Before spending monies from specified funds as appropriated by the federal American Rescue Plan Act of 2021 in the amount of \$10 million or more for one designated purpose, the Governor, the Superintendent of Public Instruction, and the Arizona Board of Regents are each required to notify the Legislature of the intended use of the monies. Establishes quarterly reporting requirements for expenditures from these funds. Establishes a 13-member Advisory Committee on the Formation of a Southern Arizona Regional Sports Authority. The amount appropriated to the Department of Public Safety for body cameras is exempt from specified requirements, including independent third-party validation and verification requirements.

**HB 2900 OMNIBUS; TAXATION Numerous Changes to The Tax Code.**

Establishes new income tax rates for tax year 2022 as follows: for a single person or married person filing separately, if taxable income is \$0 to \$27,272, the tax is 2.55% of taxable income, and if taxable income is \$27,273 and over, the tax is \$695 plus 2.98% of the amount over \$27,273; for a married couple filing jointly or a head of household, if taxable income is \$0 to \$54,544, the tax is 2.55% of taxable income, and if taxable income is \$54,545 and over, the tax is \$1,391 plus 2.98% of the amount over \$54,545. Beginning with tax year 2023, the income tax is a flat rate of 2.5% of taxable income. For each tax year beginning with 2021, for taxable income that is subject to the income tax surcharge imposed by Prop 208, the combined tax rate of the income tax surcharge and the highest income tax rate cannot exceed 4.5%. If the combined rate exceeds 4.5%, the highest tax rate must be reduced so that the combined rate equals 4.5%. For tax years beginning with 2022, increases the dependent tax credit for taxpayers whose federal adjusted gross income is less than \$200,000 for a single person or a married person filing separately or a head of household, or is less than \$400,000 for a married couple filing jointly, to \$150 for each dependent who is under 17 years of age at the end of the tax year, from \$100, and to \$75 for each dependent who is at least 17 years of age at the end of the tax year, from \$25. For taxpayers whose federal adjusted gross income exceeds the applicable threshold, the dependent tax credit calculation is also modified to increase the base credit amount. For FY2023-24, the Urban Revenue Sharing Fund is required to consist of the sum of 15% of the net proceeds of state income taxes for FY2021-22 plus a positive amount equal to 15% of the reduction in the net proceeds of the state income tax for FY2021-22. Establishes the Revenue Sharing Stabilization Fund and establishes calculations for distributions from the Fund to municipalities in FY2025-26 and FY2026-27. Municipalities are prohibited from receiving a distribution from the Fund during a fiscal year if the municipality has reduced the annual operating budget for a municipal police department by any amount below the previous fiscal year's budget. Reduces the assessed valuation of class one property to 17.5 percent of the full cash value or limited valuation in tax year 2022 and to 17 percent of the full cash value or limited valuation in tax year 2023 and after, from 18 percent. Beginning July 1, 2022, the maximum weekly unemployment benefit amount is increased to \$320, from \$240. Increases the state unemployment tax taxable wage limit to \$8,000 in 2023 and after, from \$7,000. The maximum number of weeks an individual may receive unemployment benefits is reduced to 24 weeks if Arizona's "unemployment rate in the prior calendar quarter" (defined) is less than 5 percent. The Department of Economic Security (DES) is required to obtain current employment and earned income information from external data sources, including third-party vendors, as part of the employment and income verification process to determine an individual's eligibility for unemployment benefits. By December 31 of each year, DES is required to submit a report to the Governor and the Legislature on unemployment insurance fraud. Establishes the affordable housing corporate and individual income tax credit for "qualified projects" (defined) in Arizona that qualify for the federal low-income housing tax credit that are placed in service from and after June 30, 2022, in an amount equal to at least 50 percent of the amount of the federal credit. The Department of Revenue is required to allocate a total of \$4 million of tax credits in a calendar year. The credit self-repeals January 1, 2026. Establishes an income tax credit and an insurance premium tax credit of at least 50 percent of the amount of the federal low-income housing credit for a qualified project for which the Arizona Department of Housing has issued an eligibility statement. Establishes requirements to claim the credit. If the amount of the credit exceeds taxes due, the unused amount may be carried forward for up to five consecutive tax years. The credit self-repeals January 1, 2026. Establishes the Affordable Housing Tax Credit Review Committee to review these credits once every three years and report to the Governor and the Legislature. For tax years beginning with 2021, establishes an individual and corporate income tax credit for taxpayers with a current healthy forest enterprise incentive certification and memorandum of understanding with the



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Arizona Commerce Authority that "process" "qualifying forest products" (both defined) between January 1, 2022 and December 31, 2030 at a facility located in Arizona. The amount of the credit is up to \$10,000 for the first 20,000 tons and \$5,000 for every 10,000 tons after of qualifying forest products the taxpayer processes in the calendar year, not to exceed \$500,000 per taxpayer. The aggregate amount of tax credits in a calendar year is capped at \$2 million. If the allowable credit exceeds taxes due, the unclaimed amount of the credit may be carried forward for up to five consecutive tax years. Other requirements to qualify for the tax credit and an application process are established. The deadline for the Arizona Commerce Authority to authorize tax credits for capital investment in a qualified small business is extended ten years to June 30, 2031. From July 1, 2021 through June 30, 2031, the Authority is authorized to certify additional tax credits not exceeding \$2.5 million each fiscal year, plus any unused credit capacity that carries over from the preceding fiscal year(s). The income tax credit for investment in qualified small business is extended ten years through tax year 2034. The maximum amount of benefits, annuities and pensions received during the tax year as retired or retainer pay of the uniformed services of the U.S. that may be subtracted from Arizona gross income for the purposes of individual income taxes is increased to the full amount received for tax years beginning with 2021, from \$3,500 in tax year 2020. Retroactive to tax years beginning January 1, 2021. Beginning in FY2021-22, the aggregate dollar amount of the cap on the tax credit for contributions to school tuition organizations (STO) is increased to \$6 million in any FY, from \$5 million. Increases the maximum STO scholarship amount in 2021 to \$5,600, from \$4,200, for students in kindergarten through 8th grade and students in a preschool program that offers services to students with disabilities, and to \$7,500, from \$5,500, for students in grades 9 through 12. In each year after 2021, the limit must be increased by \$200, instead of \$100. The list of students that may receive an STO educational scholarship or tuition grant is expanded to include students who are homeschooled before enrolling in a qualified school, students who moved to Arizona from out of state before enrolling in a qualified school, and students who participated in an Arizona empowerment scholarship account (ESA) and did not renew the ESA in order to accept an STO scholarship or grant. Also increases the cap on the assessed valuation that a fire district board is required to levy against all property in the district boundaries.

### **SB 1043 PUBLIC SAFETY; CANCER INSURANCE; ELIGIBILITY**

The Board of Trustees of the Public Safety Personnel Retirement System is required to annually review the premiums required under the Public Safety Cancer Insurance Policy Program to ensure the financial security of the Program. Persons eligible for coverage under the Program remain eligible upon retirement for the statutorily specified time periods, regardless of whether the person has a cancer diagnosis.

### **SB 1057 PUBLIC WORKS; CONTRACTS; PAYMENTS**

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

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contract. In any action or arbitration brought under these circumstances, the successful party must be awarded reasonable attorney fees and costs.

**SB 1074 LOCAL GOVERNMENTS; AUDITS; PUBLIC MEETING**

Within 90 days after completing a financial audit, county board of supervisors, municipal governing bodies, and community college districts boards would have been required to mandate the certified public accountant or auditor who performed the audit to present the audit results and any findings to the board or governing body in a regular meeting without the use of a consent agenda. AS VETOED BY GOVERNOR. In his veto message, the Governor stated that his priority is passing a budget, and that he does not intend to sign any additional bills until that happens. – *VETOED BY GOVERNOR DUCEY*

**SB 1136 RETIREMENT SYSTEMS; BENEFIT COMPUTATION; RETURN-TO-WORK**

In the computation of average monthly benefit compensation for the Public Safety Personnel Retirement System, a period of nonpaid or partially paid industrial leave must be considered based on the compensation the employee would have received in the employee's job classification if the employee was not on industrial leave. Payment of benefits to a Public Safety Personnel Retirement System, Corrections Officer Retirement Plan or Elected Officials' Retirement Plan member are required to commence no later than April 1 of the calendar year following the later of the date the member terminates employment or the calendar year in which the member attains 72 years of age, increased from 70.5 years of age.

**SB 1214 PSPRS; CORP; LOCAL BOARDS; CONSOLIDATION**

Various changes to statutes governing the Public Safety Personnel Retirement System (PSPRS) and Corrections Officer Retirement Plan (CORP). The powers and duties of PSPRS local boards and CORP local boards are expanded to include deciding all questions of eligibility for membership and disability and in the line of duty death benefits, and a uniform process for reviewing applications for these benefits is established. Each PSPRS local board and CORP local board is required to hire an independent legal counsel. PSPRS and CORP local board members are required to complete local board training within 180 days after appointment or election. PSPRS and CORP employers and local boards are required to submit any materials requested by the PSPRS Board of Trustees for any reason. If the PSPRS Board of Trustees finds through an audit or investigation that a local board is not in compliance with statute or rule, the local board has 60 days to take corrective action, and failure to take adequate correction action authorizes the Board of Trustees to act on behalf of that local board until the matter is resolved. PSPRS and CORP local boards are authorized to enter into an intergovernmental agreement with other local boards to consolidate the boards. Effective January 1, 2022.

**SB 1252 CORPORATE INCOME TAX; SUBTRACTION (~~CORPORATE INCOME TAX; PHASE-OUT~~)**

For tax years beginning with 2022, the first \$100,000 of Arizona gross income for the taxable year is added to the list of subtractions from Arizona gross income for the purpose of corporate income taxes.

**SB 1398 TPT DEDUCTIONS; COMPUTER DATA CENTERS**

The exemption from the retail classification of transaction privilege taxes (TPT) for computer data equipment sold to the owner, operator or qualified colocation tenant of a computer data center for use in the qualified computer data center is deleted and replaced with a deduction from the tax base of the retail classification of TPT for such computer data equipment. Session law requires any claim for refund of TPT based on the retroactive application of this change to be submitted to the Department of Revenue by December 31, 2021. The aggregate refund amount is capped at \$10,000. Interest is not allowed and may not be compounded on any refundable amount of these claims if paid before July 1, 2022. Contains a legislative intent section. Retroactive to tax period beginning September 13, 2013. Nonseverability clause.

**SB 1450 WORKERS' COMPENSATION; SPECIAL FUND; FIREFIGHTERS**

In claims involving a firefighter eligible for workers' compensation due to cancer that is deemed to arise out of employment, the claim is eligible for reimbursement if the firefighter filed a workers' compensation claim after January 1, 2017, and if the employer has adopted cancer mitigation best practices, including increased cancer screenings and equipment proven to minimize contaminant risk, including turnouts, hoods, gloves and washing machines or commercial laundry services. Retroactive to tax years beginning with 2017.

**SB 1491 RESIDENTIAL PROPERTY TAX; DEFERRAL**

To qualify for a residential property tax deferral, an individual must be at least 65 years of age, decreased from 70 years of age, or have a total and permanent disability exempting their property from tax on the date the deferral claim form is filed. Additionally, the total taxable income of all persons residing in the residence cannot exceed \$20,000, increased from \$10,000, plus cost-of-living increases that follow federal Social Security cost-of-living adjustment increases. The full cash value of the property cannot exceed \$150,000 or 75 percent of the median full cash value of the county in which the residence is located, whichever is greater. Establishes reporting requirements on deferral claims.

**SB 1721 TPT; PRIME CONTRACTING CLASSIFICATION**

The gross proceeds of sales or gross income derived from a construction contract with an owner of real property or the improvements to real property that does not exceed \$100,000 per unit for a "residential project" (defined) or \$1 million for a nonresidential project is not subject to tax under the prime contracting classification of transaction privilege taxes and is required to be exempt from municipal transaction privilege and use taxes. Only the contract price is used to determine whether a contract exceeds the threshold amount described in this paragraph with no subtractions for amounts paid to subcontractors or any deductions or exemptions allowed. Project elements cannot be artificially separated from a contract to cause a project to qualify for this exemption. The Department of Revenue has the burden of proving that project elements have been artificially separated from a contract. A contract that primarily involves construction of any electricity generating facility or system installed on any commercial, residential or governmental property, including the maintenance, repair, replacement or alteration of existing improvements of an electricity generating or distribution facility, is not subject to tax under the prime contracting classification of transaction privilege taxes. Retroactive to contracts entered into beginning July 1, 2021. Establishes provisions for application to contracts that were bid or entered into from January 1, 2015 through July 1, 2021.

**SB 1789 RENTAL VEHICLE SURCHARGE; VLT**

A person engaged in the business of renting motor vehicles without drivers is authorized to use the rental vehicle surcharge monies collected in 2021 to reimburse the amount of vehicle license tax imposed in 2020 and 2021 on the rental vehicle.

**SB 1797 FANTASY SPORTS BETTING; EVENT WAGERING**

Numerous changes to statutes relating to gaming. Establishes a new chapter in Title 5 (Amusements and Sports) regulating "fantasy sports contest" (defined), conditionally enacted on each Indian Tribe with a gaming facility in Pima County and in the Phoenix metropolitan area entering into a 2021 Gaming Compact Amendment and publishing in the federal register notice of the U.S. Secretary of the Interior's approval or approval by operation of law. An individual who is licensed by the Arizona Department of Gaming (ADG) is authorized to offer one or more fantasy sports contests if specified conditions apply, including that the individual collects no more than \$10,000 in total entry fees for all fantasy sports contests offered in a calendar year, at least 95 percent of which are awarded to the fantasy sports contest players. Establishes requirements for licensure, authorizes ADG to adopt rules related to conducting fantasy sports contests, and establishes penalties for violations. Individuals who are under 21 years of age are prohibited from participating in a fantasy sports contest. Establishes a list of prohibited actions for licensed fantasy sports contest operators and prohibits fantasy sports contests from being offered on a kiosk or machine open to public use. ADG is required to establish a fee for the privilege of operating fantasy sports contests that is not less than the highest percentage of revenue share that an Indian Tribe pays to Arizona pursuant to the tribal-state gaming compacts and any amendments. ADG is authorized to use up to 10 percent of fee monies for the costs of regulating fantasy sports contests and is required to transfer the remaining monies to the general fund. An Indian Tribe that lawfully conducts class III gaming pursuant to a tribal-state gaming compact with Arizona is authorized to offer and conduct fantasy sports contests, directly or through a third-party operator, without applying for or holding a license if all activities of the fantasy sports contest occur within the boundary of its Indian lands and the Indian Tribe complies with any regulations that are included in the compact. Establishes a new chapter in Title 5 (Amusements and Sports) regulating "event wagering" (defined), conditionally enacted on each Indian Tribe with a gaming facility in Pima County and in the Phoenix metropolitan area entering into a 2021 Gaming Compact Amendment and publishing in the federal register notice of the U.S. Secretary of the Interior's approval or approval by operation of law. Establishes powers and duties of ADG to enforce event wagering statutes. Event wagering may be conducted only to the extent that it is conducted in accordance with this legislation, and a person is prohibited from offering any activity in connection with event wagering in Arizona unless all necessary licenses have been obtained in accordance with federal and state law and any applicable ADG rules. Does not apply to event wagering conducted exclusively on Indian lands by an Indian Tribe operated in accordance with a tribal-state gaming compact and any amendments. ADG is authorized to issue up to 10 event wagering operator licenses to applicants other than an Indian Tribe and up to 10 event wagering operator licenses to Indian Tribes in Arizona that have signed the most recent Tribal-State Gaming Compact and any applicable amendments. Establishes requirements for licensure as an event wagering operator. A license authorized an event wagering operator to offer event wagering through a facility within a 5-block radius of the operator's sports facility and event wagering through a mobile platform as specified by ADG. Establishes provisions for license revocation, suspension or denial. An event wagering operator is authorized to partner with a racetrack enclosure or additional wagering facility that holds a

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racing permit to obtain a limited event wagering license for event wagering only at one specific physical location. ADG is allowed to issue a total of up to 10 limited event wagering licenses. Management services providers are required to obtain a license from ADG and are authorized to contract with an event wagering operator or operators. ADG is required to establish and collect application and license fees. ADG is required to establish bond in escrow, cash on hand, and insurance requirements for licensees. Establishes a list of prohibited wagers. ADG is required to establish a fee for the privilege of operating event wagering that is not less than the highest percentage of revenue share that an Indian Tribe pays to Arizona pursuant to the tribal-state gaming compact. ADG is authorized to use up to 10 percent of fee monies for the costs of regulating fantasy sports contests and is required to transfer the remaining monies to the general fund. Fantasy sports contest operators and event wagering operators are required to allow problem gamblers to voluntarily exclude themselves and to develop and maintain a program to mitigate and curtail compulsive play or compulsive gambling. After the conditions for enactment of this legislation are met, the Arizona State Lottery Commission is authorized to establish and operate a single "electronic keno game" and a single "mobile draw game" on a centralized computer system controlled by the lottery that allows a player to place wagers, view the outcome of a game and receive winnings over the internet, including on personal electronic devices. An electronic keno game may be operated only within an "authorized keno location" (defined as a physical facility with a specified gaming license that is a fraternal organization, veterans' organization, racetrack enclosure, or wagering facility where pari-mutuel wagering is conducted). If the electronic enclosure or wagering facility where pari-mutuel wagering is conducted). If the electronic keno game is to be played on personal electronic devices, players must be geographically restricted by means of geofencing to authorized keno locations. Establishes limits on the number of authorized keno locations and the frequency of electronic keno game draws and prohibits certain user interface depictions. Establishes the 2021 Compact Trust Fund is established for the exclusive purposes of mitigating impacts to Indian Tribes from gaming authorized by the "2021 Gaming Compact Amendment" (defined) and providing economic benefits to beneficiary tribes, including those with an effective gaming compact that includes the 2021 amendments and do not engage in gaming. Contains a legislative intent section. Emergency clause.

### **SB 1327 TAX CREDIT; AFFORDABLE HOUSING**

Establishes a credit against individual and corporate income taxes and insurance premium taxes for projects that qualify for the federal low-income housing tax credit and that are placed in service from and after June 30, 2022. The credit is equal to the amount of the federal low-income housing credit for the qualified project. To claim the credit, a taxpayer is required to apply to the Arizona Department of Housing and receive an eligibility statement. If the amount of the credit exceeds taxes due, the taxpayer may carry the unused amount forward for up to five consecutive taxable years. The Department of Revenue is required to allocate a total of \$8 million of affordable housing tax credits in any calendar year. Establishes a 9-member Affordable Housing Tax Credit Review Committee to review the tax credits on the fifth year after the effective date of the credit and every five years thereafter and submit a report to the Governor and the Legislature. Self-repeals January 1, 2028.

### **SB 1379 VACATION RENTALS; SHORT-TERM RENTALS; ENFORCEMENT**

Modifies the list of regulations that counties and municipalities are authorized to impose on vacation rentals or short-term rentals to include requiring the owner of a vacation rental or short-term rental to maintain liability insurance appropriate to cover the rental in the aggregate of at least \$500,000 or to advertise and offer each vacation rental or short-term rental through a

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hosting platform that provides equal or greater coverage. Counties and municipalities are authorized to impose civil penalties for each day a property is in violation of specified provisions. Modifies civil penalties for online lodging operators that fail to comply with applicable transaction privilege tax requirements. After notice and a hearing, the Department of Revenue is authorized to suspend for a period of 12 months the transaction privilege tax license of the owner of a vacation rental or short-term rental that has three "verified violations" (defined) within the same 12-month period.

## Land Use Planning

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*New Laws*

### **HB 2317 (CHAPTER 51) COMMUNITY FACILITIES DISTRICTS**

Various changes to statutes relating to community facilities districts. The annual ad valorem tax levied by a district is prohibited from exceeding the amount necessary to meet annual payments of principal and interest on bonds issued by the district, projected payments of principal and interest on new debt planned for that year, a reasonable delinquency factor, including an amount necessary to correct prior year errors or shortages in the levy, if applicable, and any expenses and fees required. The levy is required to be the net of all cash in excess of ten percent of the annual payments of principal and interest in the current fiscal year from the previous year remaining in a segregated fund or funds for the levy. If a district sells general obligation bonds above par, the amount of "net premium" (defined) associated with a general obligation bond issue may be used only to pay costs incurred in issuing the bonds or as a deposit in a debt service fund and used only to pay interest on the issue of general obligation bonds. If used for any other purpose, and if the district has general obligation bond voter authorization and available capacity under its debt limitations, both the available aggregate indebtedness capacity of the district and the principal amount authorized at the general obligation bond election for the district must be reduced by the amount of net premium used for that purpose. For districts that are formed after August 9, 2017 and before the effective date of this legislation and for which the district board consists of the governing body of the municipality or county with two additional district board members who were initially designated by an owner who owned the largest amount of privately owned acreage in the district at formation, at any time after receipt of a petition signed by the owners of a majority of the privately owned real property within the boundaries of the district as measured by square footage or acreage, the district board is authorized to adopt a resolution to permanently remove the two additional appointed district board members and their positions on the board. If a community facilities district will be governed by a governing body with two additional board members who are initially designated by the owner who owns the largest amount of privately-owned acreage in the district, the resolution ordering formation of the district is permitted to state, or the district board is permitted to adopt a resolution that provides, that those two additional members are permanently advisory nonvoting members. Emergency clause.

### **HB 2329 (CHAPTER 27) AIR QUALITY; OMNIBUS**

Modifies the Area A and Area B vehicle emissions standards testing requirements for motor vehicles. The list of exemptions from vehicle emissions inspection requirements is expanded to include cranes and oversize vehicles that require permits, and vehicles that are not in use and that are owned by Arizona residents while on active military duty outside of Arizona. These provisions do not become effective unless on or before July 1, 2023 the U.S. Environmental Protection Agency approves the proposed modifications to the vehicle emissions testing program protocols as part of the State Implementation Plan for air quality. The Department of Environmental Quality (DEQ) is required to operate and administer a voluntary vehicle repair and retrofit program in areas that are subject to the vehicle emissions inspection program, instead of a county with a population of more than 400,000 persons being required to operate the program in that county. Retrofit program requirements are modified. DEQ is authorized to conduct research to quantify the effects of vehicular emissions, instead of being required to conduct research to quantify the effect of alternative fuels on toxic components of vehicular

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emissions. Also repeals the Voluntary Vehicle Repair and Retrofit Program Advisory Committee.

**HCR2009 HARDROCK MINING; SUPPORTING**

The members of the Legislature recognize the importance of the hard rock mining industry to Arizona's economy and support the involvement of Arizona's government and the hard rock mining industry in any future regulatory changes to ensure that operations continue to be safe and productive for the state. AS SENT TO SECRETARY OF STATE

**SB 1062 (CHAPTER 58) ENGINEERING DEFINITIONS**

For the purpose of Board of Technical Registration statutes, the definition of "engineering practice" is modified, including specifying that the service or work must be to the extent that the engineering education, training and experience requirements for professional registration are necessary to protect the public health, safety or welfare. Also modifies the definition of "engineer" and defines "professional engineer."

**SB 1076 (CHAPTER 352) LOW-INCOME MULTIFAMILY HOUSING; VALUATION**

The owner of "low-income multifamily residential rental property" (defined) is authorized to elect a statutory income method for valuing the property. The calculation for this valuation method is established. Requirements for a property owner to elect this valuation method are specified, including documentation requirements. Low-income multifamily residential rental properties that are valued using this method are classified as class four property for property tax purposes.

**SB 1156 (CHAPTER 277) SOLID WASTE; ADVANCED RECYCLING FACILITIES  
(TECH CORRECTION; FORFEITURE OF OFFICE)**

For the purpose of solid waste management statutes, the list of exemptions from the definition of "solid waste facility" is expanded to include an "advanced recycling" (defined) facility that converts "recovered feedstocks" (defined) to manufacture raw materials and intermediate and final products. For the purpose of solid waste management statutes, the list of exemptions from the definition of "solid waste" is expanded to include "recovered feedstocks" processed through "advanced recycling" if the advanced recycling facilities meet specified operational requirements. An advanced recycling facility is subject to routine inspection by the Department of Environmental Quality. Monies in the Recycling Fund may be used for grants to or contracts with political subdivisions, nonprofit organizations or private enterprise for new technologies.

**SB 1258 (CHAPTER 212) STATE OF EMERGENCY; TOLLING; PERMITS**

A state of emergency proclamation issued by the Governor in response to an event that causes the state or a county or municipality to alter or limit "ordinary government operations" (defined) tolls the period remaining to exercise the rights under any permit, license, approval or other authorization issued by the Department of Environmental Quality or a county or municipality for the duration of the state of emergency proclamation and extends the period



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remaining to exercise those rights for an additional six months after the tolling period. Does not apply to a list of specified permits and licenses. Emergency clause.

**SB 1299 (CHAPTER 41) INCORPORATION; URBANIZED AREAS**

Modifies requirements for a community to incorporate as a city or town to require the map and petition to be file simultaneously or within 24 hours of each other. Before obtaining any signatures on a petition for incorporation, the petitioners are required to publish a copy of the petition in a newspaper of general circulation in the area to be affected for two consecutive weeks. Makes other changes to the process of filing a petition for incorporation.

**SB 1409 (CHAPTER 358) ZONING ORDINANCES; PROPERTY RIGHTS; COSTS**

Before adopting any zoning ordinance or zoning ordinance text amendment of general applicability, the legislative body of a municipality is required to consider the probable impact of the proposed ordinance or amendment on the cost to construct housing for sale or rent.

**SB 1429 (CHAPTER 149) SOLID WASTE SERVICES; PRIVATE PROVIDER  
(~~SOLID WASTER SERVICES; PRIVATE PROVIDER~~)**

A county or municipality is prohibited from providing for or enforcing a criminal penalty against a person who refuses to purchase solid waste collection services from a private service provider unless the private service provider contracts with the county or municipality to provide solid waste collection services and the solid waste collection service is billed through the county or municipality.

*Bills that Failed*

**HB 2049 EMINENT DOMAIN; EXISTING CONTRACTS**

If a municipality exercises the right of eminent domain to acquire a public utility business or enterprise, the municipality is required to assume all existing assets and contractual obligations directly associated with providing current and future "utility service" (defined) in the certificate of convenience and necessity that is being condemned unless all parties to the contractual obligations agree otherwise. The municipality has no obligation to provide utility service if the contractual obligation was executed on or after the date of the notice that is provided pursuant to eminent domain statutes.

**HB 2108 TELECOMMUNICATIONS; PUBLIC HIGHWAYS; USE; FEES**

For any underground facility that is used for a "small wireless facility" (defined elsewhere in statute), a political subdivision is prohibited from requiring an annual telecommunications fee based on the number of linear feet of trench in the public highways in which the telecommunications corporation has placed facilities.

**HB 2127 APPROPRIATION; STATE PARKS; HERITAGE FUND**

Appropriates \$10 million from the general fund in FY2021-22 to the Arizona State Parks Heritage Fund.

**HB 2407 APPROPRIATION; 67TH AVENUE; WIDENING; DRAINAGE**

Appropriates \$8.5 million from the general fund in FY2021-22 to the Department of Transportation to distribute to the City of Peoria to widen and improve drainage on 67th Avenue between Happy Valley Road and Pinnacle Peak Road.

**HB 2481 SHORT-TERM RENTALS; ENFORCEMENT; PENALTIES**

Modifies the list of regulations that counties and municipalities are authorized to impose on vacation rentals or short-term rentals to include requiring the owner of a vacation rental or short-term rental to license or register with the county or municipality and restricting the occupancy of a vacation rental or short-term rental to the lesser of the occupancy limit of the county or municipality or 2 adults per bedroom plus 2 additional adults. Vacation rentals and short-term rentals cannot advertise to exceed the occupancy limit of the dwelling or for any nonresidential use. Counties and municipalities are authorized to impose a civil penalty for each day a property is in violation of this advertisement prohibition. An online lodging operator that falsifies information to an online lodging marketplace is guilty of a petty offense. A county or municipality cannot prohibit the operation of a vacation rental or short-term rental based solely on its status as a vacation rental or short-term rental if the owner of the vacation rental or short-term rental, as of May 1, 2021, has a valid transaction privilege tax license, and as of June 2, 2021, has provided the owner's or the owner's designee's contact information to the county or municipality in which the vacation rental or short-term rental is located, if required by ordinance.

**HB 2482 REGULATION; SHORT-TERM RENTALS**

Modifies the list of regulations that counties and municipalities are authorized to impose on vacation rentals or short-term rentals to include: requiring contact information for the owner of the rental to be posted on the front door or in another location on the property that is visible and accessible to the public; restricting the maximum number of adult occupants allowed on the property at one time to the lesser of the occupancy limit established by the county or municipality or no more than 2 adults per bedroom, up to 4 bedrooms, plus 2 additional adults per 1,000 square feet of livable space in excess of 3,000 square feet of livable space; requiring the installation of safety and monitoring equipment that monitors and detects noise and notifies the owner if noise is unreasonable or in violation of a noise ordinance; prohibiting smoking outside within 100 feet of a residential structure; restricting occupants from checking in without the presence of the owner or the owner's designee; and prohibiting occupants from parking on public or private streets if on-property parking is available. Vacation rentals and short-term rentals cannot advertise to exceed the occupancy limit of the dwelling or for any nonresidential use and are required to display the transaction privilege tax license in any online advertisement for rental of the unit. Establishes penalties for violations.

**HB 2543 STATE PERMITTING DASHBOARD**

Requires the Governor to appoint a State Permitting Director to establish and maintain an online database called the Permitting Dashboard that displays the progress to completion for state authorizations for "participating projects" (defined). The Director is required to coordinate with a list of specified state agencies and any other agency that requires authorization for a participating project. Information that may be displayed on the Permitting Dashboard is listed. A project sponsor of an "eligible project" (defined as an activity in Arizona

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that requires authorization by an agency, that is subject to applicable state environmental laws, that is likely to require a total construction investment of more than \$25 million, and that meet other specified requirements) is authorized to submit to the Director a notice that the project sponsor is initiating a proposed project, and information that must be included in the notice is established. No later than 30 days after receipt of the notice, the Director is required to determine whether the proposed project qualifies as an eligible project and whether to include it as a participating project in the Permitting Dashboard. No later than 45 days after the determination, each agency identified by the project sponsor is required to submit to the Director all anticipated authorizations required for the participating project, including the target completion time for each step required. Agencies cannot require an eligible project to participate in the Permitting Dashboard. Establishes a process for resolution of disputes relating to the permitting timetable. These provisions self-repeal January 1, 2029. The Director is required to submit a report of findings and recommendations from administering the Permitting Dashboard to the Governor and the Legislature by December 1, 2022.

### **HB 2556 TOBACCO; VAPING; PENALTIES; LEGAL AGE**

It is unlawful for a person to knowingly sell, give or furnish a tobacco product, vapor product or any instrument or paraphernalia solely designed for smoking or ingesting tobacco or shisha to a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act, instead of to minors. Establishes penalties for violations, including mandatory attendance at a court-approved tobacco retailer educational course and graduated fines. In addition to the fines, if a person commits a second or subsequent violation, the court is required to prohibit the enterprise from selling, giving or furnishing tobacco products or vapor products for a specified period based on the number of violations. If an enterprise has more than one location, these penalties apply only to the specific location where the violation occurred. Beginning January 1, 2022, each tobacco products or vapor products retailer is required to keep records to separately show the gross proceeds of sales of tobacco products and vapor products and the gross proceeds of sales or gross income derived from sales of other forms of tangible personal property or other business activities subject to transaction privilege taxes and report the sales separately to the Department of Revenue.

### **HB 2562 TAX CREDIT; AFFORDABLE HOUSING**

Establishes a credit against individual and corporate income taxes and insurance premium taxes for projects that qualify for the federal low-income housing tax credit and that are placed in service from and after June 30, 2022. The credit is equal to the amount of the federal low-income housing credit for the qualified project. To claim the credit, a taxpayer is required to apply to the Arizona Department of Housing and receive an eligibility statement. If the amount of the credit exceeds taxes due, the taxpayer may carry the unused amount forward for up to five consecutive taxable years. The Department of Revenue is required to allocate a total of \$8 million of affordable housing tax credits in any calendar year. Establishes a 9-member Affordable Housing Tax Credit Review Committee to review the tax credits on the fifth year after the effective date of the credit and every five years thereafter and submit a report to the Governor and the Legislature. Self-repeals January 1, 2029.

### **HB 2602 TOBACCO; RETAIL; LICENSING**

Beginning January 1, 2023, a "retail tobacco vendor" (defined) is prohibited from distributing "tobacco products" (defined to include "electronic smoking devices") in Arizona without a valid tobacco retail sales license issued by the Department of Liquor Licenses and Control

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(DLLC). DLLC is required to establish fees for a tobacco retail sales license, and is prohibited from issuing a license until the vendor has obtained the required local license. It is unlawful for a retail tobacco vendor or a retail tobacco vendor's representative, agent or employee to sell, furnish, give or provide a tobacco product to a person who is under the minimum age of sale for tobacco products as set by the federal Food, Drug, and Cosmetic Act, and requirements for verifying photo identification are specified. Establishes penalties for violations, including attendance at an education class and graduated fines ranging from \$500 to \$3,000. For a second or subsequent violation, the court is required to prohibit the vendor from distributing tobacco products for a specified time period. DLLC is required to adopt rules to carry out retail tobacco vendor regulations, and is authorized to delegate the enforcement and compliance inspections to any county that accepts the delegation. Establishes the Tobacco Retail Sales Licensing Fund, consisting of licensing fees collected, to be administered by DLLC. DLLC is required to deposit 90 percent of all licensing fees in the Fund and the remaining 10 percent in the general fund.

### **HB 2809 MARIJUANA; ADVERTISING; LABELING; SIGNAGE; SALE**

Marijuana establishments are required to label all marijuana and marijuana products at a retail site with a warning that marijuana should not be used by women who are pregnant or breastfeeding. Department of Health Services (DHS) rules must require marijuana establishments to display a conspicuous sign that warns pregnant women about the potential dangers to fetuses caused by smoking or ingesting marijuana while pregnant or to infants while breastfeeding and the risk of being reported to the Department of Child Safety. DHS rules are also required to prohibit a marijuana establishment retail site from providing free samples of marijuana or marijuana products for on-site use. Marijuana establishments are prohibited from selling marijuana or marijuana products to persons who are "obviously intoxicated" (defined). Establishes a list of prohibited advertising for marijuana establishments and nonprofit medical marijuana dispensaries. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

### **HB 2834 ECONOMIC DEVELOPMENT; PROJECT CERTIFICATION**

Adds a new article to Title 41 (State Government) authorizing counties and municipalities to propose establishing a rural economic development improvement program in unincorporated areas of the county. The county or municipality is required to apply to the Arizona Commerce Authority for designation as a rural economic development improvement program, and the application must include a plan for projects that create a minimum number of employment positions that are paid an average of 100 percent of the county median wage. After receiving program designation, the county or municipality is authorized to enter into development projects with property owners to construct property authorized to enter into development projects with property owners to construct property owners to be certified under the program. The Authority is required to certify projects, and requirements for certification are specified, including minimum capital investment requirements. Real and personal property and improvements certified by the Authority under the program and that meet other specified requirements are classified as class six property for property tax purposes.

### **HB 2861 BUILDING PERMITS; FEES**

Municipalities are authorized to charge fees that are reasonably proportionate to the direct costs associated with reviewing and issuing a building permit. Any fees charged for issuing a building permit may be used only to fund the department responsible for issuing the building

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permit and cannot be used as revenue for the general expenses of the municipality. Municipalities are required to post on their websites the revenues collected from all building permits and the itemized costs attributable to issuing a building permit.

**SB 1137 ELECTRIC COOPERATIVES; BROADBAND SERVICE; FEES**

Any pole attachment agreement between an electric cooperative nonprofit membership corporation and an affiliate for broadband service that includes attachment to the cooperative's poles must specifically require the pole attachment fees charged to any unaffiliated "video service provider" or "telecommunications provider" (both defined) to be equal to the pole attachment fees charged to the affiliate where the affiliate and provider are jointly attached to the same pole.

**SB 1327 TAX CREDIT; AFFORDABLE HOUSING**

Establishes a credit against individual and corporate income taxes and insurance premium taxes for projects that qualify for the federal low-income housing tax credit and that are placed in service from and after June 30, 2022. The credit is equal to the amount of the federal low-income housing credit for the qualified project. To claim the credit, a taxpayer is required to apply to the Arizona Department of Housing and receive an eligibility statement. If the amount of the credit exceeds taxes due, the taxpayer may carry the unused amount forward for up to five consecutive taxable years. The Department of Revenue is required to allocate a total of \$8 million of affordable housing tax credits in any calendar year. Establishes a 9-member Affordable Housing Tax Credit Review Committee to review the tax credits on the fifth year after the effective date of the credit and every five years thereafter and submit a report to the Governor and the Legislature. Self-repeals January 1, 2028.

**SB 1379 VACATION RENTALS; SHORT-TERM RENTALS; ENFORCEMENT**

Modifies the list of regulations that counties and municipalities are authorized to impose on vacation rentals or short-term rentals to include requiring the owner of a vacation rental or short-term rental to maintain liability insurance appropriate to cover the rental in the aggregate of at least \$500,000 or to advertise and offer each vacation rental or short-term rental through a hosting platform that provides equal or greater coverage. Counties and municipalities are authorized to impose civil penalties for each day a property is in violation of specified provisions. Modifies civil penalties for online lodging operators that fail to comply with applicable transaction privilege tax requirements. After notice and a hearing, the Department of Revenue is authorized to suspend for a period of 12 months the transaction privilege tax license of the owner of a vacation rental or short-term rental that has three "verified violations" (defined) within the same 12-month period.

**SB 1384 STATE PARKS; LOTTERY; HERITAGE FUND**

Beginning in FY2023-24, of the monies remaining in the State Lottery Fund each fiscal year after a list of statutory appropriations and deposits, \$3 million must be deposited in the Arizona State Parks Heritage Fund. As session law, of the monies remaining in the State Lottery Fund after the statutory appropriations and deposits, \$1 million in FY2021-22 and \$2 million in FY2022-23 are appropriated from the State Lottery Fund to the Arizona State Parks Heritage Fund.

**SB 1402 TOBACCO; RETAIL; LICENSING**

Beginning January 1, 2023, a "retail tobacco vendor" (defined) is prohibited from distributing "tobacco products" (defined to include "electronic smoking devices") in Arizona without a valid tobacco retail sales license issued by the Department of Liquor Licenses and Control (DLLC). DLLC is required to establish fees for a tobacco retail sales license, and is prohibited from issuing a license until the vendor has obtained the required local license. It is unlawful for a retail tobacco vendor or a retail tobacco vendor's representative, agent or employee to sell, furnish, give or provide a tobacco product to a person who is under the minimum age of sale for tobacco products as set by the federal Food, Drug, and Cosmetic Act, and requirements for verifying photo identification are specified. Establishes penalties for violations, including attendance at an education class and graduated fines ranging from \$500 to \$3,000. For a second or subsequent violation, the court is required to prohibit the vendor from distributing tobacco products for a specified time period. DLLC is required to adopt rules to carry out retail tobacco vendor regulations and is authorized to delegate the enforcement and compliance inspections to any county that accepts the delegation. Establishes the Tobacco Retail Sales Licensing any county that accepts the delegation. Establishes the Tobacco Retail Sales Licensing Fund, consisting of licensing fees collected, to be administered by DLLC. DLLC is required to deposit 90 percent of all licensing fees in the Fund and the remaining 10 percent in the general fund.

### **SB 1431 FLOOD CONTROL DISTRICTS; ADVISORY BOARD**

County flood control district boards of directors are required, instead of allowed, to appoint a citizens' flood control advisory board. Advisory board membership is modified by reducing the number of members to six, from seven, and requiring each member of the board of directors to appoint one advisory board member. The advisory board is required to have access to budget information and make recommendations regarding the flood control district budget. Session law allows all persons currently serving as members of an advisory board to continue to serve until the expiration of their normal terms.

### **SB 1496 E-LIQUIDS; TOBACCO PRODUCTS; VAPOR PRODUCTS**

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

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Establishes civil penalties for violations and conditions under which a license may be suspended or revoked. Establishes appeal rights and procedures. Various regulations of tobacco products are expanded to include e-liquids, vapor products and alternative nicotine products. Effective January 1, 2022. Severability clause. Due to voter protection, one section of this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

## Military Preservation

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### *New Laws*

#### **H2297: MILITARY LEAVES OF ABSENCE; DURATION**

Military leaves of absence are no longer limited to 30 days in any 2 consecutive years, and the military leave period is instead based on the average total of regularly scheduled hours worked in a weekly work period. An officer or employee of Arizona or a political subdivision is entitled to up to three times the average of regularly scheduled work hours in a weekly work period each year and up to six times the average of regularly scheduled work hours in a weekly work period in any two consecutive years. Contains a legislative intent section.

#### **HB 2760 (CHAPTER 274) CONTRACTORS; QUALIFYING PARTY (~~MILITARY INSTALLATION FUND; PROPERTY CONVEYANCE~~)**

Statute declaring that a qualifying party for a Registrar of Contractors (ROC) licensee is responsible for any violation of ROC statutes by the licensee does not impose personal liability on the qualifying party for a licensee's violation. A licensee doing business as a sole proprietor may be personally liable to the ROC for enforcing statute, including subrogation proceedings. Contains a legislative intent section.

#### **SB 1447 (CHAPTER 274) MILITARY INSTALLATION FUND; PROPERTY CONVEYANCE**

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

### *Bills that Failed*

#### **HB 2128 STATE LICENSING; FEE WAIVER**

The list of persons that state agencies are required to waive any initial license fee charged for, with some exceptions, is expanded to include any active-duty military service member and the member's spouse, and any honorably discharged veteran who has been discharged no more than two years before application. Appropriates \$250,000 from the general fund in each fiscal year to the Department of Administration to reimburse agencies on a first-come, first-served basis for fees the agency waived.

#### **HB 2288 APPROPRIATION; MILITARY INSTALLATION PROJECTS**

Appropriates \$5 million from the general fund in FY2021-22 to the Department of Emergency and Military Affairs to distribute to Yuma County for military installation preservation and enhancement projects.



**HB 2706 APPROPRIATION; VETERANS' SERVICES; BENEFITS COUNSELORS**

Makes a supplemental appropriation of \$948,400 from the general fund in FY2021-22 to the Department of Veterans' Services to hire additional benefits counselors.

## Neighborhoods

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*New Laws*

**HB 2036 (CHAPTER 3) ELECTRIC COOPERATIVES;  
BROADBAND SERVICE; FEES**

Any pole attachment agreement between an electric cooperative nonprofit membership corporation and an affiliate for broadband service that includes attachment to the cooperative's poles must specifically require the pole attachment fees charged to any unaffiliated "video service provider" or "telecommunications provider" (both defined) to be equal to the pole attachment fees charged to the affiliate where the affiliate and provider are jointly attached to the same pole.

**HB 2711 (CHAPTER 307) ANTENNA USE; PRIVATE PROPERTY**

If an antenna is installed on property within the exclusive use or control of the antenna user, whether the user has a direct or indirect ownership or leasehold interest in the property, an "authority" (defined elsewhere in statute) is prohibited from unreasonably delaying or preventing installation, maintenance or use of the antenna, unreasonably increasing the cost of installation, maintenance or use of the antenna, and preventing reception of acceptable signal quality. Applies to antennas that are not larger than one meter in diameter and installed on private property and are designed to receive video programming services via broadband radio service or to receive or transmit wireless signals other than via satellite. Does not apply to antennas used to transmit signals to and/or receive signals from multiple customer locations.

*Bills that Failed*

## Public Safety/Courts

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### *New Laws*

#### **HB 2006 (CHAPTER 47) SPEED LIMITS; ROADWAY TURN OFF**

For the purpose of statute prohibiting driving a motor vehicle at such a slow speed as to impede the movement of traffic, "vehicle" is defined as a device in, on or by which a person or property is or may be transported on a public highway. "Vehicle" specifically includes electric bicycles, electric miniature scooters, electric standup scooters, devices moved by human power, personal delivery devices, and personal mobile cargo carrying devices

#### **HB 2773 (CHAPTER 375) SPIRITUOUS LIQUOR; DELIVERY; OFF-SALE PERMITS**

Specified liquor licensees in Arizona are authorized to take orders by telephone, mail, fax, catalog, through the internet, or by other means for the sale and delivery of spirituous liquor off the licensed premises. Bar licensees and liquor store licensees may take orders for beer, wine, distilled spirits or "mixed cocktails" (defined), beer and wine bar licensees and beer and wine store licensees may take orders for beer and wine, and restaurant licensees may take orders for mixed cocktails with the sale of food or for beer, wine, and distilled spirits if the restaurant holds specified permits. The liquor licensee is allowed to maintain a delivery service and to contract with one or more "registered alcohol delivery contractors" (defined) for delivery of spirituous liquor if the spirituous liquor is packaged and tamper proof sealed by the licensee and loaded for delivery at the premises of the licensee in Arizona and delivered in Arizona on the same business day. All containers of spirituous liquor that are delivered must be tamper proof sealed and conspicuously labeled with the words "Contains alcohol, signature of person who is twenty-one years of age or older is required for delivery." Delivery must be made by an employee of the licensee or an employee or authorized independent contractor of a registered alcohol delivery contractor who is at least 21 years of age and delivery must be made to a customer who is at least 21 years of age and who displays identification at the time of delivery. The Department of Liquor Licenses and Control (DLLC) is authorized to register any person in Arizona as an alcohol delivery contractor, and registration requirements are specified. Through December 31, 2025, bar and liquor store licensees, through the DLLC, are required to lease in one-year terms to restaurant licensees the privilege of selling mixed cocktails for consumption off the licensed premises. DLLC is required to establish a lease amount that is derived from the commercial value of the privilege, and conditions for the leases are listed. Bars, beer and wine bars, and liquor store licensees are authorized to lease in one-year terms the off-sale privileges associated with the licensee's license, except the privilege to sell mixed cocktails for off-premises consumption, to a restaurant licensee. Conditions for these leases are also listed. Severability clause. Effective October 1, 2021. Retroactive to July 1, 2020, the list of exemptions from spirituous liquor regulations is expanded to include the manufacture or sale of bitters products that have been classified and approved as a nonbeverage product or unfit for beverage purposes by the U.S. Alcohol and Tobacco Tax and Trade Bureau.

#### **HB 2012 (CHAPTER 6) UNAUTHORIZED RACING MEETINGS; PENALTIES; RACKETEERING**

A person, association or corporation that knowingly holds an "unauthorized racing meeting" (defined as any racing meeting conducted outside the bounds of a racing permit) is guilty of a

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class 6 (lowest) felony. Holding an unauthorized racing meeting is added to the definition of "racketeering" for the purpose of the criminal code.

**HB 2027 (CHAPTER 304) LEAVING ACCIDENT SCENE; PRIVATE PROPERTY**

The requirements for the driver of a vehicle involved in an accident to stop, remain at the scene of the accident, give specified information to others, and give reasonable assistance to an injured person are applicable to accidents on public or private property. The criminal classification for violating these requirements and for violating the requirement to take reasonable steps to locate and notify the owner of an unattended vehicle or fixtures or other property adjacent to a highway that the driver struck are increased to a class 1 (highest) misdemeanor, from a class 3 (lowest) misdemeanor.

**HB 2050 (CHAPTER 94) LIQUOR OMNIBUS**

Various changes to statutes relating to spirituous liquor. The list of sources that a retailer may order, purchase or receive spiritual liquor from is expanded to include licensed craft distillers subject to statutory limits. Distillers and brewers are authorized to provide sampling of up to 16 ounces of beer or cooler products, increased from 12 ounces. A representative of a producer or wholesaler participating at a special event is allowed to consume small amounts of the products of the producer or wholesaler on the premises of the special event for the purpose of quality control. A licensee with joint premises privileges is prohibited from allowing a person under the legal drinking age to remain in an area where the primary use is the sale, dispensing or consumption of spirituous liquor if the person is not accompanied by a spouse, parent, grandparent or legal guardian of legal drinking age, instead of if the person is not accompanied by an adult. A licensed craft distiller that produces up to 3,566 gallons, increased from 1,289 gallons, of distilled spirits in a calendar year is allowed to make sales and deliveries of distilled spirits that the licensed craft distiller produces to on-sale and off-sale retailers. As session law, a liquor licensee who had a retail license that reverted to the state between January 1, 2018 and December 31, 2020 due to more than 36 months of continuous nonuse has until December 31, 2022 to file in writing with the Department of Liquor Licenses and Control (DLLC) a request for relief from the license reversion. On receipt of such a request, DLLC is required to reissue the license. As session law, a purchaser of a bar, beer and wine bar, or liquor store license awarded through the annual liquor license lottery between January 1, 2017 and December 31, 2019 that has not been activated has until December 31, 2022 to file in writing with DLLC a request to sell or activate the license. After DLLC receives such a request and the full purchase price of the license, DLLC is required to allow the purchaser to sell or to submit an application to activate the license.

**HB 2075 (CHAPTER 74) SENTENCING; JUDGMENT OF GUILT; FINGERPRINTS**

The court must require either that a defendant's fingerprint be permanently affixed to a court document or order, or that the defendant's two fingerprint biometric-based identifier be obtained and recorded and is no longer required to affix or obtain and record a defendant's fingerprint "at the time of sentencing and in open court."

**HB 2098 (CHAPTER 364) MISSING CHILDREN; MANDATORY REPORTING**

A law enforcement agency that receives a report of a missing, kidnapped or runaway child is required, within two hours after receiving the report, to submit specified information to the

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Arizona Crime Information Center, the National Crime Information Center Computer Networks, and the National Missing and Unidentified Persons System. No later than 30 days after the original entry, the law enforcement agency is required to verify and update the record. A law enforcement agency that receives a report of a missing, kidnapped or runaway child who is in the foster care system is also required to notify the National Center for Missing and Exploited Children. An entry cannot be removed from any database or system until the child is found or the case is closed.

### **HB 2110 (CHAPTER 288) CIVIL PENALTIES; TRAFFIC; MITIGATION; RESTITUTION**

If a "monetary obligation" (defined) is imposed on a person at sentencing, the court is authorized to order the person to perform community restitution in lieu of the payment of the monetary obligation. The court is required to credit any community restitution performed at a rate equal to the state minimum wage, rounded up to the nearest dollar.

### **HB 2116 (CHAPTER 76) HUMAN TRAFFICKING; CIVIL ACTION; LIABILITY**

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

### **HB 2158 (CHAPTER 258) PROTECTIVE ORDERS; CENTRAL REPOSITORY; NOTIFICATION**

The Supreme Court is required to maintain a central repository for orders of protection and injunctions against harassment (central repository). Within 24 hours after the affidavit, declaration, acceptance or return of service has been filed, excluding weekends and holidays, the court from which the order or injunction was issued is required to enter the filing into the central repository.

### **HB 2168 (CHAPTER 290) USE OF FORCE; REPORTS; ANALYSIS**

Law enforcement agencies are required to collect and report "use-of-force incidents" (defined) involving law enforcement officers to the Arizona Criminal Justice Commission beginning January 1, 2022 and at least annually after. The Commission is required to establish procedures governing the collection and reporting of use-of-force incident data that are consistent with the requirements of the "national use-of-force data collection" (defined) established by the Federal Bureau of Investigation. The Commission is required to publish the data reported during the immediate past year beginning March 1, 2023 and by March 1 of each year after, in a publicly available database. By January 1, 2025, the Commission is required to conduct an analysis of law enforcement agency use-of-force rates and release the analysis to the public. The Commission is required to update this analysis at least once every five years. Effective January 1, 2022.

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**HB 2171 (CHAPTER 222) MARIJUANA VIOLATIONS; COURT JURISDICTION; PROCEDURES**

Establishes a new chapter in Title 22 (Justice and Municipal Courts) governing civil marijuana violations. Grants the justice court and municipal court jurisdiction of civil marijuana violation cases. Grants the juvenile court jurisdiction over civil marijuana violations that are committed by persons who are under 18 years of age. A civil marijuana violation case may be commenced by issuance or filing of a uniform traffic ticket and complaint issued by a peace officer. The process for issuing a complaint of a civil marijuana violation is established. Peace officers are authorized to stop and detain a person as is reasonably necessary to investigate an actual or suspected violation of marijuana statutes and to serve a copy of the complaint for an alleged civil violation. Emergency clause.

**HB 2186 (CHAPTER 103) PROSECUTION; DEFERRED; DIVERTED**

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

**HB 2294 (CHAPTER 292) YIELDING TO EMERGENCY VEHICLES; PENALTIES**

A person who violates the requirement to move over to slow down when approaching a stationary vehicle displaying flashing lights or warning lights is subject to a civil penalty of \$275 for a first violation, \$500 for a second violation within five years, and \$1,000 for a third or subsequent violation within five years. The Arizona Department of Transportation (ADOT) is required to educate the public about the requirement to move over or slow down periodically throughout the year and maintain information about the requirement on the ADOT website.

**HB 2295 (CHAPTER 336) LAW ENFORCEMENT OFFICERS; DATABASE; RULES**

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

**HB 2310 (CHAPTER 261) EXECUTIVE ORDERS; REVIEW; ATTORNEY GENERAL (MUNICIPALITIES; COUNTIES; LAW ENFORCEMENT BUDGETS)**

At the request of a member of the Legislature, the Executive Director of the Legislative Council is required to review any executive order issued by the President of the United States that has not been affirmed by a vote of Congress and signed into law as prescribed by the U.S. Constitution. On review, a member of the Legislature is authorized to recommend to the

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Attorney General that the order be further examined by the Attorney General to determine the legality of the order. If the Attorney General determines the order is illegal, the Attorney General is required to file a declaratory judgment action in federal district court. Applies only to executive orders that are issued from and after the effective date of this legislation.

**HB 2318 (CHAPTER 107) SENTENCING; REPETITIVE OFFENDERS**

If a person is convicted of multiple felony offenses that were not committed on the same occasion but that either are consolidated for trial purposes or are not historical prior felony convictions, the person must be sentenced as a first-time felony offender for the first offense, and as a category one repetitive offender for the second and subsequent offenses. Previously, the person was required to be sentenced as a category one repetitive offender for the second offense and as a category two repetitive offender for the third and subsequent offenses. Applies only to offenses committed on or after the effective date of this legislation.

**HB 2386 (CHAPTER 422) CRISIS STANDARDS OF CARE (~~TOWN COUNCILS; FINANCIAL STATEMENTS; WEBSITES~~)**

If the Department of Health Services (DHS) adopts or establishes a crisis standards of care plan or crisis guidelines or standards to address resource allocation when the demand for certain health care services exceeds the supply of necessary resources, a list of specified provisions must be included in the plan, guidelines, or standards, including that decisions on the allocation of health care resources cannot be discriminatory on the basis of specified factors, that each patient has the right to an individualized assessment on the basis of the best available objective medical evidence, and that a patient or the patient's family or health care decision maker has the right to appeal any triage decision. A health care provider or health care institution staff member is prohibited from requiring a patient or the patient's health care decision maker to sign a do-not-resuscitate order or make a particular health care treatment decision. DHS is required to modify any existing crisis standards of care plan or crisis guidelines or standards within 60 days after the effective date of this legislation to comply with these requirements.

**HB 2395 (CHAPTER 365) PARKED VEHICLES BLOCKING SIDEWALK; PROHIBITION**

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

**HB 2413 (CHAPTER 83) SEX OFFENDER REGISTRATION; ONLINE IDENTIFIERS**

For the purpose of the Department of Public Safety internet sex offender website, the definition of "required online identifier" (which is kept in a searchable database for level two and level three offenders) is modified to include any identifier used for communicating on a mobile application or internet website, a mobile telephone number, and any mobile device identification information.

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**HB 2439 (CHAPTER 294) MISSING CHILDREN; REPORTING REQUIREMENTS  
(TECH CORRECTION; MISSING CHILDREN)**

The Department of Child Safety (DCS) is required to make a list of specified information relating to runaway children and abducted children available for each six-month period beginning on January 1, or July 1. DCS is required to make the information available within 90 days after the end of the reporting period, and to notify the Governor and the Legislature each time the information is made available. Session law specifies the first reporting period is January 1, 2022 through June 30, 2022. Self-repeals January 1, 2027.

**HB 2462 (CHAPTER 338) CIVILIAN REVIEW BOARD MEMBERS; TRAINING**

Before a person becomes a member of a "civilian review board" (defined) that reviews the actions of peace officers in Arizona, the person is required to satisfactorily complete a community college police academy or a total of 80 hours of Arizona Peace Officer Standards and Training Board certified training in a list of specified subjects. Members currently serving on civilian review boards are required to complete the training within one year of the effective date of this legislation.

**HB 2462 (CHAPTER 338) CIVILIAN REVIEW BOARD MEMBERS; TRAINING**

Before a person becomes a member of a "civilian review board" (defined) that reviews the actions of peace officers in Arizona, the person is required to satisfactorily complete a community college police academy or a total of 80 hours of Arizona Peace Officer Standards and Training Board certified training in a list of specified subjects. Members currently serving on civilian review boards are required to complete the training within one year of the effective date of this legislation.

**HB 2485 (CHAPTER 197) URBAN AIR MOBILITY STUDY COMMITTEE  
(VIOLENT OR DISORDERLY ASSEMBLY; PENALTIES)**

Establishes a 26-member Urban Air Mobility Study Committee to review current laws in Arizona that could impact the urban air mobility industry and discuss necessary revisions. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by July 1, 2022, and self-repeals October 1, 2023.

**HB 2550 (CHAPTER 423) COMPLAINTS AGAINST PEACE OFFICERS;  
NOTIFICATION**

Before a law enforcement agency accepts a complaint made against a peace officer, the agency is required to provide the person making the complaint a notice stating that it is a class 1 (highest) misdemeanor to knowingly make a false, fraudulent or unfounded report or statement to a law enforcement agency.

**HB 2567 (CHAPTER 322) PEACE OFFICERS; INVESTIGATOR MEMBERSHIP  
REQUIREMENTS**

At least 2/3 of the voting membership of any government committee, board or entity that investigates law enforcement officer misconduct, that influences the conduct of or certifies officer misconduct investigations, that recommends disciplinary actions or imposes discipline



## **2021 END OF SESSION REPORT**

for law enforcement officer misconduct is required to be Arizona Peace Officer Standards and Training Board certified law enforcement officers of any rank who are from the same department or agency as the officer who is the subject of the investigation or disciplinary action. If an entity does not meet these requirements, a supervisor, department or agency head that supervises a law enforcement officer is authorized to investigate and impose discipline for an officer's misconduct independently of the entity. Does not apply to the Arizona Peace Officer Standards and Training Board.

### **HB 2615 (CHAPTER 165) EPINEPHRINE INJECTIONS; FIRST RESPONDERS IMMUNITY**

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

### **HB 2773 (CHAPTER 375) SPIRITUOUS LIQUOR; DELIVERY; OFF-SALE PERMITS**

Specified liquor licensees in Arizona are authorized to take orders by telephone, mail, fax, catalog, through the internet, or by other means for the sale and delivery of spirituous liquor off the licensed premises. Bar licensees and liquor store licensees may take orders for beer, wine, distilled spirits or "mixed cocktails" (defined), beer and wine bar licensees and beer and wine store licensees may take orders for beer and wine, and restaurant licensees may take orders for mixed cocktails with the sale of food or for beer, wine, and distilled spirits if the restaurant holds specified permits. The liquor licensee is allowed to maintain a delivery service and to contract with one or more "registered alcohol delivery contractors" (defined) for delivery of spirituous liquor if the spirituous liquor is packaged and tamper proof sealed by the licensee and loaded for delivery at the premises of the licensee in Arizona and delivered in Arizona on the same business day. All containers of spirituous liquor that are delivered must be tamper proof sealed and conspicuously labeled with the words "Contains alcohol, signature of person who is twenty-one years of age or older is required for delivery." Delivery must be made by an employee of the licensee or an employee or authorized independent contractor of a registered alcohol delivery contractor who is at least 21 years of age and delivery must be made to a customer who is at least 21 years of age and who displays identification at the time of delivery. The Department of Liquor Licenses and Control (DLLC) is authorized to register any person in Arizona as an alcohol delivery contractor, and registration requirements are specified. Through December 31, 2025, bar and liquor store licensees, through the DLLC, are required to lease in one-year terms to restaurant licensees the privilege of selling mixed cocktails for consumption off the licensed premises. DLLC is required to establish a lease amount that is derived from the commercial value of the privilege, and conditions for the leases are listed. Bars, beer and wine bars, and liquor store licensees are authorized to lease in one-year terms the off-sale privileges associated with the licensee's license, except the privilege to sell mixed cocktails for off-premises consumption, to a restaurant licensee. Conditions for these leases are also listed. Severability clause. Effective October 1, 2021. Retroactive to July 1, 2020, the list of exemptions from spirituous liquor regulations is expanded to include the manufacture or sale

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of bitters products that have been classified and approved as a nonbeverage product or unfit for beverage purposes by the U.S. Alcohol and Tobacco Tax and Trade Bureau.

**HB 2810 (CHAPTER 327) CIVIL ASSET FORFEITURE; CONVICTION; PROCEDURES**

The list of property subject to seizure and forfeiture is modified to require the proceeds to be traceable to an offense that resulted in a criminal conviction. Property is subject to forfeiture only if the owner is convicted of an offense to which forfeiture applies and the state establishes by clear and convincing evidence that the property is subject to forfeiture. The state is prohibited from proceeding with further forfeiture proceedings before a criminal conviction for an offense to which forfeiture applies unless no timely claims for the seized property were filed or the court waived the conviction requirement. After a person is convicted of an offense for which forfeiture applies, the court may order the person to forfeit property acquired through the commission of the offense, property directly traceable to property acquired through the commission of the offense, and property the person used in the commission of the offense or to facilitate the offense. Establishes circumstances under which the court is allowed to waive the conviction. Establishes circumstances under which the court is allowed to waive the conviction requirement. Does not prevent property from being forfeited by the terms of a plea agreement. A person who claims to be an innocent owner has the burden of production to show that the person either held a legal right, title or interest in the property seized at the time the illegal conduct occurred, or acquired as a bona fide purchaser a legal right, title or interest in the property after the commission of the crime. All property seized by a law enforcement agency at any time must be returned to the owner, if known, within ten business days after the property's seizure unless the owner has been arrested and charged with a criminal offense subject to forfeiture, the property is sought to be used as evidence, it is illegal for the owner to possess the property, or the property was seized for forfeiture. Within 60 days after making a seizure for forfeiture, the state is required to file a notice of pending forfeiture proceeding or return the property to the person from whom it was seized. Establishes requirements for serving the notice of pending forfeiture. Allows an owner of the property to file a claim against the property at any time within 60 days after the notice or 60 days before a criminal trial, whichever is later. Beginning August 28, 2024, the Attorney General is prohibited from using monies from the Anti-Racketeering Revolving Fund to pay salaries for full-time equivalent positions. Statutes governing various forfeiture proceedings are repealed and replaced.

**HB 2831 (CHAPTER 370) FAILURE; APPEAR; SURETY; NOTICE; RULES**

If a defendant who is released on an appearance bond fails to appear for a required court appearance and the court declares the defendant failed to appear and issues a warrant for the defendant's arrest, the court is required to provide notice of the defendant's failure to appear to the surety and the bail bond agent who is responsible for the defendant's appearance. Effective January 1, 2022

**HB 2889 (CHAPTER 202) SEXUAL OFFENSES; CHILDREN; SENTENCING**

Increases penalties for various sexual offenses related to children. A person who is at least 18 years old and who is convicted of a dangerous crime against children in the first degree involving commercial sexual exploitation of a minor or child sex trafficking is required to be sentenced to natural life in prison if the person has previously been convicted of a dangerous crime against children in the first degree, and the person is not eligible for commutation, parole, or release from confinement on any basis. Increases the minimum, presumptive, and

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maximum sentences for adults convicted of child sex trafficking and commercial sexual exploitation of a minor. Requires sentences for child sex trafficking and commercial sexual exploitation of a minor to be served consecutively.

**HB 2893 (CHAPTER 403) BUDGET; BRB; CRIMINAL JUSTICE; 2021-2022  
(~~CRIMINAL JUSTICE; BUDGET RECONCILIATION; 2021-2022~~)**

Makes policy changes pertaining to criminal justice programs that affect the budget. The Supreme Court is authorized to regulate pleading, practice and procedure in judicial proceedings in all courts of Arizona by administrative order, in addition to by rule. Rules and administrative orders are prohibited from abridging, enlarging or modifying statutory, contractual or common law real property rights and from purporting to interpret or be construed to resolve questions of substantive law. Establishes the General Adjudication Personnel and Support Fund, to be administered by the Supreme Court and used by the Supreme Court and the Department of Water Resources for additional full-time personnel for general adjudication. The Administrative Office of the Courts, in consultation with each county's adult probation department, is required to calculate a probation success incentive payment for each county for the most recently completed fiscal year. Establishes a formula for calculating each county's probation success incentive payment. Each county is required to use its probation success incentive payments to improve supervision and rehabilitative services for probationers, including for recognizing and rewarding probation officers who have contributed to the department's recidivism reduction efforts. Counties are authorized to establish a coordinated reentry planning services program within a county jail for the purpose of screening and assessing persons who are booked into the jail and connecting those persons with behavioral health and substance use disorder treatment providers at the earliest possible stage in the criminal justice process. Elements that must be included in the program are specified. The county is required to establish a committee to develop the program's policies and procedures, and stakeholders that must be represented on the committee are listed. Establishes the Border Security Fund, to be administered by the Department of Emergency and Military Affairs and used for a list of specified purposes, including administering and managing the construction and maintenance of a physical border fence, preventing human trafficking, and preventing entry into the United State of aliens who are unlawfully present, terrorists, and Contraband. The Governor is required to request the federal government to reimburse state monies spent from the Border Security Fund. The National Guard of Arizona is authorized to engage in cyber-attack prevention, response and support activities for Arizona and political subdivisions, and the National Guard Cyber Response Revolving Fund is established for this purpose. Statute excusing prospective jurors who are employed in the correctional officer class series by the Arizona Department of Corrections (ADC) is made permanent, instead of expiring January 1, 2022. ADC is required to establish a mental health transition pilot program that provides eligible inmates with transition services in the community. ADC is required to contract with private or nonprofit entities to provide eligible inmates with mental health transition services and is required to place up to 500 eligible inmates in the pilot program each fiscal year. ADC is required to adopt rules to implement the program, and required provisions are listed. ADC is required to conduct an annual study on recidivism of program participants and submit a report to the Governor and the Legislature by December 31 of each year. The mental health transition pilot program self-repeals July 1, 2026. The Public Safety Interoperability Fund is renamed the Arizona School Safety Interoperability Fund, and responsibility for administering the Fund is transferred to the State Treasurer, from the Department of Public Safety (DPS). Monies in the Fund must be distributed to the sheriff of a county that establishes a school safety pilot program and may be used only for a school safety pilot program, instead of interoperable communication systems. Requirements for the school

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safety pilot program are specified. By November 1 of each year, the sheriff of a county that has established a school safety pilot program is required to submit a report to the Joint Legislative Budget Committee of all expenditures made for the pilot program in the preceding fiscal year. DPS is permitted to release to the public a copy of a video recording only if all persons other than peace officers shown in the video recording consent to the release, or any information that may identify those person has been redacted, or if DPS reasonably determines that there is an important public purpose for its release, including an allegation of law enforcement misconduct. A list of circumstances under which DPS is required to or permitted to redact or withhold a video recording is established. DPS is required to adopt rules prescribing procedures for administering "rapid DNA testing" of "crime scene DNA samples" (both defined), and provisions that must be included in the rules are listed. Authorization for the Department of Emergency and Military Affairs to use up to \$1.23 million in the Military Installation Fund to construct a readiness center is extended through FY2025-26. Authorization for the Supreme Court to use allocated monies for a new appellate case management system is extended through FY2021-22, and the maximum amount allocated for the system is reduced to \$2.6 million, from \$3.15 million. The appropriation made in 2018 to DPS for ten virtual firing ranges must be used to purchase one firing range for the White Mountain Apache police department. At the request of a member of the Legislature, the Attorney General is required to investigate any written member of the Legislature, the Attorney General is required to investigate any written policy, rule, or regulation adopted by any agency, department, or other entity of the county or municipality that the member alleges violates state law or the state Constitution. Before a member of the Legislature may request an investigation, the member is required to provide a written notification of the alleged violation to the chief executive officer or governing body of the county or municipality. If the county or municipality does not repeal or otherwise resolve the violation within 60 days after receiving the notification, the member of the Legislature is authorized to request an investigation. Retroactive to January 1, 2021, a person who is a member of a law enforcement civilian review board is authorized to be currently or previously certified by the Arizona Peace Officer Standards and Training Board (AZPOST Board) in lieu of the requirement to complete either a community college police academy or AZPOST Board certified training.

**SB 1221 (CHAPTER 206) VULNERABLE ADULTS; JURISDICTION; GRAND JURIES**

Any violation of Title 13 (Criminal Code) or Title 46 (Welfare) where the victim is a "vulnerable adult" (defined elsewhere in statute) is added to the list of offenses or violations of law that the state grand jury's authority to investigate and return indictments for is limited to. Unless the parties waive trial by jury, in a civil action brought by or on behalf of the state for a violation of a statute that declares an act or practice unlawful, a jury is required to determine liability, willfulness, and the amount of any available monetary remedies.

**SB 1249 (CHAPTER 209) CONVICTION; SET ASIDE; TRAFFIC VIOLATIONS**

Traffic violations are no longer excluded from statute allowing a person convicted of a criminal offense to apply to the court to have the judgment of guilt set aside on fulfillment of the conditions of probation or sentence and discharge by the court.

**SB 1267 (CHAPTER 346) RECORD OF PROCEEDING; ELECTRONIC RECORDING**

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The state, state agencies, political subdivisions, the judiciary and courts of law are authorized to use for any purpose electronic devices in lieu of court reporters or stenographers. If requested by either party in writing at least five court days before a trial or hearing, a court reporter or stenographer must be used if available on the day of the trial or hearing. Some exceptions. Either party is permitted to provide a certified reporter or stenographer in addition to the electronic devices used by a court to record the proceedings. The official record of the proceedings is the record prepared by the court reporter or prepared by the court pursuant to rules adopted by the Supreme Court. On request of either party, the court is required to hold a hearing to determine if there is a deficiency in an electronic record of a proceeding and whether the deficiency prejudiced a party. If the court finds that a deficiency prejudiced a party, the court is required to presume that the prejudiced party is entitled to a new trial or phase of trial.

### **SB 1294 (CHAPTER 432) SENTENCING RECORDS; SEALING ARREST; LIABILITY (~~COMMUNITY COLLEGES; EXPENDITURE LIMITATION~~)**

A person who was convicted and has completed the terms and conditions of the person's sentence, a person who was charged with a criminal offense and the charge was subsequently dismissed or resulted in a not guilty verdict at a trial, or a person who was arrested for a criminal offense and no charges were filed, is authorized to file a petition to seal all case records related to the criminal offense. Sealed case records may be alleged as an element of an offense and may be used as a historical prior felony conviction or to enhance the sentence for a subsequent felony. Establishes mandatory waiting periods before a person may file a petition to seal the person's records of arrest, conviction and sentence, based on the criminal classification of the offense. If the court grants a petition to seal case records, the court is required to issue an order sealing all records relating to the petitioner's arrest, conviction and sentence, and must notify the Department of Public Safety and the prosecutor of the sealing order. A person whose arrest, conviction and sentence records are sealed is allowed to state, in all instances, that the person has never been arrested for, charged with or convicted of the crime that is the subject of the arrest or conviction, including in response to questions on employment, housing, financial aid or loan applications unless any of a list of specified conditions applies. Does not apply to a person who is sentenced as a dangerous offender or who is convicted of specified offenses. Applies to a person who is arrested, convicted or sentenced before, on, or after the effective date of this legislation. Appropriates \$500,000 from the general fund in FY2022-23 to the Administrative Office of the Courts to pay for the costs of implementing this legislation. Effective January 1, 2023.

### **SB 1373 (CHAPTER 314) HEALTH FACILITIES; DUTY OF CARE**

Licensed health care institutions that provide residential care and the institution's employees and agents have an affirmative duty of care for their residents. These institutions are required to initiate cardiopulmonary resuscitation (CPR), in accordance with that resident's advance directives and do-not-resuscitate order, to a resident who is nonresponsive or has a cessation of respiration, and are required to provide appropriate first aid to a resident who is in distress or who has fallen and is unable to reasonably recover independently. These institutions are prohibited from implementing policies that prevent employees from providing appropriate CPR or first aid to the institution's residents. Health care institutions and staff members who render CPR or first aid according to these requirements are not liable for civil damages as a result of any act or omission by the person rendering care, if the care is rendered in good faith and consistent with CPR or first aid certification standards. This liability exclusion does not apply to a person who acts with gross negligence while rendering care.

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**SB 1382 (CHAPTER 348) ESSENTIAL BUSINESSES; FIREARMS; AMMUNITION; SALES**

A person is prohibited from filing a "qualified civil liability action," defined as a civil action or proceeding or an administrative proceeding against a manufacturer or seller of a "qualified product" (defined as a firearm or ammunition or a component part of a firearm or ammunition) or a "trade association" (defined) with two or more members that are manufacturers or sellers of a qualified product, for damages, punitive damages, injunctive or declaratory relief, fines, penalties or other relief resulting from a criminal or unlawful misuse of a qualified product by the person or a third party. Some exceptions. Also, a store that sells firearms or ammunition, or firearms or ammunition components, is an essential business.

**SB 1533 (CHAPTER 433) OBSTRUCTING HIGHWAYS; RACING; ASSESSMENT; IMPOUNDMENT**

Levies a penalty assessment of \$1,000 on every fine, penalty and forfeiture imposed and collected by the courts for a violation of racing on highways. The assessments are deposited in the newly established Drag Racing Prevention Enforcement Fund, to be used to prevent racing on streets and highways in Arizona. Increases the criminal classification of obstructing a highway to a class 2 (mid-level) misdemeanor, from a class 3 (lowest) misdemeanor, except that a second or subsequent violation within 24 months is a class 1 (highest) misdemeanor and obstructing a highway by intentionally activating a pedestrian signal in order to stop the passage of traffic and solicit a driver for a donation or business remains a class 3 (lowest) misdemeanor. A person who knowingly aids and abets another person in the commission of a violation of reckless driving or racing on highways is guilty of a class 2 (mid-level) misdemeanor, except that a second or subsequent violation within 24 months is a class 1 (highest) misdemeanor. Also, a peace officer is required to cause the removal and either immobilization or impoundment of a vehicle if the peace officer determines that a person is driving a vehicle in violation of reckless driving or racing on highways and the peace officer reasonably believes that allowing the person to continue driving the vehicle would expose other persons to the risk of serious bodily injury or death.

**SB 1660 (CHAPTER 435) CRIMES AGAINST CHILDREN; DEPENDENCIES; OMNIBUS**

Numerous changes to statues relating to dependent children. For the purpose of the Criminal Code relating to sexual offenses, the definition of "position of trust" is expanded to include the minor's grandparent, aunt or uncle, adult employees or volunteers at a minor's school, a minor's employer, an employee of a group home or residential treatment facility where the minor resides or has previously resided, and more. On motion of the prosecution, the court may order that a pro se defendant in a prosecution for sexual abuse or child sex trafficking is prohibited from directly questioning the minor victim if the court determines that direct questioning by the pro se defendant would prevent the minor victim from being able to reasonably communicate. Within 30 days after a dependent child who is at least eight years of age is placed in out-of-home care, the Department of Child Safety is required to ensure that the child receives age-appropriate and developmentally appropriate materials and resources about sexual abuse, child sex trafficking and exploitation, unless otherwise recommended by a doctor or therapist. The State Board of Education is required to establish best practices for social media and cellular telephone use between students and school personnel, including teachers, coaches and counselors, and encourage school district governing boards and charter school governing bodies to adopt policies that implement these best practices. The Arizona

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Prosecuting Attorneys Advisory Council is required to develop a statewide training curriculum on the child abuse mandatory reporting laws for public school personnel, and each public school must require its personnel to complete the training.

**SB 1836 (CHAPTER 393) SEX OFFENDER REGISTRATION; TERMINATION**

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

**SB 1839 (CHAPTER 390) GUILTY EXCEPT INSANE; COURT JURISDICTION**

Beginning July 1, 2023, the superior court is given exclusive jurisdiction over all persons who were under the supervision of the Psychiatric Security Review Board (PSRB) on that date. On July 1, 2023, the superior court is vested with the powers and duties of the PSRB as they existed before that date. Makes numerous changes to statutes relating to the PSRB, including procedures for hearings and retaining an independent qualified expert to evaluate the person.

**HB 1843 (CHAPTER 392) VEHICLE SPEED LIMITS**

The definition of excessive speeding, a class 3 (lowest) misdemeanor is modified to include exceeding the posted speed limit by more than 20 miles per hour, instead of exceeding 85 miles per hour. If the maximum speed limit on a public highway in Arizona is 30 miles per hour in an area that is outside of an "urbanized area" (defined elsewhere in statute), or 40 miles per hour in an urbanized area, a person is prohibited from driving a motor vehicle at a speed in excess of the posted speed limit on that highway. If the speed at which the person was alleged to have driven or the speed at which the court finds the person drove is not more than 10 miles per hour in excess of the posted speed limit, the offense is allowed to be designated as a waste of a finite resource and as a civil traffic violation. If the speed at which the person was alleged to have driven or the speed at which the court finds the person drove is more than 10 miles per hour in excess of the posted speed limit, the offense is designated as a civil traffic violation.

**SB 1846 (CHAPTER 397) LIQUOR; SALES; DELIVERY; IDENTIFICATION INFORMATION**

If the person delivering an order of spirituous liquor personally retrieved and bagged or otherwise packaged the container of spirituous liquor for delivery, and the liquor licensee records the identification information for each delivery, the delivery is exempt from the requirement for the liquor to be conspicuously labeled with the words "contains alcohol, signature of person who is 21 years of age or older is required for delivery."

*Bills that Failed*

**HB 2007 AUTONOMOUS VEHICLES; SAFETY FEATURES; PROHIBITIONS**

A person is prohibited from "installing or using a defeat device" (defined) to interfere with or disable a safety feature of a vehicle equipped with specified levels of driving automation that is

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designed to ensure that a human driver is alert and attentive while driving automation features are engaged. Some exceptions.

### **HB 2013 INTERLOCK RESTRICTED LICENSES; VIOLATIONS; REPORTING**

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

### **HB 2076 COURT FEES; DIGITAL EVIDENCE; STORAGE (PROBATION OFFICERS; ASSAULT; RESISTING ARREST)**

The Supreme Court is required to establish an additional fee on each filing, appearance and answer or response fee received by the justice of the peace. The fee is deposited in the Arizona Lengthy Trial and Digital Evidence Fund, previously named the Arizona Lengthy Trial Fund. If monies are available in the Fund after paying jurors, monies may be used to manage and store digital evidence and to facilitate the display of evidence to the jury and court. The requirement to establish the fee is repealed January 1, 2027. Monies in the Document and Digital Evidence Storage and Retrieval Conversion Fund for the clerk of the superior court, which was previously named the Document Storage and Retrieval Conversion Fund, may be used to manage and store digital evidence and facilitate the display of evidence to the jury and court.

### **HB 2082 COERCION; THEFT BY EXTORTION**

A person commits theft by extortion, a class 4 (lower mid-level) felony, by knowingly obtaining or seeking to obtain property or services by means of a threat to perform any act that does not in itself materially benefit the person but that is calculated to harm another person materially with respect to that person's health, safety, business, calling, career, financial condition, reputation or personal relationships. Establishes the crime of coercion and classifies coercion as a class 1 (highest) misdemeanor. A person commits coercion by compelling or inducing another person to engage in conduct which that other person has a legal right to abstain from engaging in, to abstain from engaging in conduct in which that other person has a legal right to engage, or to join a group, organization or criminal enterprise which that other person has a right to abstain from joining, by means of instilling in that other person a fear that, if the demand is not complied with, the person or some other person will take any of a list of specified actions, including causing physical injury to a person or engage in other conduct constituting a crime.

### **HB 2083 SAFETY FEATURES; AUTONOMOUS VEHICLES; PROHIBITIONS**

A person is prohibited from knowingly and intentionally installing or using a "defeat device" (defined) to interfere with or disable a safety feature of a vehicle equipped with specified levels



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of driving automation that is designed to ensure that a human driver is alert and attentive while driving automation features are engaged.

**HB 2084 DUI; MARIJUANA; IMPAIRMENT**

In a trial, action or proceeding for a violation of driving under the influence, it is presumed that a defendant is under the influence and impaired by marijuana if the defendant has a blood concentration of 2.0 nanograms per milliliter or more of tetrahydrocannabinol within two hours of the time of driving or being in actual physical control of a vehicle as shown by an analysis of the defendant's blood.

**HB 2100 MISSING; UNIDENTIFIED PERSON; REPORTING REQUIREMENTS**

A law enforcement agency that receives a report of a missing or unidentified person is required to submit the report of the missing and unidentified person to the National Missing and Unidentified Person System that is administered by the National Institute of Justice within an unspecified amount of time (blank in original) after receiving the report.

**HB 2118 FURNISHING TOBACCO; MINORS; ENTERPRISE PENALTIES**

It is unlawful for a person to knowingly sell, give or furnish a tobacco product, vapor product or any instrument or paraphernalia solely designed for smoking or ingesting tobacco or shisha to a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act, instead of to minors. Establishes penalties the court must impose on an enterprise that violates this prohibition based on the number of violations. Penalties include mandatory attendance at a court-approved tobacco retailer educational course and graduated fines ranging from \$500 to \$5,000. For a second or subsequent violation, the court is required to prohibit the enterprise from selling, giving or furnishing tobacco products or vapor products for a specified time period. A violation of this restriction is a petty offense, subject to an additional fine and an extension of the prohibition.

**HB 2141 APPROPRIATIONS; ALTERNATIVE PROSECUTION; DIVERSION PROGRAM**

Appropriates \$9,420,625 from the general fund in each of FY2021-22, FY2022-23, and FY2023-24 to the Arizona Criminal Justice Commission for alternative prosecution and diversion programs. Specifies amounts that must be allocated each fiscal year to each county attorney's office. Monies may be used only to establish and operate alternative prosecution and diversion programs, and to explore, develop, apply and evaluate evidence-based best practices for alternative prosecution and diversion programs. By September 30 of 2022, 2023, and 2024, the Commission is required to report to the Joint Legislative Budget Committee on the use of the monies and the outcomes obtained by the alternative prosecution and diversion programs during the previous fiscal year.

**HB 2145 EMERGENCY POWERS; CURFEW; BUSINESS CLOSURES**

During a state of emergency, the Governor's authority includes imposing a curfew and ordering businesses to close within a designated area.

**HB 2152 POLICE; CAMERA RECORDINGS; REQUIRED REDACTIONS**

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Before a law enforcement agency releases a copy of a video recording from a law enforcement officer's body-worn camera to the public, the law enforcement agency must redact any portion of the video recording that shows the face or an identifiable body part of any person who appears in the video recording if the person is not the subject of a police investigation or enforcement action and the person was located in a private location or in a public location with an expectation of privacy, the person is a victim of or witness to a crime, or the person was in a state of undress and specified areas of the person's body were not covered. Does not apply to a person who provides the law enforcement agency with a written waiver to release the video recording without any redactions.

### **HB 2164 COORDINATED REENTRY PLANNING SERVICES PROGRAMS**

Counties are authorized to establish a coordinated reentry planning services program within a county jail for the purpose of screening and assessing persons who are booked into the jail and connecting those persons with behavioral health and substance use disorder treatment providers at the earliest possible stage in the criminal justice process. Elements that must be included in the program are specified. The county is required to establish a committee to develop the program's policies and procedures, and stakeholders that must be represented on the committee are listed. Appropriates \$8 million from the general fund in FY2021-22 and \$7 million from the general fund in each of FY2022-23 and FY2023-24 to the newly established Coordinated Reentry Planning Services Program Fund for the program. Appropriates \$8 million from the Fund in FY2021-22 and \$7 million from the Fund in each of FY2022-23 and FY2023-24 to a county with a population of up to 1.5 million persons (any county but Maricopa) to establish and operate a coordinated reentry planning services program. Each eligible county is required to receive a proportional share of the monies based on the county's population.

### **HB 2182 RAPID DNA TESTING; APPROPRIATION**

The Department of Public Safety (DPS) is required to adopt rules prescribing procedures for administering "rapid DNA testing" of "crime scene DNA samples" (both defined), and provisions that must be included in the rules are listed. Makes a supplemental appropriation of \$1.2 million and 3 FTE positions from the general fund in FY2021-22 to DPS to purchase and deploy four rapid DNA testing devices throughout Arizona. By October 15, 2021, January 15, 2022, April 15, 2022 and July 15, 2022, the Director of DPS is required to submit a report to the legislative judiciary committees containing specified information relating to the rapid DNA testing devices

### **HB 2189 COORDINATED REENTRY PLANNING SERVICES PROGRAMS**

Counties are authorized to establish a coordinated reentry planning services program within a county jail for the purpose of screening and assessing persons who are booked into the jail and connecting those persons with behavioral health and substance use disorder treatment providers at the earliest possible stage in the criminal justice process. Elements that must be included in the program are specified. The county is required to establish a committee to develop the program's policies and procedures, and stakeholders that must be represented on the committee are listed. Appropriates \$8 million from the general fund in FY2021-22 and \$7 million from the general fund in each of FY2022-23 and FY2023-24 to the newly established Coordinated Reentry Planning Services Program Fund for the program. Appropriates \$8 million from the Fund in FY2021-22 and \$7 million from the Fund in each of FY2022-23 and FY2023-24 to a county with a population of up to 1.5 million persons (any county but

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Maricopa) to establish and operate a coordinated reentry planning services program. Each eligible county is required to receive a proportional share of the monies based on the county's population.

**HB 2293 VEHICLE IMPOUNDMENT; EXCEPTIONS; STORAGE CHARGES**

The list of reasons for which a peace officer is required to cause the removal and either immobilization or impoundment of a vehicle is modified to include if the peace officer determines that the person's driving privilege is suspended for any reason except for failure to pay a civil penalty or failure to appear as directed for a scheduled court appearance, and to remove if the person's driving privilege is revoked for transporting or concealing from detection an alien in Arizona. A peace officer who needs to be present at an emergency is not required to remove, immobilize or impound a vehicle. The exemption from the requirement to remove the vehicle if the driver's spouse is present and meet specified qualifications to be able to drive the vehicle to a place of safety is expanded to apply to any other person who is with the driver at the time of the arrest. The minimum amount of time a vehicle must be immobilized or impounded is decreased to 20 days, from 30 days.

**HB 2296 RESTRICTED LICENSE; DUI; SUSPENSION REPORT**

The penalty for reckless driving, aggressive driving, or racing on highways when the person has a previous violation of any of these or driving under the influence violation within the previous 24 months would have been modified to require the Arizona Department of Transportation (ADOT) to suspend the person's driving privilege for one year, instead of revoking the person's driving privilege. After 45 days of the suspension period, a person whose driving privilege was suspended under these circumstances would have been authorized to apply to ADOT for a restricted driver license that allows the person to operate a motor vehicle subject to specified restrictions. If a driving under the influence breath test was administered, a law enforcement agency would have been required to forward the certified report to ADOT within 30 days after the arrest occurred, and if a sample of blood, urine or other bodily substance was obtained, the law enforcement agency would have been required to forward the certified report to ADOT within 30 days after the date the report of the analysis was provided to the agency. – ***VETOED BY GOVERNOR DUCEY***

**HB 2309 VIOLENT; DISORDERLY ASSEMBLY; PUBLIC ORDER**

Establishes the crime of violent or disorderly assembly, a class 6 (lowest) felony, if a person, with seven or more other persons acting together, and with the intent to engage in conduct constituting a riot or an unlawful assembly, causes damage to property or injury to another person. The list of circumstances under which assault is classified as aggravated assault, a class 6 (lowest) felony is expanded to include if the person commits the assault on a peace officer in the course of committing violent or disorderly assembly and if the person commits the assault using fireworks or permissible consumer fireworks in the course of committing violent or disorderly assembly. A person convicted of aggravated assault on a peace officer during violent or disorderly assembly must be sentenced to serve at least 6 months in jail and is not eligible for probation or suspension of execution of sentence until the entire sentence is served. The criminal classifications of obstructing a highway or other public thoroughfare, public nuisance, aiming a laser pointer at a peace officer, and recklessly damaging property in an amount of more than \$250 but less than \$1,000, are each increased to a class 6 (lowest) felony, from a class 1 (highest) misdemeanor, if the offense is committed in the course of committing violent or disorderly assembly. The criminal classification of abuse of venerated objects is increased to a

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class 6 (lowest) felony, from a class 2 (mid-level) misdemeanor, if the abuse occurs in the course of committing violent or disorderly assembly.

**HB 2320 SEALING ARREST; LIABILITY; SENTENCING RECORDS**

A person who was convicted and has completed the terms and conditions of the person's sentence, a person who was charged with a criminal offense and the charge was subsequently dismissed or resulted in a not guilty verdict at a trial, or a person who was arrested for a criminal offense and no charges were filed, is authorized to file a petition to seal all case records related to the criminal offense. Sealed case records may be alleged as an element of an offense, and may be used as a historical prior felony conviction or to enhance the sentence for a subsequent felony. Establishes mandatory waiting periods before a person may file a petition to seal the person's records of arrest, conviction and sentence, based on the criminal classification of the offense. If the court grants a petition sentence, based on the criminal classification of the offense. If the court grants a petition to seal case records, the court is required to issue an order sealing all records relating to the petitioner's arrest, conviction and sentence, and must notify the Department of Public Safety and the prosecutor of the sealing order. A person whose arrest, conviction and sentence records are sealed is allowed to state, in all instances, that the person has never been arrested for, charged with or convicted of the crime that is the subject of the arrest or conviction, including in response to questions on employment, housing, financial aid or loan applications unless any of a list of specified conditions applies. Does not apply to a person who is sentenced as a dangerous offender or who is convicted of specified offenses. Applies to a person who is arrested, convicted or sentenced before, on, or after the effective date of this legislation. Appropriates \$500,000 from the general fund in FY2022-23 to the Administrative Office of the Courts to pay for the costs of implementing this legislation. Effective January 1, 2023.

**HB 2334 DANGEROUS; INCOMPETENT PERSON; EVALUATION; COMMITMENT**

Establishes a new chapter in Title 36 (Public Health and Safety) governing procedures for dangerous and incompetent persons who are committed. Requires a competent professional to biannually examine such persons and requires the court to hold a hearing on an examination report that indicates the person is no longer dangerous or incompetent. A committed defendant is allowed to petition the court for conditional release or discharge under certain circumstances, and requirements for hearings and determinations on the petition are established. Establishes requirements for detention and commitment and for revocation of conditional release. A committed defendant cannot be transported from a licensed facility except for specified reasons. Also makes various changes to statutes relating to determining whether a defendant is dangerous or incompetent. Information that must be included in an expert's written report of an examination is expanded. Retroactive to January 1, 2021.

**HB 2355 ANIMAL ABUSER REGISTRATION; PENALTIES**

An adult who has been convicted of a violation or attempted violation of cruelty to animals, animal fighting or bestiality is required to register with the Department of Public Safety (DPS) within 5 days after the conviction or within 10 days after entering and remaining in the state. Beginning January 1, 2022, DPS is required to maintain a central animal abuser registry with the names and registration information of every person required to register. Beginning January 1, 2022, any person that sells, gives or adopts out domesticated dogs or cats is authorized to conduct a central animal abuser registry check for the name and address of every person who is

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requesting to adopt, buy or own a domesticated dog or cat, and is prohibited from intentionally or knowingly selling, giving or adopting out a domesticated dog or cat to a person who is listed in the registry. Failing to register is a class 1 (highest) misdemeanor. Intentionally or knowingly selling, gifting or adopting a domesticated dog or cat to a person listed in the registry is subject to a civil penalty of at least \$1,000.

**HB 2366 CRIMINAL SPEEDING**

A person is guilty of excessive speeding, a class 3 (lowest) misdemeanor, if the person exceeds the posted speed limit by more than 20 miles per hour, instead of exceeds 85 miles per hour, in locations other than those specified for other speeds.

**HB 2420 LAW ENFORCEMENT; PROSECUTION GRANTS; ACCEPTANCE  
(~~LAW ENFORCEMENT BUDGET; REDUCTION; CERTIFICATION~~)**

By October 15 of each year, counties and municipalities are required to certify in writing to each state agency through which the county or municipality receives any state monies that there have been no disproportionate funding reductions to the county's or municipality's law enforcement agency. The certification must include a statement that any reduction in funding or proposed funding to the law enforcement agency is a result of reduced revenue collection and the reduction in law enforcement agency funding is "proportionate" (defined) to the reduction in revenue. A county or municipality that has disproportionately reduced its law enforcement agency funding is not eligible to receive state shared monies. The State Treasurer is required to continue to withhold state shared monies until certification from the county or municipality that the reduction in the law enforcement agency's budget has been restored to a proportionate amount.

**HB 2428 VICTIMS' PRIVACY; CRIMINAL CASE INFORMATION**

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

**HB 2449 FIREARM SALES; TRANSFERS; BACKGROUND CHECKS**

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

**HB 2451 SEVERE THREAT ORDER OF PROTECTION**

A petitioner is authorized to file a verified petition in the superior court or a municipal court requesting the court to issue a severe threat order of protection (STOP order). The petition for a STOP order must include a list of specified information, including a specific statement of either a credible threat of death or serious physical injury or an act of violence that resulted in

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or was intended to cause death or physical injury that occurred within the preceding 6 months, or a specific behavior or act that justifies the reasonable belief that the respondent is a danger to self or others. Evidence the court is required to review is listed. The court is authorized to order a mental health evaluation of the respondent at no cost to the respondent. The court is required to issue an ex parte temporary STOP order on the day of or day after the court receives the petition, if the court determines that there is probable cause to believe that the respondent poses a danger to self or others and that, for the safety of the respondent and others, the respondent should not possess a firearm for the duration of the order, which is 14 days. The court is authorized to schedule a hearing on a petition for a STOP order within 14 days after receipt of the petition. At a hearing, the court is required to issue a STOP order if the court determines that clear and convincing evidence exists to believe the respondent poses a danger to self or others and that, for the safety of the respondent and others, the respondent should not possess a firearm for the duration of the order, which is 1 year. Within 90 days after a STOP order is issued, the respondent is entitled to one hearing on written request to quash the order. Establishes a process for extending a STOP order. If the respondent to a petition for a STOP order is a minor, the petition must be transferred to the juvenile court. A person who is subject to an ex parte temporary STOP order or a STOP order is prohibited from possessing or purchasing a firearm, and violations are a class 4 (lower mid-level) felony. It is a class 5 (second lowest) felony to make a false sworn statement for the purpose of obtaining a STOP order.

### **HB 2458 SCHOOLS; UNIVERSITIES; CONSULAR IDENTIFICATION CARDS**

School districts and charter schools are required to accept a consular identification card to show verifiable documentation of Arizona residency. Community colleges and universities under the jurisdiction of the Arizona Board of Regents are required to accept a consular identification card as a valid form of identification. The state and political subdivisions are required to accept a consular identification card that is issued by a foreign government as a valid form of identification if the foreign government uses "biometric identity verification techniques" (defined) in issuing the card, instead of being prohibited from accepting a consular identification card as a valid form of identification.

### **HB 2461 DPS; BODY CAMERAS; APPROPRIATIONS**

Appropriates \$1.5 million from the general fund in each of FY2021-22 through FY2025-26 to the Department of Public Safety (DPS) to purchase and deploy 1,267 body cameras for DPS personnel.

### **HB 2465 SEARCH WARRANTS; PROCEDURES; NOTIFICATIONS**

Before an ex parte order for the interception of wire, electronic or oral communications (ex parte order for interception), a judge must determine that the issuance of a search warrant has been tried and failed or reasonably appears to be unlikely to succeed or to be too dangerous. The maximum amount of time that an ex parte order for interception may be authorized is decreased to 20 days, from 30 days. Records of an ex parte order for interception must be retained during the duration of any relation investigation and any subsequent litigation or trial. A communication that does not involve the person being investigated or the particular crime listed in the order is prohibited from being recorded on any tape, electronic, wire or other comparable device. Within 14 days, decreased from 90 days, after an application for an ex parte order for interception is denied or after the period of an order expires, the issuing or denying judge is required to serve the persons named in the order or application with a notice, and the

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information that must be contained in the notice is expanded. The notification is not required until the identity of the person specified in the order is known or could be reasonably identified by a law enforcement agency, and law enforcement agencies are authorized to submit a request to delay the notification or a portion of the notification for up to 30 days. The court may grant permission to delay notification if specified conditions are met, and may grant additional extensions of the delay of up to 30 days each. Some exceptions. All electronic information or data and records of a provider of an electronic communication service or remote computing service pertaining to a subscriber or customer that are obtained in violation of these requirements are subject to the rules of evidence governing exclusion as if the records were obtained in violation of the 4th Amendment to the U.S. Constitution.

### **HB 2551 MISCONDUCT INVOLVING WEAPONS; PUBLIC PLACES**

A person who possesses a valid concealed weapons permit is exempt from the prohibition on carrying a concealed weapon in a public establishment or at a public event. Some exceptions, including for public establishments or events that are a "secured facility" (defined), that are the licensed premises of a liquor licensee, that are a judicial department or law enforcement agency, that are an educational institution, and that are a vehicle or craft.

### **HB 2553 PEACE OFFICERS; FORCE; PROHIBITED RULES**

A "government body" (defined to include a law enforcement agency or department) is prohibited from adopting a policy or rule that prohibits a law enforcement officer from using physical force or deadly physical force when the use is allowed by law, unless it includes a statement that any nonforce tactics required to be used first are only required in situations where a reasonable person would conclude that the use of the nonforce tactics would not expose the law enforcement officer or another person to the threat of physical injury, serious physical injury or death. A government body is prohibited from adopting a policy or rule that prohibits a law enforcement officer from using a defensive tactic if the use of that tactic in a particular situation would otherwise be allowed under law, unless the Arizona Peace Officer Standards and Training Board has determined that the tactic should not be used in the situation.

### **HB 2604 RETIREMENT SYSTEMS; BOARDS; PAID LEAVE**

Public Safety Personnel Retirement System (PSPRS) employers are required to provide an employee-member of the PSPRS Board of Trustees or a PSPRS local board paid leave of absence for the time the employee attends board meetings. Corrections Officer Retirement Plan employers are required to provide an employee-member of a local board paid leave of absence for the time the employee attends board meetings.

### **HB 2618 PUBLIC NUISANCE; NOISE; EVIDENCE**

A prosecution for a public nuisance violation that involves noise is required to include an accurate recording and measurement of the noise by a peace officer or code enforcement officer. Measurement standards are specified.

### **HB 2715 RESIDENTIAL PICKETING; OFFENSE**

A person commits residential picketing, a class 3 (lowest) misdemeanor, if the person intentionally engages in picketing or otherwise demonstrates near the residence of an individual

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if the actions are such that a reasonable person would find the acts harassing, annoying, or alarming.

**HB 2757 TRAFFIC SURVIVAL SCHOOL; ONLINE PROHIBITED**

Traffic survival school courses of instruction must be offered and completed in person and cannot be offered online unless a state of emergency has been declared by the Governor and the Department of Transportation determines the emergency prevents courses being offered safely in person

**HB 2765 LAW ENFORCEMENT; DEADLY FORCE; INVESTIGATIONS**

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

**H 2802 AMBULANCE SERVICES; SERVICE AREAS**

Various changes to statutes relating to ambulance service. Within 90 days after receiving a complete application for an ambulance service certificate of necessity, the Department of Health Services (DHS) is required to determine whether public necessity requires the proposed ambulance service in a service area. If necessity for the ambulance service is found to exist, DHS is required to issue a certificate of necessity to operate the ambulance service. DHS rules are required to provide for DHS to determine a separate set of response times of ambulances for each city, town or fire district within each certificate of necessity if the service area includes a response area designated as urban or suburban.

**HB 2827 BUSINESSES; FIREARMS; UNLAWFUL ACTS**

A government entity or financial institution is prohibited from discriminating against a "firearm entity" (defined) because the firearm entity supports or is engaged in the lawful commerce of firearms, firearm accessories or ammunition products. A person who is injured by a violation of this prohibition is authorized to bring a civil action against the government entity or financial institution.

**HB 2917 VEHICLE SPEED LIMITS**

The definition of excessive speeding, a class 3 (lowest) misdemeanor is modified to include exceeding the posted speed limit by more than 20 miles per hour, instead of exceeding 85 miles per hour. If the maximum speed limit on a public highway in Arizona is 30 miles per hour in an area that is outside of an "urbanized area" (defined elsewhere in statute), or 40 miles per hour in an urbanized area, a person is prohibited from driving a motor vehicle at a speed in excess of the posted speed limit on that highway. If the speed at which the person was alleged to have driven or the speed at which the court finds the person drove is not more than 10 miles per hour in excess of the posted speed limit, the offense is allowed to be designated as a waste of a finite resource and as a civil traffic violation. If the speed at which the person was alleged to have driven or the speed at which the court finds the person drove is more than 10 miles per hour in excess of the posted speed limit, the offense is designated as a civil traffic violation.



**HR2001 SUPPORT REENTRY; SECOND CHANCES**

The members of the House of Representatives support the development and implementation of sound reentry policies that promote public safety, reduce the recidivism rate and offer offenders second chances. The members of the House of Representatives proclaim the month of April 2021 as second chance month in the State of Arizona to raise awareness of the need for policies that address collateral consequences of criminal convictions.

**SB 1127 VEHICLE SPEED LIMITS**

The definition of excessive speeding, a class 3 (lowest) misdemeanor would have been modified to include exceeding the posted speed limit by more than 20 miles per hour, instead of exceeding 85 miles per hour. If the maximum speed limit on a public highway in Arizona was 30 miles per hour in an area that is outside of an "urbanized area" (defined elsewhere in statute), or 40 miles per hour in an urbanized area, a person would have been prohibited from driving a motor vehicle at a speed in excess of the posted speed limit on that highway. If the speed at which the person was alleged to have driven or the speed at which the court finds the person drove was not more than 10 miles per hour in excess of the posted speed limit, the offense would have been allowed to be designated as a waste of a finite resource and as a civil traffic violation. If the speed at which the person was alleged to have driven or the speed at which the court finds the person drove was more than 10 miles per hour in excess of the posted speed limit, the offense would have been designated as a civil traffic violation. – ***VETOED BY GOVERNOR DUCEY***

**SB 1226 ISSUANCE; AFFIDAVIT; ARREST WARRANT**

A magistrate is required to issue an "arrest warrant" (defined) after reviewing an affidavit that is sworn to or affirmed before the magistrate and that contains facts sufficient to establish probable cause that a specific offense has been committed and that a particular person committed that offense. The arrest warrant is required to be in a form substantially similar to a form adopted by the Arizona Supreme Court.

**SB 1127 VEHICLE SPEED LIMITS**

The definition of excessive speeding, a class 3 (lowest) misdemeanor would have been modified to include exceeding the posted speed limit by more than 20 miles per hour, instead of exceeding 85 miles per hour. If the maximum speed limit on a public highway in Arizona was 30 miles per hour in an area that is outside of an "urbanized area" (defined elsewhere in statute), or 40 miles per hour in an urbanized area, a person would have been prohibited from driving a motor vehicle at a speed in excess of the posted speed limit on that highway. If the speed at which the person was alleged to have driven or the speed at which the court finds the person drove was not more than 10 miles per hour in excess of the posted speed limit, the offense would have been allowed to be designated as a waste of a finite resource and as a civil traffic violation. If the speed at which the person was alleged to have driven or the speed at which the court finds the person drove was more than 10 miles per hour in excess of the posted speed limit, the offense would have been designated as a civil traffic violation. – ***VETOED BY GOVERNOR DUCEY***

**SB 1226 ISSUANCE; AFFIDAVIT; ARREST WARRANT**

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A magistrate is required to issue an "arrest warrant" (defined) after reviewing an affidavit that is sworn to or affirmed before the magistrate and that contains facts sufficient to establish probable cause that a specific offense has been committed and that a particular person committed that offense. The arrest warrant is required to be in a form substantially similar to a form adopted by the Arizona Supreme Court.

### **SB 1333 LAW ENFORCEMENT; BUDGET REDUCTION; PROHIBITION**

Municipalities are prohibited from reducing the annual operating budget for a law enforcement agency by any amount below the previous year's budget. If a municipality reduces the annual operating budget for a law enforcement agency, the municipality is required to notify the State Treasurer of the reduction, and the State Treasurer is required to withhold any state shared monies from the municipality in an amount equal to the amount of the reduction of the annual operating budget for the law enforcement agency. Some exceptions. The State Treasurer is required to deposit any amounts withheld in the newly established Law Enforcement Support Fund. If a municipality reduces the annual operating budget for a law enforcement agency by more than 25 percent, the State Treasurer is required to withhold state shared monies in an amount equal to the law enforcement agency's entire budget for the previous year. If a municipality reduces a law enforcement agency's budget by more than 25 percent, the municipality is required to notify the county sheriff, that sheriff is authorized to assume law enforcement functions for that municipality, and the State Treasurer is required to provide all state shared monies withheld from the municipality to the county sheriff's department. The State Treasurer is required to continue to withhold state shared monies until notification from the municipality that the reduction in the law enforcement agency's budget has been restored. Retroactive to January 1, 2021.

### **SB 1334 FIREWORKS; AERIAL DEVICES**

The definition of "permissible consumer fireworks" in a county with a population of more than 500,000 persons is expanded to include "multiple-tube aerial devices" (defined as specified mine and shell devices and multiple tube fireworks devices and pyrotechnic articles that are defined in an American Pyrotechnics Association rule, with some exclusions).

## Transportation

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### *New Laws*

#### **H2294: YIELDING TO EMERGENCY VEHICLES; PENALTIES**

A person who violates the requirement to move over to slow down when approaching a stationary vehicle displaying flashing lights or warning lights is subject to a civil penalty of \$275 for a first violation, \$500 for a second violation within five years, and \$1,000 for a third or subsequent violation within five years. The Arizona Department of Transportation (ADOT) is required to educate the public about the requirement to move over or slow down periodically throughout the year and maintain information about the requirement on the ADOT website.

#### **HB 2813 (CHAPTER 117) AUTONOMOUS VEHICLES**

Establishes a new chapter in Title 28 (Transportation) regulating autonomous vehicles. Except as otherwise provided, the operation of autonomous vehicles with or without a human driver is subject to all applicable federal and state laws. A person is allowed to operate an autonomous vehicle with the automated driving system engaged on public roads in Arizona with a licensed human driver who is able to resume part or all of the dynamic driving task or respond to a request to intervene. A fully autonomous vehicle is authorized to operate on public roads without a human driver only if a person submits both a law enforcement interaction plan to the Arizona Department of Transportation (ADOT) and the Department of Public Safety (DPS) that is consistent with and addresses all of the elements in the law enforcement protocol that was issued by DPS in 2018, and a written statement to ADOT acknowledging that a list of specified requirements for the equipment and functioning of the fully autonomous vehicle are met. When engaged, the automated driving system is considered the driver or operator of the autonomous vehicle for the purpose of assessing compliance with applicable traffic or motor vehicle laws. DPS is required to maintain a law enforcement protocol for fully autonomous vehicles, and provisions that must be included in the protocol are specified. Counties and municipalities are prohibited from imposing taxes and fees on automated driving systems or autonomous vehicles. A traffic or motor vehicle law cannot prohibit the operation of an autonomous vehicle or require a human driver to operate a fully autonomous vehicle with the automated driving system engaged, if the fully autonomous vehicle is operated in compliance with this legislation. Establishes requirements for a fully autonomous vehicle operating without a human driver that is involved in an accident resulting in damage to a vehicle, or injury or death. The parent or other adult accompanying a passenger under 16 years of age may be issued a citation for a violation of seatbelt or child restraint requirements that occurs in a fully autonomous vehicle operating with the automated driving system engaged. Fully autonomous vehicles that are incapable of operation by a human driver are exempt from various vehicle equipment requirements.

#### **HB 2876 (CHAPTER 341) GOVERNMENT CONTRACTS; PUBLIC-PRIVATE PARTNERSHIPS**

Increases the fees that the Arizona Department of Transportation (ADOT) is required to award to unsuccessful short list responsible proposers for specified types of contracts to 0.4 percent, from 0.2 percent of ADOT's estimated cost of design and construction. If ADOT does not award a contract, all responsive proposers are required to receive the fee. ADOT is required to pay the fee within 90 days after the award of the contract or the decision not to

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award a contract. In consideration for paying the stipulated fee, ADOT is authorized to use any ideas or information contained in the proposals in connection with any contract awarded for the project, or in connection with a subsequent procurement, without any obligation to pay any additional compensation to the unsuccessful proposers. An unsuccessful short list proposer may elect to waive the stipulated fee and prohibit ADOT from using ideas and information contained in the proposer's proposal, except that this restriction does not prevent ADOT from using any idea or information that is also included in a proposal of a short list proposer that accepts the stipulated fee.

**SB 1291 (CHAPTER 302) VEHICLES AND LOADS; GROSS WEIGHT**

The gross weight of a heavy-duty vehicle equipped with idle reduction technology and the gross weight imposed on the highway by the wheels of any one axle or axle group of the vehicle are allowed to exceed the statutory weight limitation by up to 550 pounds, increased from 450 pounds, or the weight of the idle reduction technology, whichever is less. The gross weight of a vehicle operated by an engine fueled primarily by battery electric or hydrogen and the gross weight imposed on the highway by the wheels of any one axle or axle group of the vehicle are allowed to exceed the statutory weight limitation, but cannot exceed 82,000 pounds or an amount equal to the difference between the weight of the vehicle attributable to the battery electric or hydrogen fuel cell electric fueling system and the weight of a comparable diesel tank and fueling system, whichever is less.

**SB 1829 (CHAPTER 413) BUDGET; BRB; TRANSPORTATION; 2021-2022  
(TRANSPORTATION; BUDGET RECONCILIATION; 2021-2022)**

Makes policy changes pertaining to transportation that affect the state budget. A person engaged in the business of renting motor vehicles without drivers may use the surcharge monies collected in 2021 to reimburse the amount of vehicle license tax imposed in 2020 and 2021 on the rental vehicles. Responsibility to operate the state motor vehicle fleet is transferred to the Arizona Department of Transportation (ADOT), from the Department of Administration (DOA). All motor vehicles owned by state agencies or departments other than those specifically listed are transferred to ADOT on July 1, 2021. All administrative matters, equipment, and personnel related to the state motor vehicle fleet are transferred to ADOT on the effective date of this legislation. Of the various fees collected at ports of entry on the border between Arizona and Mexico, 55 percent are deposited in the State Highway Fund and 45 percent are deposited in the Arizona Highway Patrol Fund, instead of all the fees being deposited in the Safety Enforcement and Transportation Infrastructure Fund. The Safety Enforcement and Transportation Infrastructure Fund is repealed. The list of allowable uses for monies the State Transportation Fund is expanded to include to pay for transportation facilities and the enforcement of vehicle safety requirements within 25 miles of the border between Arizona and Mexico, and costs related to relieving vehicle congestion at ports of entry. Retroactive to June 30, 2021, the registering officer for vehicle registration is prohibited from collecting a highway safety fee for registrations that expire on June 30, 2021. For any registration that expires on June 30, 2021 for which the registering officer collected a highway safety fee, the Department of Transportation is required to refund the fee. The exemption from the requirement to remove and impound or immobilize a vehicle if the driver's spouse is present and meets specified qualifications to be able to drive the vehicle to a place of safety is expanded to apply to any other person who is with the driver at the time of the arrest. The minimum amount of time a vehicle must be immobilized or impounded is decreased to 20 days, from 30 days. The daily storage charge for vehicle impoundment is increased to \$25, from \$15. Retroactive to July 1, 2021, except as noted.

*Bills that Failed***HB 2133 APPROPRIATION; GRAND AVENUE; SR 303**

Appropriates \$150,000 from the general fund in FY2021-22 to the Department of Transportation to study options for expanding the on and off ramps at the intersection of Grand Avenue and State Route 303.

**HB 2157 APPROPRIATION; LOOP 101 SLIP RAMP**

Appropriates \$5 million from the general fund in FY2021-22 to the Department of Transportation to distribute to the City of Tolleson for the Loop 101 slip ramp access project.

**HB 2436 MOTOR FUEL TAXES; INFLATION ADJUSTMENT**

Beginning July 1, 2022, the motor fuel and use fuel tax rates of 18 cents per gallon are required to be adjusted annually to reflect the average annual change in the consumer price index published by the U.S. Department of Labor, Bureau of Labor Statistics.

**HB 2437 FUEL; ELECTRIC CARS; HYBRIDS; TAXES**

Imposes a tax on a vehicle that accesses a street or highway and that is propelled by electricity of \$111 per year for FY2021-22, \$139 per year for FY2022-23, and \$166 per year for FY2023-24. Imposes a tax on a vehicle that accesses a street or highway and that is propelled by a combination of electricity and other fuels of \$45 per year for FY2021-22, \$56 per year for FY2022-23, and \$67 per year for FY2023-24. For FY2023-24 and each year after, each of these rates must be adjusted annually to reflect the change in the gross domestic product implicit price deflator reported by the U.S. Department of Commerce from January 1, 2020 to December 31 of the prior year. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

**HB 2749 APPROPRIATION; CAMELBACK ROAD WIDENING**

Appropriates \$8 million from the general fund in FY2021-22 to the Department of Transportation to distribute to the city of Goodyear to widen Camelback Road from the Loop 303 to Litchfield Road.

**HB 2769 TRANSPORTATION FUNDING TASK FORCE**

Establishes a 16-member Transportation Funding Task Force to study transportation funding options for Arizona. The Task Force is required to submit a report of its activities and recommendations to the Governor and the Legislature by December 15, 2021, and self-repeals October 1, 2022.

**HB 2901 BUDGET; BRB; TRANSPORTATION; 2021-2022 (~~TRANSPORTATION; BUDGET RECONCILIATION; 2021-2022~~)**

Makes policy changes pertaining to transportation that affect the state budget. A person engaged in the business of renting motor vehicles without drivers may use the surcharge

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monies collected in 2021 to reimburse the amount of vehicle license tax imposed in 2020 and 2021 on the rental vehicles. Responsibility to operate the state motor vehicle fleet is transferred to the Arizona Department of Transportation (ADOT), from the Department of Administration (DOA). All motor vehicles owned by state agencies or departments other than those specifically listed are transferred to ADOT on July 1, 2021. All administrative matters, equipment, and personnel related to the state motor vehicle fleet are transferred to ADOT on the effective date of this legislation. Of the various fees collected at ports of entry on the border between Arizona and Mexico, 55 percent are deposited in the State Highway Fund and 45 percent are deposited in the Arizona Highway Patrol Fund, instead of all the fees being deposited in the Safety Enforcement and Transportation Infrastructure Fund. The Safety Enforcement and Transportation Infrastructure Fund is repealed. The list of allowable uses for monies the State Transportation Fund is expanded to include to pay for transportation facilities and the enforcement of vehicle safety requirements within 25 miles of the border between Arizona and Mexico, and costs related to relieving vehicle congestion at ports of entry. Also, daily storage charges for an impounded vehicle are increased to \$25, from \$15. Retroactive to July 1, 2021.

**SB 1026 APPROPRIATIONS; EXTENDED BUS ROUTES**

Appropriates \$200,000 from the general fund in each of FY2021-22 and FY2022-23 to the Department of Transportation to distribute to a regional public transportation authority to extend bus routes to Apache Junction. By December 31, 2023, the Dept is required to submit an assessment of the long-term efficacy of extending the bus routes and a recommendation for long-term funding of the bus routes to the Governor and the Legislature.

**SB 1406 AIRCRAFT REGISTRATION FEES; TAXATION; REPEAL**

Repeals aircraft registration fees and license taxes.

**SB 1465 APPROPRIATION; CAMELBACK ROAD WIDENING**

Appropriates \$8 million from the general fund in FY2021-22 to the Department of Transportation to distribute to the city of Goodyear to widen Camelback Road from the Loop 303 to Litchfield Road.

**SB 1650 TRANSPORTATION TAX; ELECTION; GAS TAX**

Numerous changes to statutes related to transportation. Beginning January 1, 2022, the motor fuel and use fuel tax rates of 18 cents per gallon are required to increase annually by 1 cent. Beginning July 1, 2022, the motor fuel and use fuel tax rates are also required to be adjusted annually to reflect the average annual change in the consumer price index published by the U.S. Department of Labor, Bureau of Labor Statistics. The motor fuel tax rate increase of 1 cent per year stops after December 31, 2045. Each fiscal year, the Arizona Department of Transportation (ADOT) is required to allocate 40 percent of the revenues received from motor fuel and use fuel taxes to counties with a population of at least 3 million persons (Maricopa County) and municipalities within those counties, and 60 percent of the revenues to counties with a population of less than 3 million persons and municipalities within those counties. Imposes a tax on a vehicle that accesses a street or highway and that is propelled by electricity or by a combination of electricity and other fuels of \$500 per year for a vehicle that is propelled only by alternative fuel and \$300 per year for a vehicle that is propelled by a combination of alternative fuel and other fuels. If approved by a majority of the qualified electors at an election

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held November 8, 2022, beginning January 1, 2026, a county with a population of 3 million or more persons (Maricopa County) is required to levy a county transportation excise tax at a rate of up to 15 percent of the transaction privilege tax (TPT) rate that applies as of January 1, 2024 to each person engaging in a business subject to TPT. The tax will be in effect for a term of 20 years. Net revenues from the tax must be distributed as follows: 56.2 percent to the Regional Area Road Fund for freeways, 10.5 percent to the Regional Area Road Fund for major arterial streets and intersection improvements, and 33.3 percent to the Public Transportation Fund for specified bus and rail expenses. A regional planning agency in a county with a population of 3 million or more persons (Maricopa County) is required to give a project in the regional transportation plan a higher priority for completion if the federal government provides federal monies for the project or if a municipality makes a single sum contribution to the project of at least five percent of the total cost of the project. The termination date of a county regional planning agency transportation policy committee is extended 20 years to July 1, 2044. Session law requires ADOT to widen Interstate 17 in two specified locations, to widen Interstate 10 in three specified locations, and to construct a suspension bridge over a river when constructing State Route 30. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

## Water/Environmental Resources

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### *New Laws*

#### **HB 2041 (CHAPTER 21) GROUNDWATER REPLENISHMENT RESERVES**

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

#### **HB 2388 (CHAPTER 262) WATER SUPPLY DEVELOPMENT FUND; APPROPRIATION**

The maximum amount for a single grant from the Water Supply Development Revolving Fund is increased to \$250,000, from \$100,000. The list of circumstances under which a water provider may qualify for monies in the Fund is expanded to include that the water provider is located in a county with a population of less than 1.5 million persons (all except Maricopa County). For the purpose of water infrastructure finance programs, the definitions of "water provider" and "water supply development" are modified.

#### **HB 2043 (CHAPTER 37) UNDERGROUND STORAGE TANKS; PERFORMANCE STANDARDS**

A person is prohibited from installing an underground storage tank (UST) or a new piping component that is 50 percent or more of the total linear footage of all connected piping of the UST, unless the UST or all connected piping meets the secondary containment performance standards for new UST systems, the release detection requirements for hazardous substance UST systems, and the interstitial monitoring requirements prescribed in specified federal code as in effect on January 1, 2020. An owner or operator who installs or replaces a dispenser system that connects to a UST is required to install an under-dispenser containment that meets the performance standards for new UST systems prescribed in specified federal code as in effect on January 1, 2020.

#### **HB 2691 (CHAPTER 325) ADEQ; WATER QUALITY PROGRAMS; WOTUS (~~TECH CORRECTION; GROUNDWATER PERMITS~~)**

The term "waters of the United States" or "WOTUS" replaces the term "navigable water" in various statutes in order to conform to changes in the federal Clean Water Act. The Arizona Department of Environmental Quality (ADEQ) is required to adopt rules for water quality standards for non-WOTUS protected surface waters by December 31, 2022, and requirements for the rules are specified. ADEQ is required to maintain and publish a protected surface waters list, and to adopt the list by rule no later than December 31, 2022. Waters that ADEQ must include and waters that ADEQ is prohibited from including on the protected surface waters list are specified. By December 31, 2022 and at least once every five years after, ADEQ is required to prepare a list of impaired non-WOTUS protected surface waters. Establishes special provisions for discharges to non-WOTUS protected surface waters. Requires ADEQ to adopt rules for best management practices for activities within non-WOTUS.

#### **SB 1056 (CHAPTER 39) ENERGY; WATER; SAVINGS ACCOUNTS**



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The maximum length of a contract between a county or municipality and an energy or water services company to pay for the incremental cost of energy or water savings measures in facilities owned by the county or municipality is increased to 25 years, from 15 years. Other costs and revenue are included in the estimated impact to be achieved by a county or municipality through energy or water savings measures or services. Reports on school district contracts for guaranteed energy cost savings must be filed with the Department of Administration, instead of the Governor's Office of Energy Policy.

**SB 1147 (CHAPTER 227) WATER BANKING; STORAGE CREDITS; SUBCONTRACTORS**

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

**SB 1307 (CHAPTER 214) WATER; WASTEWATER SYSTEM; CORRECTIVE ACTION (~~WATER; WASTEWATER SYSTEM; COUNTY OPERATION~~)**

If a public water system or wastewater treatment facility or system that is regulated as a public service corporation by the Arizona Corporation Commission (ACC) is in violation of specified water quality requirements, the Department of Water Resources (DWR) is required, instead of allowed, to make a written request to the ACC to take necessary corrective actions, and the ACC is required to commence necessary correction actions within 30 days after DWR determines that the ACC taking corrective actions would expedite the facility's or system's return to compliance. DWR is required to provide the governing body of any local jurisdiction served by the facility or system with a copy of a written request to the ACC.

*Bills that Failed*

**HB 2074 WATER BANKING; STORAGE CREDITS; SUBCONTRACTORS**

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

**HB 2091 WATER RESOURCES ANNUAL REPORT**

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

**HB 2239 ASSURED WATER SUPPLY; AVAILABILTY; PLATS**

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

### **HB 2286 WATER EFFICIENT PLUMBING FIXTURES**

Beginning January 1, 2022, a person is prohibited from distributing, selling or installing any plumbing fixture for use in Arizona in any new residential, commercial, industrial or public construction or for replacing plumbing fixtures in existing residential, commercial, industrial or public construction, unless the fixture is a "watersense-labeled plumbing fixture" (defined as a fixture that has been tested and certified under the U.S. Environmental Protection Agency's Watersense Program established under America's Water Infrastructure Act of 2018). Some exceptions, including that these requirements do not apply to any plumbing fixture that is documented to have been purchased by a plumbing wholesaler, retailer or end user and that is actually located in Arizona before January 1, 2022. Effective January 1, 2022.

### **HB 2333 ENERGY; WATER; SAVINGS ACCOUNTS**

The maximum length of a contract between a county or municipality and an energy or water services company to pay for the incremental cost of energy or water savings measures in facilities owned by the county or municipality is increased to 25 years, from 15 years. Other costs and revenue are included in the estimated impact to be achieved by a county or municipality through energy or water savings measures or services. Reports on school district contracts for guaranteed energy cost savings must be filed with the Department of Administration, instead of the Governor's Office of Energy Policy.

### **HB 2336 ASSURED WATER SUPPLY; SUBDIVISIONS**

In the Pinal Active Management Area, for an application to modify or renew a designation of assured water supply, or for a new application for a designation for the same service area to be served by a substitute provider acquiring the assets of the prior provider, if specified conditions apply to the volume of groundwater and stored water, the Department of Water Resources (DWR) is prohibited from reviewing the physical availability of groundwater that was determined to be physically available under the previous designation. Does not affect the DWR review of assured water supply criteria other than the physical availability of groundwater and stored water to be recovered outside the area of impact of storage. The following are deemed physically available for purposes of an assured water supply designation: stored water that is to be recovered by the applicant within the "area of impact" (defined) under long-term storage credits pledged to the designation, and stored water that is to be recovered by the applicant within the area of impact of storage either on an annual basis or as long-term storage credits to be earned in the future if the water to be stored meets the physical availability requirements for the water supply. Contains a legislative intent section.

**HB 2614 REMEDIATED WATER; GROUNDWATER; USE**

If groundwater is withdrawn within an active management area (AMA) and is not reinjected into the aquifer, the groundwater is required to be put to reasonable and beneficial use within the same AMA, either for the use of the municipality or private water company in whose service area the groundwater is withdrawn, or used according to a grandfathered right. A person who receives groundwater from a person withdrawing groundwater as part of a remedial action is not required to pay for the groundwater or the costs associated with the remedial action, unless otherwise responsible for the cost of remedial action, and the person must use the groundwater only according to specified sections of the Groundwater Code. Session law requiring the Department of Water Resources (DWR) to include in its management plans provisions to encourage the beneficial use of groundwater that is withdrawn under approved remedial action projects is made permanent. A declaration that the use of up to an aggregate of 65,000 acre-feet of groundwater withdrawn within all AMAs according to approved remedial action projects must be considered consistent with the management goal for the AMA, and providing for specified amounts in excess of that aggregate limit to be included in the consideration which session law applied to each calendar year until 2025, is moved to permanent law and applies to each calendar year until 2050. By January 1, 2025, the Director of DWR is required to amend assured water supply rules to carry out the purposes of this legislation. Before the amendment of these rules, the Director is required to treat any groundwater withdrawn pursuant to an approved remedial action project as consistent with the management goal as provided in this legislation.

**HB 2894 BUDGET; BRB; ENVIRONMENT; 2021-2022 (~~ENVIRONMENT; BUDGET RECONCILIATION; 2021-2022~~)**

Makes policy changes pertaining to environmental regulation that affect the state budget. The maximum amount of monies in the State Land Department Due Diligence Fund before the funds revert to the general fund is increased to \$5 million, from \$500,000. The maximum amount of liabilities for wildland fire suppression or other unplanned all-risk emergency liabilities incurred by the State Forester is increased to \$5.5 million of general fund monies, from \$3 million. Subject to legislative appropriation, the State Forester is required to process and pay claims to a fire district with a population of less than 5,000 inhabitants for expenses incurred in responding to emergency medical services calls on federal lands. Establishes the Arizona State Parks Store Fund, to be used by the Arizona State Parks Board to operate and maintain gift shops. Establishes the Drought Mitigation Board to evaluate and approve funding requests for monies from the newly established Drought Mitigation Revolving Fund for purposes that substantially improve sustainable water supplies to meet Arizona's long-term water demand. Establishes procedures for financial assistance from the Fund. The Board and the Fund terminate on July 1, 2031. The Arizona Water Protection Fund Commission is permitted to grant to the Department of Water Resources (DWR) up to \$336,000 of the unobligated balance in the Fund to pay for administrative costs of DWR in FY2021-22. Allows the Department of Environmental Quality (DEQ) to use up to \$6.53 million from the Underground Storage Tank Revolving Fund in FY2021-22 for administrative costs of DEQ and for remediating sewage discharge issues in Naco, Arizona and other border areas of Arizona. DEQ is required to charge the same fees in FY2021-22 that were charged in FY2020-21 for vehicle emissions testing conducted in Area A (Phoenix metropolitan). Allows monies appropriated to the Arizona Navigable Stream Adjudication Commission from the Arizona Water Banking Fund to be used in FY2021-22 to pay legal fees. Notwithstanding statutory

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requirements, the general fund appropriation to the Water Quality Assurance Revolving Fund (WQARF) for FY2020-21 is capped at \$15 million.

## Other Legislation

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### *New Laws*

#### **HB 2034 (CHAPTER 9) NOXIOUS WEEDS; GOVERNMENT PROJECTS**

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

#### **HB 2242 (CHAPTER 161) AGENCY ACTIONS; PROCEDURES; FEE AWARDS**

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

#### **HB 2898 (CHAPTER 404) BUDGET; BRB; K-12 EDUCATION; 2021-2022 (~~K-12 EDUCATION; BUDGET RECONCILIATION; 2021-2022~~)**

Makes various policy changes pertaining to K-12 education that affect the budget. Increases the per student base level amount for basic state aid to \$4,390.65, from \$4,305.73, for FY2021-22. Modifies the dates on which the State Board of Education (SBE) apportions state aid to school districts. It is the intent of the Governor and the Legislature that school districts increase the total percentage of classroom spending over the previous year's percentages in the combined categories of instruction, student support and instructional support as prescribed by the Auditor General. Increases the transportation support level per route mile funding for FY2021-22. Increases the per student amount for charter additional assistance to \$1,897.90, from \$1,875.21, for preschool for children with disabilities and grades K-8, and to \$2,211.97, from \$2,185.53, for grades 9-12. Increases the cost per square foot in the formula for calculating the amount the School Facilities Board (SFB) is required to distribute for new school facilities to \$270.24, from \$90, for preschool children with disabilities and kindergarten through grade 6, to \$285.30, from \$95, for grades 7 and 8, and to \$330.30, from \$110, for grades 9 through 12. Each annual construction market adjustment applies to all projects approved by the SFB during that year. Session law establishes a list of new school facilities that were previously approved by the SFB that the new cost per square foot rates apply to. The state equalization assistance property tax rate in tax year 2021 is \$0.4263, instead of \$0.4426, and the qualifying tax rates in tax year 2021 are modified. Establishes an allocation formula for monies in the Results-Based

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Funding Fund. Schools that perform in the top 13 percent of all schools statewide on statewide assessments and that have fewer than 60 percent of enrolled students qualifying for free and reduced-price lunches will receive \$225 per student. Schools that perform in the top 13 percent of all schools statewide on statewide assessments and that have 60 percent or more of enrolled students qualifying for free and reduced-price lunches will receive \$400 per student. Schools that perform in the top 27 percent but not in the top 13 percent of all schools statewide on statewide assessments and that have 60 percent or more of enrolled students qualifying for free and reduced-price lunches will receive \$225 per student. For school finance purposes, "group G" (defined as educational programs for gifted students) is created, and a support level weight of 0.007 is created for funding category "G". Monies in the Extraordinary Special Education Needs Fund are continuously appropriated, instead of subject to legislative appropriation, and the Arizona Department of Education (ADE) is responsible to administer the Fund, instead of SBE. ADE is required to award monies from the Fund to school districts and charter schools with eligible claims demonstrating that a student receiving special education services has incurred costs in the current year of at least the statewide per pupil funding average multiplied by three. ADE is required to evaluate claim requests on a quarterly basis, and a process for prioritizing funding if there are insufficient monies in the Fund is specified. Certain special education related group B support level weights are increased. Modifies Career Technical Education District (CTED) funding provisions. Students in 9th grade and students in the school year immediately following graduation who are enrolled in courses that are approved jointly by the governing board of the CTED and each participating school district or charter school may be included in a CTED's calculation of student count or average daily membership. Funding cannot be provided for more than four years for the same student. Funding for students in grade 9 is provided only if the student reaches the 40th day of grade 10, and at that time funding is provided for that student for grade 9 and for any subsequent year in which the student is eligible for funding. By September 1 of each year, the Office of Economic Opportunity in collaboration with the Department of Education is required to compile an in-demand regional education list of the approved career technical education programs that lead directly to a career path in high demand with median-to-high-wage jobs in that region. The Office is required to submit the in-demand regional education list to the Arizona Career and Technical Education Quality Commission for review and approval. For a student in grade 9 or in the school year immediately following graduation, funding is provided to the CTED only if the student is enrolled in a program that was included on the in-demand regional education list for that student's region for the year in which the student began the program. Beginning in FY2021-22, the Arizona Department of Administration (ADOA) is required to develop a transparent and easily accessible school financial transparency portal that includes a list of specified school level data for charter schools, individual schools operated by a school district, and school districts. ADOA is required to contract with a third party to develop the portal, and requirements for the third party are specified. The portal requirements are retroactive to July 1, 2021. Additionally, SBE is required to direct and oversee the work of all investigators related to investigating certificated persons, persons seeking certification, and noncertificated persons for immoral or unprofessional conduct. The investigators must be housed within and be employees of the SBE. SBE is authorized to issue subpoenas to compel the attendance and testimony of witnesses and production of evidence in connection with these investigations or hearing of these allegations, and to petition the superior court to enforce a subpoena. ADE is required to provide SBE with access to the educator information system and any related systems deemed necessary by SBE to investigate and adjudicating allegations of conduct constituting grounds for disciplinary action. Previously, ADE and the Superintendent of Public Instruction were responsible for directing investigations of these complaints. Authority for ADE to issue subpoenas for investigations is repealed. Also makes numerous changes to

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statutes relating to school choice. Modifies statute governing open enrollment policies, including to require school districts to give enrollment preference to and reserve capacity for resident students, students returning to the school from the prior year, and siblings of enrolled students. If remaining capacity at a school is insufficient to enroll all students who submit a timely open enrollment request, a school or school district is required to select students through an equitable selection process, except that preference shall be given to siblings of a student selected through the equitable selection process. School district schools are prohibited from limiting open enrollment admission based on a list of factors. SBE is required to prescribe a standard format for describing open enrollment options to ensure clarity and consistency for parents in understanding their enrollment options. Each January SBE is required to design a public awareness effort and distribute materials that communicate to the public the ability to choose any public school in Arizona. Beginning in the 2021-2022 school year, a school district is authorized to use a portion of its transportation funding and a charter school is authorized to use a portion of its charter additional assistance funding to provide in lieu of transportation grants to parents of students who attend the school district or charter school under a plan submitted to ADE. School districts and charter schools are authorized to issue grants to support individual parents or neighborhood carpools in transporting students to school. ADE is required to adopt policies and procedures to account for expenditures for the grants and to require proof of attendance for students whose is supported through the grants. Establishes a Public School Transportation Modernization Grants Program in the Department of Administration, to be administered by a third-party nonprofit organization. Session law requires the state to enforce only those statutory or regulatory requirements for the 2020-21 school year that are consistent with the approved waiver from the U.S. Department of Education for Arizona, including minimum testing percentages and local school ratings. The definition of "qualified student" for Arizona Empowerment Scholarship Accounts (ESAs) is expanded to include any child who was attending a school or school district that was assigned a letter grade of D or F for the most recent year in which letter grades were assigned and who meets the eligibility requirements for free and reduced-price lunches under the National School Lunch and Child Nutrition Acts. The amount of time a student is required to attend a governmental primary or secondary school as a full-time student before transferring to participate in an ESA is reduced to 45 days, from 100 days. Except for cases in which the Attorney General determines that a parent or ESA account holder has committed fraud, any expenditure from an ESA for a purchase that is deemed ineligible and that is subsequently repaid by the parent or account holder must be credited back to the ESA balance within 30 days. If the State Board of Education issues a stay of an ESA suspension in response to an appeal of an administrative decision made by the Arizona Department of Education (ADE), ADE is prohibited from withholding funding for contract renewal for the account holder during the stay unless directed by the Board to do so. Notwithstanding any other law or order, a school district governing board or charter school governing body is authorized to make the final determination on any policy that requires the use of face coverings by students and staff during school hours and on school property. Also establishes various reporting requirements.

### **SB 1250 (CHAPTER 382) OVERDOSE; DISEASE PREVENTION; PROGRAMS**

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

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substance use disorder treatment. An employee, volunteer or participant in the program cannot be charged with or prosecuted for possession of a needle, hypodermic syringe or other injection supply item obtained from or returned to a program or possession of a residual amount of a controlled substance contained in a used needle, hypodermic syringe or injection supply item obtained from or returned to a program, if the person claiming immunity provides verification that the item was obtained from a program.

**SB 1257 (CHAPTER 211) STATE LIQUOR BOARD; MEMBERSHIP**

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

**SB 1377 (CHAPTER 179) CIVIL LIABILITY; PUBLIC HEALTH PANDEMIC**

If the Governor declares a state of emergency for a public health pandemic, a person or "provider" (defined) that acts in good faith to protect a person or the public from injury from the pandemic is not liable for damages in any civil action for any injury, death or loss to person or property that is based on a claim that the person or provider failed to protect the person or the public from the effects of the pandemic, unless it is proven by clear and convincing evidence that the person or provider failed to act or acted with willful misconduct or gross negligence. A person or provider is presumed to have acted in good faith if the person or provider adopted and implemented reasonable policies related to the pandemic. If the Governor declares a state of emergency for a public health pandemic, a health professional or health care institution that acts in good faith is not liable for damages in any civil action for an injury or death that is alleged to be caused by the health professional's or health care institution's action or omission while providing health care services in support of Arizona's response to the state of emergency declared by the Governor, unless it is proven by clear and convincing evidence that the professional or institution failed to act or acted with willful misconduct or gross negligence. A health professional or health care institution is presumed to have acted in good faith if the professional or institution relied on and reasonably attempted to comply with applicable published guidance relating to the pandemic that was issued by a federal or state agency. Applies to all claims filed before or after the effective date of this legislation for an act or omission that occurred on or after March 11, 2020 relating to a pandemic that is the subject of the state of emergency declared by the Governor. Does not apply to workers' compensation claims. Retroactive to March 11, 2020. Severability clause.

**SB 1601 (CHAPTER 150) MUNICIPAL ORDINANCES; PENALTIES; NOTICE**

A municipal governing body is prohibited from imposing a fine, penalty or assessment for failure to remove rubbish, trash, weeds or dilapidated buildings until the 30-day notice requirement has been met and the time to request an appeal of the notice and the assessment has elapsed.

**SB 1820 (CHAPTER 406) BUDGET; CAPITAL OUTLAY; APPROPRIATIONS; 2021-2022 (CAPITAL OUTLAY; APPROPRIATIONS; 2021-2022)**

Makes various appropriations for capital expenditures for FY2021-22. Appropriates \$11.5 million from the general fund and \$400,000 from the Legislative, Executive and Judicial Public Buildings Land Fund to the Legislative Council to repair, restore and renovate the historic



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capitol building. Appropriates \$10 million from the general fund and \$15.56 million from other funds to the Arizona Department of Corrections (ADC) for fire and life safety upgrades at the Eyman State Prison Complex. Appropriates \$25 million from the general fund to the Department of Veterans' Services to construct and establish a veterans' home facility in northwestern Arizona. Appropriates \$6.9 million from the State Highway Fund to the Arizona Department of Transportation (ADOT) for specified facilities, \$161.8 million from the general fund to ADOT for highway projects, and \$90 million from the general fund to ADOT for pavement rehabilitation along specified highways. Appropriates \$50 million from the general fund to ADOT to widen I-10 between Phoenix and Casa Grande. Appropriates \$361.1 million from the State Highway Fund to the ADOT for state highway construction. Appropriates \$18 million from the general fund in FY2020-21 to the State Aviation Fund to plan, construct, develop and improve county and municipal airports, and \$26 million from the State Aviation Fund to plan, construct develop and improve state, county and municipal airports as determined by the State Transportation Board. Also appropriates \$18 million from the Capital Outlay Stabilization Fund and \$6.2 million from the general fund to the Department of Administration, \$5.86 million from the Department of Corrections Building Renewal Fund and 22.2 million from the general fund to ADC, \$1.22 million from the Game and Fish Fund to the Game and Fish Department, and \$15.4 million from the State Highway Fund to ADOT for building renewal projects and expenditures. Makes various appropriations from the State Parks Revenue Fund to the Arizona State Parks Board for specified improvements at state parks. Makes various other appropriations for capital improvements, property maintenance, and demolition of unused buildings.

**SB 1822 (CHAPTER 407) BUDGET; BRB; ENVIRONMENT; 2021-2022  
(ENVIRONMENT; BUDGET RECONCILIATION; 2021-2022)**

Makes policy changes pertaining to environmental regulation that affect the state budget. The maximum amount of monies in the State Land Department Due Diligence Fund before the funds revert to the general fund is increased to \$5 million, from \$500,000. Subject to legislative appropriation, the State Forester is required to process and pay claims to a fire district with a population of less than 5,000 inhabitants for expenses incurred in responding to emergency medical services calls on federal lands. Establishes the Arizona State Parks Store Fund, to be used by the Arizona State Parks Board to operate and maintain gift shops. Establishes the Drought Mitigation Board to evaluate and approve funding requests for monies from the newly established Drought Mitigation Revolving Fund for purposes that substantially improve sustainable water supplies to meet Arizona's long-term water demand. Establishes procedures for financial assistance from the Fund. The Board and the Fund terminate on July 1, 2031. The Arizona Water Protection Fund Commission is permitted to grant to the Department of Water Resources (DWR) up to \$336,000 of the unobligated balance in the Fund to pay for administrative costs of DWR in FY2021-22. Allows the Department of Environmental Quality (DEQ) to use up to \$6.53 million from the Underground Storage Tank Revolving Fund in FY2021-22 for administrative costs of DEQ and for remediating sewage discharge issues in Naco, Arizona and other border areas of Arizona. DEQ is required to charge the same fees in FY2021-22 that were charged in FY2020-21 for vehicle emissions testing conducted in Area A (Phoenix metropolitan). Allows monies appropriated to the Arizona Navigable Stream Adjudication Commission from the Arizona Water Banking Fund to be used in FY2021-22 Adjudication Commission from the Arizona Water Banking Fund to be used in FY2021-22 to pay legal fees. Notwithstanding statutory requirements, the general fund appropriation to the Water Quality Assurance Revolving Fund (WQARF) for FY2020-21 is capped at \$15 million.

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**SB 1824 (CHAPTER 409) BUDGET; BRB; HEALTH; 2021-2022 (HEALTH; BUDGET RECONCILIATION; 2021-2022)**

Makes various policy changes in the area of public health that affect the budget. The state, counties, and municipalities are prohibited from establishing a COVID-19 vaccine passport, from requiring any person to be vaccinated for COVID-19, and from requiring a business to obtain proof of the COVID-19 vaccination status of any patron entering the business establishment. Does not prohibit a licensed health care institution from requiring the institution's employees to be vaccinated. If an employer receives notice from an employee that the employee's sincerely held religious beliefs prevent the employee from taking the COVID-19 vaccination, the employer is required to provide a reasonable accommodation, with some exceptions. An immunization for which a U.S. Food and Drug Administration emergency use authorization has been issued is not required for school attendance. An immunization must be prescribed by a rule adopted by the Department of Health Services (DHS) before it may be required for in-person school attendance. Retroactive to July 1, 2021, the statutory life of the Board of Examiners of Nursing Care Institution Administrators and Assisted Living Facility Managers is extended nine months to March 31, 2022. Two members are added to the Board. Beginning July 1, 2021, all new licenses and certifications issued by the Board must be approved by DHS. Establishes a 20-member Nursing Care Institution and Assisted Living Facility Study Committee to consider whether the Board should be administered independently or moved to DHS or another successor agency or licensing board. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 1, 2021, and self-repeals July 1, 2022. Community developmental disability service providers are required to develop and implement policies and procedures regarding the Communication to responsible persons of a serious incident affecting a client who is living in a community residential setting within 24 hours after the incident occurs. The Department of Health Services (DHS) is required to annually visit and inspect the premises used for the care of children or vulnerable adults for sanitation, fire and other actual and potential hazards, and to take any action it deems necessary to carry out its statutory duty to regulate developmental homes. DHS is also required to notify the parent or guardian of a developmental home resident of any serious incident or complaint at the home involving the client for whom the parent or guardian is responsible. Subject to available monies, the Office of the State Long-term Care Ombudsman is required to visit each long-term care facility in Arizona without prior notice at least two times each calendar year to speak with each resident without the presence of the facility's staff. The newborn screening program is required to include all congenital disorders that are included on the recommended uniform screening panel adopted by the Secretary of the U.S. Department of Health and Human Services for both core and secondary conditions. Beginning January 1, 2022, disorders that are added to the core and secondary conditions list of the recommended uniform screening panel must be added to Arizona's newborn screening panel within two years after their addition. DHS is required to present any change to the newborn screening program fee to the Joint Legislative Budget Committee for review. No later than 60 days after DHS adjusts the fee, health insurers and the Arizona Health Care Cost Containment System (AHCCCS) are required to update hospital rates that include newborn screening to reflect the increase. Session law requires DHS to add spinal muscular atrophy and x-linked adrenoleukodystrophy to Arizona's newborn screening panel by December 31, 2021 and to add all remaining core and secondary conditions that are included on the recommended uniform screening panel as of December 31, 2021 to Arizona's newborn screening panel by December 31, 2023. The Department of Child Safety (DCS) is required to establish and maintain a Comprehensive Health Plan Expenditure Authority Fund as a separate fund to distinguish DCS revenues and DCS expenditures for comprehensive medical and dental care from other programs that are funded and administered by DCS. All monies from capitated

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payments in the Fund that are unexpended and unencumbered at the end of the fiscal year revert to the general fund. Establishes the Sexual Violence Service Fund, to be administered by the Department of Economic Security (DES). DES is required to spend monies in the Fund to provide grants to service providers for victims of sexual violence. DES is required to develop a weighted methodology for allocating grant monies, in consultation with the federal designated statewide coalition to end sexual violence. During FY2021-22, DES is required to screen statewide coalition to end sexual violence. During FY2021-22, DES is required to screen and test each adult recipient who is otherwise eligible for temporary assistance for needy families (TANF) cash benefits and who DES has reasonable cause to believe engages in the illegal use of controlled substances. Any recipient who test positive for the use of a controlled substance that was not prescribed by a licensed health care provider is ineligible to receive benefits for a period of one year. For the contract year beginning October 1, 2021 and ending September 30, 2022, the Arizona Health Care Cost Containment System (AHCCCS) Administration is authorized to continue the risk contingency rate setting for all managed care organizations and the funding for all managed care organizations administrative funding levels that was imposed for the contract year beginning October 1, 2010 and ending September 30, 2011. By December 31, 2022, for FY2021-22, the AHCCCS Administration is required to transfer to the counties the portion, if any, as may be necessary to comply with the federal Patient Protection and Affordable Care Act. Specifies county contributions for ALTCS, and AHCCCS acute care and hospitalization and medical care for FY2021-22. County contributions for Proposition 204 administrative costs and for competency restoration treatment are excluded from county expenditure limitations. Provides for disproportionate share hospital payments for FY2021-22. Establishes various reporting requirements.

**SB 1825 (CHAPTER 410) BUDGET; BRB; HIGHER EDUCATION; 2021-2022  
(~~HIGHER EDUCATION; BUDGET RECONCILIATION; 2021-2022~~)**

Makes policy changes in college and university programs that affect the state budget. Effective July 1, 2022, modifies the calculation for the amount appropriated each fiscal year for FY2022-23 through FY2042-43 from the general fund for deposit in the Capital Infrastructure Fund of each state university. Universities under the jurisdiction of the Arizona Board of Regents (ABOR) are required to implement an Arizona Promise Scholarship Program to provide financial assistance for Arizona high school graduates who meet specified eligibility requirements, including qualifying for in-state student status and establishing financial need. Each eligible postsecondary institution is required to provide to each eligible student an award up to the actual cost of in-state tuition and fees, reduced by the amount of any other federal aid scholarships or public grants. Effective January 1, 2022, defines the "Commission for Postsecondary Education" as ABOR, and directs Legislative Council to prepare conforming legislation for this change. Repeals the Private Postsecondary Education Student Financial Assistance Program and the Private Postsecondary Education Grant Program. All unexpended and unencumbered monies in the funds for these programs are transferred to the Postsecondary Education Fund on the effective date of this legislation. For the purpose of the Arizona Teacher Student Loan Program, the definition of "qualifying postsecondary institution" is modified to remove public postsecondary institutions in Arizona. Applies to loans granted on or after the effective date of this legislation, except that a student attending a public postsecondary educational institution who received a loan through the Program before the effective date of this act is authorized to continue in the Program until the student completes the student's eligible studies under the Program. ABOR, a public university or a community college are prohibited from requiring a student to obtain a COVID-19 vaccination or show proof of receiving a COVID-19 vaccination or disclose whether the person has been vaccinated against COVID-10 unless the vaccination or other mandate is required by state law.

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A "health care institution" (defined) is authorized to require a student who participates in a clinical setting at the institution to provide proof of COVID-10 vaccination and be subject to regular health screenings and testing as determined by the institution. A public university is allowed to require testing only if a significant COVID-19 outbreak occurs in a shared student housing setting that poses a risk to students or staff. The university is required to receive approval from the Department of Health Services before implementing the testing requirement. A university under the jurisdiction of ABOR is authorized to offer pro bono assistance to claimants who are small landowners in the general stream adjudication of water rights who are not represented by counsel. Any university that offers such assistance is required to cooperate and coordinate with the faculty of a cooperative extension in Arizona that has a program to support the economic vitality of rural communities and the use of natural resources in those communities. By November 15 of each year, a university that offers such assistance is required to submit a written report of assistance activities to the Governor and the Legislature. Effective January 1, 2022, the University of Arizona Cooperative Extension Office is required to establish the Agricultural Workforce Development Program to provide incentives to food-producing "agricultural organizations" (defined) to hire apprentices through partial food-producing "agricultural organizations" (defined) to hire apprentices through partial reimbursement of apprenticeship costs. The Director of the Office is required to adopt rules for the Program, which must include specified provisions. Subject to legislative appropriation, the Office is authorized to reimburse a participating food-producing agricultural organization up to the amount of the "actual cost" (defined) to the food-producing agricultural organization to employ an apprentice. By December 1 of each year, The Office is required to submit a report to the Governor and the Legislature on the effectiveness of the Program in achieving its purpose. For FY2021-22, each dollar raised by the surcharge on student registration assessed by ABOR for the Financial Aid Trust Fund may be matched by less than \$2 appropriated by the Legislature. Notwithstanding statutory requirements, operating state aid for community college districts for FY2021-22 and state aid for science, technology, engineering and mathematics and workforce programs for community college districts for FY2021-22 are as specified in the general appropriations act. The Department of Economic Security (DES) is required to establish a Return to Work Program to provide incentives to low-wage workers to enroll in community college while working. DES is required to use monies appropriated for FY2021-22 to reimburse community colleges for scholarships provided to eligible workers. Eligibility requirements are listed, including that the worker is receiving unemployment benefits on May 15, 2021 or has filed for unemployment benefits on or before May 15, 2021 and is able to demonstrate financial need as determined by the free application for federal student aid. The Return to Work Program self-repeals July 1, 2024.

### **SB 1848 (CHAPTER 399) EMERGENCY SHELTER BEDS; SENIORS**

The Arizona Department of Housing (AZDH) is required to provide emergency shelter beds in western Maricopa County to shelter and serve homeless seniors who are at least 55 years of age. AZDH is required to contract with a single Arizona nonprofit provider that meets a list of specified requirements relating to housing homeless individuals.

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The list of prohibited provisions in a public works contract is expanded to include requiring a contractor to provide a wage or salary amount that is different than what the agency or political subdivision requires for other contracts or industries operating in the jurisdiction, requiring a contractor to demonstrate the existence of a labor management agreement, employee grievance policy or similar management practice, and requiring a contractor to demonstrate labor organization status.

### **HB 2161 TOURISM MARKETING AUTHORITIES**

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

### **HB 2804 PUBLIC MEETINGS; EXECUTIVE SESSIONS**

A public body is authorized to hold an executive session for legal advice solely for advice in the other areas for which an executive session may be held. Discussion of the objectives on which an officer or employee of a public body will be evaluated must be conducted in a public meeting.

### **HB 2892: BUDGET; CAPITAL OUTLAY; APPROPRIATIONS; 2021-2022 (CAPITAL OUTLAY; APPROPRIATIONS; 2021-2022)**

Makes various appropriations for capital expenditures for FY2021-22. Appropriates \$11.5 million from the general fund and \$400,000 from the Legislative, Executive and Judicial Public Buildings Land Fund to the Legislative Council to repair, restore and renovate the historic capitol building. Appropriates \$10 million from the general fund and \$15.56 million from other funds to the Arizona Department of Corrections (ADC) for fire and life safety upgrades at the Eyman State Prison Complex. Appropriates \$25 million from the general fund to the Department of Veterans' Services to construct and establish a veterans' home facility in northwestern Arizona. Appropriates \$6.9 million from the State Highway Fund to the Arizona Department of Transportation (ADOT) for specified facilities, \$161.8 million from the general fund to ADOT for highway projects, and \$109.1 million from the general fund to ADOT for pavement rehabilitation along specified highways. Appropriates \$50 million from the general fund to ADOT to widen I-10 between Phoenix and Casa Grande. Appropriates \$361.1 million from the State Highway Fund to the ADOT for state highway construction. Appropriates \$18 million from the general fund in FY2020-21 to the State Aviation Fund to plan, construct, develop and improve county and municipal airports, and \$26 million from the State Aviation Fund to plan, construct develop and improve state, county and municipal airports as determined by the State Transportation Board. Also appropriates \$18 million from the Capital Outlay Stabilization Fund and \$6.2 million from the general fund to the Department of Administration, \$5.86 million from the Department of Corrections Building Renewal Fund and 22.2 million from the general fund to ADC, \$1.22 million from the Game and Fish Fund to the Game and Fish Department, and \$15.4 million from the State Highway Fund to ADOT for

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building renewal projects and expenditures. Makes various appropriations from the State Parks Revenue Fund to the Arizona State Parks Board for specified improvements at state parks. Makes various other appropriations for capital improvements, property maintenance, and demolition of unused buildings.

**HB 2895 BUDGET; GENERAL APPROPRIATIONS ACT; 2021-2022 (~~GENERAL APPROPRIATIONS ACT; 2021-2022~~)**

The "feed bill" for FY2021-22, containing appropriations for state agencies and programs. Provisions include: Requires the Auditor General to conduct a special audit of financial and related information of any private, nongovernmental grant monies used for Arizona's 2020 elections and Maricopa County's procurement of voting systems. The Auditor General is required to submit a report on the audit to the Governor and the Legislature by March 31, 2022, and information that must be included in the report is listed. Requires the Auditor General to compile information on how all Arizona school districts and charter schools spent or plan to spend stimulus monies specified in the federal acts related to the COVID-19 pandemic and how the Arizona Department of Education spent or plans to spend its stimulus discretionary monies specified in the federal acts related to the COVID-19 pandemic in FY2019-20, FY2020-21, and FY2021-22. Appropriates \$4.615 billion in FY2021-22 for basic state aid to school districts for maintenance and operations funding. Continues deferment of \$900.7 million in basic state aid payments to schools until FY2022-23. Makes a supplemental appropriation of \$38.76 million from the general fund in FY2020-21 to the School Facilities Board for building renewal grants. Appropriates \$47.95 million from the general fund in FY2022-23 for a one time deposit in the New School Facilities Fund. The sum of \$74.7 million is reduced from appropriations made from the general fund in FY2021-22 to eliminate debt service payments following the retirement or defeasance of financing agreements entered into pursuant to the FY2015-16 budget, consisting of \$57.24 million from appropriations to the School Facilities Board New School Facilities Fund and \$17.46 million from appropriations to the Department of Corrections private prison per diem line item. Appropriates \$53.7 million from the general fund in FY2021-22 to DOA for debt service payments on the sale and leaseback of state buildings. Makes a supplemental appropriation of \$507.1 million from the general fund in FY2020-21 to the Department of Administration (DOA) to pay for the retirement or defeasance of financing agreements and state lottery revenue bonds. Makes a supplemental appropriation of \$17.04 million from the general fund in FY2020-21 to the Department of Administration (DOA) for distribution to counties with political subdivisions in Arizona that paid refunds ordered in the Transwestern Pipeline Co. v. Arizona Department of Revenue litigation. Makes supplemental appropriations to the Department of Child Safety and the Department of Economic Security (DES) in FY2020-21 for caseload adjustments. Makes a supplemental appropriation of \$62 million from the general fund in FY2020-21 to DES for deposit in the Unemployment Compensation Fund. Appropriates \$55 million from the general fund in FY2020-21 to the Department of Emergency and Military Affairs for deposit in the Border Security Fund. Makes a supplemental appropriation of \$300 million from the general fund in FY2020-21 to the Public Safety Personnel Retirement System (PSPRS) to be deposited in the employer account of the Department of Public Safety PSPRS group to reduce the unfunded accrued liability. Appropriates the following amounts from the general fund in FY2021-22 to the Department of Administration (DOA) for distribution to counties for maintenance of essential county services: \$7.15 million for distribution to counties with a population of less than 900,000, \$500,000 for distribution to Graham County, and \$3 million to supplement the normal cost plus an amount to amortize the unfunded accrued liability in the Elected Officials' Retirement Plan, which DOA is required to allocate equally among all counties with a population of less than 300,000 persons. On or after April 1, 2022, the

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Department of Economic Security is authorized to use up to \$25 million from the Budget Stabilization Fund to provide funding for reimbursement grants. This appropriation must be fully reimbursed by September 1, 2022. Requires various reports and makes various fund transfers.

**HB 2896 BUDGET; BRB; HEALTH; 2021-2022 (~~HEALTH; BUDGET RECONCILIATION; 2021-2022~~)**

Makes various policy changes in the area of public health that affect the budget. Community developmental disability service providers are required to develop and implement policies and procedures regarding the communication to responsible persons of a serious incident affecting a client who is living in a community residential setting within 24 hours after the incident occurs. The Department of Health Services (DHS) is required to annually visit and inspect the premises used for the care of children or vulnerable adults for sanitation, fire and other actual and potential hazards, and to take any action it deems necessary to carry out its statutory duty to regulate developmental homes. DHS is also required to notify the parent or guardian of a developmental home resident of any serious incident or complaint at the home involving the client for whom the parent or guardian is responsible. Subject to available monies, the Office of the State Long-term Care Ombudsman is required to visit each long-term care facility in Arizona without prior notice at least two times each calendar year to speak with each resident without the presence of the facility's staff. The newborn screening program is required to include all congenital disorders that are included on the recommended uniform screening panel adopted by the Secretary of the U.S. Department of Health and Human Services for both core and secondary conditions. Beginning January 1, 2022, disorders that are added to the core and secondary conditions list of the recommended uniform screening panel must be added to Arizona's newborn screening panel within two years after their addition. DHS is required to present any change to the newborn screening program fee to the Joint Legislative Budget Committee for review. No later than 60 days after DHS adjusts the fee, health insurers and the Arizona Health Care Cost Containment System (AHCCCS) are required to update hospital rates that include newborn screening to reflect the increase. Session law requires DHS to add spinal muscular atrophy and x-linked adrenoleukodystrophy to Arizona's newborn screening panel by December 31, 2021 and to add all remaining core and secondary conditions that are included on the recommended uniform screening panel as of December 31, 2021 to Arizona's newborn screening panel by December 31, 2023. The Department of Child Safety (DCS) is required to establish and maintain a Comprehensive Health Plan Expenditure Authority Fund as a separate fund to distinguish DCS revenues and DCS expenditures for comprehensive medical and dental care from other programs that are funded and administered by DCS. All monies from capitated payments in the Fund that are unexpended and unencumbered at the end of the fiscal year revert to the general fund. Establishes the Sexual Violence Service Fund, to be administered by the Department of Economic Security (DES). DES is required to spend monies in the Fund to provide grants to service providers for victims of sexual violence. DES is required to develop a weighted methodology for allocating grant monies, in consultation with the federal designated statewide coalition to end sexual violence. During FY2021-22, DES is required to screen and test each adult recipient who is otherwise eligible for temporary assistance for needy families (TANF) cash benefits and who DES has reasonable cause to believe engages in the illegal use of controlled substances. Any recipient who test positive for the use of a controlled substance that was not prescribed by a licensed health care provider is ineligible to receive benefits for a period of one year. For the contract year beginning October 1, 2021 and ending September 30, 2022, the Arizona Health Care Cost Containment System (AHCCCS) Administration is authorized to continue the risk contingency rate setting for all managed care organizations and the funding for all managed care organizations administrative

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funding levels that was imposed for the contract year beginning October 1, 2010 and ending September 30, 2011. By December 31, 2022, for FY2021-22, the AHCCCS Administration is required to transfer to the counties the portion, if any, as may be necessary to comply with the federal Patient Protection and Affordable Care Act. Specifies county contributions for ALTCS, and AHCCCS acute care and hospitalization and medical care for FY2021-22. County contributions for Proposition 204 administrative costs and for competency restoration treatment are excluded from county expenditure limitations. Provides for disproportionate share hospital payments for FY2021-22. Establishes various reporting requirements.

**HB 2897 BUDGET; BRB; HIGHER EDUCATION; 2021-2022 (HIGHER EDUCATION; BUDGET RECONCILIATION; 2021-2022)**

Makes policy changes in college and university programs that affect the state budget. Effective July 1, 2022, modifies the calculation for the amount appropriated each fiscal year for FY2022-23 through FY2042-43 from the general fund for deposit in the Capital Infrastructure Fund of each state university. Universities under the jurisdiction of the Arizona Board of Regents (ABOR) are required to implement an Arizona Promise Scholarship Program to provide financial assistance for Arizona high school graduates who meet specified eligibility requirements, including qualifying for in-state student status and establishing financial need. Each eligible postsecondary institution is required to provide to each eligible student an award up to the actual cost of in-state tuition and fees, reduced by the amount of any other federal aid scholarships or public grants. Effective January 1, 2022, defines the "Commission for Postsecondary Education" as ABOR, and directs Legislative Council to prepare conforming legislation for this change. Repeals the Private Postsecondary Education Student Financial Assistance Program and the Private Postsecondary Education Grant Program. All unexpended and unencumbered monies in the funds for these programs are transferred to the Postsecondary Education Fund on the effective date of this legislation. For the purpose of the Arizona Teacher Student Loan Program, the definition of "qualifying postsecondary institution" is modified to remove Program, the definition of "qualifying postsecondary institution" is modified to remove public postsecondary institutions in Arizona. Applies to loans granted on or after the effective date of this legislation, except that a student attending a public postsecondary educational institution who received a loan through the Program before the effective date of this act is authorized to continue in the Program until the student completes the student's eligible studies under the Program. ABOR and any university under the jurisdiction of ABOR are prohibited from requiring the faculty and staff of the university or students attending the university to receive a vaccine for the prevention of COVID-19. A university under the jurisdiction of ABOR is authorized to offer pro bono assistance to claimants who are small landowners in the general stream adjudication of water rights who are not represented by counsel. Any university that offers such assistance is required to cooperate and coordinate with the faculty of a cooperative extension in Arizona that has a program to support the economic vitality of rural communities and the use of natural resources in those communities. By November 15 of each year, a university that offers such assistance is required to submit a written report of assistance activities to the Governor and the Legislature. Effective January 1, 2022, the University of Arizona Cooperative Extension Office is required to establish the Agricultural Workforce Development Program to provide incentives to food-producing "agricultural organizations" (defined) to hire apprentices through partial reimbursement of apprenticeship costs. The Director of the Office is required to adopt rules for the Program, which must include specified provisions. Subject to legislative appropriation, the Office is authorized to reimburse a participating food-producing agricultural organization up to the amount of the "actual cost" (defined) to the food-producing agricultural organization



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to employ an apprentice. By December 1 of each year, The Office is required to submit a report to the Governor and the Legislature on the effectiveness of the Program in achieving its purpose. For FY2021-22, each dollar raised by the surcharge on student registration assessed by ABOR for the Financial Aid Trust Fund may be matched by less than \$2 appropriated by the Legislature. Notwithstanding statutory requirements, operating state aid for community college districts for FY2021-22 and state aid for science, technology, engineering and mathematics and workforce programs for community college districts for FY2021-22 are as specified in the general appropriations act. The Department of Economic Security (DES) is required to establish a Return to Work Program to provide incentives to low-wage workers to enroll in community college while working. DES is required to use monies appropriated for FY2021-22 to reimburse community colleges for scholarships provided to eligible workers. Eligibility requirements are listed, including that the worker is receiving unemployment benefits on May 13, 2021 and is employed with an income of less than \$25 per hour. The Return to Work Program self-repeals July 1, 2024.

**HB 2899 BUDGET; BRB; REVENUE; 2021-2022 (~~REVENUE; BUDGET RECONCILIATION; 2021-2022~~)**

Makes various changes relating to general revenues for FY2021-22. Repeals Department of Revenue administrative fees for costs of tax administration for local governments. The date on which unexpended and unencumbered monies remaining in the Veterans' Income Tax Settlement Fund revert to the general fund is extended two years to June 30, 2023, and the deadline for claims from the fund is extended three years to December 31, 2022. In FY2021-22, the Department of Gaming is required to establish and collect a regulatory assessment of 0.5 percent of the amounts wagered from each commercial racing permittee. The Department of Agriculture is authorized to continue, increase or lower existing fees from FY2019-20 and FY2020-21 in FY2021-22 to generate up to \$218,000 to the general fund, \$113,000 to the Pesticide Trust Fund and \$26,000 to the Dangerous Plants, Pests and Diseases Trust Fund. For FY2021-22, counties with a population of less than 250,000 are authorized to meet any county fiscal obligation from any source of county revenue designated by the county, in an amount of up to \$1.25 million. Retroactive to July 1, 2021, the Department of Administration is required to assess and collect \$1.11 million from the City of Flagstaff in FY2021-22 to reimburse the state for costs to the state attributable to the establishment of a minimum wage that exceeds the state minimum wage.

**SB 1073 MUNICIPAL PUBLIC LIBRARIES; ANNUAL REPORT**

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

**SB 1101 TOURISM MARKETING AUTHORITIES**

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

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directors, and budgeting, recordkeeping and reporting requirements for the board are specified. Establishes a process for termination of a tourism marketing authority.

**SB 1487 PRIVATE ATTORNEY RETENTION; MUNICIPALITIES; COUNTIES**

Counties and municipalities are prohibited from entering into a contingency fee contract with a private attorney unless the county or municipal attorney makes a written determination before entering into the contract that contingency fee representation is both cost effective and in the public interest. The written determination is required to include specific findings for a list of specified factors. Counties and municipalities are prohibited from entering into a contingency fee contract that provides for the county's or municipality's private attorney to receive a contingency fee from the county's or municipality's portion of the recovery in excess of an aggregate of a list of specified percentages based on the recovery amount. The contingency fee received by the county's or municipality's private attorney cannot exceed \$50 million. Establishes additional requirements for county or municipal contracts for contingency fee attorney services. Does not apply to any contingency fee contract in which a county or municipality hires a private attorney to pursue debt collection cases. By February 1 of each year, the county attorney or municipal attorney is required to submit a report on the use of contingency fee contracts with private attorneys to the Governor and the Legislature. Information that must be included in the report is specified.

**SB 1514 APPROPRIATION; EMERGENCY SHELTER BEDS; SENIORS**

The Arizona Department of Housing (AZDH) would have been required to provide emergency shelter beds in western Maricopa County to shelter and serve homeless seniors who are at least 55 years of age. AZDH would have been required to contract with a single Arizona nonprofit provider that met a list of specified requirements relating to housing homeless individuals. – *VETOED BY GOVERNOR DUCEY.*

**SB 1643 ATTORNEY FEES; COSTS; RECOVERY**

A court is required to award fees and other expenses to a party that prevails in a civil action brought by that party seeking declaratory or injunctive relief against the state, a county, or municipality for an action that violates the U.S. Constitution, the state Constitution, or a state law.

**SB 1826 BUDGET; BRB; K-12 EDUCATION; 2021-2022 (~~K-12 EDUCATION; BUDGET RECONCILIATION; 2021-2022~~)**

Makes various policy changes pertaining to K-12 education that affect the budget. Increases the per student base level amount for basic state aid to \$4,390.65, from \$4,305.73, for FY2021-22. Modifies the dates on which the State Board of Education (SBE) apportions state aid to school districts. It is the intent of the Governor and the Legislature that school districts increase the total percentage of classroom spending over the previous year's percentages in the combined categories of instruction, student support and instructional support as prescribed by the Auditor General. Increases the transportation support level per route mile funding for FY2021-22. Increases the per student amount for charter additional assistance to \$1,897.90, from \$1,875.21, for preschool for children with disabilities and grades K-8, and to \$2,211.97, from \$2,185.53, for grades 9-12. Increases the cost per square foot in the formula for calculating the amount the School Facilities Board (SFB) is required to distribute for new school facilities to \$270.24, from \$90, for preschool children with disabilities and kindergarten through grade 6, to

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\$285.30, from \$95, for grades 7 and 8, and to \$330.30, from \$110, for grades 9 through 12. Each annual construction market adjustment applies to all projects approved by the SFB during that year. Session law establishes a list of new school facilities that were previously approved by the SFB that the new cost per square foot rates apply to. The state equalization assistance property tax rate in tax year 2021 is \$0.4263, instead of \$0.4426, and the qualifying tax rates in tax year 2021 are modified. Establishes an allocation formula for monies in the Results-Based Funding Fund. Schools that perform in the top 13 percent of all schools statewide on statewide assessments and that have fewer than 60 percent of enrolled students qualifying for free and reduced-price lunches will receive \$225 per student. Schools that perform in the top 13 percent of all schools statewide on statewide assessments and that have 60 percent or more of enrolled students qualifying for free and reduced-price lunches will receive \$400 per student. Schools that perform in the top 27 percent but not in the top 13 percent of all schools statewide on statewide assessments and that have 60 percent or more of enrolled students qualifying for free and reduced-price lunches will receive \$225 per student. For school finance purposes, "group G" (defined as educational programs for gifted students) is created, and a support level weight of 0.007 is created for funding category "G". Monies in the Extraordinary Special Education Needs Fund are continuously appropriated, instead of subject to legislative appropriation, and the Arizona Department of Education (ADE) is responsible to administer the Fund, instead of SBE. ADE is required to award monies from the Fund to school districts and charter schools with eligible claims demonstrating that a student receiving special education services has incurred costs in the current year of at least the statewide per pupil funding average multiplied by three. ADE is required to evaluate claim requests on a quarterly basis, and a process for prioritizing funding if there are insufficient monies in the Fund is specified. Certain special education related group B support level weights are increased. Modifies Career Technical Education District (CTED) funding provisions. Students in 9th grade and students in the school year immediately following graduation who are enrolled in courses that are approved jointly by the governing board of the CTED and each participating school district or charter school may be included in a CTED's calculation of student count or average daily membership. Funding cannot be provided for more than four years for the same student. Funding for students in grade 9 is provided only if the student reaches the 40th day of grade 10, and at that time funding is provided for that student for grade 9 and for any subsequent year in which the student is eligible for funding. By September 1 of each year, the Office of Economic Opportunity in collaboration with the Department of Education is required to compile an in-demand regional education list of the approved career technical education programs that lead directly to a career path in high demand with median-to-high-wage jobs in that region. The Office is required to submit the in-demand regional education list to the Arizona Career and Technical Education Quality Commission for review and approval. For a student in grade 9 or in the school year immediately following graduation, funding is provided to the CTED only if the student is enrolled in a program that was included on the in-demand regional education list for that student's region for the year in which the student began the program. Beginning in FY2021-22, the Arizona Department of Administration (ADOA) is required to develop a transparent and easily accessible school financial transparency portal that includes a list of specified school level data for charter schools, individual schools operated by a school district, and school districts. ADOA is required to contract with a third party to develop the portal, and requirements for the third party are specified. The portal requirements are retroactive to July 1, 2021. Additionally, SBE is required to direct and oversee the work of all investigators related to investigating certificated persons, persons seeking certification, and noncertificated persons for immoral or unprofessional conduct. The investigators must be housed within and be employees of the SBE. SBE is authorized to issue subpoenas to compel the attendance and testimony of witnesses and production of evidence in connection with these investigations or

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hearing of these allegations, and to petition the superior court to enforce a subpoena. ADE is required to provide SBE with access to the educator information system and any related systems deemed necessary by SBE to investigate and adjudicating allegations of conduct constituting grounds for disciplinary action. Previously, ADE and the Superintendent of Public Instruction were responsible for directing investigations of these complaints. Authority for ADE to issue subpoenas for investigations is repealed. Also makes numerous changes to statutes relating to school choice. Modifies statute governing open enrollment policies, including to require school districts to give enrollment preference to and reserve capacity for resident students, students returning to the school from the prior year, and siblings of enrolled students. If remaining capacity at a school is insufficient to enroll all students who submit a timely open enrollment request, a school or school district is required to select students through an equitable selection process, except that preference shall be given to siblings of a student selected through the equitable selection process. School district schools are prohibited from limiting open enrollment admission based on a list of factors. SBE is required to prescribe a standard format for describing open enrollment options to ensure clarity and consistency for parents in understanding their enrollment options. Each January SBE is required to design a public awareness effort and distribute materials that communicate to the public the ability to choose any public school in Arizona. Beginning in the 2021-2022 school year, a school district is authorized to use a portion of its transportation funding and a charter school is authorized to use a portion of its charter additional assistance funding to provide in lieu of transportation grants to parents of students who attend the school district or charter school under a plan submitted to ADE. School districts and charter schools are authorized to issue grants to support individual parents or neighborhood carpools in transporting students to school. ADE is required to adopt policies and procedures to account for expenditures for the grants and to require proof of attendance for students whose transportation is supported through the grants. Establishes a Public School Transportation Modernization Grants Program in the Department of Administration, to be administered by a third-party nonprofit organization. Makes numerous changes to statutes relating to Arizona Empowerment Scholarship Accounts (ESAs). The definition of "qualified student" is expanded to include a child whose parent is a veteran of the U.S. Armed Forces, a "child who receives free or reduced-price lunches under the National School Lunch and Child Nutrition Acts" (defined), a child who attended a governmental primary or secondary school as a full time student for at least 30 days of the current or prior fiscal year and who transferred to participate in an ESA, and a child who was counted among the average daily membership for the purposes of determining state funding at any governmental primary or secondary school in Arizona in the prior fiscal year, including as an Arizona online instruction student. Expands the list of qualified expenses that ESA monies may be used for to include public transportation services in Arizona, including a commuter pass for the qualified student, or commercial transportation service between the qualified student's residence and a qualified school in which the qualified student is enrolled. A child who participates in an ESA continues to be entitled to an equitable share of the funding that would otherwise be allocated to a charter school or school district for that child from the Classroom Site Fund. Within ten days after the effective date of this legislation, the staff of the Joint Legislative Budget Committee are required to revise the calculation of the per pupil amount from the Classroom Site Fund for FY2021-22 to include children participating in an ESA. Session law requires the state to enforce only those statutory or regulatory requirements for the 2020-21 school year that are consistent with the approved waiver from the U.S. Department of Education for Arizona, including minimum testing percentages and local school ratings. Retroactive to July 1, 2021, counties, municipalities, school district governing boards, and charter school governing bodies are prohibited from requiring students or staff to use face coverings during school hours and on school property. A teacher, administrator, or other

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employee of a school district, charter school, or state agency who is involved with students and teachers in preschool through 12<sup>th</sup> grade is prohibited from requiring instruction in a list of specified concepts, including that one race, ethnic group or sex is inherently morally or intellectually superior to another, and that an individual, by virtue of the person's race, ethnicity or sex, is inherently racist, sexist, or oppressive, whether consciously or unconsciously. A teacher who violates this prohibition is subject to disciplinary action, including the suspension or revocation of the teacher's certificate. The court is authorized to impose a civil penalty of up to \$5,000 per school district, charter school, or state agency where the violation occurs. As session law, for FY2021-22 through FY2024-25, a student participating in an approved career technical education program included on the in-demand regional education list qualifies for funding in the year immediately following graduation. Additionally, the School Facilities Board (SFB) is transferred to the newly established Division of School Facilities in the Arizona Department of Administration (ADOA) and is renamed the School Facilities Oversight Board (Board). Board membership is modified, including by adding the Director of ADOA or the Director's designee to serve as an advisory nonvoting member. Various powers and duties of the SFB are transferred to the Division or the Board. The Board is required to review and approve student population projections submitted by school districts to determine to what extent school districts are entitled to monies to construct new facilities, certify that plans for new school facilities meet the building adequacy standards, and review and approve or reject specified school district requests. Establishes various reporting requirements for the Board. The Division, instead of the SFB, is required to administer the Building Renewal Grant Fund and distribute monies to school districts for the purpose of maintaining the adequacy of existing school facilities, and to establish policies and procedures relating to building renewal grant change orders. A person who is serving as a member of the SFB on the effective date of this legislation is eligible to continue to serve as a member of the Board until expiration of the current term of office. Session law provides that the School Facilities Oversight Board within the Division within ADOA succeeds to the authority, powers, duties and responsibilities of the SFB, including transferring all administrative matters, equipment and other property, and personnel. Also establishes various reporting requirements.

## Elections/Public Notice

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### *New Laws*

#### **HCR 2001 INITIATIVES; SINGLE SUBJECT; TITLE**

The 2022 general election ballot is to carry the question of whether to amend the state Constitution to require every initiative measure to cover only a single subject that is expressed in the title. AS SENT TO SECRETARY OF STATE.

#### **HB 2181 (CHAPTER 318) WRITE-INS; RESIDENCY; FILING DEADLINE**

Any person desiring to become a write-in candidate for an elective office, other than for a municipal office, in any election is required to be at the time of filing a qualified elector of the county or district the person proposes to represent and must have been a resident of that county or district for 120 days before the date of the election. Tallying of early ballots may begin immediately after the envelope and completed affidavit are processed and delivered to the early election board, instead of being prohibited from beginning any earlier than 14 days before election day.

#### **HB 2363 (CHAPTER 438) MUNICIPAL ELECTION OFFICERS; CERTIFICATION TRAINING**

For municipal employees who work on elections, the municipality is authorized to train its own employees if the municipal training program is approved by the Secretary of State.

#### **HB 2364 (CHAPTER 184) ELECTION PAMPHLET SUBMITTALS; IDENTIFICATION REQUIRED**

Arguments in favor of or against a ballot measure, which are printed in the informational pamphlet, must contain a sworn, notarized statement of the person submitting it. If the argument is submitted by an organization, it must contain the sworn statement of two executive officers of the organization. The names of persons and entities submitting written arguments is required to be included in the informational pamphlet. Persons signing the argument must identify themselves by giving their residence address and telephone number, which cannot appear in the pamphlet. Any argument submitted that does not comply with these requirements cannot be included in the pamphlet.

#### **HB 2365 (CHAPTER 194) POLITICAL CANDIDATES; ADDRESS CONFIDENTIALITY (~~MINIMUM VEHICLE SPEED; LEFT LANE~~)**

If a person desiring to become a candidate at a primary election or nonpartisan election or desiring to become a write-in candidate has a residence address that is protected from public access (as provided for elsewhere in statute), the person is authorized to provide a post office box or private mail box address on the nomination papers instead of providing the actual residence address.

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**HB 2373 (CHAPTER 421) COMMUNITY COLLEGE; EXPENDITURE LIMIT; PENALTY (~~VOTER REGISTRATION GROUPS; FORMS; IDENTIFIERS~~)**

As session law, for FY2021-22, if a community college district exceeds its constitutional expenditure limitation, the district is required to have state aid withheld according to a specified formula based on the amount of excess expenditures. Applies retroactively to July 1, 2020.

**HB 2400 (CHAPTER 162) MUNICIPAL ORDINANCES; POSTING**

Municipal ordinances imposing a penalty, fine, forfeiture or other punishment are required to be posted at city or town hall or in one public place within the municipality, and on the municipality's website, instead of being required to be posted in three or more public places within the municipality

**HB 2431 (CHAPTER 131) DOR; BOND ELECTION PAMPHLETS; STORAGE**

The governing body of a political subdivision is no longer required to submit a copy of the informational pamphlet for a bond election to the Department of Revenue (DOR) within 30 days after the bond election. DOR is no longer required to maintain copies of the pamphlets

**HB 2569 (CHAPTER 199) ELECTIONS; PRIVATE FUNDING; PROHIBITION**

The state, counties, municipalities, school districts or other public bodies that conduct or administer elections are prohibited from receiving or expending private monies for preparing for, administering or conducting an election, including registering voters.

**HB 2905 (CHAPTER 426) EARLY BALLOTS; REQUEST REQUIRED**

Except for a voter who is on the active early voting list, a voter who requests a one-time early ballot, or for an all-mail-ballot election, a county recorder, municipal clerk or other election officer is prohibited from delivering or mailing an early ballot to a person who has not requested an early ballot for that election. An election officer who knowingly violates this prohibition is guilty of a class 5 (second lowest) felony.

**SB 1002 (CHAPTER 53) EARLY VOTING ENVELOPES; PARTY AFFILIATION**

Early ballot return envelopes are required to be of a type that does not reveal the voter's political party affiliation.

**SB 1003 (CHAPTER 343) EARLY VOTING; SIGNATURE REQUIRED; NOTICE**

If a signature is missing from an early ballot envelope, the county recorder or other officer in charge of elections is required to make reasonable efforts to contact the voter, advise the voter of the missing signature and allow the voter to add the signature no later than 7:00 PM on election day. The information that must be printed in the instructions to early voters must include a statement that the ballot will not be counted without the voter's signature on the envelope. Session law states that the Legislature intends that these are clarifying changes only and do not provide for any substantive change in the law.

**SB 1104 (CHAPTER 154) CAMPAIGN FINANCE; CONTRIBUTION; DISCLOSURES; ITEMIZATION**

The information that must be included in campaign finance reports is modified to include contributions from out-of-state individuals, including identification of the contributor's occupation and employer, and to require itemized reporting on contributions from in-state individuals whose contributions exceed \$100, increased from \$50, for that election cycle

**SB 1107 (CHAPTER 155) REDISTRICTING; PETITION SIGNATURES; 2022 CANDIDATES**

As session law, if the nomination paper and nomination petition of candidates for 2022 state legislative or U.S. Congressional races are in compliance with otherwise applicable law, the Secretary of State is required to accept as valid the nomination paper and nomination petition of a person that designates a district for that person's candidacy that uses any or all of the following: was used in the 2020 election; was designated in a redistricting plan adopted by the 2021 Independent Redistricting Commission; or is designated in a redistricting plan that is ordered for use in the 2022 election by a court of competent jurisdiction. If the candidate nomination petition and the petition signers for candidates for 2022 state legislative or U.S. Congressional races are in compliance with otherwise applicable law, the Secretary of State is required to accept the signers as valid if the signers are registered voters who are residents of any or all of the following districts the candidate proposes to represent: was used in the 2020 election; was designated in a redistricting plan adopted by the 2021 Independent Redistricting Commission; or is designated in a redistricting plan that is ordered for use in the 2022 election by a court of competent jurisdiction. Does not apply to statements of interest, nomination papers, and nomination petitions for a special election to fill a vacancy in the office of the U.S. House of Representatives. Due to the delay in decennial census data, each county board of supervisors has a seven-month extension to divide the county into supervisorial districts.  
*Emergency clause.*

**SB 1432 (CHAPTER 284) POLITICAL SIGNS; REMOVAL DATE**

The period during which it is a class 2 (mid-level) misdemeanor to remove or cover a political sign ends 15 days after the general election, instead of 7 days after the general election, except that for a sign for a candidate in a primary election who does not advance to the general election, the period ends 15 days after the primary election, instead of 7 days after the primary election.

*Bills that Failed*

**HB 2039 ELECTIONS; HAND COUNTS; FIVE PERCENT**

The number of precincts in each county that must be randomly selected for a hand count after each election is changed to five percent of the precincts in the county or the number of precincts as determined by the vote count verification committee that is required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 1 percent based on the total number of ballots cast in that county on election day, whichever is greater, from two percent or two precincts. Voting centers are deemed to be a precinct for the purposes of the hand counts. For a county with a population of 800,000 persons or more (Maricopa and Pima), the chairmen of the political parties entitled to continued representation on the ballot or the chairmen's designees are required to randomly select for a manual audit either 10,000 early ballots or the number of early ballots required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 2 percent based on the total number of early ballots cast in that county, whichever is greater. For other counties, the



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chairmen or the designees are required to randomly select for a manual audit the number of early ballots required to achieve a statistical significance of a 99 percent confidence level with a margin of error of 3 percent based on the total number of early ballots cast in that county.

### **HB 2686 CANDIDATE SIGNS; PROHIBITION; PRIMARY**

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

### **HB 2693 RANKED CHOICE VOTING; MUNICIPALITIES**

Municipalities may choose by majority vote of the municipal council that elections for members of the municipal council be conducted by ranked choice voting. The municipality is required to conduct a voter education and outreach campaign to familiarize voters with ranked choice voting, and to ensure that an explanation of ranked choice voting is posted at each polling place and included with each early ballot. Establishes requirements for tabulating ranked choice votes.

### **HB 2701 POLLING PLACES; IDENTIFICATION; EARLY VOTING**

Various changes relating to elections and polling places. Any qualified elector is authorized to vote by early ballot in person at any polling place. A qualified elector may vote by mail only if the elector is physically unable to cast a ballot within the period for early voting, or has a physical disability, is confined to a nursing home or other similar facility, is on military duty or is temporarily residing outside Arizona. County boards of supervisors are required, instead of allowed, to authorize the use of voting centers in place of specifically designated polling places for 30 days before the day of the election. A county with a population of less than 200,000 persons is required to have a maximum of four voting centers, a county with a population of 200,000 persons or more and less than 1 million persons is required to have a maximum of eight voting centers, and a county with a population of 1 million persons or more is required to have a maximum of fifteen voting centers, as determined by the board of supervisors. Election precinct lines are required to be drawn to include as a priority public elementary, middle and high schools within an election precinct. School principals are no longer authorized to deny a request to provide space for use as a polling place. A driver license applicant is required to submit proof of identity by presenting all of the following documentation: an original or certified copy of a U.S. passport or birth certificate, proof of a social security number by presenting an original or copy of a social security card or W-2 form, and proof of residency in Arizona in two forms, such as a utility bill or bank statement. The list of satisfactory proof of U.S. citizenship that the county recorder may accept for voter registration is expanded to include an identification card issued by Arizona or the U.S. Due to voter protection, several sections of this legislation require the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

### **HB 2720 BALLOTS; ELECTION CONTESTS; CERTIFICATES**

Various changes relating to elections. The Legislature retains its legislative authority regarding the office of presidential elector and by majority vote at any time before the presidential inauguration is authorized to revoke the Secretary of State's issuance or certification of a presidential elector's certificate of election. The Legislature is permitted to take this action

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without regard to whether the Legislature is in regular or special session or has held committee or other hearings on the matter. Any party to an election contest may request a jury trial, which must be granted and tried as other jury trials in a civil action, except that the statutory provisions for election contests prevail over any conflicting rules of procedure for jury trials. In an election contest jury trial, a court is prohibited from granting a motion to dismiss or a motion for summary judgment that would result in dismissal until after the jury has issued its verdict. Without regard to the system or method used to produce or tabulate ballots, the county recorder or officer in charge of elections is required to maintain a count of the number of physical ballots printed and the number of ballots otherwise generated in the following categories: early ballots, regular ballots, provisional ballots, federal-only ballots, and ballots generated in an electronic form. The county recorder or officer in charge of elections is required to post that information on the county's website within one day after election day. The county recorder or officer in charge of elections is required to create digitized images of ballots and to keep the digitized images and the physical ballots as public records. At least ten persons from the general public who are registered voters in the county are allowed to observe the proceedings at the counting center at any time throughout the day. All observers must be allowed to observe each essential part of the proceedings at the counting center. When ballots are damaged or defective and cannot be counted by the automatic tabulating equipment, the images that are made of a duplicate of those ballots must be posted to the county's website within 24 hours after duplication along with the determination by the election board as to that voter's intent for each contest adjudicated. Any disruption in live video coverage of the custody of all ballots while the ballots are present in a tabulation room in the counting center will result in the members of the board of supervisors and the county recorder being deemed ineligible for reelection and barred from holding any public office in Arizona for ten years after the expiration of the term of office in which the disruption in video coverage occurred.

### **HB 2723 CAMPAIGN FINANCE; REPORTS; CONTRIBUTION AMOUNT**

The maximum amount an individual may contribute to a campaign committee in one election cycle without being individually identified on campaign finance reports is increased to \$100, from \$50. Contributions from lobbyists are required to be listed separately.

### **HB 2781 POLITICAL SIGNS; SIZE REQUIREMENTS**

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

### **HB 2875 VOTER REGISTRATION; MAINTENANCE; EARLY VOTING**

The election notice and form sent to voters on the permanent early voter list is required to include instructions to complete the form by confirming or updating the voter's voter registration information, providing the voter's voter identification card number, indicating whether the voter wishes to continue to receive an early ballot, signing the form and returning it to the county recorder. If the voter completes and returns the notice and form, the county recorder or other officer in charge of elections is required to examine the information and signature and compare it to the information on the voter registration rolls. If the voter does not complete the form and return the notice, the county recorder or other officer in charge of elections is required to send a second notice requesting the same information. If the second notice and form are not returned within 30 days after the second mailing, the county recorder or other officer in charge of elections is required to remove the voter from the permanent early voting list.

**SB 1020 VOTING LOCATIONS; ELECTIONEERING**

Any facility used as a polling place or voting center is required to allow persons to electioneer and engage in other political activity outside of the 75-foot limit in public areas and parking lots used by voters, and counties are no longer allowed to prohibit political activity near polling places or voting centers in the case of an emergency.