



CITY OF GLENDALE

Public Affairs Department

2022 End of Session Report

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Session Summary

The 55th Legislature Second Regular Session adjourned Sine Die, June 25, 2022 at 12:26 a.m. The legislative session officially lasted 167 days. Legislators introduced 2,003 bills, memorials, and resolutions and sent 398 bills to the Governor. Of these, 388 were signed into law and 4 were vetoed by Governor Ducey. The new laws will become effective 90 days after adjournment (September 24, 2022), 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 2022 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

The Arizona legislature began the 2022 legislative session with approximately \$2.43 billion in new revenue and a total surplus of just over \$4 billion. Such a large surplus created many challenges for budget negotiators, including the desire of some to spend the excess money throughout the state, while others felt strongly the funds needed to go back to the people of Arizona through tax rebates. Ultimately, Republicans in both the House of Representatives and the Senate did not have enough support in their caucus to pass a Republican budget. As a result, Democratic and Republican leaders struck a deal, creating the first bipartisan budget in recent memory.

In order to agree on a bipartisan budget, Democrats demanded significant increases to school spending, including moving the base level amount up to \$4,775.27 and establishing a new funding weight for students who meet free or reduced-price lunch eligibility requirements. While a small group of Republicans opposed more money for education, House and Senate leadership had long warned hold out Republicans that they would turn to Democrats if they couldn't find the votes in their own party.

In total, the Fiscal Year 2022-23 (FY 23) budget includes state General Fund spending of \$18 billion which is a 29% increase above last year. Major areas of spending include a \$1 billion investment for water augmentation, \$1 billion to pay off debt; \$425 million for the rainy-day fund, more than \$700 million in one-time transportation investment which includes noise mitigation improvements along the Loop 101 freeway in Glendale, \$10 million to support a newly established antihuman Trafficking Grant Fund within DEMA, a \$60 million deposit into the Housing Trust Fund, \$10 million for cities to establish a homeless works program, and \$30 million to distribute to cities, towns, and counties for costs associated with prosecuting and imprisoning individuals charged with drug trafficking, human smuggling, illegal immigration, and other border related crimes,

Governor Ducey signed the budget bills on June 28, 2022.

Fiscal Sustainability

New Laws

HB 2063 PSPRS; CORP; REEMPLOYMENT; TIME PERIOD

If a retired member of the Public Safety Personnel Retirement System or the Corrections Officer Retirement Plan becomes reemployed in any capacity by the employer from which the member retired before 6 months after the date of retirement, reduced from 12 months, the system cannot make pension payments to the retired member during the period of reemployment.

HB 2701 (CHAPTER 335) G&F; VETERANS; HUNTING; FISHING; LICENSES

Reduces the tax base for the prime contracting classification of transaction privilege taxes to 60 percent of the gross proceeds of sales or gross income derived from the business for contracts, bids, or other binding obligations that are entered into through June 30, 2023, and to 55 percent of the gross proceeds of sales or gross income derived from the business for contracts, bids, or other binding obligations that are entered into July 1, 2024 and after, from 65 percent.

HB 2822 PERSONAL PROPERTY; ADDITIONAL DEPRECIATION

For personal property that is initially classified during or after tax year 2022 as class one, class two (P), or class 6, the county assessor is required to use a valuation factor of 2.5 percent. Previously, the valuation ranged from 25 percent of the scheduled depreciated value in the first tax year of assessment to 89 percent of the scheduled depreciated value in the fifth tax year of assessment.

SB 1268 PSPRS; DEFERRED RETIREMENT OPTION PLAN

For members of the Public Safety Personnel Retirement System (PSPRS) in the deferred retirement option plan (DROP), the maximum period of participation in DROP is increased to 84 consecutive months, from 60 consecutive months. For the 24 months after the first 60 months, a member's DROP account is credited monthly with an amount that represents the interest on the amount of the normal retirement benefit calculation at a rate equal to the actual rate of return, smoothed over a period of seven years, to be not less than zero percent and not more than nine percent. By December 31, 2022, the PSPRS Board of Trustees is required to report to the Governor and the Legislature regarding measures that can improve retention for members of PSPRS who were hired on or after January 1, 2012 and before July 1, 2017, and measures that can improve retention and recruitment for members who were hired on or after July 1, 2017.

SB 1515 MUNICIPAL FIREFIGHTERS; CANCER FUND; DISTRIBUTIONS

The annual distributions from the Municipal Firefighter Cancer Reimbursement Fund are prohibited from exceeding the statewide aggregate of all compensation and benefits paid by municipal payors to municipal firefighters and municipal fire investigators for the relevant fiscal year.

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SB 1592 GOVERNOR'S DECLARATION; FISCAL IMPACT ANALYSIS

In any year in which the Governor has initially declared a state of war emergency or state of emergency for a public health emergency, the State Treasurer is prohibited from withholding any amount from the Arizona Convention Center Development Fund from an eligible city for that year. In conducting the analysis or estimate of the economic impact of any project eligible for monies from the Fund in subsequent years following the emergency declaration, the Auditor General is required to assume that the eligible city satisfied the minimum required attendance in the year of the emergency declaration and the year following that declaration, and that the incremental revenues to the general fund in any year of the initial emergency declaration and the year following that declaration at least equaled the amount of distributions by the state. Retroactive to January 1, 2020.

Bills that Failed

HB 2035 APPROPRIATIONS; PSPRS; CORP; UNFUNDED LIABILITY

Makes a supplemental appropriation from the general fund in FY2021-22 of a total of \$680.33 million to the Public Safety Personnel Retirement System (PSPRS) to be deposited in specified PSPRS and Corrections Officer Retirement Plan (CORP) group employer accounts for specified state employees to reduce the unfunded accrued liability. Makes a supplemental appropriation from the general fund in FY2021-22 of \$421.86 million 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. Makes a supplemental appropriation from the general fund in FY2021-22 of \$474.58 million to the Public Safety Personnel Retirement System (PSPRS) to be deposited in the employer account of the Arizona Department of Corrections Corrections Officer Retirement Plan group to reduce the unfunded accrued liability. The PSPRS Board is required to account for these appropriations in the June 30, 2022 actuarial valuation of the PSPRS groups and CORP groups listed, and account for these appropriations when calculating the employee contribution rates and employer contribution rates during FY2023-24.

HB 2045 TPT; ADDITIONAL RATE; ONLINE LODGING

Levies an additional transaction privilege tax on every person engaging or continuing in the online lodging marketplace classification of 16.5 percent of the tax base. The Department of Revenue is required to separately account for the revenues collected from the additional tax rate and the monies must be deposited in the Housing Trust Fund. 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 2099 MUNICIPALITIES; MEMBERSHIP DUES; LIMIT

A municipality is prohibited from paying dues to a "membership organization" (defined) in an amount that is greater than the municipality's total population multiplied by the "per capita membership" (defined) amount paid by the most populous municipality that is also a member of the membership organization.

HB 2166 TPT; USE TAX; EXEMPTION; FIREARMS

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The list of exemptions from transaction privilege and use taxes is expanded to include sales of "firearms" and "firearm safety equipment" (both defined). Effective January 1, 2023.

HB 2318 ADOPTED LOCAL BUDGETS; AMENDMENTS

County or municipal budget amendments do not have to be adopted by the third Monday in July each year.

HB 2337 DEFERRED RETIREMENT OPTIONAL PLAN; REINSTATEMENT

Members of the Public Safety Personnel Retirement System are no longer required to become members of PSPRS before January 1, 2012 in order to participate in the deferred retirement option plan (DROP). For a member who became a PSPRS member before January 1, 2012, the maximum period of participation in DROP is increased to 84 consecutive months, from 60 consecutive months. For a member who became a PSPRS member on or after January 1, 2012, the maximum period of participation in DROP is 60 consecutive months. For the additional 24 months for those who became members before January 1, 2012, and for all 60 months for members who became a member on or after January 1, 2012, the member's DROP participation account must be credited at a rate equal to the actual rate of return, smoothed over a period of seven years, to be not less than zero percent or not more than nine percent.

HB 2375 URBAN REVENUE SHARING; PUBLIC SAFETY

Beginning in FY2023-24, monies distributed to cities and towns from the Urban Revenue Sharing Fund must be used only for "public safety services" (defined as police, fire and emergency medical services). If a municipality uses any monies from the Urban Revenue Sharing Fund for a purpose other than public safety services in any fiscal year, the State Treasurer is required to withhold an amount equal to those expenditures for the following fiscal year.

HB 2473 FIREARMS; CONTRACTS; PROHIBITED PRACTICES

A "public entity" (defined) is prohibited from entering into a contract with a value of \$100,000 or more with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract includes a written certification that the company does not currently, and agrees for the duration of the contract that it will not, discriminate against a "firearm entity" (defined).

HB 2636 APPROPRIATION; RETENTION; CERTIFIED PEACE OFFICERS

Appropriates \$74 million from the general fund in FY2022-23 to the State Treasurer to distribute to each state agency, board, commission, or department, and to each political subdivision that employs a certified peace officer to pay a onetime retention incentive payment to each certified peace officer. The State Treasurer is required to appoint Arizona Backs the Blue Ambassadors to distribute the monies, and is authorized to use up to \$250,000 to administer the distribution of the monies and to reimburse the travel-related expenses of the Ambassadors. The monies are required to supplement and not supplant any other monies paid to certified peace officers in FY2022-23.

HB 2688 APPROPRIATION; AVIATION FUND; MATCHING MONIES

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Appropriates \$20 million from the general fund in FY2022-23 to the State Aviation Fund for the Department of Transportation to use as matching monies to draw down federal infrastructure monies.

HB 2749 TPT; PRIME CONTRACTING; EXEMPTION; ALTERATIONS

The definitions of "modification" and "alteration" for the purpose of computing the tax base for the prime contracting classification of transaction privilege taxes are modified. Effective January 1, 2023.

SB 1175 NONCUSTODIAL FEDERAL MONIES; APPROPRIATION

The Legislature retains the authority to appropriate "noncustodial federal monies" (defined). If the Legislature does not make an appropriation for a particular fund, specific grant program or block of noncustodial federal monies, the budget unit that has lawful authority is required to administer and spend these monies pursuant to federal and state law. If the amount of the noncustodial federal monies received is less than the amount appropriated, the appropriation must be reduced to the amount received. If the amount of the noncustodial federal monies received is more than the amount appropriated, the total appropriation of federal and state monies allocated for a program must remain at the amount designated by the Legislature, and the State Treasurer is required to credit the excess noncustodial federal monies to the appropriate budget unit account. A budget unit that receives noncustodial federal monies is required to account for the noncustodial federal monies in separate accounts or funds as necessary to meet accounting, budgetary and auditing requirements.

SB 1274 PROPERTY TAX LEVY; CALCULATION; FEDERAL MONIES

For tax years 2022 and 2023, if a county's or municipality's proposed primary property tax levy is greater than the amount levied in the previous tax year and the county or municipality received monies from the American Rescue Plan Act of 2021, the county or municipality is required to use the monies to reduce the proposed primary property tax levy so that the does not exceed the previous year's amount, except for "amounts attributable to new construction" (defined). Retroactive to January 1, 2022.

Land Use Planning

New Laws

HB 2012 (CHAPTER 92) COUNTY IMPROVEMENT DISTRICTS; FORMATION

A petition addressed to the county board of supervisors requesting the establishment of an improvement district must be signed by both a majority of the persons owning real property and by the owners of 51 percent or more of the real property within the limits of the proposed district, instead of by a majority of the persons owning real property or by the owners of 51 percent or more of the real property within the limits of the proposed district.

HB 2482 (CHAPTER 166) MUNICIPALITY; GENERAL PLAN; ADOPTION; AMENDMENT

All major amendments to a municipality's general plan proposed for adoption by the governing body of a municipality must be presented at a public hearing within 12 months of when the proposal is made, instead of during the calendar year the proposal is made.

SB 1238 (CHAPTER 14) STATE LANDS; APPRAISALS; LEASES; RIGHTS-OF-WAY

The State Land Department is required to reappraise property if the Board of Appeals' approval of the lease or sale occurred more than 240 days, increased from 180 days, before an auction. Approval of a lease for commercial purposes from the Board of Appeals is required only if the lease is for a term longer than ten years.

SB 1376 (CHAPTER 22) CODES; ORDINANCES; USE OF REFRIGERANTS.

Any code, ordinance, or general or specific plan provision adopted by a county or municipality cannot prohibit the use of refrigerants that are listed as acceptable in the federal Clean Air Act if the equipment used is listed and installed in accordance with the use conditions prescribed in the Act.

SB 1594 (CHAPTER 215) ANNEXATION; PRE-ANNEXATION AGREEMENTS

Municipalities or developers are authorized to enter into a pre-annexation agreement with a property owner in which the property owner agrees to future annexation of an area that includes the property owner's property. A property owner who has entered into a pre-annexation agreement is not required to sign the annexation petition. Whether or not the property owner signs the petition, the property and property owner are included for purposes of calculating the one-half or more in value of the real and personal property and more than one-half of the persons owning real and personal property that would be subject to taxation by the municipality in the event of the annexation.

HB 2606 SCHOOL DISTRICTS; HOUSING FACILITIES; TEACHERS

School district governing boards are authorized to construct or provide housing facilities for teachers and other school employees that the board determines are necessary to operate the school. Previously, only districts in rural areas were authorized to do so.

HB 2787 MARICOPA COUNTY; DIVISION; NEW COUNTIES

Divides Maricopa County into four counties by modifying the Maricopa County boundaries and adding three new counties: Hohokam County, Mogollon County, and O'odham County. Maricopa County continues full jurisdictional operation for all four counties until a special election held within 120 days after the effective date of this legislation to elect new county boards of supervisors. Currently elected Maricopa County Supervisors continue in their capacity for the remainder of their term in whichever county their supervisory district is located. The elected boards of supervisors in the three new counties will determine an application process for municipalities to apply to be the county seat, which will be determined at a special election to be held within 120 days from the election of the boards of supervisors. The four counties are authorized to enter into a ten-year shared use agreement for the use of existing shared capital assets. Effective January 1, 2023.

Military Preservation

New Laws

HB 2344 (CHAPTER 67) MILITARY AFFAIRS COMMISSION; CONTINUATION

The statutory life of the Military Affairs Commission is extended eight years to July 1, 2030. Retroactive to July 1, 2022

HB 2664 MILITARY AND TRANSITIONAL HOUSING; FUND

Establishes the Military and Transitional Housing Fund, to be administered by the Arizona Department of Housing (ADOH). ADOH is required to spend Fund monies for developing projects and programs to provide housing opportunities for military and transitional housing for former military members separating from the military to be housed in newly constructed housing facilities. By September 1 of each year, ADOH is required to report to the Legislature on the status of the Fund.

HB 2741 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's spouse, and any honorably discharged veteran who has been discharged no more than two years before application. Appropriates \$300,000 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 2760 (CHAPTER 274) CONTRACTORS; QUALIFYING PARTY

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.

HB 2823 (CHAPTER 144) TUITION WAIVER; VETERANS; FELONIES; ELIGIBILITY

A person who is convicted of a class 6 (lowest) felony is no longer ineligible for a tuition waiver scholarship for a spouse or child of a veteran or first responder who was killed in the line of duty.

Bills that Failed

None.

Neighborhoods

New Laws

HB 2131 (CHAPTER 101) HOAS; ARTIFICIAL GRASS BAN PROHIBITED

In any planned community that allows natural grass on a member's property, a homeowner's association (HOA) cannot prohibit installing or using artificial turf on any member's property. An HOA is allowed to adopt reasonable rules regarding the installation and appearance of artificial turf if those rules do not prevent installing or using the artificial grass in the same manner that natural grass would be allowed. The court is required to award reasonable attorney fees and costs to any party that prevails in an action against the HOA for a violation of this legislation.

HB 2158 (CHAPTER 125) HOMEOWNERS' ASSOCIATIONS; POLITICAL; COMMUNITY ACTIVITY

Condominium associations and planned community associations cannot prohibit or unreasonably restrict a unit owner or member's ability to peacefully assemble and use common elements of the community if done in compliance with reasonable restrictions for the use of that property adopted by the board of directors. An individual unit owner or member or a group of unit owners or members are permitted to assemble to discuss matters related to the association, including board elections or recalls, potential or actual ballot issues or revisions to the community documents, and property maintenance or safety issues. A unit owner or member is allowed to invite a political candidate or other non-unit owner guest to speak to an assembly of unit owners or members. Condominium associations and planned community associations cannot prohibit or unreasonably restrict the indoor or outdoor display of an association-specific political sign by a unit owner or member on that unit owner or member's own property.

HB 2484 (CHAPTER 97) FORCIBLE ENTRY; DETAINER; FILING FEE

Prohibits the court from imposing or collecting a fee for filing an answer to a complaint for forcible entry or detainer. Eliminates the filing fee of \$18 for the defendant in forcible entry and detainer filings.

HB 2579 (CHAPTER 182) RESIDENTIAL ZONING; PARK MODEL TRAILERS

Counties are required to allow the use of a "park model trailer" as an "accessory dwelling unit" (both defined) for use as a single-family residence in a location zoned for one dwelling unit per three acres or greater unless the parcel is located in a "high noise or accident potential zone" (defined elsewhere in statute). The park model trailer is required to be on a semi-permanent or permanent foundation that has utility connections, and all other zoning standards must be met.

HB 2580 (129) WILDFIRE MANAGEMENT; DELEGATION OF AUTHORITY

The State Forester is required to perform all management and administrative functions assigned or delegated to the state of Arizona by the United States relating to wildfire prevention, mitigation, and suppression activities.

HB 2674 (CHAPTER 185) HOUSING SUPPLY STUDY COMMITTEE

Establishes an 11-member Housing Supply Study Committee to review data on the scope of housing supply, and access and compile ways to address Arizona's housing shortage and mitigate its causes. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 31, 2022, and self-repeals July 1, 2023. Emergency clause.

HB 2675 (CHAPTER 186) ANTI-SEMITISM; CRIMINAL OFFENSES; DATA COLLECTION

The Department of Public Safety (DPS) is required to collect information concerning criminal offenses that manifest evidence of prejudice based on "anti-Semitism" (defined). Criminal justice agencies of the state or political subdivisions are required to provide DPS with information concerning these crimes.

HB 2724 (CHAPTER 132) ASSISTED LIVING; DISTANCE REQUIREMENTS; PROHIBITION

If a county or municipality has a zoning ordinance or regulation that restricts the distance between assisted living homes, the county or municipality is required to establish an administrative procedure in which a deviation from the separation requirement may be granted as a reasonable accommodation under the Fair Housing Act. The county or municipality is required to provide written notice of the administrative procedure to request a reasonable accommodation when a land use application for an assisted living home is filed or on registration as an assisted living home.

SB 1168 (CHAPTER 343) 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 against an owner of a vacation rental or short-term rental for "verified violations" (defined) 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 within the same 12-month period.

Bills that Failed

HB 2069 VACATION RENTALS; SHORT-TERM RENTALS; REPEAL

Repeals statute that prohibits municipalities and counties from prohibiting vacation rentals or short-term rentals and that restricts the types of regulations that municipalities and counties may impose on vacation rentals or short-term rentals.

HB 2149 HOMEOWNERS' ASSOCIATIONS; MILITARY FLAGS

Homeowners' associations and condo associations cannot prohibit the outdoor display of the flag of any branch of the U.S. military.

HB 2226 FIREWORKS; USE; OVERNIGHT HOURS; PROHIBITION

Counties and municipalities are authorized to prohibit the use of permissible consumer fireworks between the hours of 11PM and 8AM, except for between 11PM of December 31 and 1AM on January 1 each year, and between 11PM of July 4 and 1AM on July 5 each year.

HB 2234 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 against an owner of a vacation rental or short-term rental for "verified violations" (defined) 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 within the same 12-month period.

2255 FIREWORKS; PERMISSIBLE USE; DIWALI

The dates that counties with a population of more than 500,000 persons and municipalities within those counties cannot prohibit the sale of permissible consumer fireworks is expanded to include two days before the first day of Diwali through the third day of Diwali, and the dates that those counties and municipalities cannot prohibit the use of permissible consumer fireworks is expanded to include the second and third days of Diwali.

HB 2269 WIRELESS PROVIDERS; STRUCTURES; REPEAL

Repeals the articles of statute governing the use of public highways and private property by wireless providers.

Public Safety/Courts

New Laws

HB 2063 (CHAPTER 24) PSPRS; CORP; REEMPLOYMENT; TIME PERIOD

If a retired member of the Public Safety Personnel Retirement System or the Corrections Officer Retirement Plan becomes reemployed in any capacity by the employer from which the member retired before 6 months after the date of retirement, reduced from 12 months, the system cannot make pension payments to the retired member during the period of reemployment.

HB 2081 (CHAPTER 239) RISK MANAGEMENT; LIABILITY; STATE AGENCIES

Modifies the list of exclusions from state insurance against loss. Increases the limits on claims for liability damages made against state insurance. State self-insurance claims are capped at \$1 million per claim and \$2 million in the aggregate per year. The self-insurance claim limits may be adjusted in rules adopted by the Arizona Department of Administration (ADOA). ADOA is authorized to obtain insurance or provide state self-insurance for agents of the state that are not insured pursuant to statutory requirements. The coverage must be limited to liability for acts or omissions while acting in the course and scope of employment or authorization by the state and subject to any other terms and conditions that ADOA determines are in the best interest of the state. Increases the dollar amount ranges for settlement payments on a claim for liability damages that may be approved by the ADOA Director, the ADOA Director and the Attorney General, and the ADOA Director, Attorney General, and the Joint Legislative Budget Committee.

HB 2119 (CHAPTER 199) CIVIL RIGHTS RESTORATION; REQUIREMENTS; PROCESS

On completion of probation for an offense committed outside of Arizona or absolute discharge from a prison in another state or the Federal Bureau of Prisons, a person who has not previously been convicted of a felony offense is eligible for automatic restoration of any civil rights that were lost or suspended as a result of the conviction if the person pays all victim restitution imposed. Automatic restoration of civil rights does not apply to a person's right to possess a firearm only if the person was convicted of a dangerous offense or serious offense, instead of for all felony offenses. If a person is eligible for automatic restoration of civil rights, at the time of sentencing, the court is required to inform the person that the person's rights will be automatically restored on completion of probation or absolute discharge from imprisonment. If a person is not eligible for automatic restoration of civil rights, at the time of sentencing, the court is required to inform the person of the person's right to the restoration of civil rights.

HB 2159 (CHAPTER 175) LAW ENFORCEMENT OFFICERS; POLYGRAPH; EXAMINATIONS

Law enforcement employers are no longer allowed to require a law enforcement officer to submit to a polygraph examination in certain circumstances. During disciplinary action of a law enforcement officer, the hearing officer, administrative law judge, or appeals board are

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permitted to take into consideration violations of statutes regulating peace officer discipline as mitigation in determining discipline. If, in the course of an investigation involving multiple law enforcement officers, evidence is discovered that exonerates a law enforcement officer, the employer is required to issue the individual law enforcement officer a notice of findings.

HB 2254 (CHAPTER 88) OFFICERS BILL OF RIGHTS; PREEMPTION

The peace officers bill of rights does not preempt agreements that supplement or enhance its provisions. Previously, it did not preempt agreements that supplant, revise, or otherwise deviate from its provisions.

HB 2319 (CHAPTER 376) LAW ENFORCEMENT ACTIVITY; RECORDING PROHIBITION

It is a petty offense for a person to knowingly make a video recording of "law enforcement activity" without the permission of a law enforcement officer if the person is within eight feet of where the law enforcement activity is occurring. If a person fails to comply with a verbal warning of a violation or has a previous conviction of a violation of this legislation, the criminal classification is increased to a class 3 (lowest) misdemeanor. Notwithstanding these provisions, a person who is the subject of police contact is allowed to record the encounter if the person is not interfering with lawful police actions.

HB 2343 (CHAPTER 262) CRIME SCENE INVESTIGATION INTERFERENCE; OFFENSE

Establishes the crime of interfering with a crime scene investigation, a class 2 (mid-level) misdemeanor, if a person knowingly disobeys a peace officer's reasonable verbal order to remain off the premises of a possible "crime scene" (defined) or otherwise interferes with a peace officer's crime scene investigation. Does not prevent a person from peaceably observing a police proceeding if the person does not interfere with or obstruct the peace officer's crime scene investigation.

HB 2347 (CHAPTER 262) LAW ENFORCEMENT; MISCONDUCT INVESTIGATIONS; EXTENSION

A law enforcement employer is allowed to continue an investigation of employee misconduct beyond the 180-calendar-day period only if it is demonstrated that additional time is necessary to obtain or review evidence. Before the employer exceeds the 180-calendar-day limit, the employer is required to provide the employee with a written explanation of the reasons. Any extension cannot exceed 180 calendar days. If the investigation is not complete at the conclusion of the extension period, the matter must be dismissed. These time limits do not preclude the employer from initiating a new investigation of the employee for misconduct upon newly discovered material evidence that could not with reasonable diligence have been discovered during the initial 180-calendar-day limit or any extension.

HB 2349 (CHAPTER 153) PEACE OFFICER STANDARDS BOARD; MEMBERSHIP

Modifies the required qualifications for the two law enforcement officer members of the Arizona Peace Officer Standards and Training Board by prohibiting them from serving in a supervisory capacity and requiring them to be from two different law enforcement agencies.

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Session law allows current Board members to continue to serve until the expiration of their normal terms.

HB 2696 (CHAPTER 197) MANDATORY SENTENCES; CHILDREN; TRAFFICKING; SMUGGLING

Increases the minimum, presumptive, and maximum sentences for a person who is at least 18 years of age or who was tried as an adult and who is convicted of a dangerous crime against children in the first degree involving continuous sexual abuse of a child. A person convicted of knowingly trafficking a person for forced labor or services, sexual extortion, human smuggling, participating in a human smuggling organization, causing a spouse to become a prostitute, detention of a person in a house of prostitution, luring a minor for sexual exploitation, or the unlawful sale or purchase of children is not eligible for suspension of sentence, probation, pardon, or release from confinement on any basis, except as specifically authorized in statute, until the sentence imposed by the court has been served or commuted. Expands the list of actions that constitute the crime of participating in a human smuggling organization.

HB 2721 (CHAPTER 386) LAW ENFORCEMENT OFFICERS: AZPOST

Any government entity must require a majority vote to investigate law enforcement officer misconduct, influence the conduct of or certify law enforcement officer misconduct investigations, recommend disciplinary actions for law enforcement misconduct, or impose discipline for law enforcement misconduct. The requirement for 2/3 of the voting members of a government entity that takes any of those actions relating to law enforcement officer misconduct to be Arizona Peace Officer Standards and Training Board certified law enforcement officers is expanded to apply to 2/3 of the "members, staff, employees, or seats" (defined) or any government committee, board, agency, department, office, or entity that takes those actions.

SB 1210 (CHAPTER 250) MENTALLY ILL; TRANSPORTATION; EVALUATION; TREATMENT

When a court, a person, an evaluation agency, or a mental health treatment agency is allowed to authorize, request, or order the apprehension and transportation of a proposed patient by a peace officer to an evaluation agency or mental health treatment agency, the court, person, or agency is allowed to authorize the apprehension and transportation by an "authorized transporter" (defined as an ambulance company or transportation provider contracted with a municipality or county to provide safe behavioral health transportation) if available if there are reasonable grounds to believe that the patient or proposed patient may be safely apprehended and transported without the assistance of a peace officer. Establishes limits on civil liability for the apprehension or transportation, which do not apply to a person who acts with gross negligence. Municipalities that have a licensed health care institution within the jurisdictional boundaries and that operate an ambulance service are authorized to apply to amend the certificate of necessity to provide "interfacility transports" (defined) in lieu of transports by a peace officer. Requires a copy of any court order for mental health evaluation or involuntary detention to be personally served on the proposed patient. Establishes a 15-member Study Committee on Alternative Behavioral Health Transportation to research and make recommendations for the implementation of and the use of alternative behavioral health transportation providers for individuals involved in mental health treatment or evaluation processes, as an alternative to transportation by peace officers. The Committee is required to

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submit a report of its findings and recommendations to the Governor and the Legislature by December 31, 2023, and self-repeals July 1, 2024.

SB 1268 (CHAPTER 351) PSPRS; DEFERRED RETIREMENT OPTION PLAN

For members of the Public Safety Personnel Retirement System (PSPRS) in the deferred retirement option plan (DROP), the maximum period of participation in DROP is increased to 84 consecutive months, from 60 consecutive months. For the 24 months after the first 60 months, a member's DROP account is credited monthly with an amount that represents the interest on the amount of the normal retirement benefit calculation at a rate equal to the actual rate of return, smoothed over a period of seven years, to be not less than zero percent and not more than nine percent. By December 31, 2022, the PSPRS Board of Trustees is required to report to the Governor and the Legislature regarding measures that can improve retention for members of PSPRS who were hired on or after January 1, 2012 and before July 1, 2017, and measures that can improve retention and recruitment for members who were hired on or after July 1, 2017.

SB 1273 (CHAPTER 42) TWO-WHEELED MOTORCYCLE OPERATION

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

SB 1515 (CHAPTER 361) MUNICIPAL FIREFIGHTERS; CANCER FUND; DISTRIBUTIONS

The annual distributions from the Municipal Firefighter Cancer Reimbursement Fund are prohibited from exceeding the statewide aggregate of all compensation and benefits paid by municipal payors to municipal firefighters and municipal fire investigators for the relevant fiscal year.

Bills that Failed

HB 2007 SCHOOLS; DRUG VIOLATIONS; REPORTING OPTIONS

If a drug violation in a drug free school zone involves a student, a school administrator is permitted to refer the student to an appropriate program for at-risk students that is selected by the school, in lieu of the requirement to immediately report a drug violation to a peace officer.

HB 2014 SAFETY FEATURES; AUTONOMOUS VEHICLES; PROHIBITIONS

A person is prohibited from placing a weight on the steering wheel of a motor vehicle equipped with level two or three driving automation with the intent to override a safety feature of the vehicle.

HB 2015 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 2016 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 if the actions are such that a reasonable person would find the acts harassing, annoying, or alarming.

HB 2021 DRUG OFFENSES; HOMICIDE; SENTENCING

Establishes the crime of drug trafficking homicide, a class 1 (highest) felony, for transferring a dangerous drug or narcotic drug and the injection, inhalation, absorption or ingestion of the drug causes another person's death or was a contributing cause of the other person's death. A person convicted of drug trafficking homicide must be sentenced to a minimum sentence of 10 calendar years, with a presumptive sentence of 16 calendar years and a maximum sentence of 25 calendar years. A person with a previous conviction of drug trafficking homicide or a class 2 (second highest) or class 3 (upper mid-level) felony involving a dangerous offense must be sentenced to a minimum sentence of 15 calendar years, with a presumptive sentence of 20 calendar years and a maximum sentence of 29 calendar years. Drug trafficking homicide is added to the definition of "serious offense" and "violent or aggravated felony" for sentencing purposes, and to the definition of "dangerous crime against children" if committed against a minor who is under 15 years of age.

HB 2032 CRIMINAL DAMAGE; MONUMENTS; MEMORIALS; CLASSIFICATION

Defacing, damaging or tampering with a public or private monument, memorial or statue is classified as aggravated criminal damage, a class 6 (lowest) felony if it results from an intentional act and a class 1 (highest) misdemeanor if it results from a reckless act. If the damaged property is at least \$1,500 but less than \$10,000, the criminal classification is increased to a class 5 (second lowest) felony for an intentional act and a class 6 (lowest) felony for a reckless act, and if the damaged property is \$10,000 or more, the criminal classification is increased to a class 4 (lower mid-level) felony for an intentional act and a class 5 (second lowest) felony for a reckless act. The definition of criminal damage is expanded to include if a person acts intentionally, in addition to recklessly. The criminal classification for each type of criminal damage is lowered one level for acts done recklessly instead of intentionally.

HB 2110 APPROPRIATION; FIREFIGHTER TRAINING PROGRAMS

Appropriates \$1 million from the general fund in FY2022-23 to the Coconino County Community College District for firefighter training programs.

HB 2133 CRIMINAL JUSTICE MONIES; PENALTY ASSESSMENTS

The additional penalty assessment levied on every fine, penalty and forfeiture imposed by the courts for criminal offenses and on any civil penalty imposed for a civil traffic violation is increased to \$4, from \$2. The assessment cannot be waived, suspended, or delayed. On or before June 30 of each fiscal year, the State Treasurer is required to notify the Joint Legislative Budget Committee and the Governor's Office of Strategic Planning and Budgeting if less than \$45,746,935 is deposited in the Criminal Justice Enhancement Fund and available for the current fiscal year. In any fiscal year in which the amount is less than \$45,746,935, the Legislature is required to appropriate monies from the general fund to bring the balance in the Fund to \$45,746,935.

HB 2153 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.

Transportation

New Laws

HB 2685 STRIKER FOR PROP 400 EXTENSION AUTHORIZATION – VETOED

An algorithm that enables artificial intelligence to learn and implement decisions without human intervention must support human agency and fundamental rights, comply with all federal and state laws, fulfill ethical principles that ensure no unintended human harm occurs, and provide transparency and traceability of data logs and decision-making. Artificial intelligence may not infringe on a human being's constitutional rights.

HB 2062 (CHAPTER 150) MILITARY; PURPLE HEART; VLT EXEMPTIONS

A person who is a veteran, a bona fide purple heart medal recipient, and who was honorably discharged from the U.S. military is exempt from vehicle license taxes and registration fees. The exemption applies only to one vehicle.

HB 2273 (CHAPTER 137) TRANSPORTATION NETWORK COMPANY VEHICLES; INSPECTIONS

Modifies that requirements for vehicles used by a transportation network company so that if the vehicle is ten years or less from the year of manufacture, the driver is required to submit an attestation that the vehicle meets the state vehicle safety and emissions standards for private vehicles, and the requirement to have an annual brake and tire inspection performed by a third party applies only to a vehicle older than ten years from the year of manufacture. The requirements for transportation network company vehicles apply to vehicles owned by an on-demand autonomous vehicle network.

SB 1239 (CHAPTER 218) APPROPRIATION; WIDENING; I-10

Appropriates \$400 million from the general fund in FY2022-23 to the Arizona Department of Transportation (ADOT) to widen Interstate 10 between Chandler and Casa Grande. ADOT is required to use the monies for construction-related activities, including drawing down federal matching monies for the project.

SB 1333 (CHAPTER 256) NEIGHBORHOOD OCCUPANTLESS ELECTRIC VEHICLES

A "neighborhood occupantless electric vehicle" (defined) is authorized to be operated on a highway that has a posted speed limit of 45 miles per hour or less. Establishes restrictions for a neighborhood occupantless electric vehicle operating on a highway with a posted speed limit of more than 35 miles per hour but not exceeding 45 miles per hour, including travelling in the right-hand lane, allowing faster moving vehicles to pass, and displaying a slow-moving vehicle sign with a reflective surface. Also adds neighborhood occupantless electric vehicles to various statutes regulating autonomous vehicles.

HB 2263 TRANSPORTATION FUNDING TASK FORCE

Establishes a 19-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, 2022, and self-repeals October 1, 2023.

HB 2598 TRANSPORTATION TAX; ELECTION; MARICOPA COUNTY

If approved by the voters at a countywide election and beginning January 1, 2026, a county with a population of 3 million or more persons (Maricopa) is required to levy a tax of up to ten percent of the transaction privilege tax rate. The tax levied will be in effect for 25 years. The regional planning agency in the county is required to develop and adopt a multimodal transportation plan. The plan must specify the distribution of net revenues from the tax levy, with at least 52.5 percent of revenues distributed to the Regional Area Road Fund and at least 32.5 percent of revenues to the Public Transportation Fund. No more than 14 percent of the revenues may be spent on light rail systems. Before November 8, 2022, the Maricopa County board of supervisors is required to call a countywide election for the extension and levy of a county transportation excise tax as authorized by this legislation. Establishes requirements for the ballot and publicity pamphlet for the election.

SB 1192 APPROPRIATION; INTERSTATE 10; VEHICLE LANES

Makes a supplemental appropriation in FY2021-22 of \$59.6 million from the general fund in FY2021-22 to the Department of Transportation to design and construct one additional eastbound and one additional westbound vehicle lane, separated by a lighted median, on Interstate 10 between State Route 85 and Citrus Road.

Water/Environmental Resources

New Laws

HB 2057 (CHAPTER 63) WATER SUPPLY DEVELOPMENT FUND; REVISIONS

Monies in the Water Supply Development Revolving Fund may be used for providing technical assistance to water providers for water supply development projects. Increases the maximum amount of a single Water Infrastructure Finance Authority grant to water providers for water supply development projects to \$250,000, from \$100,000.

SB 1067 (CHAPTER 133) WATER INFRASTRUCTURE FINANCE AUTHORITY; CITIES

The Water Infrastructure Finance Authority (WIFA) is prohibited from providing funds to a municipality, and from refinancing any loan, bond, or other financing arrangement used by a municipality, to condemn or acquire through eminent domain any assets of a public service corporation regulated by the Corporation Commission without a written statement from the public service corporation certifying that it is a willing seller and consenting to the provision of funding. During FY2022-23 through FY2026-27, all counties and municipalities, regardless of population, a sanitary district with a population of fewer than 50,000 persons, and a domestic water or wastewater improvement district, regardless of population, are authorized to enter into a financial assistance loan repayment agreement with WIFA without voter approval.

Bills that Failed

HB 2055 HARQUAHALA NON-EXPANSION AREA; GROUNDWATER TRANSPORTATION

A public service corporation that is regulated by the Corporation Commission, that holds a certificate of convenience and necessity for water service in an initial active management area, and that owns land eligible to be irrigated in the Harquahala irrigation non-expansion area, as well as this state and a political subdivision of this state, are eligible to transport groundwater away from the Harquahala irrigation non-expansion area for transportation to an initial active management area for its own use or use by the Arizona Water Banking Authority if a list of specified conditions are met.

HB 2256 ASSURED WATER SUPPLY; SERVICE AREA

For the purposes of determining the physical availability of groundwater to be withdrawn through future wells for all assured water supply determinations, the Director of the Department of Water Resources is required to assume that the service area of a water provider that is a municipality is coterminous with the municipality boundaries, the service area of a water provider that is an improvement district is coterminous with its district boundaries, and that the service area of a water provider that is a private water company regulated by the Corporation Commission is coterminous with its certificate of convenience and necessity boundaries.

HB 2327 DROUGHT MITIGATION REVOLVING FUND; APPROPRIATION

Appropriates an unspecified number (blank in original) of billion dollars from the general fund in FY2022-23 to the Drought Mitigation Revolving Fund.

HB 2331 AREA OF IMPACT; STORED WATER

For the purpose of statute governing underground water storage, the definition of "area of impact" means the area within one mile of an existing or proposed underground storage facility where the water is or will be stored, the area within one mile of the groundwater replenishment district boundaries that has a permit for a groundwater savings facility where the water is or will be stored, or any other area shown to have been positively impacted by the storage of the water to be recovered.

HB 2538 WATER PROTECTION FUND; APPROPRIATION

Appropriates \$1 million from the general fund in FY2022-23 to the Arizona Water Protection Fund.

SB 1270 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 FY2022-23 and \$2 million in FY2023-24 are appropriated from the State Lottery Fund to the Arizona State Parks Heritage Fund.

Other Legislation

New Laws

HB 2453 (CHAPTER 247) GOVERNMENTAL ENTITIES; MASK REQUIREMENT; PROHIBITION

A "governmental entity" (defined) is prohibited from imposing any requirement to wear a mask or face covering anywhere on the governmental entity's premises, except where long-standing workplace safety and infection control measures that are unrelated to COVID-19 may be required. Does not apply to a special healthcare district.

HB 2484 (CHAPTER 97) FORCIBLE ENTRY; DETAINER; FILING FEE

Prohibits the court from imposing or collecting a fee for filing an answer to a complaint for forcible entry or detainer. Eliminates the filing fee of \$18 for the defendant in forcible entry and detainer filings.

HB 2485 (CHAPTER 286) EVICTION DISMISSAL; SEALED RECORDS

On the court entering an order that dismisses an action for eviction prior to entry of a judgment or that enters judgment in favor of a tenant, the court is required to issue an order sealing all records related to the case. Applies to all records relating to an action for summary eviction, a forcible entry and detainer action, or a special detainer action that are maintained by the court. Applies to a tenant whose case is dismissed or in which judgment is entered in the tenant's favor on or after the effective date of this legislation.

HB 2498 (CHAPTER 180) COVID-19; VACCINATION REQUIREMENTS; PROHIBITION

Any "government entity" (defined) is prohibited from requiring a resident of Arizona to receive a vaccination for COVID-19 or any variant of COVID-19. Does not apply to a health care institution that is owned or operated by a government entity in Arizona.

HB 2612 (CHAPTER 59) OCCUPATIONAL REGULATION

Throughout statutes governing occupational regulations, requirements that an applicant, licensee, permittee, or other person be of "good moral character" or similar are deleted.

HB 2660 (CHAPTER 282) LIQUOR; LICENSING; PROCESSES; PROCEDURES

Various changes to statutes relating to liquor licenses. The owner or management of a regional shopping center that encompasses at least 400,000 square feet of retail space is authorized, on behalf of retail licensees located at the shopping center, to apply for an extension of premises to allow on-sale retail liquor licensees to sell spirituous liquor and to allow patrons to consume spirituous liquor throughout a designated pedestrian area of the regional shopping center. The application process is specified, including review by the local governing body and submission of plans or diagrams designating the specific extension of premises requested. Establishes conditions for an extension of premises. An on-sale spirituous liquor licensee is authorized to

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apply to the Department of Liquor Licenses and Control to extend the licensed premises on an individual day or hour basis or on a regular recurring basis. Application requirements are specified, including requirements for a security plan for the extended premises. The Governor is authorized to issue an executive order that extends the closing time of liquor licensees until 3AM for spirituous liquor sales in connection with a professional or collegiate national sporting championship event held in Arizona.

Bills that Failed

HB 2038 STATE LAKE IMPROVEMENT FUND

Limits the amount of State Lake Improvement Fund (SLIF) monies used to fund staff support to 10 percent of monies deposited in SLIF annually. Allows SLIF monies to be used for water search and rescue operations. Allows monies in the State Parks Revenue Fund (SPRF) to be used for the administration of the state park system.

HB 2471 STATE OF EMERGENCY; TERMINATION

A state of emergency declared by the Governor terminates 14 days after the date on which the state of emergency is proclaimed, unless the Governor calls for a special session of the Legislature relating to the state of emergency.

HB 2539 NONNATIVE SPECIES ERADICATION; PROJECTS; APPROPRIATION

Establishes a 7-member Gila River Nonnative Species Eradication Project Advisory Committee to review the progress of "nonnative vegetation invasive species eradication projects" (defined). The Committee is required to submit a report of its recommendations to the Governor and the Legislature by September 1 of each year, and self-repeals October 1, 2025. The Nonnative Vegetation Species Eradication Fund is renamed the Jackie Meck Nonnative Vegetation Species Eradication Fund. Appropriates \$15 million from the general fund in FY2022-23 to the Fund for nonnative vegetation invasive species eradication projects.

SB 1048 EMERGENCY POWERS; BUSINESS CLOSURE; REPEAL

The list of emergency powers of mayors of incorporated municipalities and chairmen of county boards of supervisors is modified to remove the authority to order the closing of any business.

SB 1198 LOCAL GOVERNMENTS; LOBBYING; PROHIBITION

Counties, municipalities, school districts, and other political subdivisions and any person acting on behalf of a political subdivision are prohibited from entering into a contract with a person or entity for lobbying services and from spending monies for any person or entity to lobby on behalf of that political subdivision unless that person is directly employed by the political subdivision. If a county, municipality, school district or other political subdivision is a member of an organization of which the majority of the members are composed of political subdivisions or other public bodies, no portion of membership dues may be authorized for lobbying activities.

SB 1258 GOVERNMENT MEMBERSHIP ORGANIZATIONS; TRANSPARENCY

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A paid membership organization composed of the state, counties, municipalities, school districts, or other political subdivisions is added to the definition of "public body" for the purpose of public records laws.

Elections/Public Notice

New Laws

HB 2237 (CHAPTER 252) SAME DAY VOTER REGISTRATION; PROHIBITION

An agency, department or division of Arizona or any person acting on its behalf, and any political subdivision or any person acting on its behalf are prohibited from registering a person to vote on an election day and deeming that person eligible to vote in that election. A person who violates this section is guilty of a class 6 (lowest) felony. Does not apply to a person who properly registers to vote while temporarily absent from Arizona as provided for in statute.

HB 2587 (CHAPTER142) PUBLIC RECORDS; POINT OF CONTACT

Any entity that is subject to a public records request is required to provide the name and contact information of an employee or department that is authorized and able to provide the information requested or able to forward the request to an employee or department that is authorized and able to provide the information. Unless the entity maintains a centralized online portal for submission of public records requests that provides receipt on submission of a request, an employee or department that is authorized and able to provide public records information is required to reply within five business days acknowledging receipt of the request.

HCR 2015 INITIATIVES; SUPERMAJORITY VOTE; REQUIREMENT

The 2022 general election ballot is to carry the question of whether to amend the state Constitution to require approval by 60 percent of the votes cast on the measure for an initiative or referendum measure to become law, instead of a majority of the votes cast.

SCR 1011 CONSTITUTIONAL PROPERTY TAX EXEMPTIONS

The 2022 general election ballot is to carry the question of whether to amend the state Constitution to consolidate and reorganize provisions relating to exemptions from property taxation. Sections of the state Constitution relating to property tax exemptions are repealed and replaced. Impossible to determine new provisions without a line by line comparison.

SCR1012 VOTING; VOTER IDENTIFICATION

The 2022 general election ballot is to carry the question of whether to amend state statute to modify the type of identification that a voter may present in order to receive a ballot to require one valid and unexpired form of identification that includes a photograph, and to require a second form of identification if the photo identification does not have an address or the address does not match the address in the precinct register. The Department of Transportation is prohibited from charging a fee for issuing a nonoperating identification license if a person attests on the application that the person has applied for the license in order to comply with any legal requirements related to registering to vote or voting. Early ballot affidavits must require the voter to provide the voter's "early voter identification" (defined as the voter's Arizona driver license or nonoperating identification number, the last four digits of the voter's social security number, or the unique identifying number in the statewide electronic voter

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registration database as assigned by the Secretary of State) number and the voter's date of birth and signature. Any qualified Arizona voter has standing to file a special action to require any official to enforce the requirements of this legislation if the official has a legal duty to do so, and to file a declaratory judgment action to determine the proper construction of this legislation. Applies to elections beginning no later than the 2024 primary election. Sent to secretary of state for placement on the 2022 general election ballot

SCR1024 LIEUTENANT GOVERNOR; JOINT TICKET

The 2022 general election ballot is to carry the question of whether to amend the state Constitution to add a Lieutenant Governor to the executive department, which person is next in line to succeed to the office of Governor. No later than 60 days before the general election, unless the Legislature prescribes otherwise by statute, each nominee for the office of Governor is required to name a Lieutenant Governor to run on a ticket as a joint candidate with that nominee for the office of Lieutenant Governor. A single vote for a nominee for Governor constitutes a vote for that nominee's ticket, including the nominee for Lieutenant Governor. In the event of the death, resignation, or removal from office of the Lieutenant Governor, the Governor is required to appoint a person to serve as Lieutenant Governor, subject to approval by a majority vote of the members of each house of the Legislature. The powers and duties of the Lieutenant Governor will be as prescribed by law. Applies beginning with election for the term of office that starts in 2027. Sent to secretary of state for placement on the 2022 general election ballot.

Bills that Failed

HB 2162 OPEN MEETING LAW; VIOLATIONS; PENALTY

Increases the civil penalties the court is authorized to impose for violations of open meeting law to up to \$500 for a first offense and up to \$10,000 for a second or subsequent offense, instead of up to \$500 for a second offense and up to \$2,500 for a third or subsequent offense. In addition to or in lieu of the civil penalties, the court is authorized to require a member of the public body to attend training on public meetings as directed by the Attorney General or the Ombudsman-Citizens Aide. Open meeting law violations may be committed recklessly in addition to knowingly.

HB 2023 ELECTRONIC BALLOT IMAGES; PUBLIC RECORD

After the polls are closed, the officer in charge of elections is required to make available to the public an online copy of any digital images of ballots in a manner that allows the images to be searchable by precinct but that precludes any alteration of the images. States that the digital images of the ballots are public records.

HB 2041 BALLOT FRAUD COUNTERMEASURES; PAPER; INK

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 all of a list of 19 specified features, including watermarking, secure holographic foil, security inks, invisible ultraviolet microtext, a serialized black QR code, and a paper receipt for the voter. The Legislature is required to appropriate sufficient monies to the State Treasurer to provide counties with the ballot paper prescribed by this legislation. Applies to the regular general election in 2022 and all

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elections held in 2024 and later. Appropriates an unspecified amount (blank in original) from the general fund in FY2022-23 to the State Treasurer for the purchase of antifraud ballot paper meeting these requirements. [Capitol Reports Note: Some of these provisions were originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]

HB 2070 OPEN MEETINGS; CAPACITY; POSTING; VIOLATION

All public bodies are required to provide for an amount of seating sufficient to accommodate the reasonably anticipated attendance of all persons desiring to attend the deliberations and proceedings, when feasible. The agenda for a public meeting is required to include notice of the time that the public will have physical access to the meeting place. A head of a public body that violates this requirement is liable for a civil penalty as provided in statute for open meeting law violations.

HB 2071 EARLY BALLOTS; POSTMARK DATE; RECEIPT

An early ballot and affidavit that is postmarked by U.S. mail on or before the sixth day before election day is valid and eligible to be counted if received no later than five days after election day. Effective January 1, 2023.

HB 2080 HAND COUNT; ELECTRONIC TABULATION VERIFICATION

For the regular primary and general elections, all ballots are required to be counted by hand, and machines or devices for electronic tabulation of ballots can be used only for quality control checks or to otherwise verify the hand count of ballots. When the court orders a recount of votes that were tabulated by hand, the recount must be a hand count and the court is allowed to order the use of tabulating equipment to verify the results of the hand recount. Effective January 1, 2023.

HB 2092 BALLOT MEASURE AMENDMENTS

Various changes to statutes relating to initiative and referendum measures. Repeals statute requiring constitutional and statutory requirements for statewide initiative measures to be strictly construed and requiring persons using the initiative process to strictly comply with those constitutional and statutory requirements. At any time before a person or organization submits an application for initiative petition or referendum petition, a political committee that intends to file that application is allowed to submit the proposed description of the principal provisions of the measure to the Attorney General for a determination of whether the description is lawful and sufficient. The Attorney General is required to approve or reject the description within ten days after submittal. If rejected, the Attorney General must state the reasons for the rejection. If approved, any challenge to the description must be filed in the superior court within ten days after the Attorney General's approval. Repeals statute allowing a political committee that intends to support or oppose an initiative or referendum measure to submit a copy of the text of the proposed law, referral or constitutional amendment to the director of the Legislative Council to prepare recommendations to improve the text of the proposed measure. Contains a legislative intent clause.

HB 2095 POSTING OF NOTICES; MUNICIPAL WEBSITES

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Notices of election, invitations for bids, notices of letting contracts, laws and ordinances, and other notices of a public character issued by authority of the governing body of any municipality are required to be posted on the municipality's website.

HB 2170 ELECTION MAILINGS; THIRD-PARTY DISCLOSURES

Any nongovernmental person or entity that mails, sends by email, or provides an electronic or digital link to an official election-related document from the county recorder, county officer in charge of elections, or the Secretary of State, including a voter registration application or an early ballot request, is required to include the words "not from a government agency" in boldfaced, clearly legible print on the outside of the envelope or prominently placed in the electronic or digital message.

HB 2238 BALLOT DROP BOXES; PROHIBITION

A county recorder or other officer in charge of elections is prohibited from using an unmonitored drop box for receipt of voted early ballots. Does not apply to a ballot drop box located inside a polling place, voting center, county recorder's office, or other location at which election staff is present and monitoring the drop box. For a location where it is not practicable for election staff to be present, the county is required to provide and maintain 24-hour video surveillance.

HB 2240 ELECTIONS; VOTING CENTERS PROHIBITED

County boards of supervisors and any officer in charge of elections are prohibited from authorizing, establishing or using a voting center at which a voter who is a registered voter and resident anywhere in that county is allowed to receive the appropriate ballot for that specific voter.

HB 2241 EARLY BALLOT DROP OFF; IDENTIFICATION

For any voter or voter's agent who delivers one or more voted early ballots in affidavit envelopes at any polling place or voting center, the election board must require the person to present identification for his/her own early ballot, and to attest in writing that he/she is the voter's family member, household member or caregiver for another person's early ballot. Knowing violations are a class 6 (lowest) felony.

HB 2245 IN-PERSON EARLY VOTING; TIME PERIOD

On-site early voting locations, voting centers, and emergency voting centers may be used for in-person early voting only during the period beginning on the Saturday before election day for a primary or general election and continuing through the Monday before election day for a primary or general election and cannot be used for in-person early voting for any other election or time period.

HB 2270 OFFICIALS; POLITICAL ACTION COMMITTEE PROHIBITION

An individual who is an election officer or employee or who oversees any significant aspect of election operations is prohibited from being a chairperson, treasurer or other member of a

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political action committee. Does not apply to an individual's membership in a candidate committee for that individual's own candidacy.

HB 2283 POLLING PLACES; SCHOOLS; DISTRICT BOARDS

The officer in charge of elections is required to prioritize public schools and fire stations as polling places. School district governing boards and the governing board or body that supervises the fire stations are required to assist the county board of supervisors and the officer in charge of elections in selecting and coordinating schools and fire stations to be used as polling places. School principals are no longer authorized to deny a request to provide space for use as a polling place in specified circumstances.

HB 2288 EMERGENCY VOTING; REGISTRATION UPDATE; PROHIBITION

County boards of supervisors are no longer allowed to authorize the use of emergency voting centers. County recorders and other officers in charge of elections are no longer authorized to provide for emergency balloting for person who experience an emergency immediately preceding an election.

HB 2296 GOVERNMENT-ISSUED VOTER IDENTIFICATION; REQUIREMENT

Deletes the option for a voter to present, in order to receive a ballot and in lieu of government-issued photo identification, two different items that contain the name and address of the voter that reasonably appear to be the same as the name and address in the precinct register, including a utility bill, a bank or credit union statement, a valid Arizona vehicle registration, an Arizona vehicle insurance card, an Indian census card, tribal enrollment card or other form of tribal identification, a property tax statement, a recorder's certificate, a voter registration card, a valid government-issued identification, or any mailing that is labeled as "official election material." 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 2339 MUNICIPAL NOTICES AND ORDINANCES; POSTING

Notices of election, invitations for bids, notices of letting contracts, laws and ordinances, and other notices of a public character issued by authority of the governing body of any municipality may be posted on the municipality's website in lieu of being published in a newspaper. A municipality that posts notices on the website is required to provide a link to a listing of all current notices and ordinances on the website's home page.

HB 2357 ELECTION BOARD CLERKS; PARTY AFFILIATION

A person who has changed their political party affiliation or their no party preference affiliation since the last preceding general election is no longer eligible to serve as an election board clerk.

HB 2377 VOTING; SEVENTY-FIVE FOOT LIMIT; PHOTOGRAPHS

While within the 75-foot limit of the polls, a person is allowed to take photographs or videos of him/herself, his/her own ballot, and any election worker.

HB 2378 ELECTION LAWSUITS; SETTLEMENTS; APPROVALS

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If a proposed settlement of an election-related civil action by the Secretary of State materially affects a county recorder or other officer in charge of elections, the Secretary of State cannot settle or otherwise compromise that civil action without consulting the county recorders or other officers in charge of elections. A county recorder or other officer in charge of elections is authorized to object to the settlement based on the difficulty or impracticability of its requirements, and is authorized to demonstrate or otherwise provide evidence regarding that difficulty or impracticability. If the evidence is sufficient, the Secretary of State's settlement cannot be approved without the consent of the county recorder or other officer in charge of elections. A county recorder or other officer in charge of elections is authorized to join in any election-related civil action that materially affects the county recorder or officer.

HB 2412 OPEN MEETINGS; DIGITAL RECORDINGS

All public bodies subject to open meeting law are required to provide for written minutes and an audio or audiovisual recording of all of their meetings, instead of either written minutes or a digital recording.

HB 2780 VOTER LISTS; IMAGES; VOTING RECORDS

Ten days before the primary and general election, the county recorder is required to publish a list of all voters who are eligible to vote in the election, including persons who are on the inactive voter list, and post this information on the county recorder's website with personally identifying information redacted. Five days before the county canvass, the county recorder or other officer in charge of elections is required to publish and post in digital format on the county's website a list of all persons who voted and their method of voting, all ballot images, and the cast vote record in a sortable format. The county recorder or other officer in charge of elections is required to provide for an identifying indicator to be linked to ballots and/or ballot images, that when combined with access to the cast vote record allows a person a reasonable basis to independently confirm tabulation results by batch of ballots. The officer in charge of elections is required to ensure that paper ballots are sorted and stored in a manner that allows for convenient retrieval.

HB 2783 ELECTION LAW VIOLATIONS; PROCEDURES MANUAL

Increases the criminal classification for violations of any rule adopted by the Secretary of State as part of the election instructions and procedures manual, to a class 1 (highest) misdemeanor, from a class 2 (mid-level) misdemeanor. A person who knowingly violates statute in Title 16 (Elections) is guilty of a class 6 (lowest) felony, unless the statute defining the offense provides for a different classification.

SB 1119 ELECTRONIC BALLOT IMAGES; PUBLIC RECORD.

After the polls are closed, the officer in charge of elections is required to make available to the public an online copy of any digital images of ballots in a manner that allows the images to be searchable by precinct but that precludes any alteration of the images. States that the digital images of the ballots are public records.

Insurance/Risk Management

New Laws

HB 2253 (CHAPTER 371) THRESHOLD AMOUNT; FENTANYL

Establishes a statutory drug “threshold amount” of nine grams for fentanyl or fentanyl mimetic substances.

SB 1403 (CHAPTER 162) INDUSTRIAL COMMISSION; WORKERS' COMPENSATION; CLAIM

If a workers' compensation insurance carrier or self-insured employer receives written notification of an injury and intended claim from an employee who was injured, the insurance carrier or employer is required to forward the notification to the Industrial Commission within seven business days and inform the employee of the employee's requirement to file a claim with the Commission. The one-year period after injury occurs during which the employee is required to file a workers' compensation claim is suspended from the date the insurance carrier or employer received the notification until the date the notification is forwarded to the Commission. When the Commission receives notification, the Commission is required to notify the employee of the employee's responsibility to file a claim with the Commission.

Bills that Failed

HB 2121 INSURANCE; MEDICARE SUPPLEMENT; FEES; CONSENT

Various changes relating to insurance. Decreases the minimum amount of the nonrefundable fee for the certificate of the Director of the Department of Insurance and Financial Institutions (DIFI), under seal. Allows an oral communication with a contemporaneous written record made of the communication or an archived recording of an oral communication to qualify as consent for an insurer to deliver a notice or document electronically. DIFI cannot prohibit Medicare supplement insurance providers from offering discounts to enrollees for early enrollment or payment method. Allows insurers to file for Medicare supplement rates that include an early enrollment discount that diminishes over time. Insurers are not required to provide a certificate of creditable coverage if the federal laws that require providing a certificate of creditable coverage are superseded by the prohibition on preexisting condition exclusions. Requires DIFI to post specified information about flood insurance on a publicly accessible website using consumer-friendly language. Requires insurers that insure residential property in Arizona to provide information to policyholders about how to obtain flood insurance.

HB 2198 EMPLOYEE TERMINATION; COVID-19 VACCINE; COMPENSATION

An employee who is terminated for not receiving a COVID-19 vaccine as a condition of employment must receive either severance compensation paid by an employer in the amount of the employee's annual salary in one lump sum or installment payments over 12 months, or reemployment with the employer at the same or similar position held on the date the employee

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was terminated and a reasonable accommodation provided by the employer to the employee.
Retroactive to December 1, 2021.