

ACE- Key Bills

53rd Legislature - 2nd Regular Session, 2018

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Bill Summaries

H2005: PUBLIC SERVICE CORPORATIONS; PENALTIES (~~MUNICIPAL ECONOMIC DEVELOPMENT; SALE; LEASE~~)

The exclusive remedy or penalty for any alleged or actual violation by a public service corporation or a public service corporation's officer or employee, of any constitutional provision or any Corporation Commission rule based on any constitutional provision specifying or relating to the type of electric generation resources a public service corporation must acquire or use is civil and limited to penalties specified in statute. AS PASSED SENATE.

First sponsor: Rep. Leach

H2005: PUBLIC SERVICE CORPORATIONS; PENALTIES 3/23 signed by governor. Chap. 60, Laws 2018.

H2042: INSURANCE COVERAGE; TELEMEDICINE; UROLOGY

Health and disability insurance policies or contracts are required to provide coverage for health care services for urology, pain medicine, and substance abuse that are provided through "telemedicine" (defined as the use of interactive audio, video or other electronic media for diagnosis, consultation or treatment) if the service would be covered were it provided through in-person consultation and if the service is provided to a subscriber receiving the service in Arizona. The requirement to provide coverage for pain medicine and substance abuse applies beginning January 1, 2019, and the requirement to provide coverage for urology services applies beginning January 1, 2020. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Carter

H2042: INSURANCE COVERAGE; TELEMEDICINE; UROLOGY 4/11 signed by governor. Chap. 174, Laws 2018.

H2077: PUBLIC EMPLOYEES; COLLECTIVE BARGAINING

Public employees may form, join and participate in, or refrain from forming, joining or participating in unions. A three-member Public Employee Labor Relations Board is formed to certify or decertify union representation and to hear complaints of prohibited practices. Local public employee labor relations boards are also authorized. State employees are forbidden from engaging in or encouraging a strike, and public employers cannot engage in an employee lockout. The Board terminates on July 1, 2028.

First sponsor: Rep. Cardenas

H2077: PUBLIC EMPLOYEES; COLLECTIVE BARGAINING 1/9 referred to House gov.

H2090: PRE-ARREST DIVERSION; PRECOMPLAINT EDUCATION PROGRAM (~~TAX-CREDIT REVIEW; EVALUATION STANDARD~~)

Statute establishing the offense of shoplifting does not preclude a merchant from offering a person who is suspected of shoplifting an opportunity to complete a precomplaint education program in lieu of making or filing a report of theft with a law enforcement agency, informing the person of relevant criminal and civil remedies that are available to the state and the merchant, and reducing or waiving the fee for a precomplaint education program based on the person's ability to pay. A merchant who offers precomplaint education programs is prohibited from receiving remuneration for offering a program and from offering the program to a person who the merchant knows has a previous shoplifting conviction. AS PASSED SENATE.

First sponsor: Rep. John

H2090: PRE-ARREST DIVERSION; PRECOMPLAINT EDUCATION PROGRAM 5/3 House concurred in Senate amendments and FAILED to pass on final reading 26-34.

H2104: CLEAN ELECTIONS; COUNTY CANDIDATES

Applies clean elections laws to candidates for county board of supervisors, county assessor, county attorney, county recorder, county school superintendent, county sheriff and county treasurer. Establishes primary election spending limits for candidates for county offices based on county population. Due to voter protection, this bill requires a 3/4 vote of each house of the Legislature for enactment.

First sponsor: Rep. Powers Hannley

Others: Rep. Alston, Rep. Blanc, Rep. Clark, Rep. Fernandez, Rep. Gabaldon, Rep. Navarrete, Rep. Saldate, Rep. Salman

H2104: CLEAN ELECTIONS; COUNTY CANDIDATES 1/11 referred to House gov.

H2109: TOBACCO POSSESSION; SALE; AGE; SIGNAGE

For the purpose of statute prohibiting furnishing a tobacco product to an underage person, a petty offense, tobacco products may not be furnished to a person who is under 21 years of age, instead of to a minor, and the required mental state of doing so knowingly is eliminated. The definition of "tobacco product" is expanded to include "electronic smoking devices" (defined). The crimes of a retail tobacco vendor selling, furnishing or giving beedies or bidis, of selling tobacco products through a vending machine except in specified circumstances, and of delivering or causing unsolicited tobacco products to be delivered to a residence are all modified to apply to products sold or given to an individual who is under 21 years of age, instead of to a minor. Retail tobacco vendors are prohibited from selling or permitting the sale of tobacco products unless a sign with specified dimensions is posted at the location stating that a person who is under 21 years of age cannot purchase tobacco products. Violations are an unlawful practice and a petty offense.

First sponsor: Rep. Boyer

Others: Rep. E. Farnsworth

H2109: TOBACCO POSSESSION; SALE; AGE; SIGNAGE 2/5 from House hel do pass.

H2110: UNIVERSITIES; GOVERNING BOARDS

Establishes the Governing Board of Arizona State University, the Governing Board of the University of Arizona, and the Governing Board of Northern Arizona University to provide direct oversight of each university. All three governing boards consist of three members appointed by the Governor, one member appointed by the Speaker of the House of Representatives, and one member appointed by the President of the Senate, and each governing board is required to elect a chairperson from among its members. Each governing board is a body corporate with perpetual succession, and powers and duties of the boards are established. Governing board members are not eligible for compensation, but are eligible for reimbursement of specified expenses. The role of Arizona Board of Regents (ABOR) throughout various statutes is deleted and replaced by the governing boards, including the power to appoint and employ university presidents and other staff, to fix tuition and fees, to establish curricula, to award degrees and diplomas, to prescribe

admission qualifications, and to adopt budgets. Repeals and replaces the powers and duties of ABOR, requires ABOR to meet twice each year to review the actions of each governing board, and states that the responsibilities specifically prescribed in statute are the only responsibilities of ABOR. Each governing board, instead of ABOR, is an annual budget unit for the purpose of state budgeting. Each governing board terminates on July 1, 2028. Session law provides for the governing boards to succeed to the authority, powers, duties and responsibilities of ABOR and for the transfer of appropriated monies and properties. Effective January 1, 2019. 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.

First sponsor: Rep. Finchem

Others: Sen. S. Allen, Rep. Barton, Sen. Borrelli, Sen. Burges, Rep. Clodfelter, Rep. Cobb, Rep. Grantham, Rep. John, Sen. Kavanagh, Rep. Kern, Rep. Lawrence, Rep. Leach, Rep. Mitchell, Rep. Norgaard, Rep. Nutt, Rep. Payne, Rep. Townsend

H2110: UNIVERSITIES; GOVERNING BOARDS 1/16 referred to House educ, appro.

H2126: GOVERNMENT PROPERTY; ABATEMENT; SLUM; BLIGHT

For the purpose of statute allowing municipalities to abate taxes for government property improvements in a single central business district, the definition of "central business district" is modified to require the geographical area to be not larger than the greatest of the existing total land area of the district as of January 1, 2018, 2.5 percent of the total land area within the exterior boundaries of the municipality, or 960 acres, instead of not larger than the greater of 5 percent of the total land area or 640 acres. The designation of a redevelopment project area in which a central business district is located automatically terminates on the 10th anniversary after its designation unless the municipality formally renews or modifies all or part of the redevelopment project area. Some exceptions. Within two years after the effective date of this legislation, each municipality is required to review each redevelopment project area in which a central business district is located and either renew, modify or terminate the area. The designation automatically terminates two years after the effective date of this legislation unless the municipality renews or modifies the designation, with some exceptions. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Leach

H2126: GOVERNMENT PROPERTY; ABATEMENT; SLUM; BLIGHT 4/17 signed by governor. Chap. 231, Laws 2018.

H2127: CHILDREN'S HEALTH INSURANCE PROGRAM

If the Director of the Arizona Health Care Cost Containment System (AHCCCS) determines that the amount of state monies appropriated combined with available federal monies may be insufficient for the Children's Health Insurance Program (CHIP), the Director is required to immediately notify the Governor and the Legislature. After consulting with the Governor, the AHCCCS Administration is required to stop processing new applications for CHIP until verifying that funding is sufficient. If the federal government eliminates funding for CHIP, the AHCCCS Administration is required to immediately stop processing new applications and provide at least 30 days' notice to AHCCCS contractors and members that CHIP will terminate. Previously, the AHCCCS Administration was required to immediately notify the Governor and the Legislature and stop processing new applications for CHIP if the state's federal medical assistance percentage for CHIP was less than 100 percent.

First sponsor: Rep. Cobb

H2127: CHILDREN'S HEALTH INSURANCE PROGRAM 3/27 Senate appro no action.

H2140: MENTAL HEALTH; INJUNCTION; FIREARM POSSESSION

An immediate family member or a peace officer is authorized to file a verified petition with a magistrate, justice of the peace or superior court judge for an injunction that prohibits a person from possessing, controlling, owning or receiving a firearm. Any court may issue or enforce a mental health injunction against firearm possession, regardless of the location of the person. Information that must be included in the petition is specified. If the court finds that there is clear and convincing evidence to issue a mental health injunction against firearm possession, the court must issue the injunction. Information that must be included in the injunction is specified. Provides for enforcement. More.

First sponsor: Rep. Friese
Others: Rep. Alston, Rep. Hernandez, Rep. Salman

H2140: MENTAL HEALTH; INJUNCTION; FIREARM POSSESSION 1/11 referred to House jud-pub safety.

H2145: TPT; SERVICES; TUITION SURCHARGE

Establishes the services classification of transaction privilege taxes and levies a tax of one percent of the tax base on a list of businesses that are not otherwise classified for transaction privilege taxation, including legal and engineering services, real estate services, personal care services, various health and medical services, social services, death care services, management and business support services, repair services, and more. Of the monies collected from the services classification each month, 25 percent must be transferred to the Classroom Site Fund for teacher compensation increases, 25 percent must be transferred to the Financial Aid Trust Fund for financial aid to resident students at state universities, 25 percent must be transferred to the Public Safety Personnel Retirement Fund to pay unfunded accrued liability, and 25 percent must be transferred to the newly established Arizona Higher Education Financial Aid Program Fund. The Commission for Postsecondary Education is required to establish the Arizona Higher Education Financial Aid Program and to develop application and approval criteria for persons to apply to participate in the Program. The Arizona Board of Regents is required to assess a surcharge of \$300 each year on tuition paid by each nonresident student, and to deposit the monies in the Program Fund. Establishes criteria for a person to qualify for financial aid from the Program Fund. The Commission is required to distribute monies from the Fund beginning in 2023 to cover the full amount of each qualifying student's tuition and fees at the university or community college where the student is enrolled. The Program terminates on July 1, 2028. 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.

First sponsor: Rep. Cardenas

H2145: TPT; SERVICES; TUITION SURCHARGE 1/16 referred to House educ, ways-means.

H2153: CAMPAIGN FINANCE; NONPROFITS; DISCLOSURE

A campaign filing officer, enforcement officer or other local government officer is prohibited from requiring an entity that claims tax exempt status under section 501(a) of the federal Internal Revenue Code and is in good status with the Internal Revenue Service to register or file as a political action committee, disclose personally identifying information of individuals who have contributed to the entity, disclose a specified form that provides information on contributions to the entity, or submit to an audit or subpoena regarding a potential campaign finance violation. For the purpose of campaign finance statutes, a tax exempt entity is no longer required to be in good standing with the Corporation Commission in order to be considered not organized for the primary purpose of influencing an election. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Leach

H2153: CAMPAIGN FINANCE; NONPROFITS; DISCLOSURE 4/5 signed by governor. Chap. 134, Laws 2018.

H2154: PERSONAL INFORMATION; DATA SECURITY BREACHES

Numerous changes to statutes relating to data security breaches. Adds a new article to Title 18 (Information Technology) regulating data security breaches, and transfers several sections of current statute to the new article. If a person that conducts business in Arizona and that owns, maintains or licenses unencrypted and unredacted computerized personal information becomes aware of a "security system breach" (defined), the person is required to notify the individuals affected within 45 days. If the breach requires notification of more than 1,000 individuals, the person is also required to notify the three largest nationwide consumer reporting agencies and to notify the Attorney General in writing. Establishes a list of information that must be included in the notification to individuals affected by a breach. If a breach involves login credentials for an online account, a person may comply with these requirements by providing the notification that directs the individual to promptly change a password and security question or answer, as applicable, or to take other appropriate steps to protect the online account. A knowing and willful violation of these requirements is an unlawful practice and only the Attorney General may enforce the violation by investigation and taking appropriate action. The Attorney General is authorized to impose a civil penalty for violations of the lesser of \$10,000 per affected individual or the total amount of economic loss sustained by affected individuals, and the maximum civil penalty from a breach or series of related breaches cannot exceed \$500,000. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Shope

H2154: PERSONAL INFORMATION; DATA SECURITY BREACHES 4/11 signed by governor. Chap. 177, Laws 2018.

H2158: TPT; ADDITIONAL RATE; EDUCATION

Beginning July 1, 2021, an additional transaction privilege tax (TPT) rate increment is levied at the rate of 0.6 percent of the tax base of the list of business classifications. The Department of Revenue is required to separately account for the revenue collected for this rate, and the State Treasurer is required to distribute the revenues for various public education purposes according to a specified formula, including \$86.3 million annually to the Department of Education for increased basic state aid. The additional TPT rate is not considered local revenues for the purpose of school expenditure limitations. 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. [Capitol Reports Note: This legislation effectively makes permanent the additional TPT rate for education approved by the voters as Proposition 301 in November 2000, which will expire June 30, 2021.]

First sponsor: Rep. Coleman
Others: Sen. Brophy McGee

H2158: TPT; ADDITIONAL RATE; EDUCATION 3/22 House COW approved with floor amend [#4887](#), a substitute for amend 4184. See S1390.

H2159: TRAFFIC VIOLATIONS; TRAFFIC SURVIVAL SCHOOL (~~WIRELESS-COMMUNICATION DEVICES; TRAFFIC VIOLATIONS~~)

It is a petty offense to use a portable wireless communication device to read, write or send an "electronic message" (defined) while operating a motor vehicle unless the vehicle is stopped. Some exceptions. To be prosecuted for a violation, the behavior must be committed in the presence of or within the view of a peace officer or be established by other evidence. Establishes a list of affirmative defenses to a prosecution. Violations are subject to a fine of at least \$25 but not more than \$99 for a first offense, and a fine of at least \$100 but not more than \$200 for a second or subsequent offense. The criminal classification for a violation that caused the death or serious bodily injury to another person is increased to a class 2 (mid-level) misdemeanor, subject to a fine of up to \$4,000. State agencies are prohibited from considering violations to determine whether a person's driver license should be suspended or revoked. Insurers are prohibited from considering violations to establish rates for motor vehicle liability insurance. Also prohibits a person who is under 17 years of age who has a class M license or motorcycle endorsement from driving a motorcycle while using a portable wireless communication device for any reason except during an emergency. Also, a person who commits the following traffic violations is required to attend and successfully complete approved traffic survival school educational sessions: driving the wrong way on a controlled access highway, driving under the influence of intoxicating liquor or drugs (DUI), extreme DUI,

and aggravated DUI. In addition to taking licensing action, the Director of the Department of Transportation is authorized to impose a civil penalty of \$300 to \$3,000 if s/he finds that a traffic survival school licensee has not complied with or has knowingly violated traffic survival school regulations or has been convicted of a violation of Title 13 (Criminal Code) or Title 28 (Transportation). The Director must deposit civil penalties in the State Highway Fund. AS PASSED SENATE.

First sponsor: Rep. Campbell

H2159: TRAFFIC VIOLATIONS; TRAFFIC SURVIVAL SCHOOL 4/18 Senate named Worsley, Fann and Otondo to the FREE Conference Committee (House conferees: Campbell, Andrade and Mesnard).

H2162: COUNTY TRANSPORTATION EXCISE TAX (DISABILITY PARKING SPACES)

For parking spaces that are created on or after the effective date of this legislation, the specially designated and marked parking spaces for persons with physical disabilities that state agencies and political subdivisions with jurisdiction over street parking or publicly owned and operated parking facilities are required to provide must be a van accessible space that is at least 11 feet wide and that has an access aisle that is at least 5 feet wide. AS PASSED HOUSE.

First sponsor: Rep. Campbell
Others: Rep. Stringer

H2162: COUNTY TRANSPORTATION EXCISE TAX 5/3 Senate COW approved with amend #4831 and floor amend #5188. NOTE SHORT TITLE CHANGE. Passed Senate 17-12; ready for House action on Senate amendments.

H2165: COUNTY EXCISE TAX FOR TRANSPORTATION

The board of supervisors of any county is permitted to submit to the voters a transportation plan funded by an excise tax. The board is required to present the issue on the ballot as a single question for approval of both the transportation plan and the tax. If approved by the voters, the county is required to levy and the Department of Revenue is required to collect the tax beginning January 1 or July 1, whichever occurs first after voter approval, on the same tax base that applies to other excise taxes in the county. The tax must be levied at a rate that, together with any other county transportation excise taxes, will not exceed a total of one percent of the gross proceeds of sales or gross income derived from a business subject to the tax. In its initial submission to the voters, the board of supervisors must either set a termination date for the tax or provide that the tax will be perpetual, subject to termination only by a subsequent countywide vote.

First sponsor: Rep. Campbell

H2165: COUNTY EXCISE TAX FOR TRANSPORTATION 2/7 House trans-inf held.

H2166: VEHICLE FEES: ALTERNATIVE FUEL VLT

Establishes a highway safety fee in an amount to be determined by the Director of the Department of Transportation annually. The fee will be collected at the time of application for vehicle registration. The fee is required to fully fund 110 percent of the Department of Public Safety Highway Patrol budget for each fiscal year. For the separate vehicle license tax classification for motor vehicles powered by alternative fuels that are purchased before January 1, 2020, the motor vehicle value for the first 12 months of the life of the motor vehicle is a percentage of the manufacturer's base retail price of the motor vehicle as set by the Dept, instead of one percent. For the separate vehicle license tax classification for motor vehicles powered by alternative fuels that are purchased on or after January 1, 2020, the motor vehicle value for the first 12 months of the life of the motor vehicle is 30 percent of the manufacturer's base retail price of the motor vehicle, and during each succeeding twelve-month period, the value of the motor vehicle is 15 percent less than the value for the preceding 12-month period. Changes to the vehicle license tax classification for motor vehicles powered by alternative fuels are effective January 1, 2020. Contains a legislative intent section. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Campbell
Others: Rep. Cook, Rep. John

H2166: VEHICLE FEES; ALTERNATIVE FUEL VLT 4/25 signed by governor. Chap. 265, Laws 2018

H2167: ARIZONA COMMERCE AUTHORITY; CONTINUATION; REQS

The statutory life of the Arizona Commerce Authority is extended six years to July 1, 2024. Retroactive to July 1, 2018. Additionally, the Chief Executive Officer of the Authority is required to maintain three full-time employees to serve as advocates for small and rural businesses on economic development and regulatory matters before a municipal, county or state agency. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Weninger

H2167: ARIZONA COMMERCE AUTHORITY; CONTINUATION; REQS 3/23 signed by governor. Chap. 66, Laws 2018.

H2172: POSTSECONDARY INSTITUTIONS; POSSESSION; NONLETHAL WEAPONS

A community college under the jurisdiction of a community college district governing board and a university under the jurisdiction of the Arizona Board of Regents cannot prohibit the possession of a "nonlethal weapon" (defined) by any person who is on the campus of the school. AS PASSED HOUSE.

First sponsor: Rep. Grantham
Others: Sen. Petersen

H2172: POSTSECONDARY INSTITUTIONS; POSSESSION; NONLETHAL WEAPONS 5/3 FAILED to pass Senate on reconsideration 14-15.

H2173: JURISDICTIONAL ELECTIONS; NOTICE OF PARTICIPATION

Elections held by school districts and municipalities that are not held concurrently with the general election are required to be called no later than 120 days before the date of holding the election. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Coleman

H2173: JURISDICTIONAL ELECTIONS; NOTICE OF PARTICIPATION 4/10 signed by governor. Chap. 154, Laws 2018.

H2208: PROHIBITION; PHOTO RADAR

State agencies and local authorities are prohibited from using a photo enforcement system to identify violators of traffic control devices and speed regulations. Statutes authorizing and regulating photo enforcement are repealed.

First sponsor: Rep. Grantham
Others: Rep. Coleman

H2208: PROHIBITION; PHOTO RADAR 3/21 withdrawn from Senate trans-tech and further referred to Senate appro.

H2224: EMPLOYERS; EMPLOYEE SALARY HISTORY; PROHIBITIONS

Employers are prohibited from screening prospective employees based on previous wage or salary history, seeking the previous wage or salary history of any prospective employee from any current or former employer, checking public records for a prospective employee's previous wage or salary history, and discharging or in any other manner retaliating against any employee or prospective employee for opposing, making a complaint or testifying relating to any of these prohibited actions. Violations are subject to a civil penalty of \$5,000 for a first offense and an additional \$1,000 for each subsequent offense, up to \$10,000. A person in violation is liable to each employee or

prospective employee for special damages of up to \$10,000 plus attorney fees. An action to recover special damages may be maintained against any employer in any court of competent jurisdiction by any one or more employees for and on behalf of the employee(s) and other similarly situated employees.

First sponsor: Rep. Salman

Others: Rep. Andrade, Rep. Blanc, Rep. Bolding, Rep. Cardenas, Rep. Chavez, Rep. Clark, Rep. Espinoza, Rep. Fernandez, Rep. Friese, Rep. Gonzales, Sen. Mendez, Sen. Peshlakai, Rep. Powers Hannley, Rep. Rios, Rep. Saldade

H2224: EMPLOYERS; EMPLOYEE SALARY HISTORY; PROHIBITIONS 1/17 referred to House com.

H2236: MILITARY PENSIONS; INCREASE; TAX SUBTRACTION

The list of subtractions from Arizona gross income for computing Arizona adjusted gross income for tax purposes is expanded to include benefits, annuities and pension received as retired or retainer pay of the uniformed services of the U.S. in the following maximum amounts for the specified tax year: \$2,500 for tax years through 2018, \$5,000 for tax year 2019, and then increasing by \$1,000 per tax year until it reaches \$15,000 in tax years 2029 and after.

First sponsor: Rep. Livingston

Others: Rep. Barton, Sen. Burges, Rep. Campbell, Rep. Clodfelter, Rep. Cobb, Rep. Coleman, Rep. Cook, Rep. Finchem, Sen. Griffin, Rep. John, Rep. Lawrence, Rep. Leach, Rep. Martinez, Rep. Mesnard, Rep. Mitchell, Rep. Norgaard, Rep. Nutt, Rep. Payne, Rep. Rivero, Rep. Shooter, Rep. Stringer, Rep. Thorpe, Rep. Toma, Rep. Townsend, Rep. Udall, Rep. Weninger, Sen. Yarbrough

H2236: MILITARY PENSIONS; INCREASE; TAX SUBTRACTION 2/19 House appro FAILED 4-9.

H2238: ADMIN DECISIONS; REVIEW; SCOPE

In a proceeding to review any final administrative decision of an agency brought by or against the regulated party, the court is required to decide all questions of law, without deference to any previous determination that may have been made on the question by the agency. Some exceptions. AS SIGNED BY GOVERNOR.

First sponsor: Rep. E. Farnsworth

H2238: ADMIN DECISIONS; REVIEW; SCOPE 4/11 signed by governor. Chap. 180, Laws 2018.

H2243: WRONG-WAY DRIVING; VIOLATION; DUI

A person who drives the "wrong way" (defined) on a controlled access highway commits wrong-way driving, is subject to a civil penalty of \$500, and is required to attend and successfully complete approved traffic survival school educational sessions. A person who commits a violation of driving under the influence (DUI) while driving the wrong way on a highway is guilty of aggravated DUI. AS SIGNED BY GOVERNOR.

First sponsor: Rep. E. Farnsworth

H2243: WRONG-WAY DRIVING; VIOLATION; DUI 3/27 signed by governor. Chap. 81, Laws 2018.

H2264: TAX EXEMPTIONS; DEPENDENTS; INFLATION INDEXING

For the purpose of individual income taxes, the exemption a taxpayer is allowed for each dependent is increased to \$2,350 for tax year 2019, and to \$2,400 for tax year 2020, from \$2,300. Beginning with tax year 2021, the Department of Revenue is required to adjust the dollar amount of the exemption for dependents according to the average annual change in the metropolitan Phoenix consumer price index.

First sponsor: Rep. Mosley

Others: Rep. Bowers, Sen. Burges, Sen. Cajero Bedford, Rep. Campbell, Rep. Clodfelter, Rep. Cook, Sen. Fann, Sen. D. Farnsworth, Rep. John, Sen. Kerr, Rep. Leach, Rep. Livingston, Rep. Martinez, Rep. Mesnard, Rep. Norgaard, Rep. Payne, Sen. Petersen, Sen. Pratt, Rep. Rivero, Rep. Saldade, Rep. Shope, Sen. Smith, Rep. Stringer, Rep. Thorpe, Rep. Townsend, Rep. Ugenti-Rita, Rep. Weninger, Sen. Worsley

H2264: TAX EXEMPTIONS; DEPENDENTS; INFLATION INDEXING 2/28 from Senate fin do pass.

H2273: PUBLIC EMPLOYEES; COMPENSATION CAP

Beginning on January 1, 2020, the annual salary, "benefits package" (defined) and other non-salary compensation with a monetary value for each "public employee" (defined) or direct contract labor employee is prohibited from exceeding either two times the annual salary, benefits package and other non-salary compensation with a monetary value of the Governor, or eight times the average annual salary, benefits package and other non-salary compensation with a monetary value of a member of the Legislature, whichever is less.

First sponsor: Rep. Thorpe

Others: Rep. Barton, Rep. Clodfelter, Rep. John, Rep. Nutt, Rep. Payne

H2273: PUBLIC EMPLOYEES; COMPENSATION CAP 2/7 from House fed-policy with amend [#4105](#).

H2280: UNIVERSITIES; LEASE-BACK FINANCING

Beginning July 1, 2018 and retroactive to that date, the Arizona Board of Regents (ABOR) or a corporation formed by a university under ABOR jurisdiction is prohibited from entering into a development agreement for which the deed to a property improvement is transferred to ABOR or that university and subsequently leased back to a private lessor for commercial use unless the property improvement is primarily for an academic purpose or student housing. Leased property in a research park may only be used for regional or national headquarters of the lessee or its subsidiaries that are engaged in research and development or education activities for a lease originally entered into with ABOR before July 31, 2018. Retroactive to January 1, 2018, ABOR is prohibited from designating a new research park or increasing the size of a research park without approval of the Legislature.

First sponsor: Rep. Leach

H2280: UNIVERSITIES; LEASE-BACK FINANCING 2/19 from House rules okay.

H2284: INITIATIVE; REFERENDUM; CAMPAIGN FINANCE FILINGS

For a statewide referendum against a legislative enactment, the Secretary of State is prohibited from accepting an application until after the enactment is final (defined as the adjournment sine die of the legislative session in which the measure was enacted). For a political action committee that makes expenditures in support of or opposition to a statewide ballot measure, the committee is required to file a monthly campaign finance report beginning with and covering the first month in which the political action committee receives more than \$25,000 in aggregate contributions.

First sponsor: Rep. Leach

H2284: INITIATIVE; REFERENDUM; CAMPAIGN FINANCE FILINGS 2/8 House gov held.

H2286: CHARTER SCHOOL BOARD; RULEMAKING EXEMPTION

The State Board for Charter Schools is required to adopt rules and policies that the Board deems necessary to accomplish its statutory purposes. The Board is exempt from the rulemaking provisions of the Administrative Procedures Act, but is required to provide for notice and opportunity for comment on proposed policies or rules. In order to implement or change any policy or rule, the Board is required to provide at least two opportunities for public comment. Emergency clause.

First sponsor: Rep. Boyer

H2286: CHARTER SCHOOL BOARD; RULEMAKING EXEMPTION 2/8 House COW approved with amend [#4044](#). See S1055.

H2291: GROUNDWATER BASIN; DEPARTMENT SURVEY

The Department of Water Resources is required to conduct a survey of one or more areas in the groundwater basins of the upper Colorado River water planning area to determine the status and resiliency of groundwater in these areas. The Dept is required to compile and report to the Legislature and the county board of supervisors for each county in the relevant groundwater basins on specified data generated by the survey. Self-repeals January 1, 2019.

First sponsor: Rep. Cobb

H2291: GROUNDWATER BASIN; DEPARTMENT SURVEY 1/17 referred to House land-agri-rural.

H2322: HEALTH INSURERS; PROVIDER CREDENTIALING

Health insurers are required to establish a process for the electronic submission of a credentialing application. By December 31, 2019, health insurers are required to adopt and implement a standard application for credentialing. By December 31, 2019, health insurers are required to establish an electronic process to submit supporting documentation for a credentialing application, to the greatest extent possible. Establishes deadlines for a health insurer to acknowledge receipt of an application, provide notification of an incomplete application, and conclude the credentialing process. Health insurers are authorized to request supplemental information to complete the credentialing process. A health insurer that enters into a delegated credentialing agreement with a licensed health care facility or that participates in a health insurer credentialing alliance with equivalent or higher standards that this legislation is deemed to be in compliance with this legislation's requirements. Health insurers are permitted to "recredential" (defined) a participating provider at least once every 36 months and more frequently if required by federal or state law. A participating provider remains credentialed and loaded in the health insurer's billing system unless the health insurer discovers information that would result in the participating provider ceasing to meet the health insurer's guidelines for participation, in which case the health insurer must provide the participating provider a written explanation for the change in status. A health insurer is prohibited from denying a claim for a covered service provided to a subscriber by a participating provider who has a fully executed contract with a network plan if the covered services are provided after the effective date of approval of the credentialing application. Health insurers that comply in good faith with these requirements are immune from civil liability for the purposes of reviewing and approving a credentialing application. Also modifies the requirements for membership of the directors of hospital service corporations, medical service corporations, and dental service corporations. Effective January 1, 2019. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Carter

H2322: HEALTH INSURERS; PROVIDER CREDENTIALING 4/17 signed by governor. Chap. 238, Laws 2018.

H2324: COMMUNITY HEALTH WORKERS; VOLUNTARY CERTIFICATION

A person is permitted to apply to the Department of Health Services for a certificate to practice as a certified "community health worker" (defined). The Dept is required to grant a certificate to a person who meets specified qualifications and who pays the applicable fees. A certificate is valid for two years and may be renewed. The Dept is required to adopt rules that prescribe the scope of practice of certified community health workers, define minimum qualifications, establish education and training standards, and establish the criteria for granting, denying, suspending and revoking a certificate. Establishes disciplinary action for certificate holders and other penalties for violations. Also establishes a 9-member Community Health Workers Advisory Board within the Dept to make recommendations to the Dept regarding community health worker requirements, competencies and standards. The Board self-repeals January 1, 2023. AS PASSED SENATE.

First sponsor: Rep. Carter

H2324: COMMUNITY HEALTH WORKERS; VOLUNTARY CERTIFICATION 4/30 House concurred in Senate amendments and passed on final reading 55-2; ready for governor.

H2330: ONE PERCENT PROPERTY TAX LIMIT; GPLET

If a school district qualifies for additional state aid for education in the fiscal year and if all or part of an affected school district is located in a municipality or stadium district in which any government property improvement is located, the Property Tax Oversight Commission is required to determine the full amount of primary property tax that would have been assessed for the tax year by the affected school district against each government property improvement, notify the municipality and any affected stadium district of the amount, and notify the State Treasurer to withhold from state shared monies and pay the amount computed for each government property improvement to each appropriate school district. The maximum amount of additional state aid for education funded by the state of \$1 million per county is deleted.

First sponsor: Rep. Leach

H2330: ONE PERCENT PROPERTY TAX LIMIT; GPLET 2/22 retained on House COW calendar.

H2333: HOME-BASED BUSINESSES; LOCAL REGULATION

A county or municipality cannot prohibit the operation of a "no-impact home-based business" (defined) or otherwise require a person to apply for or obtain any permit, license or other prior approval to operate a no-impact home-based business. Establishes a list of factors that qualify a residential property for use as a no-impact home-based business. Counties and municipalities are permitted to establish reasonable regulations on a home-based business if the regulations are narrowly tailored for specified purposes, including protecting public health and safety. AS PASSED HOUSE.

First sponsor: Rep. Weninger

Others: Rep. Barton, Rep. Chavez, Rep. Clodfelter, Rep. Cobb, Rep. Epstein, Rep. Espinoza, Sen. D. Farnsworth, Rep. Finchem, Rep. Grantham, Rep. Hernandez, Rep. Kern, Rep. Leach, Rep. Livingston, Rep. Mitchell, Rep. Mosley, Rep. Norgaard, Rep. Nutt, Rep. Payne, Sen. Petersen, Rep. Powers Hannley, Rep. Shope, Rep. Thorpe, Rep. Toma, Rep. Townsend

H2333: HOME-BASED BUSINESSES; LOCAL REGULATION 3/13 from Senate com-pub safety do pass.

H2346: ENERGY MEASURING; REPORTING; PROHIBITION; REPEAL

Repeals statutes prohibiting counties and municipalities from requiring an owner, operator or tenant of a business, commercial building or multifamily housing property to measure and report energy usage and consumption.

First sponsor: Rep. Engel

Others: Rep. Blanc, Rep. Butler, Rep. Clark, Rep. Epstein, Rep. Hernandez, Rep. Martinez

H2346: ENERGY MEASURING; REPORTING; PROHIBITION; REPEAL 1/17 referred to House local-intl.

H2349: AUXILIARY CONTAINERS; REGULATION PROHIBITION; REPEAL

Repeals statutes prohibiting counties and municipalities from imposing a tax, fee, assessment, charge or return deposit on a consumer or an owner, operator or tenant of a business, commercial building or multifamily housing property for "auxiliary containers" (defined as reusable bags, disposable bags, boxes, beverage cans, bottles, cups and containers that are made from specified materials and that are used for transporting merchandise), and from regulating the sale, use or disposition of auxiliary containers by an owner, operator or tenant of a business, commercial building or multifamily housing property.

First sponsor: Rep. Engel

Others: Rep. Alston, Rep. Andrade, Rep. Benally, Rep. Blanc, Rep. Butler, Rep. Clark, Rep. Epstein, Rep. Gabaldon, Rep. Hernandez, Rep. Martinez, Rep. Payne, Rep. Powers Hannley, Rep. Salman

H2349: AUXILIARY CONTAINERS; REGULATION PROHIBITION; REPEAL 1/17 referred to House local-intl.

H2355: TPT; SOFT DRINKS; EARLY CHILDHOOD

Establishes the soft drink classification of transaction privilege taxes (TPT), which is comprised of the business of selling "soft drinks" (defined) for consumption on or off the premises. Soft drinks are added to the list of items that are not considered food for the purpose of exemption from TPT. The TPT rate for the soft drink classification is 0.02 percent of the tax base. All monies collected from the soft drink classification of TPT must be appropriated each year for the purpose of funding early childhood development programs. In lieu of separate TPT licenses, the Department of Revenue is required to provide, without additional cost, an endorsement to a retail classification or restaurant classification TPT license to sell soft drinks included under the soft drink classification.

First sponsor: Rep. Engel
Others: Rep. Clark, Rep. Hernandez, Rep. Martinez

H2355: TPT; SOFT DRINKS; EARLY CHILDHOOD 1/16 referred to House ways-means, appro.

H2436: OVERTIME PAY

On the effective date of this legislation, the Industrial Commission is required to set a salary amount at the 40th percentile of weekly earnings of full-time nonhourly workers in the lowest-wage census region in the 2nd quarter of the year immediately preceding the update published by the U.S. Department of Labor. To qualify as an individual who is exempt from the overtime pay requirements in the federal Fair Labor Standards Act of 1938 and related regulations, an individual must be compensated on a salary basis in an amount per week, exclusive of board, lodging or other facilities, that is not less than this amount set by the Commission. The Commission is authorized to adopt rules to implement these requirements.

First sponsor: Rep. Andrade
Others: Rep. Alston, Rep. Blanc, Rep. Bolding, Rep. Cardenas, Rep. Chavez, Rep. Clark, Rep. Engel, Rep. Espinoza, Rep. Fernandez, Rep. Friese, Rep. Gabaldon, Rep. Martinez, Sen. Meza, Sen. Otondo, Sen. Peshlakai, Rep. Peten, Rep. Powers Hannley, Rep. Rios, Rep. Saldate, Rep. Salman

H2436: OVERTIME PAY 1/18 referred to House com.

H2437: EMPLOYMENT OMNIBUS

Various changes related to employment regulations. Prohibits employers from terminating any employee unless the employee commits one of a list of acts, and from requiring any employee to reenact an injury arising out of or in the course of employment. Establishes employee training requirements. Employers are required to allow a labor organization to offer presentations to new employees. Employer policies do not supersede any valid provision of a collective bargaining agreement. The list of protected classes for employment discrimination purposes is expanded to include gender, gender identity or expression, sexual orientation and marital status, and adds an exemption for a religious organization for positions directly related to the religious functions of the organization.

First sponsor: Rep. Andrade
Others: Rep. Alston, Rep. Blanc, Rep. Bolding, Rep. Cardenas, Rep. Chavez, Rep. Clark, Rep. Engel, Rep. Espinoza, Rep. Fernandez, Rep. Friese, Rep. Gabaldon, Rep. Hernandez, Rep. Martinez, Sen. Mendez, Sen. Miranda, Rep. Navarrete, Sen. Otondo, Sen. Peshlakai, Rep. Peten, Rep. Powers Hannley, Rep. Rios, Rep. Saldate, Rep. Salman

H2437: EMPLOYMENT OMNIBUS 1/24 referred to House jud-pub safety.

H2445: REPEAL; RIGHT TO WORK

Statute prohibiting agreements denying employment because of nonmembership in labor organizations is repealed. Conditionally enacted on the state Constitution being amended by the voters at the 2018 general election to repeal the right to work or employment without membership in labor organizations.

First sponsor: Rep. Navarrete

Others: Rep. Andrade, Rep. Benally, Rep. Bolding, Rep. Cardenas, Rep. Chavez, Rep. Clark, Rep. Espinoza, Rep. Fernandez, Rep. Friese, Rep. Gabaldon, Rep. Martinez, Rep. Peten, Rep. Powers Hannley, Sen. Quezada, Rep. Rios, Rep. Saldate

H2445: REPEAL; RIGHT TO WORK 1/18 referred to House com, gov, fed-policy, mil-vet-reg.

H2465: FAMILY LEAVE

An employee is entitled to a total of 12 weeks of leave during any 12 month period for the birth of a child of the employee, the placement of a child with the employee for adoption or foster care, to care for a family member with a serious health condition, or because of a serious health condition that makes the employee unable to perform the functions of the employee's position. Employees are authorized to take intermittent leave or leave on a reduced leave schedule under specified conditions. If an employer provides paid leave for fewer than 12 weeks, the additional weeks of leave may be provided without compensation. Establishes requirements for notice for foreseeable leave, spouses employed by the same employer, certification of serious health conditions, restoration of employment after leave, and employment benefits during leave. Specifies a list of prohibited acts and provides penalties for violations.

First sponsor: Rep. Blanc

Others: Rep. Alston, Rep. Andrade, Rep. Benally, Rep. Bolding, Rep. Cardenas, Rep. Chavez, Rep. Clark, Sen. Dalessandro, Rep. Descheenie, Rep. Engel, Rep. Espinoza, Rep. Fernandez, Rep. Friese, Rep. Gabaldon, Rep. Gonzales, Rep. Hernandez, Rep. Martinez, Sen. Mendez, Sen. Meza, Sen. Miranda, Rep. Navarrete, Sen. Peshlakai, Rep. Peten, Rep. Powers Hannley, Sen. Quezada, Rep. Saldate, Rep. Salman

H2465: FAMILY LEAVE 1/30 referred to House com, hel.

H2467: EMPLOYMENT; EMPLOYEE WORK SCHEDULING

Adds a new chapter to Title 23 (Labor) regulating employee scheduling. Employers are required to pay an employee for a minimum of four hours or the number of hours in the employee's scheduled work shift, whichever is less, on any day that the employee either reports for duty but does not work the entire shift due to the actions of the employer or is notified less than 24 hours before a shift that the employee does not need to report to work or that the hours have been reduced. Employees have the right to request not to be scheduled for work shifts during certain times or at certain locations and the right to identify certain preferences. Employers are required to provide a new employee with a written good faith estimate of the employee's work schedule at the time of hire, and are required to provide an employee with a work schedule in writing at least 14 calendar days before the first day of the work schedule. More.

First sponsor: Rep. Blanc

Others: Rep. Alston, Rep. Andrade, Rep. Benally, Rep. Cardenas, Rep. Clark, Sen. Dalessandro, Rep. Fernandez, Rep. Friese, Rep. Gabaldon, Rep. Gonzales, Rep. Hernandez, Rep. Martinez, Sen. Mendez, Sen. Meza, Sen. Miranda, Sen. Peshlakai, Rep. Powers Hannley, Sen. Quezada, Rep. Saldate, Rep. Salman

H2467: EMPLOYMENT; EMPLOYEE WORK SCHEDULING 1/30 referred to House com.

H2479: TPT; DIGITAL GOODS & SERVICES

For the purpose of transaction privilege and use taxes and local excise taxes, the gross income, gross receipts, gross proceeds, purchase price or sales price from selling, leasing, licensing, purchasing or using "specified digital services" (defined) and from selling, leasing, licensing, purchasing or using "specified digital goods" (defined) that are remotely accessed by a customer and not transferred electronically to the customer, are excluded from tax. Does not apply to services provided by a person that is subject to tax under the online lodging marketplace classification. The business of selling, renting or licensing for use of "prewritten computer software" (defined), regardless of delivery method, and selling specified digital goods that are "transferred electronically" (defined)

are added to the retail classification of transaction privilege taxes. The sale of prewritten computer software and specified digital goods must be sourced to the seller's business location if the seller receives the order at a business location in Arizona, and to the purchaser's location in Arizona if the seller receives the order at a business location outside Arizona. Levies an excise tax on the use or consumption in Arizona of prewritten computer software and specified digital goods transferred electronically as a percentage of the acquisition price. The tax rate is the tax rate prescribed in statute for retailers (currently 5 percent and voter protected). Through June 30, 2021, an additional rate increment of 0.6 percent is imposed and must be collected. Each person using or consuming prewritten consumer software or specified digital goods transferred electronically in Arizona is liable for the tax. Contains a legislative intent section, which states that this legislation is not intended to affect, and may not be cited or applied in, any administrative or judicial action pending on the effective date of this legislation that considers the construction, interpretation or application of any statutory or administrative provision regarding the taxation of digital goods and services. Effective from and after the last day of the month of the general effective date of the 53rd Legislature, 2nd Regular Session. AS PASSED HOUSE.

First sponsor: Rep. Ugenti-Rita

Others: Rep. J. Allen, Rep. Leach, Rep. Mesnard, Rep. Shope

H2479: TPT; DIGITAL GOODS & SERVICES 5/1 Senate appro held.

H2484: LOCAL FOOD TAX; EQUALITY

If a municipality or other taxing jurisdiction imposes a transaction privilege tax, use tax or other similar tax or fee on the retail sale of food, including any non-alcoholic beverages, or the sale of food for consumption on the premises, the tax is required to be applied uniformly with respect to all food and non-alcoholic beverage items, and an additional tax or fee differential cannot be assessed or applied with respect to any specific food or non-alcoholic beverage item. Municipalities or other taxing jurisdictions are prohibited from levying a transaction privilege tax, use tax or other similar tax or fee on the manufacture, wholesale or distribution to or among wholesalers, distributors or retailers of food, including any non-alcoholic beverages, and on any container or packaging used exclusively for transporting, protecting or consuming food, including any non-alcoholic beverages. AS SIGNED BY GOVERNOR.

First sponsor: Rep. Shope

Others: Rep. J. Allen, Rep. Coleman, Rep. John, Rep. Mitchell

H2484: LOCAL FOOD TAX; EQUALITY 3/16 signed by governor. Chap. 17, Laws 2018.

H2493: CALL CENTER RELOCATION; NOTICE; PENALTY

Employers intending to relocate a "call center" (defined) from Arizona to another state or a foreign country are required to notify the Department of Economic Security at least 120 days before the relocation. Violations are subject to a civil penalty of up to \$10,000 for each day. The Dept is required to compile a semiannual list of all employers that relocate a call center to another state or a foreign country. These employers are not eligible for direct or indirect state grants or state guaranteed loans for five years, with some exceptions. Effective November 1, 2019.

First sponsor: Rep. Cardenas

Others: Rep. Alston, Rep. Andrade, Rep. Benally, Rep. Blanc, Rep. Bolding, Rep. Butler, Rep. Chavez, Rep. Descheenie, Rep. Engel, Rep. Epstein, Rep. Espinoza, Sen. Farley, Rep. Fernandez, Rep. Friese, Rep. Gabaldon, Rep. Gonzales, Rep. Hernandez, Rep. Martinez, Rep. Navarrete, Rep. Peten, Rep. Powers Hannley, Rep. Rios, Rep. Saldade, Rep. Salman

H2493: CALL CENTER RELOCATION; NOTICE; PENALTY 2/6 referred to House com.

H2512: WATER PROGRAM AMENDMENTS

Various changes to statutes relating to water. For a county that is not in an Active Management Area(AMA), the county board of supervisors is required to review the provision for adequate water supply for a subdivision and after review may by unanimous vote at a public meeting not to readopt the provision. The review is required to occur not more than 5 years after the effective date of this legislation and every 5 to 10 years thereafter. The board is required to give written notice of any vote not to readopt the provision to the Director of the Department of Water Resources, the Director of the Department of Environmental Quality and the State Real Estate Commissioner. The vote not to readopt the provision is effective and the provision has no further force if a list of specified conditions apply at the time of the vote. The Director of the Department of Water Resources (DWR) is required to prepare a desalination action plan that includes a list of specified provisions. If the Director determines there is significant brackish water underground in a county adjacent to the Colorado River, the Director is required to include in the desalination action plan an analysis and evaluation of the source of the underground water, whether the water is being used and, if the water is being used, the purposes for which it is being used. The Director is required to submit the initial plan to the Governor and the Legislature by September 30, 2019, and is required to submit subsequent reports on the plan and its results by December 31 every two years thereafter. Requires legislative approval, in addition to DWR approval, for a person to transport water out of Arizona. Until December 31, 2021, in the Pinal AMA the Director of DWR is required to calculate the initial volume of extinguishment credits for the extinguishment of a grandfathered right according to a newly established formula. Requires DWR to adopt rules to calculate extinguishment credits in the Pinal AMA by January 1, 2019. The Director of DWR is required to recalculate the amount of groundwater available for use in the Pinal AMA for purposes of determining as assured water supply. Declares that the use of groundwater to water plants in containers on or above the surface of the ground is a non-irrigation use in an AMA and establishes requirements for the use of groundwater for this purpose. The Director of DWR is required to adopt a management plan for each initial AMA no later than January 1, 2023 for the sixth management period, 2025 to 2035. DWR is required to include in the management plans a non-per capita conservation program for municipal providers that requires a municipal provider regulated under the program to implement one or more water conservation measures in its service area. Establishes other requirements for municipal providers regulated under the non-per capita conservation program. DWR is also required to include in the management plans the historic cropping program to assure that conservation equivalent to that required by the agricultural conservation program will be achieved. Establishes a list of provisions that must be included in the historic cropping program. Retroactive to July 1, 2018, responsibility for oversight of natural resource conservation districts is transferred to the Department of Forestry and Fire Management, from the State Land Department, and the State Forester, instead of the State Land Commissioner, is the state natural resource conservation commissioner. Session law provides for the transfer and succession of all matters, property and records. AS PASSED HOUSE.

First sponsor: Rep. Bowers

H2512: WATER PROGRAM AMENDMENTS 3/27 from Senate rules okay.

H2514: HURF DISTRIBUTION; CITIES; TOWNS; COUNTIES

In FY2019-20, the Department of Transportation is required to allocate and the State Treasurer is required to distribute \$18 million from revenues of the Arizona Highway User Revenue Fund (HURF) to small counties and municipalities. Of the \$18 million, \$9 million must be distributed to counties with a population of less than 250,000 persons and \$9 million must be distributed to municipalities with a population of less than 7,500 persons. Self-repeals November 1, 2020. Contains a legislative intent section. Effective July 1, 2019. AS PASSED HOUSE.

First sponsor: Rep. Cook

Others: Sen. S. Allen, Rep. Barton, Sen. Borrelli, Rep. Campbell, Rep. Cardenas, Rep. Cobb, Rep. Descheenie, Sen. Fann, Rep. Fernandez, Rep. Gabaldon, Rep. Gonzales, Sen. Griffin, Rep. John, Sen. Kerr, Rep. Mitchell, Rep. Mosley, Rep. Nutt, Sen. Otondo, Rep. Peten, Sen. Pratt, Rep. Shope, Sen. Smith, Rep. Stringer, Rep. Thorpe, Rep. Toma

H2514: HURF DISTRIBUTION; CITIES; TOWNS; COUNTIES 3/29 from Senate appro do pass.

H2579: VIDEO SERVICE; CERTIFICATE OF AUTHORITY

The regulation and use of "video service" (defined as the provision of multichannel video programming, including cable service but excluding internet streaming and direct broadcast satellite service) are of statewide concern and are not subject to further regulation by a county or municipality except as specifically provided in statute. Beginning January 1, 2020, the Secretary of State has the exclusive authority to issue a certificate of authority to a person to provide video service and to construct and operate a video service network in any service area in Arizona. Beginning January 1, 2020, a person is prohibited from acting as a video service provider or constructing or operating a video service network without first having been issued and continuing to hold a certificate of authority. The Secretary of State is required to establish and collect fees for the purpose of administering certificates of authority for video service providers. Beginning January 1, 2020, an incumbent cable operator is permitted to either continue to operate within a service area as defined in the local license or terminate the local license by applying for and obtaining a certificate of authority. Establishes requirements to obtain a certificate of authority, lists the authorities granted by a certificate, and provides for amendment of certificates to add service areas. Much more. Effective January 1, 2020.

First sponsor: Rep. Norgaard
Others: Sen. Griffin

H2579: VIDEO SERVICE; CERTIFICATE OF AUTHORITY 3/21 Senate gov held.

HCR2003: RIGHT TO WORK; REPEAL

The 2018 general election ballot is to carry the question of whether to amend the state Constitution to repeal the right to work or employment without membership in labor organizations.

First sponsor: Rep. Cardenas

HCR2003: RIGHT TO WORK; REPEAL 1/18 referred to House com, fed-policy, mil-vet-reg, gov.

HCR2005: DEATH RESOLUTION: FRANK KUSH

The Members of the Legislature sincerely regret the passing of Frank Kush, former Arizona State University head football coach, and extend their sympathies and condolences to his surviving family members and many friends.

First sponsor: Rep. Shope
Others: Rep. J. Allen, Rep. Cardenas, Rep. Coleman, Rep. John, Rep. Leach, Rep. Livingston, Rep. Mosley, Rep. Nutt, Sen. Yee

HCR2005: DEATH RESOLUTION: FRANK KUSH 2/14 unanimously adopted by the House; ready for Senate.

HCR2006: FOUR-YEAR TERMS; LEGISLATURE

The 2018 general election ballot is to carry the question of whether to amend the state Constitution to change the terms of office for members of the State Legislature to four-year terms and limit the number of consecutive terms a legislator may serve to two, beginning with the 55th Legislature in 2021. Specifies application of the new term limits for current legislators. AS PASSED HOUSE.

First sponsor: Rep. John
Others: Rep. Barton, Sen. Borrelli, Rep. Clodfelter, Sen. Fann, Rep. Mesnard, Rep. Nutt, Rep. Payne, Rep. Shope, Rep. Toma, Rep. Townsend, Sen. Yarbrough

HCR2006: FOUR-YEAR TERMS; LEGISLATURE 4/23 Senate COW approved with floor amend [#5139](#).

HCR2020: CAMPAIGN FINANCE; DISCLOSURE; SOURCE

The 2018 general election ballot is to carry the question of whether to amend the state Constitution to require any person that makes campaign expenditures of more than \$10,000 in a two-year election cycle to promptly disclose the identity of all "original sources" of "major contributions" (both defined) used to fund that expenditure, and to grant the Citizens Clean Elections Commission the authority to establish penalties to enforce this requirement. Severability clause. If approved by the voters, the amendment applies to all elections occurring after January 1, 2020.

First sponsor: Rep. Clark

Others: Rep. Alston, Rep. Andrade, Rep. Benally, Rep. Blanc, Rep. Bolding, Rep. Butler, Rep. Cardenas, Rep. Chavez, Rep. Descheenie, Rep. Engel, Rep. Epstein, Rep. Espinoza, Rep. Fernandez, Rep. Friese, Rep. Martinez, Rep. Navarrete, Rep. Peten, Rep. Powers Hannley, Rep. Rios

HCR2020: CAMPAIGN FINANCE; DISCLOSURE; SOURCE 1/30 referred to House gov.

HCR2028: WAGES; LEAVE; RETALIATION PRESUMPTION; REPEAL

The 2018 general election ballot is to carry the question of whether to amend state statute to delete the presumption that taking adverse action against a person within 90 days of the person engaging in specified activities was retaliation.

First sponsor: Rep. Mesnard

HCR2028: WAGES; LEAVE; RETALIATION PRESUMPTION; REPEAL 3/13 from Senate com-pub safety do pass.

HCR2037: MARIJUANA; REGULATION; TAXATION

The 2018 general election ballot is to carry the question of whether to amend state statute to allow the personal possession and use of marijuana in limited amounts by persons who are at least 21 years of age and establish regulations for marijuana establishments. Levies an excise tax on the sale or transfer of marijuana by a marijuana cultivation facility to a retail marijuana store or marijuana product manufacturing facility at a rate of \$50 per ounce, and provides for payment and administration of the tax. Of the net revenues generated by the tax, 40 percent must be used for a public safety grant program, 40 percent must be used for a public education grant program, and 20 percent must be used for a drug treatment and rehabilitation program.

First sponsor: Rep. Clodfelter

Others: Rep. Cardenas

HCR2037: MARIJUANA; REGULATION; TAXATION 2/7 referred to House jud-pub safety, ways-means.

S1001: HOME-BASED BUSINESSES; REGULATION RESTRICTIONS

County ordinances cannot restrict or otherwise regulate the owner of a home-based business that holds a valid license from using 50 percent or less of the square footage of the primary residential dwelling to conduct home-based business activity, or from using a 400 square foot or smaller "accessory structure" (defined) or garage for home-based business activity.

First sponsor: Sen. D. Farnsworth

S1001: HOME-BASED BUSINESSES; REGULATION RESTRICTIONS 1/30 from Senate com-pub safety do pass.

S1002: HOME-BASED BUSINESSES; REGULATIONS; MUNICIPALITIES

Municipal ordinances cannot restrict or otherwise regulate the owner of a home-based business that holds a valid license from making residential property improvements for use by the home-based business, displaying a temporary commercial sign of up to 24 inches by 24 inches during business hours, selling any goods, generating traffic, parking or delivery activity that does not cause on-street parking congestion or a substantial increase in traffic through the residential area, from having more than one client on the property at one time, or from employing residents of the primary residential dwelling,

"immediate family members" (defined), or one or two individuals who are not residents of the primary dwelling or immediate family members. Municipal ordinances cannot restrict or otherwise regulate the owner of a home-based business that holds a valid license from using 50 percent or less of the square footage of the primary residential dwelling to conduct home-based business activity, or from using a 400 square foot or smaller "accessory structure" (defined) or garage for home-based business activity.

First sponsor: Sen. D. Farnsworth

S1002: HOME-BASED BUSINESSES; REGULATIONS; MUNICIPALITIES 1/30 from Senate com-pub safety with amend #4042.

S1098: INDUSTRIAL HEMP; LICENSING

Adds a new article to Title 3 (Agriculture) regulating industrial hemp production, processing, manufacturing, distribution and commerce under the authority of the Department of Agriculture. The Dept is required to adopt rules to oversee the licensing, production and management of industrial hemp, including adopting fees by rule. Industrial hemp growers and processors are required to obtain a license from the Dept, and licensing requirements are established. Licensing fees are deposited in the newly created Industrial Hemp Trust Fund, to be used by the Dept for administering and enforcing these regulations. Establishes requirements for recordkeeping, inspection, transportation and distribution of industrial hemp, and penalties for violations. The Dept is required to establish by rule or order a 5-member Industrial Hemp Advisory Council to assist and make recommendations regarding the administration and implementation of these regulations. Appropriates \$250,000 and 3 FTE positions from the general fund in FY2019-20 to the Dept's Plant Services Division and appropriates \$500,000 from the general fund in FY2019-20 to the Dept for the purposes of this legislation. Effective one year from and after the general effective date of the 53rd Legislature, 2nd Regular Session. AS PASSED SENATE.

First sponsor: Sen. Borrelli

Others: Sen. S. Allen, Sen. Barto, Sen. Bowie, Sen. Brophy McGee, Sen. Burges, Rep. Butler, Sen. Cajero Bedford, Rep. Cardenas, Rep. Clark, Rep. Cobb, Sen. Contreras, Sen. Dalessandro, Rep. Descheenie, Rep. Engel, Rep. Espinoza, Sen. Fann, Sen. Farley, Rep. Finchem, Rep. Friese, Rep. Gabaldon, Rep. Grantham, Rep. Hernandez, Rep. John, Rep. Martinez, Sen. Mendez, Sen. Meza, Sen. Miranda, Rep. Norgaard, Sen. Otondo, Rep. Payne, Sen. Peshlakai, Rep. Powers Hannley, Sen. Quezada, Rep. Rios, Rep. Saldade, Rep. Salman, Rep. Shooter, Rep. Thorpe, Rep. Weninger, Sen. Worsley

S1098: INDUSTRIAL HEMP; LICENSING 5/3 passed House 56-3; ready for governor.

S1100: WORKERS' COMPENSATION; CLAIM SETTLEMENT

A full and final settlement for workers' compensation is required to include a list of signed attestations for any employee, instead of only an employee represented by counsel, and the information that must be included in the attestations is expanded to include a disclosure of the total amount of the future indemnity benefits. If an administrative law judge (ALJ) of the Industrial Commission determines that statutory requirements for a settlement are met and the employee is represented by counsel, the ALJ is required to approve the settlement. An ALJ is required to conduct a hearing and perform a detailed inquiry into the attestations provided by an employee who is not represented by counsel. The Industrial Commission is prohibited from approving a full and final settlement if these requirements are not met. Any "final settlement" (defined) agreement involving undisputed entitlement to supportive medical maintenance benefits is not valid and enforceable until the final settlement agreement is approved by the Industrial Commission. Establishes requirements for the interested parties to a claim to enter into a final settlement and release of a claim for undisputed entitlement to supportive medical maintenance benefits after the period of temporary disability is terminated by a final notice of claim status or award of the Commission. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Fann

S1100: WORKERS' COMPENSATION; CLAIM SETTLEMENT 4/12 signed by governor. Chap. 212, Laws 2018.

S1101: CAPTIVE INSURERS; LICENSING (PROPERTY TAX APPEALS; COURT FINDINGS)

Captive insurers are authorized to directly insure life or disability insurance risks with the approval of the Director of the Department of Insurance, instead of being prohibited from doing so. The Director is permitted to approve employer group term life insurance, employer group disability income insurance and reimbursement of employer health plan deductibles. Establishes requirements for an agency captive insurer directly insuring life or disability income insurance risk. An agency captive insurer that insures life or disability income insurance risks is required to pay the premium tax for such policies that is in excess of any statutory fees paid. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Petersen

S1101: CAPTIVE INSURERS; LICENSING 5/1 signed by governor. Chap. 273, Laws 2018.

S1110: PHOTO RADAR; REVIEW; PENALTY

Before a citation is issued, a law enforcement agency is required to review evidence that is recorded by a photo enforcement system to determine whether a violation of failure to obey a traffic control device or speed restrictions occurred. A photo enforcement company is prohibited from determining whether a violation occurred for the purpose of issuing a citation. Violations of these requirements are a class 1 (highest) misdemeanor. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Borrelli

S1110: PHOTO RADAR; REVIEW; PENALTY 4/3 signed by governor. Chap. 123, Laws 2018.

S1111: WORKERS' COMPENSATION; OPIOIDS; DISPENSED MEDICATIONS

When a narcotic or opium-based controlled substance listed in schedule II or a prescription of any opioid medication is used, the physician must include in the report to the Industrial Commission documentation that a physical examination of the employee was conducted, that a "substance use risk assessment" (defined) of the employee was conducted, and that the employee gave informed consent for any opioid treatment. The treatment plan for these medications must include face-to-face follow up visits to reevaluate the employee's continued use of opioids, criteria and procedures for tapering and discontinuing opioid prescription or administration, and criteria and procedures for offering or referring the employee for treatment for dependence on or addiction to opioids. Before prescribing an opioid analgesic or benzodiazepine controlled substance that is listed in schedule II, III or IV for an employee and at least quarterly while that prescription remains a part of the treatment, the physician is required to obtain a patient utilization report regarding the employee from the controlled substances prescription monitoring program's central database tracking system. By July 1, 2019, the Industrial Commission is required to review information and data, consult with stakeholders and hold at least one public hearing in considering whether to adopt additional reimbursement guidelines for medications dispensed in settings that are not accessible to the general public. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Fann

S1111: WORKERS' COMPENSATION; OPIOIDS; DISPENSED MEDICATIONS 3/29 signed by governor. Chap. 101, Laws 2018.

S1118: EXPENDITURE REPORTING; HOSTED EVENTS (~~EXPENDITURE REPORTING; FAIR MARKET VALUE~~)

A "hosted event" (defined as an event or function to which one or more state officers or employees are invited and attend and that is organized and paid for by a principal, including a party, dinner, luncheon or other function and excluding an athletic event or other entertainment) would have been added to the list of categories for single expenditure reporting on lobbyist expenditure reports. Expenditures incurred by a principal or lobbyist for hosted events to which individual state officers or state employees are invited would have been required to be reported in the amount of the actual cost incurred for the tangible benefits actually received by the officer or employee at the event. The principal or lobbyist who invited the state officers and employees to the

hosted event would have been required to report the expenditures. For the purpose of lobbyist expenditure reporting requirements, the definition of "gift" would have been modified to exclude expenditures that were either properly reported or exempt from reporting for a hosted event, and to exclude attendance at an informational presentation, including the cost of attendance, if that presentation was educational in nature and occurred as part of a meeting, program, conference or seminar to which legislators and/or legislative employees were invited. AS VETOED BY GOVERNOR. In his veto message, the Governor said he was troubled by the exemption from the definition of "gift" for attendance at educational events and expressed concern about this provision making it more difficult to prohibit the exercise of undue influence of lobbyists over elected officials.

First sponsor: Sen. Kavanagh

S1118: EXPENDITURE REPORTING; HOSTED EVENTS 4/6 VETOED [message](#).

S1120: TAX EXEMPTION; SPECIAL EVENTS; NONPROFITS

Exemptions from the retail classification, commercial lease classification, amusement classification, and restaurant classification of transaction privilege taxes (TPT) for nonprofit organizations associated with a major league baseball team or a national touring professional golfing association do not apply to any organization that is owned, managed or controlled, in whole or in part, by a major league baseball team, major league baseball association or professional golfing association, or their owners, officers, employees or agents, unless that organization conducted or operated exhibition events in Arizona before January 1, 2018 that were exempt from taxation under the amusement classification of TPT. The same exclusion from exemption applies to use taxes and municipal TPT or use taxes. Retroactive to January 1, 2018. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Kavanagh

S1120: TAX EXEMPTION; SPECIAL EVENTS; NONPROFITS 4/17 signed by governor. Chap. 249, Laws 2018.

S1140: VIDEO SERVICE; CERTIFICATES OF AUTHORITY (~~STATE LAND DEPARTMENT; CONTINUATION~~)

The licensing of "video service providers" (defined) and the regulation and use of "video service" (defined as the provision of multichannel video programming, including cable service but excluding internet streaming and direct broadcast satellite service) are of statewide concern and are not subject to further regulation by a local government except as specifically provided in statute. Beginning January 1, 2020, a local government has the exclusive authority to issue a uniform video service license to a person to provide video service and to construct and operate a video service network in any service area within its boundaries. By July 1, 2019, each local government is required to adopt a standard form of uniform video service license agreement for video service providers, which must include a list of specified provisions. Beginning January 1, 2020, an "incumbent cable operator" (defined) is authorized to elect to either continue to operate within a service area or terminate the local license by applying for and obtaining a uniform video service license. If an incumbent cable operator does not timely elect to terminate a local license, the person is required to continue to operate the cable system as a holdover cable operator and comply with the local license for as long as it remains in effect for the service area. Establishes requirements to obtain a certificate of authority, lists the authorities granted by a certificate, and provides for amendment of certificates to add service areas. Establishes the duties of video service providers, including reporting requirements and nondiscrimination requirements. Local governments are prohibited from levying a tax, fee or charge on a video service provider for the use of highways to provide video service, but are authorized to require a video service provider to pay a license fee subject to specified conditions. Provides for enforcement and penalties for violations. Contains legislative findings. AS PASSED CONFERENCE COMMITTEE.

First sponsor: Sen. Griffin

S1140: VIDEO SERVICE; CERTIFICATES OF AUTHORITY 4/30 passed House on final reading [36-20](#); ready for governor.

S1141: ARIZONA BEEF COUNCIL; CONTINUATION

The statutory life of the Arizona Beef Council is extended eight years to July 1, 2026. Retroactive to July 1, 2018.

First sponsor: Sen. Griffin

S1141: ARIZONA BEEF COUNCIL; CONTINUATION 3/22 House land-agri-rural held.

S1146: VEHICLE FEES; ALTERNATIVE FUEL VLT

Repeals the separate vehicle license tax classification for motor vehicles powered by alternative fuels. Establishes a highway safety fee in an amount to be determined by the Director of the Department of Transportation annually. The fee will be collected at the time of application for vehicle registration. The fee is required to fully fund 110 percent of the Department of Public Safety Highway Patrol budget for each fiscal year.

First sponsor: Sen. Worsley

Others: Sen. Bowie, Sen. Brophy McGee, Sen. Fann, Sen. Kerr, Sen. Otondo, Sen. Pratt

S1146: VEHICLE FEES; ALTERNATIVE FUEL VLT 4/23 see H2166.

S1147: COUNTY EXCISE TAX FOR TRANSPORTATION

The board of supervisors of a county with a population of 400,000 persons or less, on a majority vote, is permitted to submit to the voters a transportation plan funded by an excise tax that is in addition to a county transportation excise tax. The board is required to present the issue on the ballot as a single question for approval or disapproval of the tax. If approved by the voters, the county is required to levy and the Department of Revenue is required to collect the tax beginning January 1 or July 1, whichever occurs first after voter approval, on the same tax base that applies to other excise taxes in the county. The tax must be levied at a rate that, together with any other county transportation excise taxes, will not exceed a total of one percent. In its initial submission to the voters, the board of supervisors must set a termination date for the tax that is within 240 months after the date the tax begins to be levied. Establishes requirements for county board of supervisors to call and conduct a countywide election to approve the renewal and extension of the tax. Also establishes requirements for the transportation plan funded by the excise tax. At the written request of the regional transportation authority, the board of supervisors of a county with a population of more than 400,000 but less than 1.2 million people is permitted to call and conduct a countywide election to approve the extension of the countywide transportation excise tax at a rate that, together with any tax levied for an existing county transportation excise tax, does not exceed one percent. If approved by the voter, the net revenues collected from the tax must be deposited in the regional transportation fund for the purposes of the regional transportation plan. AS PASSED SENATE.

First sponsor: Sen. Worsley

Others: Sen. Bowie, Sen. Brophy McGee, Sen. Fann, Sen. Kerr, Sen. Otondo, Sen. Pratt

S1147: COUNTY EXCISE TAX FOR TRANSPORTATION 3/22 from House ways-means with amend [#4857](#).

S1155: TECH CORRECTION; CITIES & TOWNS

Minor change in Title 9 (Cities & Towns) related to appointive officers. Apparent striker bus.

First sponsor: Sen. S. Allen

S1155: TECH CORRECTION; CITIES & TOWNS 2/15 from Senate gov with amend [#4257](#).

S1217: SMALL EMPLOYERS; CONTINUATION COVERAGE

For health benefits plans issued or renewed after December 31, 2018, a health benefits plan is required to provide that an enrollee and any qualified dependent may continue coverage under the plan as provided in this legislation. "Small employers" (defined as an employer that employs an average of 1-20 eligible employees during the preceding calendar year) are required to notify the health benefits plan in writing of the enrollee's "qualifying event" (defined) and the health benefits plan is required to notify the enrollee of the right to continue coverage. Information that must be included in the notice is specified. To continue coverage, the enrollee or a qualified dependent must elect continuation coverage in writing within 60 days after the date of the notice and submit the first month premium within 45 days after the date of election. Some exceptions. Continuation coverage ends on the earliest of a list of dates. Effective January 1, 2019. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Brophy McGee

S1217: SMALL EMPLOYERS; CONTINUATION COVERAGE 4/10 signed by governor. Chap. 164, Laws 2018.

S1227: REPEAL; RIGHT TO WORK

Statute prohibiting agreements denying employment because of nonmembership in labor organizations is repealed. Conditionally enacted on the state Constitution being amended by the voters at the 2018 general election to repeal the right to work or employment without membership in labor organizations.

First sponsor: Sen. Mendez

Others: Rep. Andrade, Rep. Benally, Rep. Blanc, Rep. Cardenas, Rep. Clark, Sen. Contreras, Sen. Dalessandro, Rep. Fernandez, Rep. Gabaldon, Rep. Gonzales, Rep. Peten, Sen. Quezada, Rep. Salman

S1227: REPEAL; RIGHT TO WORK 1/18 referred to Senate com-pub safety.

S1242: SALARY HISTORY INFO; EMPLOYERS

Employers are prohibited from relying on the salary history information of an applicant for employment as a factor in determining whether to offer employment to an applicant or what salary to offer an applicant, and from seeking salary history information about an applicant for employment. On reasonable request, an employer is required to provide the pay scale for a position to an applicant for employment. Applies to all employers, including state and local government employers and the Legislature.

First sponsor: Sen. Quezada

S1242: SALARY HISTORY INFO; EMPLOYERS 1/18 referred to Senate com-pub safety.

S1261: TEXTING WHILE DRIVING; PROHIBITION

A motor vehicle operator is prohibited from using a portable wireless communication device to read, write or send an electronic message while operating a motor vehicle unless the vehicle is stopped. Establishes a list of circumstances that constitute an affirmative defense to a prosecution of this prohibition. Violations are subject to a civil penalty of \$100 for a first violation, \$300 for a second or subsequent violation, or \$500 if the person is involved in a motor vehicle accident. Violations are a petty offense subject to a fine of \$25-\$99 for a first offense, and \$100-\$200 for a second or subsequent offense, except that a violation that causes the death of or serious bodily injury to another person is a class 2 (mid-level) misdemeanor subject to a fine of up to \$4,000.

First sponsor: Sen. Farley

Others: Sen. Fann

S1261: TEXTING WHILE DRIVING; PROHIBITION 2/19 stricken from Senate consent calendar by Yarbrough.

S1269: JTEDS; NINTH GRADERS; FUNDING; PROGRAMS

Students in 9th grade who are enrolled in agriscience, automotive technologies, construction, engineering or manufacturing courses offered by a Joint Technical Education District (JTED) may be included in a JTED's student count and average daily membership, and may be funded in whole or in part with monies provided by a JTED. By September 15 in each of years 2019, 2020, 2021, and 2022, each JTED is required to submit to the Legislature a report containing information about 9th grade students enrolled in these programs.

First sponsor: Sen. S. Allen
Others: Rep. Cook, Sen. Kerr, Sen. Pratt, Sen. Smith, Sen. Yee

S1269: JTEDS; NINTH GRADERS; FUNDING; PROGRAMS 2/20 Senate appro no action.

S1327: TPT; RETAIL EXEMPTIONS; REPEAL

The following items are removed from the list of exemptions from the retail classification of transaction privilege and use taxes and are made subject to the taxes: sales of warranty or service contracts, sales of livestock and poultry feed, salts, vitamins and other additives for livestock or poultry consumption for specified uses, sales of works of fine art at an art auction or gallery in Arizona to nonresidents if the vendor ships or delivers the art to a destination outside Arizona. Gross proceeds of sales or gross income derived from sales of the following items are removed from the list of deductions from the tax base for the retail classification of transaction privilege and use taxes and is made subject to the taxes: pipes or valves four inches in diameter or larger used to transport oil, natural gas, artificial gas, water or coal slurry, aircraft, navigational and communication instruments and other accessories and related equipment sold to persons operating an aircraft to transport persons in any manner for compensation or hire or sold to persons that will lease or otherwise transfer operational control of the aircraft or item. 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.

First sponsor: Sen. Farley
Others: Sen. Contreras, Sen. Hobbs, Sen. Mendez, Sen. Peshlakai, Sen. Quezada

S1327: TPT; RETAIL EXEMPTIONS; REPEAL 1/24 referred to Senate fin.

S1353: LIMITED LIABILITY COMPANY ACT; REVISIONS

Effective September 1, 2020, the chapter of statute known as the Arizona Limited Liability Company (LLC) Act is repealed and replaced. Applies to an LLC that is formed, converted or domesticated on or after September 1, 2019 or an LLC that elects to be subject to these regulations, and applies to all LLCs beginning September 1, 2020. Establishes regulations for LLC operating agreements, including their effect on members and third parties. Requires the name of an LLC to contain the phrase "limited liability company" or "limited company" or the abbreviation LLC or LC, and provides for reservation and registration of names. Requires LLCs to designate and maintain a statutory agent and establishes requirements for statutory agents, including processes to change a statutory agent and resignation of a statutory agent. An LLC may be served with any process, notice or demand required or permitted by law by serving its statutory agent. Establishes regulations for LLC formation, articles of organization and any amendments, signing and filing of records, and liability for inaccurate information in filed records. Establishes filing fees for various documents. The Corporation Commission is required to issue a certificate of good standing for an LLC after the requisite fee is paid and the appropriate forms have been filed. Establishes regulations for relations of LLC members and managers to persons dealing with the LLC, to each other, and to the LLC. Establishes regulations for distributions, management of the LLC, record keeping, and standards of conduct. Authorizes transfers of transferable interest and provides for the rights of transferees and creditors. Establishes processes for dissociation, dissolution and winding up, including disposition of assets and reinstatement. Also establishes regulations for foreign LLCs. Does not affect an action commenced, proceeding brought or right accrued before September 1, 2019, or the rights and obligations of a company's members and managers relating to matters arising and events occurring before September 1, 2020. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Worsley
Others: Sen. Brophy McGee, Sen. Pratt

S1353: LIMITED LIABILITY COMPANY ACT; REVISIONS 4/10 signed by governor. Chap. 168, Laws 2018.

S1390: TPT; ADDITIONAL RATE; EDUCATION

Beginning July 1, 2021 through June 30, 2041, an additional transaction privilege tax (TPT) rate increment is levied at the rate of 0.6 percent of the tax base of the list of business classifications. The Department of Revenue is required to separately account for the revenue collected for this rate, and the State Treasurer is required to distribute the revenues for various public education purposes according to a specified formula, including \$64.1 million annually to the Classroom Site Fund and \$86.3 million annually to the Department of Education for increased basic state aid due to added school days and associated teacher salary increases. The additional TPT rate is not considered local revenues for the purpose of school expenditure limitations. 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. [Capitol Reports Note: This legislation effectively continues the additional TPT rate for education approved by the voters as Proposition 301 in November 2000, which will expire June 30, 2021, for an additional 20 years, with some modifications to the distribution formula.] AS SIGNED BY GOVERNOR. In his signing message, the Governor expressed his belief that this legislation is a step in the right direction and his commitment to increasing funding for public schools every year.

First sponsor: Sen. Brophy McGee

Others: Rep. Alston, Rep. Andrade, Rep. Benally, Rep. Blanc, Rep. Bolding, Sen. Borrelli, Rep. Bowers, Sen. Bowie, Sen. Bradley, Sen. Burges, Rep. Butler, Sen. Cajero Bedford, Rep. Campbell, Rep. Cardenas, Rep. Carter, Rep. Chavez, Rep. Clark, Rep. Clodfelter, Rep. Cobb, Rep. Coleman, Sen. Contreras, Rep. Cook, Sen. Dalessandro, Rep. Descheenie, Rep. Engel, Rep. Epstein, Rep. Espinoza, Sen. Fann, Rep. Fernandez, Rep. Friese, Rep. Gabaldon, Rep. Gonzales, Rep. Hernandez, Rep. John, Rep. Lawrence, Rep. Martinez, Sen. Mendez, Sen. Meza, Sen. Miranda, Rep. Navarrete, Rep. Nutt, Sen. Otondo, Sen. Peshlakai, Rep. Peten, Rep. Powers Hannley, Sen. Pratt, Sen. Quezada, Rep. Rios, Rep. Saldate, Rep. Salman, Rep. Shooter, Rep. Stringer, Rep. Syms, Rep. Thorpe, Rep. Udall, Sen. Worsley

S1390: TPT; ADDITIONAL RATE; EDUCATION 3/26 signed by governor. Chap. 74, Laws 2018 [message](#)

S1392: TPT; DIGITAL GOODS & SERVICES

The business of selling licensing for use of "prewritten computer software" (defined), regardless of delivery method, and selling "specified digital goods" that are "transferred electronically" (both defined) are added to the retail classification of transaction privilege taxes. The sale of prewritten computer software and specified digital goods must be sourced to the seller's business location if the seller receives the order at a business location in Arizona, and to the purchaser's location in Arizona if the seller receives the order at a business location outside Arizona. For the purpose of transaction privilege and use taxes and local excise taxes, gross income, gross receipts or gross proceeds from selling, leasing or licensing "specified digital services" and "specified digital goods" that are remotely accessed by a customer and not transferred electronically to the customer, are excluded from tax. Contains a legislative intent section, which states that this legislation is not intended to affect, and may not be cited or applied in, any administrative or judicial action pending on the effective date of this legislation that considers the construction, interpretation or application of any statutory or administrative provision regarding the taxation of digital goods and services.

First sponsor: Sen. D. Farnsworth

S1392: TPT; DIGITAL GOODS & SERVICES 3/1 retained on Senate COW calendar.

S1404: OCCUPATIONAL REGULATION; MUNICIPALITIES; COUNTIES

Counties and municipalities are prohibited from imposing any "occupational fee" or "licensing requirement" (both defined) on any occupation, trade or profession if that county or municipality does not already impose it on the effective date of this legislation. If the state imposes a new occupational fee or licensing requirement on any occupation, trade or profession that has not been previously regulated by the state but that has been regulated by the county or municipality, the county or municipality is prohibited from continuing to impose any occupational fee or licensing requirement on that occupation,

trade or profession on or after the effective date of the statute or rule. Beginning on the effective date of this legislation, a county or municipality is prohibited from increasing the amount of any occupational fee on any occupation, trade or profession that is currently subject to the occupational fee.

First sponsor: Sen. Smith

S1404: OCCUPATIONAL REGULATION; MUNICIPALITIES; COUNTIES 3/5 FAILED to pass Senate [12-17](#).

S1420: MEDICAL MARIJUANA; INSPECTION; TESTING; APPROPRIATION

Marijuana that is cultivated for medical use by a nonprofit medical marijuana dispensary or a designated caregiver is an agricultural commodity as defined in rule by the Department of Agriculture and, beginning June 1, 2019, is subject to regulation under title 3 (Agriculture) and related rules. The Dept is authorized to adopt any rules necessary relating to the cultivation of marijuana for medical use and required testing by independent third-party laboratories of marijuana that is cultivated by a nonprofit medical marijuana dispensary or a designated caregiver for medical use. The Dept is authorized to enter at reasonable times into or on a private property where marijuana is cultivated for medical use to determine compliance or noncompliance with rules or orders. The Dept is required to establish inspection protocols for nonprofit medical marijuana dispensaries that include the inspection of dispensary premises beginning June 1, 2019, and to establish remediation requirements for nonprofit medical marijuana dispensary premises where an inspection violation is found. A person that provides laboratory analysis of marijuana cultivated for medical use is required to apply for a certificate from the State Agricultural Laboratory, and the Dept is required to adopt rules for laboratory certification. Appropriates \$2 million from the Medical Marijuana Fund in FY2018-19 to the Dept for regulating marijuana. 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. Emergency clause. AS PASSED SENATE.

First sponsor: Sen. Borrelli

Others: Rep. J. Allen, Sen. S. Allen, Rep. Alston, Rep. Andrade, Sen. Barto, Rep. Barton, Rep. Blanc, Rep. Bolding, Rep. Bowers, Sen. Bowie, Rep. Boyer, Sen. Bradley, Sen. Burges, Sen. Cajero Bedford, Rep. Campbell, Rep. Cardenas, Rep. Chavez, Rep. Clark, Rep. Clodfelter, Rep. Cobb, Sen. Contreras, Rep. Cook, Sen. Dalessandro, Rep. Descheenie, Rep. Engel, Rep. Espinoza, Sen. Fann, Sen. Farley, Sen. D. Farnsworth, Rep. E. Farnsworth, Rep. Fernandez, Rep. Finchem, Rep. Friese, Rep. Gabaldon, Rep. Gonzales, Rep. Grantham, Sen. Gray, Sen. Griffin, Rep. Hernandez, Sen. Hobbs, Rep. John, Sen. Kavanagh, Rep. Kern, Sen. Kerr, Rep. Lawrence, Rep. Leach, Rep. Livingston, Rep. Martinez, Sen. Mendez, Rep. Mesnard, Sen. Meza, Sen. Miranda, Rep. Mitchell, Rep. Navarrete, Rep. Norgaard, Rep. Nutt, Sen. Otondo, Rep. Payne, Sen. Peshlakai, Rep. Peten, Sen. Petersen, Rep. Powers Hannley, Sen. Pratt, Sen. Quezada, Rep. Rios, Rep. Rivero, Rep. Saldade, Rep. Salman, Rep. Shooter, Rep. Shope, Sen. Smith, Rep. Stringer, Rep. Thorpe, Rep. Toma, Rep. Townsend, Rep. Udall, Sen. Worsley, Sen. Yarbrough

S1420: MEDICAL MARIJUANA; INSPECTION; TESTING; APPROPRIATION 5/3 House COW approved with floor amend [#5184](#) and [#5183](#), a substitute for amend 4877. Passed House [33-27](#) ([section 8 of the bill passed](#); voter protected portions failed due to required 3/4 vote); ready for Senate action on House amendments. House voted to reconsider failure to pass bill and passed House on reconsideration [36-24](#) ([section 8 of bill passed](#); voter protected portions failed due to required 3/4 vote); ready for Senate action on House amendments. Senate concurred in House amendments.

S1424: AUTO GLASS; REPAIR; REPLACEMENT; PRACTICES

The list of unfair claim settlement practices is expanded to include failing to provide payment to the insured's chosen vendor for covered loss due damaged auto glass based on a competitive price that is "fair and reasonable" (defined) within the local industry at large, or failing to conduct a required inspection of a motor vehicle loss due to damaged auto glass without unreasonable delay. The list of unlawful practices for a person who sells or repairs auto glass is expanded to include offering a rebate, gift, gift card, cash or coupon with an aggregate value of more than \$100 to any person in order to induce the policyholder to file an auto glass repair or replacement claim under an insurance policy. Insurers and third-party administrators are prohibited from engaging in any act or practice of intimidation, coercion, threat, incentive or inducement for or against an insured to use a particular company or location to provide auto glass repair or

replacement services or products.

First sponsor: Sen. D. Farnsworth

S1424: AUTO GLASS; REPAIR; REPLACEMENT; PRACTICES 2/12 Senate com-pub safety held.

S1500: EMPLOYMENT SECURITY; EMPLOYEE; EMPLOYER; STATUS

For the purpose of unemployment insurance and unemployment compensation, the definition of "employee" is modified to exclude a medical or health care professional who contracts with a medical practice group or hospital, is not paid wages from the medical practice group or hospital, and is not provided employee benefits by the medical practice group or hospital, and to exclude a home care services provider that contracts with a person other than as an employee to furnish nonmedical therapeutic and restorative health-related or life assistance services, except behavioral health services. Establishes a list of facts that the Department of Economic Security is prohibited from considering for the purpose of determining employee status. AS SIGNED BY GOVERNOR.

First sponsor: Sen. Smith

S1500: EMPLOYMENT SECURITY; EMPLOYEE; EMPLOYER; STATUS 4/10 signed by governor. Chap. 171, Laws 2018.

S1507: WATER PROGRAM AMENDMENTS

Various changes to statutes relating to water. The Department of Water Resources (DWR) is required to prepare a desalination action plan that includes specified provisions and submit the initial plan to the Governor and the Legislature by September 30, 2019. Requires legislative approval, in addition to DWR approval, for a person to transport water out of Arizona. Requires DWR to adopt rules to calculate extinguishment credits in the Pinal Active Management Area (AMA) by January 1, 2019. Declares that the use of groundwater to water plants in containers on or above the surface of the ground is a non-irrigation use and establishes requirements for the use of groundwater for this purpose. The Director of DWR is required to adopt a management plan for each initial AMA no later than January 1, 2023 for the sixth management period, 2025 to 2035. DWR is required to include in the management plans a non-per capita conservation program for municipal providers that requires a municipal provider regulated under the program to implement one or more water conservation measures in its service area. Responsibility for oversight of natural resource conservation districts is transferred to the Department of Forestry and Fire Management, from the State Land Department, and session law provides for the transfer and succession of all matters, property and records. Much more. Several sections of statute amended by this legislation are effective from and after an unspecified date (blank in original).

First sponsor: Sen. Griffin

S1507: WATER PROGRAM AMENDMENTS 3/5 FAILED to pass Senate 15-15.

SCR1008: RIGHT TO WORK; REPEAL

The 2018 general election ballot is to carry the question of whether to amend the state Constitution to repeal the right to work or employment without membership in labor organizations.

First sponsor: Sen. Mendez

Others: Rep. Andrade, Rep. Benally, Rep. Blanc, Sen. Cajero Bedford, Rep. Cardenas, Rep. Clark, Sen. Contreras, Sen. Dalessandro, Rep. Fernandez, Rep. Gabaldon, Rep. Gonzales, Rep. Peten, Sen. Quezada, Rep. Salman

SCR1008: RIGHT TO WORK; REPEAL 1/18 referred to Senate com-pub safety.

SCR1016: MINIMUM WAGE; SICK TIME REPEAL

The 2018 general election ballot is to carry the question of whether to amend state statute to change the minimum wage to \$10.50 per hour, prohibit counties and municipalities from establishing or otherwise requiring a higher minimum wage, and repeal statutes requiring paid sick time.

First sponsor: Sen. S. Allen

Others: Sen. Barto, Sen. Borrelli, Sen. Burges, Rep. Cook, Sen. Fann, Sen. D. Farnsworth, Sen. Griffin, Sen. Kavanagh, Sen. Kerr, Rep. Leach, Sen. Petersen, Sen. Pratt, Sen. Worsley, Sen. Yee

SCR1016: MINIMUM WAGE; SICK TIME REPEAL 2/13 from Senate com-pub safety do pass.