

# ARIZONA STATE CAPITOL



## MARICOPA COUNTY COMMUNITY COLLEGES DISTRICT END OF SESSION LEGISLATIVE REPORT

---

**50<sup>TH</sup> ARIZONA LEGISLATURE ★ FIRST REGULAR SESSION 2011**

MCCCD is an EEO/AA Institution

# MARICOPA COMMUNITY COLLEGES DISTRICT

---

## FINAL 2011 LEGISLATIVE SUMMARY

### TABLE OF CONTENTS

Introduction.....	1
-------------------	---

Bills Tracked and Enacted into Law 2011.....	1
--	---

Fiftieth Legislature – First Regular Session Legislative Summary

#### **BUSINESS SERVICES**

HB 2016 JLBC; JCCR; Reports.....	2
----------------------------------	---

HB 2103 Homemade Food Products; Regulation; Exception.....	4
--	---

HB 2151 State Employees; Wage Payments.....	4
---	---

HB 2236 Sharing Revenue Information; Political Subdivisions.....	5
--	---

HB 2332 Internal Revenue Code Conformity Policy (now: Conformity Policy; Internal Revenue Code).....	6
---	---

HB 2462 JLBC; Annual Report; Debt.....	6
--	---

HB 2572 Government Expenditure Database; Transparency; CAFR.....	7
--	---

SB 1045 Des; Notices; Electronic Communications.....	8
--	---

SB 1102 State Compensation Fund; Conforming Changes.....	9
--	---

SB 1147 Motor Vehicle Safety Monitoring Equipment.....	9
--	---

SB 1166 Municipal Tax Exemption; Commercial Lease.....	10
--	----

SB 1194 Structural Pest Management; Regulation.....	10
---	----

SB 1403 Certificates; Line Siting Committee (now: Mandatory Project Labor Agreements; Prohibition).....	11
--	----

SB 1512 Technical Correction; Light Pollution (now: Bond Election; Informational Pamphlet).....	12
---	----

#### **CHARTER SCHOOLS /K-12**

HB 2197 Charter Schools; Age Restricted Communities.....	12
--	----

HB 2219 School Districts; Consolidation; Textbooks (now: Study Committee; Unification; Consolidation)	13
HB 2234 Persistently Lowest Achieving Schools	14
HB 2301 Schools; Instructional Salaries; Soft Capital (now: Soft Capital; Uses)	15
HB 2415 Schools; Bullying Policies	16
HB 2710 Study Committee; Outcome-based Funding	16
SB 1055 Character Education Grants; Administrative Costs	17
SB 1152 Homeschools; Designation	18
SB 1256 Education; Omnibus	18
SB1451 High Schools; Board Examination Systems	19
SB 1453 Schools; Parents' Rights (now: Parents' Rights; Schools)	20
SB 1553 Education; Arizona Empowerment Accounts	21

## **COMMUNITY COLLEGES**

HB 2155 Dental Board; Omnibus	22
HB 2369 DUI; Work Release	23
HB 2384 Abortion; Public Funding Prohibition; Taxes	24
HB 2410 Honorably Discharged Veterans; In-state Tuition	25
HB 2565 Postsecondary Education; Students' Rights	26
HB 2646 JTEDS; Adult Students	27
SB 1196 Optional Retirement Plans; Community Colleges	28
SB 1213 Community College Districts; Alternative Formation	29
SB 1217 Shared Revenues; Provisional Community Colleges	30
SB 1295 Provisional Community Colleges; Levy Limit	31
SB 1521 Schools; Head Injury Policies; Athletics	32

## **ELECTIONS**

HB 2303 Voting Centers; Polling Places	33
HB 2304 State Elections; Omnibus	33
HB 2335 Presidential Ballot; President; Vice-President	35

SB 1160 City Sales Tax; Residential Rental.....	35
SB 1167 ASRS; Comprehensive Amendments (now: Legislation; Referenda Challenges).....	36
SB 1473 Early Voting Sites; Electioneering.....	37

**HUMAN RESOURCES**

HB 2444 Law Enforcement Officer Discipline.....	38
HB 2477 Law Enforcement Officers; Witness; Representation.....	39
HB 2541 Medical Marijuana; Employer Monitoring.....	39
SB 1057 Disciplinary Action; Law Enforcement Officers.....	40
SB 1235 Law Enforcement Officers; Disciplinary Procedure.....	41

**IMMIGRATION**

SB 1117 Immigration Legislation Challenges.....	42
---	----

**PROPERTY TAX**

HB 2397 Taxes; Sale of Trust Lands (now: Taxes; Sale of Trust Lands).....	42
SB 1178 Intrastate Commerce Act (now: County Judgment Bonds).....	43

**RETIREMENT**

HB 2024 ASRS; Amendments.....	44
SB 1609 Retirement Systems; Plans; Plan Design.....	46
SB 1614 2011-2012; State Budget Procedures (now: State Budget Procedures; 2011-2012).....	56

**WEAPONS**

HB 2146 Concealed Weapons Permit; Training.....	57
---	----

**MISCELLANEOUS**

HB 2163 Investing Public Monies; Notes.....	58
HB 2233 Mobile Dental Facilities.....	59
HB 2421 School Districts; Budgets; Financial Reports.....	61

SB 1116 Displaced Pupils Choice Grants; Continuation (now: Universities; Taxpayer Funded Programs Restrictions).....	63
SB 1123 State Library and Archives Amendments.....	63
SB 1153 City Auditors; Confidential Information.....	64
SB 1429 Health Care Actions; Liability; Students.....	65
SB 1465 Valid Identification; Consular Cards; Prohibition.....	66
SB 1583 Nursing Board; Membership.....	66
SCR 1025 Public Funds; Political Candidates; Ban.....	67

**SECOND SPECIAL SESSION**

HB 2001 Arizona Commerce Authority; Business Incentives.....	69
--	----

**APPENDIX-A**

**BILLS VETOED OR FAILED TO PASS IN THE LAST HOURS OF SESSION**

**HOUSE BILLS**

HB 2177 Schools; 180 Days; Conforming Changes (now: Presidential Candidates; Qualifications; Affidavit).....	77
HB 2338 Special Districts; Secondary Levy Limits.....	77
HB 2502 Public Programs; Advertisements; Funding Source.....	77

**SENATE BILLS**

SB 1201 Firearms Omnibus.....	78
SB 1329 Public Employees; Lobbying; Political Activities.....	78
SB 1467 Educational Institution; Concealed Weapons.....	78
SB 1592 Health Care Compact; Funding.....	79
SB 1593 Health Insurance; Interstate Purchase.....	79

## **APPENDIX-B**

### **BILLS TRACKED, BUT NOT ENACTED 2011**

#### **HOUSE BILLS**

HB 2001	Community Colleges; Universities; Concealed Weapons.....	81
HB 2014	Disruption; Educational Institution; Concealed Weapon.....	81
HB 2017	Storage of Firearms; Application.....	81
HB 2018	College Districts; Requirements; Tech Correction.....	81
HB 2020	Tech Correction; Student Status Guidelines.....	81
HB 2021	Community Colleges; Bonds; Tech Correction.....	81
HB 2023	ASRS; Long-term Disability Amendments.....	81
HB 2026	ASRS; Administration.....	81
HB 2027	ASRS; Return To Work; Contributions.....	81
HB 2031	Tech Correction; ASRS; Contribution Payments.....	81
HB 2032	Tech Correction; Defined Contribution Plan.....	81
HB 2056	Tech Correction; Budget Estimates.....	81
HB 2069	Corporate Income Tax; Sales Factor.....	81
HB 2070	Homeland Security; Committee; Force (now: AZ State Guard; Establishment).....	81
HB 2080	High-Volume Internet Sellers.....	81
HB 2089	Unrestrained Minors; Motor Vehicles; Prohibition.....	81
HB 2091	Nurses; Continuing Education.....	81
HB 2094	State Health Coverage; Survivor Benefits.....	81
HB 2095	State Employee Health Insurance; Dependents.....	81
HB 2105	PS CORP; Salary Determination; Overtime.....	82
HB 2106	PRS; Board of Trustees.....	82
HB 2107	State Custodial and Janitorial Services.....	82
HB 2108	Development Fees; Codes; Moratorium; Repeal.....	82
HB 2114	Tech Correction; Chiropractic (now: Fish Eradication; Moratorium; Study Committee).....	82
HB 2122	Energy Policy Study Committee.....	82

HB 2126 Rest Area Maintenance; ADOT Agreements.....	82
HB 2128 Insurance; Mental Health Coverage; Parity.....	82
HB 2129 Large Employers; AHCCCS; Reimbursement.....	82
HB 2130 Bicycles; Yield at Stop Signs.....	82
HB 2131 Regional Transportation Authority; Voting.....	82
HB 2139 Property Tax Valuation; Land Fraud.....	82
HB 2140 Firearms Regulation; Landlords; HOA's (now: Landlords; HOA's; Firearms Regulation).....	82
HB 2141 County Alignment; Local Initiative.....	82
HB 2144 Community College Correction; Levy Amount.....	82
HB 2145 Justification; Defensive Display; Holster.....	82
HB 2156 Dental Hygienists; Supervision Requirements.....	82
HB 2162 Credit Card Agreements.....	82
HB 2165 Private Postsecondary Education; Tech Correction.....	82
HB 2176 State Compensation Fund; Conforming Changes.....	82
HB 2179 Schools; Student Data Collection.....	93
HB 2180 Schools; SAIS Data; Penalty.....	83
HB 2182 School Employees; Contract Offers; Date.....	83
HB 2183 Prop. 301 Monies; Supplanting; Restoration.....	83
HB 2185 Constitutional Authority For Legislation; Statement.....	83
HB 2186 County Surplus Revenue; Report.....	83
HB 2187 Aestheticians; Applications; Qualifications.....	83
HB 2188 Barber License; Application; Qualifications.....	83
HB 2189 Aestheticians; Applications; Qualifications; Age.....	83
HB 2190 Nail Technician; Applications; Qualifications.....	83
HB 2195 Renewable Energy; Legislative Authority.....	83
HB 2198 EORP; Plan Design.....	83
HB 2199 PSPRS; Plan Design.....	83
HB 2200 CORP; Plan Design.....	83
HB 2215 Public Saving Suggestions; Awards.....	83
HB 2217 School Superintendents; Contracts.....	83

HB 2218	Post Baccalaureate Students; State Monies .....	83
HB 2221	Establishment; Bank of Arizona .....	83
HB 2222	Unlimited School Tuition Tax Credits .....	83
HB 2223	Income Tax Rate Reduction; Corporations .....	83
HB 2225	Housing Incentive Program .....	84
HB 2226	Schools; Performance Pay; Distribution .....	84
HB 2228	Marijuana; Classification; Petty Offense .....	84
HB 2229	Vehicle Emissions Testing; Diagnostic Code .....	84
HB 2235	ASDB; Instructional Improvement Fund .....	84
HB 2240	Registration Forms; Notary; Ballot Record .....	84
HB 2249	School Board Agendas; Posting; Time .....	84
HB 2250	Surveys; Ethnicity; Multiracial Category .....	84
HB 2251	8th Grade Promotion Certificates .....	84
HB 2252	Voter Registration; Youth Registrants .....	84
HB 2253	Election Day Voter Registration .....	84
HB 2254	Affordable Housing Projects; Tax Assessment .....	84
HB 2255	Voter Registration; Permanent Early Voting .....	84
HB 2256	Lobbyists; Gift Ban .....	84
HB 2257	Energy Conservation; Public Buildings .....	84
HB 2258	Arizona Twenty-first Century Initiative; Priority .....	84
HB 2259	Budget Units; Directors; Compensation; Reduction .....	84
HB 2263	Discrimination; Enforcement; Damages .....	84
HB 2267	Microenterprise Development Program; Establishment .....	84
HB 2270	Phoenix Airport; Study Committee .....	84
HB 2277	Community Colleges; Baccalaureate Degrees .....	84
HB 2282	Lobbyists; Prohibited Acts .....	85
HB 2286	Clean Elections; Trigger Reports; Repeal .....	85
HB 2295	Net-metering; Renewable Energy Sources .....	85
HB 2300	Private Prison Contractors; Public Records .....	85
HB 2309	Interior Designer Registration .....	85
HB 2313	Eminent Domain on Federal Property .....	85

HB 2333	Legislator Lobbying Moratorium; Repeal	85
HB 2334	Private Attorney Retention; Contingency Fees	85
HB 2337	School Finance; Kindergarten Funding	85
HB 2339	Commercial, Agriculture Property Assessment Reduction	85
HB 2340	State Equalization Tax; Phase-out	85
HB 2342	State Equalization Assistance; Appropriated Monies	85
HB 2343	Student Count; Growth; Current Year	85
HB 2344	Schools; JTEDs; Group B Weight	85
HB 2363	Financial Institution Records; Disclosure; Notice	85
HB 2364	Disciplinary Actions; Probation Officers	85
HB 2365	Initiative and Referendum; Petition Form	85
HB 2366	Communication with Public Officer; Identity	85
HB 2367	Public Employees; Prohibited Negotiations	85
HB 2368	Home Detention Programs; Counties; Cities	85
HB 2373	Judicial Facility Districts	85
HB 2385	Schools; Athletics; Head Injury Policies	86
HB 2386	School District Fund Balances; Reporting	86
HB 2387	School Districts; Ending Cash Balances	86
HB 2388	Certified Mold Assessors and Remediators	86
HB 2389	Access to Agency Data; Legislators	86
HB 2390	Schools; Current Year Funding	86
HB 2391	School Districts; Cash Balances	86
HB 2392	Firearms; Federal Law; School Perimeters	86
HB 2399	Sick and Safe Time	86
HB 2400	Labor; Rest Periods; Meal Breaks	86
HB 2413	CORP; Accidental Disability Calculation	86
HB 2417	School Boards; Vocational Education Meeting	86
HB 2418	Schools; Textbook Study; Academic Standards	86
HB 2419	Schools; Reading Coaches	86
HB 2420	Teachers; Literacy Instruction Endorsement	86
HB 2440	Agency Settlement Agreements; Public Record	86

HB 2456 Property Tax Appeals; New Owners .....	86
HB 2460 Postsecondary Education; Veterans; Database .....	86
HB 2461 JLBC; Annual Report; Rollovers .....	86
HB 2463 JLBC; Annual Report; Sale-Leaseback .....	86
HB 2469 Board of Cosmetology; Fees .....	86
HB 2471 Federal Mandates; Proof of Constitutionality .....	87
HB 2479 Educational Institution; Concealed Weapons .....	87
HB 2481 Primary Election Date .....	87
HB 2483 Legislature; Vacancies; Precinct Committeemen; Supervisors .....	87
HB 2485 Government Land; Replacing Private Land (now: Liquefied Petroleum Gas; Emergency Aid) .....	87
HB 2501 Rules; Laws; Ordinances; Interpretation .....	87
HB 2503 Reduce Corporate Income Tax Rate .....	87
HB 2504 Capital Gains Tax Phase-Out .....	87
HB 2505 School Pupils; Lawful Status; State Aid .....	87
HB 2512 Satellite Voting And Registration Locations .....	87
HB 2518 Education Authority Districts .....	87
HB 2521 Significant Psychological Episode; Incident; Reporting .....	87
HB 2525 Community Colleges; Expenditure Limitation; Penalties .....	87
HB 2533 Biennial Budgeting; State Agencies .....	87
HB 2537 Immigration Legislation Challenges .....	87
HB 2540 Teachers; Continuing Education; Discounted Tuition .....	87
HB 2559 Reporting Violent Behavior; Government Entities .....	87
HB 2570 AZ State University; Budget Units .....	87
HB 2574 ASRS; Return to Work Prohibited .....	87
HB 2576 State Agencies; Budget Submission .....	87
HB 2580 Schools; Anti-Bullying; Electronic Media .....	88
HB 2596 Personal Property Tax Exemption .....	88
HB 2599 School Day; Additional Hour .....	88
HB 2601 Schools; Bullying; Sexual Orientation; Enforcement .....	88
HB 2614 Firearms Omnibus .....	88

HB 2615	Public Benefits; Eligibility; Time Limit	88
HB 2624	Public Benefits; Reporting Fraud	88
HB 2628	Public Employees; Disclosure Protection	88
HB 2640	Education; Basic Skills Lists	88
HB 2649	Early Ballots; Voter Rolls; Enforcement	88
HB 2657	Partisan Elections; Schools; Cities; Towns	88
HB 2662	Elections; Organization Dues; Public Monies	88
HB 2663	Interstate Agreement; National Popular Vote	88
HB 2667	State Mental Health Plan	88
HB 2670	School Districts; Electronic Record Keeping	88
HB 2671	School Teachers; Multiyear Contracts	88
HB 2672	State Employees; Activity Based Compensation	88
HB 2674	State False Claims Actions	88
HB 2682	English Language Learners; Classrooms; Balance	88
HB 2683	Potentially Dangerous Persons; DHS; Reporting	88
HB 2686	Health Insurance; Vaccines	88
HB 2688	Health Care Compact; Funding	89
HB 2691	Firearm Sales; Reporting; Inspections	89
HB 2693	Legislation Imposing Unfunded Mandates; Effect	89
HB 2696	Appropriation; Head Start Building	89
HB 2697	Teacher Performance Pay Plan	89
HB 2699	Expanded Public School Tax Credit	89
HB 2708	Homeowner's Rebate; Primary Residence	89
HB 2709	Study Committee; CTE Reform	89
HB 2711	Prohibited Weapon; High Capacity Magazine	89
HB 2712	Municipal Tax Increment Financing; Infrastructure	89
HB 2713	EORP; Defined Contribution Retirement System	89
HB 2715	Privilege Tax; Private Recreational Establishments	89
HB 2722	Pay Statements; Required Information	89
HB 2726	Public Retirement Systems; Plan Design	89
HCR 2004	Bond Elections; Tech Correction	89

HCR 2005	Ballot Measures; Unpaid Circulators	89
HCR 2006	Personal Property Tax Exemption Amount	89
HCR 2007	Development Fees; Authority	89
HCR 2010	Legislature; Term Limits; Four Years	89
HCR 2011	AHCCCS; Prop. 204; Repeal	89
HCR 2012	Legislation; Statement of Constitutional Authority	89
HCR 2015	Constitutional Convention; Federal Debt	90
HCR 2032	Paycheck Deductions; Political Purposes; Requirement	90
HCR 2036	Legislative Referenda; Primary Election	90
HCR 2037	Tax Increases; Ballots; Vote Requirement	90
HCR 2040	State Imposed Unfunded Mandates; Referendum	90
HCR 2043	Income Tax Surcharges; Education	90
HCR 2045	Property Tax Exemption; Unencumbered Homes	90
HCR 2046	State Public Retirement Systems; Benefits	90
HCR 2047	Property Tax Exemption; Disabled Veterans	90

**SENATE BILLS**

SB 1018	Prisoners; Transition Services (now: Transition Services; Prisoners)	90
SB 1029	Restricted Driver License; DUI	90
SB 1034	Private Easements; Maintenance	90
SB 1036	Jury Duty; Students; Temporary Excuse	90
SB 1056	Central Registry; Background Checks	90
SB 1060	Misconduct Involving Weapons; Fraudulent Transactions	90
SB 1061	Homicide; Interrogations; Electronic Recording	90
SB 1062	Professional Teaching Standards Board	90
SB 1063	Compulsory School Attendance; Increase	90
SB 1064	Schools; American Competitiveness Project Fund	90
SB 1065	Non-Certificated School Employees; Policies	90
SB 1066	Cancer Screening Examinations; Reporting Requirements	90
SB 1067	STOs; Designating Scholarship Recipients; Prohibition	91
SB 1068	STOs; Awarding Scholarships; Financial Need	91
SB 1069	Schools; Technology; Personnel Training	91

SB 1071 Racial Profiling; Prohibition; Training.....	91
SB 1072 School Boards; Election Cancellation; Certificate.....	91
SB 1073 School Board Members; Oath.....	91
SB 1074 Community College Boards; Membership.....	91
SB 1075 Consolidated Election Dates; Recall.....	91
SB 1076 Elections; Signature Collection; Registration.....	91
SB 1077 Ballot Measures; Recall Petitions; Notarization.....	91
SB 1078 Immigration Enforcement; Federal Agreement.....	91
SB 1079 Law Enforcement; Surviving Spouses; Insurance.....	91
SB 1084 Child Restraint Systems.....	91
SB 1100 Bonds; Recreational Facilities; School Use.....	91
SB 1101 Protest Activity; Prohibition.....	91
SB 1106 ASRS; Definitions; Service Credits; Military.....	91
SB 1107 ASRS; Transfers; Distributions; DRO Payments.....	91
SB 1108 Cesar Chavez Day.....	91
SB 1111 Handheld Wireless Communication Devices; Driving.....	91
SB 1112 Expenditure Limit; Penalty Waiver; Pima.....	91
SB 1115 JLBC; JCCR; Reports.....	91
SB 1150 Tech Correction; Taxes; Intangible Income.....	92
SB 1151 Consumer Fraud; Tech Correction.....	92
SB 1155 Electronic; Digital Devices; Stalking; Threatening.....	92
SB 1156 Grand Jury Proceedings; Electronic Recording.....	92
SB 1157 Tech Correction; Cosmetology Schools; Contracts (now: Wastewater and Garbage Charges).....	92
SB 1159 Multimedia Production Tax Credits.....	92
SB 1161 Personal Property Tax; Exemption; Depreciation.....	92
SB 1162 Corporate Income Tax Rate Reduction.....	92
SB 1163 Business Property Tax Assessment Percentage.....	92
SB 1164 Income Tax; Corporate Sales Factor.....	92
SB 1173 Enterprise Zone Tax Credits; Trusts.....	92
SB 1174 Charter Schools; Age Restricted Communities.....	92

SB 1177 Public Intoxication; Local Laws.....	92
SB 1182 Traffic School; Driver License Suspension.....	92
SB 1183 Agricultural Property Tax Classification; Equine.....	92
SB 1185 Court Records; Electronic Access.....	92
SB 1189 Developmentally Disabled; Residential Setting.....	92
SB 1199 Income Tax; Net Operating Loss.....	92
SB 1214 Interstate Compact; Health Care.....	92
SB 1215 Public Meetings; Call to Public.....	92
SB 1222 Public Benefits; Eligibility; Required Proof.....	92
SB 1223 In-State Tuition; Veterans.....	93
SB 1289 Eastern Arizona College; Baccalaureate Degrees.....	93
SB 1296 Provisional Community Colleges; Tuition.....	93
SB 1297 Provisional Community Colleges; Expenditure Limit.....	93
SB 1308 Interstate Compact; Birth Certificates.....	93
SB 1309 Arizona Citizenship.....	93
SB 1319 Government Land; Restoring Private Land.....	93
SB 1332 Public Agencies; Elected Officials; Communications.....	93
SB 1340 Defined Contribution Retirement System.....	93
SB 1405 Hospital Admissions; Restrictions.....	93
SB 1407 Schools; Data; Noncitizen Students.....	93
SB 1409 Government Publications; English Only.....	93
SB 1417 Schools; Mandatory Daily Recess.....	93
SB 1420 School Districts; Competitive Bidding; Filing.....	93
SB 1426 Driver Licenses; Neighborhood Electric Vehicles.....	93
SB 1430 Motor Vehicles; Towing.....	93
SB 1431 ADOT Omnibus.....	93
SB 1438 Tech Correction; Valuation; Personal Property.....	93
SB 1450 Reporting Violent Behavior; Government Entities.....	93
SB 1452 Schools; E-learning Programs (now: E-learning Programs; Schools).....	93
SB 1454 JTEDS; Student Count; Adm.....	94
SB 1455 AP Teachers; Bonus Pay; Weight.....	94

SB 1456 Small Business Loans; Fee Waiver .....	94
SB 1457 Schools; Sex Education .....	94
SB 1463 Political Subdivisions; Economic Estimate Commission .....	94
SB 1491 Privatization; Correctional Health Services .....	94
SB 1494 Community College Bookstores; Financial Aid .....	94
SB 1500 Political Signs; Time Limit .....	94
SB 1513 Elections; Ballots; Punch Cards .....	94
SB 1514 Election Equipment; Ballots .....	94
SB 1516 Provisional Community Colleges; Limits .....	94
SB 1518 School Districts; Capacity; Charter Schools .....	94
SB 1519 AHCCCS; Termination .....	94
SB 1520 Arizona Background Clearance Card .....	94
SB 1526 Affidavit of Qualifications; Presidential Candidates .....	94
SB 1527 Health Care; Disclosures; Information .....	94
SB 1528 Arizona Review Committee; School Funding .....	94
SB 1532 ADE; RFP; ELL Instruction .....	94
SB 1538 Driving; Handheld Wireless Communication Devices .....	94
SB 1548 Nuclear Fuel Recycling; School Funding .....	94
SB 1549 Schools; Anti-Bullying; Electronic Media .....	94
SB 1550 Repainting Government Vehicles .....	95
SB 1554 ADE; Teachers; Liability Insurance .....	95
SB 1555 Government Employees; Union Dues; Withholding .....	95
SB 1556 School District Monies; Associations; Elections .....	95
SB 1581 Lobbyists; Meals; Annual Limit .....	95
SB 1562 Public Employees; Collective Bargaining .....	95
SB 1582 Public Officers; Employees; Promotional Materials .....	95
SB 1586 Firearms; Background Checks; Gun Shows .....	95
SB 1587 Misconduct Involving Weapons; Universities; Colleges .....	95
SB 1588 Misconduct Involving Weapons; State Buildings .....	95
SB 1590 Employers; Group Insurance Pooling .....	95
SB 1591 Health Insurance Claims; Information; Disclosure .....	95

SB 1594 Prescription Drugs; Multi-Tiered Formularies .....	95
SB 1597 Medical Information; Rights.....	95
SB 1602 Tech Correction; School Safety Clearinghouse.....	95
SB 1603 Schools; Performance Based Compensation Plans .....	95
SB 1604 Schools; Capital Monies; Temporary Uses.....	95
SB 1605 RFP; Advertising in Newspapers; Repeal.....	95
SB 1607 Schools; Residency Requirements.....	95
SB 1611 Immigration Omnibus .....	95
SCM 1001 Comprehensive Immigration Reform.....	95
SCR 1005 Aircraft License Tax; Technical Correction (now: Private Sector Colleges; Support).....	96
SCR 1010 Judicial Decisions; International Law.....	96
SCR 1018 Property Tax Valuation Limits.....	96
SCR 1019 State Appropriation Limit; Reduction.....	96
SCR 1036 State Trust Land Exchanges.....	96
SCR 1039 Property Tax Levy Increases; Limit.....	96
SCR 1041 Supreme Court; Jurisdiction.....	96
SCR 1050 Corporation Commission; Districts.....	96
SCR 1051 Voter Enacted Expenditures; Funding Source.....	96
SCR 1053 Phase-out Business Personal Property Tax.....	96
SCR 1058 Property Tax Limits; Local Districts.....	96

# MARICOPA COMMUNITY COLLEGES

---

## FINAL 2011 LEGISLATIVE SUMMARY

### INTRODUCTION

The 2011 First Regular Session of the 50<sup>th</sup> Legislature adjourned Sine Die on its 100<sup>th</sup> day, April 20<sup>th</sup>, 2011. The Arizona State Senate at 5:21 AM and the Arizona House of Representatives at 5:25 AM. Legislation enacted with a General Effective date will go into effect on July 20<sup>th</sup>, 2011. Bills introduced this Session included 726 House Bills and 706 Senate bills, 383 bills were passed from the Legislature and transmitted to Governor Brewer. The Governor signed 357 bills into law and vetoed 29 - 17 Senate bills and 12 House bills.

Legislation affecting the Maricopa Community Colleges covered a broad spectrum of issues, not only the district budget, but also student rights, gun control and job growth. Many of the bills originally tracked fell out over the course of the Session; however, there have been a number of highly controversial high profile bills signed into law. The following is a Legislative Summary of the bills tracked this year and links to the legislation as passed. In addition, there is an Appendix of legislation the Government Relations team monitored that was not enacted.

# SUMMARY OF KEY LEGISLATION

## BUSINESS SERVICES

### HB 2016

#### JLBC; JCCR; Reports (Chapter 83)

Sponsor: Representative Kavanagh

#### OVERVIEW

HB 2016 eliminates out-of-date references and unused reporting requirements for the Joint Legislative Budget Committee (JLBC) and the Joint Committee on Capital Review (JCCR).

#### HISTORY

The JLBC was established in 1966 and is responsible for making recommendations to the Legislature concerning fiscal matters of the State such as the budget, revenues and expenditures, future fiscal needs, and tax analysis. JLBC appoints a budget analyst, who serves additionally as a full time staff director, and other employees to fulfill statutorily prescribed responsibilities. JLBC staff also develops fiscal notes that assess the fiscal impact of legislative proposals.

The membership of JLBC consists of 16 members: the Majority Leaders of the Arizona Senate (Senate) and the Arizona House of Representatives (House), the Senate and House Appropriations Committee chairs, the Senate Finance Committee chair, the House Ways and Means Committee chair and five Appropriations Committee members from the Senate and the House as appointed by the President of the Senate and the Speaker of the House. The respective chairs of the Appropriations Committees serve alternate annual terms as chairs of JLBC.

#### KEY PROVISIONS

##### *Intergovernmental Agreements – Education Governing Bodies*

Deletes the requirement for the JLBC review of any initial intergovernmental agreement or other written contract and any addendums between the governing board of a joint technical education district and other joint technical education district, a school district, a charter school or a community college district which is submitted by the joint technical education district.

Removes the requirement that JLBC notify each community college district to report on or before October first of each year a specified percentage of its initial intergovernmental agreements or contracts executed with school district governing boards or charter schools.

Eliminates the quarterly report to the JLBC from the Commission for Postsecondary Education on its fund deposits and expenditures.

Specifies that the SFB is to annually report on or before December first of each year to JCCR the costs associated with current and potential litigation.

##### *Department of Corrections*

Deletes the requirement that the director of the Arizona Department of Corrections (DOC) submit a report to the JLBC director on the monies that are collected and spent relating to utility fees for electrical utilities that are consumed by prisoners who are confined in correctional facilities.

Modifies the quarterly report that DOC submits to the JLBC director detailing the cost reductions to DOC that are directed to the transitional program release and the number of participants who do not receive an early release under the program.

*Department of Administration*

Deletes the provision requiring the Arizona Department of Administration (ADOA) to report to JLBC the interest payment charges to agencies where an interest liability is incurred due to a state agency varying from established policies and procedures for drawing federal monies.

Eliminates the requirement for a cost benefit report when the percentage of electronic transactions first exceeds at least 30% of any state agency's total transactions.

Removes the requirement for JLBC approval of budget unit revolving funds of more than \$50,000 submitted by ADOA.

Modifies the ADOA director's reports on performance standards for health plans, including indemnity health insurance, hospitalization and medical service plans, dental plans and health maintenance organizations to a single report due on or before October first of each year.

Modifies the JLBC annual review of deductible amounts established by the ADOA director that may be imposed on state departments, agencies, boards and commissions of losses arising out of a property, liability or workers' compensation loss when changes are made to the deductibles to be reported whenever there is a change made to the deductible amount.

Eliminates the \$10,000 deductible cap for each loss that arises out of property, liability or workers' compensation loss that is set by the ADOA director.

Eliminates the requirement that ADOA submit initial contractor and carrier cost rate structure by agency and fund type for telecommunication systems installation and maintenance to JLBC for review.

Removes the requirement for JLBC to review ADOA's subsequent rate structure modification for telecommunication systems installation and maintenance.

Eliminates the requirement that the JCCR approve the whole or partial exemption from the payment of rental rates for agencies occupying state-owned or leased buildings in order to facilitate cash flow, as recommended by the ADOA director.

*Secretary of State*

Modifies the Elections Systems Improvement Fund in the Secretary of State's office to submit a summary of the total expenditure for the fund on or before December 31 of each year.

*Governmental Information Technology Agency*

Revises the quarterly report that the director of the Governmental Information Technology Agency (GITA) sends to the JLBC which contains the expenditures and progress of the Arizona Public Safety Communications Advisory Commission (APSCAC) to an annual report due on or before September 30 of each year.

Removes the requirement that a copy of the report that the director of GITA sends to JLBC which contains the expenditures and progress of the APSCAC be sent to the director of the ASLAPR.

*Arizona Department of Environmental Quality*

Deletes the requirement for the report that the Arizona Department of Environmental Quality makes on the status of the emissions inspections agreement contract process, discussions, development of the request for the proposal, contract negotiations and any other information that may be requested be sent to the JLBC.

Removes the requirement for the JLBC review of contract terms for the emissions inspection agreement contract before placement of any advertisement that solicits a response to requests for proposal.

Eliminates the requirement that the JLBC review of any proposed modifications or amendments to the emissions inspection agreement contract.

[Session Law](#)

## **HB 2103**

### **Homemade Food Products; Regulation; Exception (Chapter 84)**

Sponsor: Representative Kavanagh

#### OVERVIEW

HB 2103 permits baked and confectionary products that are not *potentially hazardous* to be made for commercial purposes if the product is packaged with a label clearly stating the address and contact information of the maker, listing the contents, and disclosing that the product was prepared without government inspection..

#### HISTORY

The Director of the Arizona Department of Health Services (DHS) must exercise general supervision over all matters concerning sanitation and health in Arizona. The Director is charged with adopting administrative rules that prescribe the minimum safety standards for food and drink sold in the retail market. To protect the public, the standards must include the sanitary conditions for the facility in which the product is produced, processed, stored, served or transported.

In addition to the statutory requirements imposed by the State of Arizona, the county health departments have adopted pertinent health codes, permit requirements, and facility standards.

#### KEY PROVISIONS

Permits baked and confectionary foods that are not *potentially hazardous* to be prepared in private home kitchens for commercial purposes if the label has the baker's address, contact information, and product ingredients.

Requires the person preparing the food or supervising its preparation to obtain any required food handler's permit or certificate issued by the local health department and to register with the DHS online registry.

[Session Law](#)

## **HB 2151**

### **State Employees; Wage Payments (Chapter 193)**

Sponsor: Representative Burges

#### OVERVIEW

SB 2151 authorizes the State, at its discretion, to pay employee wages by direct deposit or to a payroll debit card.

#### HISTORY

Each employer in Arizona is required designate two or more days in each month, not more than sixteen days apart, as fixed paydays for payment of wages to their employees.

An employer is further required to, on each of the regular paydays, to pay their employees directly or, with the written consent of the employee, by deposit on the payday to the employee's financial institution, all wages due the employees.

#### KEY PROVISIONS

Allows each employer in Arizona to pay all wages due an employee by deposit on the payday at an employee's financial institution or, if an employee does not designate a financial institution, to a payroll debit card.

Requires an employer to provide a list of all fees associated with the use of a payroll debit card to an employee who receives wages by deposit to a payroll debit card.

[Session Law](#)

## **HB 2236**

### **Sharing Revenue Information; Political Subdivisions (Chapter 329)**

Sponsor: Representative Goodale

#### OVERVIEW

HB 2236 allows counties and incorporated cities and towns to utilize the liability setoff program within the Arizona Department of Revenue (DOR).

#### HISTORY

Current law allows state agencies and courts to notify DOR by November 1 of each year of persons owing money to that agency or court. The agency or court must provide DOR with the state agency, court or program identifier, the individual's name, social security number and any other available identification deemed appropriate, and the amount of the debt owed. DOR then matches the information provided by the agency or court with taxpayers who qualify for tax refunds and notifies the agency or court of a potential match. The agency or court must then provide DOR with a final confirmation of the match and of the continuation of the debt within 45 days of DOR's notification. Upon confirmation, the agency must notify the taxpayer of the intention to set off the debt against the refund due and of the taxpayer's right to appeal.

If the taxpayer is correctly identified as a debtor and the refund is insufficient in covering the entire debt, the remainder may be collected by the agency or court as the law provides, or resubmitted for setoff against future refunds. However, if the taxpayer is incorrectly identified as a debtor and a refund is wrongly intercepted, the taxpayer must be reimbursed with interest by the agency or court.

A revolving fund is currently in place to recover and pay the cost of operating the setoff program within DOR, consisting of fees collected from each agency, court or taxpayer utilizing the setoff procedure. These fees are prescribed by DOR and are subject to legislative appropriation.

#### KEY PROVISIONS

Allows counties and incorporated cities and towns to utilize the liability setoff program within DOR.

[Session Law](#)

## **HB 2332**

### **Conformity Policy; Internal Revenue Code (Chapter 128)**

Sponsor: Representative Harper

#### OVERVIEW

HB 2332 prohibits the Arizona Department of Revenue (DOR) from assessing interest or penalties on a nonconformity deficiency under certain conditions when a taxpayer's income tax return must be amended due to changes to the tax statutes adopted under a revised definition of the *Internal Revenue Code* (IRC).

#### HISTORY

The Arizona Legislature periodically updates the statutory definition of the IRC to include any federal provisions that were effective in the previous year to conform the computation of Arizona income tax and other statutory references to the amended IRC.

#### KEY PROVISIONS

Prohibits DOR from assessing interest and penalties on a taxpayer's nonconformity deficiency under certain specified circumstances.

Prohibits DOR from paying interest on refunds resulting from an amended return related to nonconformity, unless the refund is paid more than 60 days after the due date.

Defines *conformity* and *nonconformity*.

Requires a person who stores, uses or consumes tangible personal property subject to use tax for non-business purposes to declare the annual amount of tax due, if not collected by a registered retailer, on their individual income tax form.

[Session Law](#)

## **HB 2462**

### **JLBC; Annual Report; Debt (Chapter 130)**

Sponsors: Representatives Williams, Stevens

#### OVERVIEW

HB 2462 requires the Joint Legislative Budget Committee (JLBC) staff to present a report to the joint appropriations committees on outstanding debt and General Fund (GF) obligations.

#### HISTORY

Article IX, Section 5, of the Arizona Constitution stipulates that the State may contract debts to supply the casual deficits or failures in revenues, or to meet expenses not otherwise provided for, but the aggregate amount of such debts shall not exceed \$350,000.

General obligation (GO) bonds are secured by the "full and credit" of the issuer -- the full taxing power of the State or local government. Revenue bonds are secured by an identified source of revenue and not the full taxing power of the government entity. If the revenue source fails to meet the debt service payments, then the government is not legally obligated to use any revenues to pay the debt.

State courts have held that the constitutional limitation/prohibition does not apply to bonds and other instruments that are paid through specifically designated sources of money. Therefore, the State and State entities may borrow money for State highways (payable from gasoline taxes), university buildings (payable from tuition, fee and rental income) and other projects that are authorized by law, as long as the debt is not backed by and payable from State GF.

The total GF backed debt is \$3.8 billion in Fiscal Year (FY) 2011-12 and the state's total outstanding debt is \$8.5 billion which reflects multiple payments sources including the state GF, highway user fees, lottery proceeds and university tuition.

#### KEY PROVISIONS

Requires JLBC to present a report each year, on or before January 31, on state GF debt and obligations to the House and Senate Appropriations Committees including: outstanding GO bonds, long-term notes and bonds, lease-purchase agreements, revenue bonds and rollovers.

Specifies that JLBC provide a link, on their website, to the Arizona Department of Administration's (ADOA) searchable database required by this act.

Requires the report be posted on the JLBC website and a copy be provided to a member of the public on request. Adds the state government to the required local governmental debt reporting requirement.

Defines *deferred rollover payment obligation* and *state debt and obligations*, and *state government*.

#### [Session Law](#)

## **HB 2572**

### **Government Expenditure Database; Transparency; CAFR (Chapter 119)**

Sponsors: Representatives Barton, Montenegro, Stevens

#### OVERVIEW

HB 2572 directs the Arizona Department of Administration and each local government to post the information as prescribed in a comprehensive annual financial report of a budget unit on their official Internet website.

#### HISTORY

Under current law, each county, city and town must create a detailed, annual estimate of expenses including: An estimate of the amount of money required for each item of expenditure necessary for the county, city or town purposes.

The amount necessary to pay the interest and principal of outstanding bonds.

The items and amounts of each special levy provided by law.

In 2010, counties, cities and towns were further required to post estimates of revenues and expenditures on their official websites, in addition to making them available at libraries and administrative offices.

By January 1, 2013, each school district with a student count over 600 pupils must develop and maintain an official website on which expenditures of more than \$5,000 in local monies are prominently displayed. The data must be updated every three months and remain available on the website for three fiscal years.

## KEY PROVISIONS

Requires the Arizona Department of Administration (ADOA) and each local government to include the information as prescribed in a comprehensive annual financial report of a budget unit that has been made by a certified public accountant or public accountant who is not an employee of ADOA or the local government in their database.

Specifies that the report must be made in accordance with generally accepted auditing standards and must contain financial statements that conform to generally accepted accounting principles.

Clarifies that if ADOA or a local government already has a comprehensive annual financial report of a budget unit that has been presented with a certificate of achievement for excellence in financial reporting by the Governmental Finance Officers Association, ADOA or the local government may post such a financial report to satisfy the requirements of this Act.

Directs a local government to display a link to this data in a prominent place on the local government's website or on a website of an association of cities and towns for cities and towns that do not have official websites *and* on ADOA's official Internet website.

[Session Law](#)

## **SB 1045**

**DES; Notices; Electronic Communications  
(Chapter 61)**

Sponsors: Representatives Shooter, Gray

## OVERVIEW

SB 1045 allows the Arizona Department of Economic Security (DES) to deliver certain administrative orders, notices, decisions and letters electronically, instead of via First Class mail.

## HISTORY

Current law requires written requests given to persons by DES regarding family support duties to be delivered by First Class mail and does not specify the use of electronic means for such requests. The mission of DES is to promote the safety, well-being and self sufficiency of children, adults, and families. As such, DES provides a range of human service programs such as social service programs for children, adults and families; income maintenance services, including child support collection services and services to needy families with children; unemployment compensation; rehabilitation services; work training; and services for individuals with developmental disabilities.

## KEY PROVISIONS

Allows DES, its agent or the child support enforcement entity of any other state or its agent that administers child support enforcement, to deliver requests related to information regarding a child support obligor electronically.

Specifies that, upon request from DES, an employer must provide its last known electronic contact information.

Stipulates that, as authorized in statute, service by mail is complete as to the employer when the mailing is received and service by electronic means is complete when notice is received.

Specifies that delivery by electronic means is considered complete upon transmission to the employer.

[Session Law](#)

## **SB 1102**

### **State Compensation Fund; Conforming Changes (Chapter 157)**

Sponsors: Senators McComish, Reagan

#### OVERVIEW

SB 1102, effective January 1, 2013, makes changes to statutes relating to the State Compensation Fund to conform to legislation passed in 2010, which terminated the SCF as of July 1, 2012, and repeals the July 1, 2010 termination of the Worker's Compensation Appeals Board, retroactive to July 1, 2010.

#### HISTORY

The State Compensation Fund (SCF) was created by the Arizona Legislature in 1925 under the Industrial Commission of Arizona (ICA) to provide workers' compensation insurance to Arizona employers. SCF was later removed from the ICA in 1968 and established as a separate entity. Workers' compensation insurance became mandatory in 1925 and employers have the option to obtain insurance through SCF, a private insurance carrier or by self-insuring. SCF is directly supervised by a five-member Board of Directors.

#### KEY PROVISIONS

Removes SCF references throughout statute and makes a number of technical and conforming changes.

Contains session law that specifies for the purpose of calculating any tax or assessment to be paid by an authorized self-insured employer, including a workers' compensation pool, the deviation rate is set at 10% for calendar years 2013, 2014 and 2015.

[Session Law](#)

## **SB 1147**

### **Motor Vehicle Safety Monitoring Equipment (Chapter 64)**

Sponsors: Senators Gray, Miranda C

#### OVERVIEW

SB 1147 expands the list of exemptions from statutory regulations regarding vehicle window glass to include safety monitoring equipment that is mounted on the windshield near the rearview mirror or where the rearview mirror would be positioned if the vehicle had one.

#### HISTORY

Current law prohibits a person from operating a vehicle with an object or material placed, displayed, installed, affixed, or applied on the windshield or side or rear windows. Current law also prohibits objects or materials from being placed in a manner that obstructs or reduces a driver's clear view through the windshield or side or rear windows.

#### KEY PROVISIONS

Exempts safety monitoring and driver feedback equipment from window and windshield restrictions if it is mounted in specified locations.

[Session Law](#)

## **SB 1166**

### **Municipal Tax Exemption; Commercial Lease (Chapter 144)**

Sponsor: Senator Yarbrough

#### OVERVIEW

SB 1166 prohibits cities and towns from levying transaction privilege tax (TPT) (sales tax, use tax), or any similar tax, on certain commercial leases of real property between two corporations, 80% of whose voting shares are owned by the same shareholders are exempt from any municipal sales or use tax.

#### HISTORY

Arizona allows incorporated cities and towns to have a separate tax base for their TPT (sales) tax collections. The municipalities operate under the Model City Tax Code (MCTC) and all proposed changes to the code are approved by the Municipal Tax Code Commission (Commission). The Commission is comprised of nine members who are either mayors or members of a governing body of a city or town and the Director of the Arizona Department of Revenue acting as an ex officio member.

Each city or town can decide which activities are taxable under the MCTC, however if they choose to tax a particular activity, it must be done in accordance with the MCTC. This provides a uniform template for each municipality's tax code while also retaining the right among individual municipalities to choose which items are taxed or exempted, thereby leaving the determination of the local tax base to each municipality's city or town council. Municipalities can also set their own rates for different taxable activities.

In addition to the constraints set by the MCTC, the state does preempt municipalities from taxing certain activities. There is currently an exemption for commercial leases between affiliated corporations, and between corporations and reciprocal insurers. The MCTC provides a local option that exempts these same types of leases. Five cities have adopted this local option: Avondale, Glendale, Pima, Scottsdale, and Youngtown.

#### KEY PROVISIONS

Prevents cities or towns from levying TPT (sales tax, use tax), or any similar tax, on the gross proceeds of sales or gross income derived from a commercial lease, if at least 80% of the voting shares of each corporation are owned by the same shareholders.

#### [Session Law](#)

## **SB 1194**

### **Structural Pest Management; Regulation (Chapter 20)**

Sponsors: Representatives Pierce, Crandall, Griffin

#### OVERVIEW

SB 1194 relocates the Office of Pest Management into the Arizona Department of Agriculture and transfers the administrative supervision of the Office of Pest Management to the Director of the Arizona Department of Agriculture through December 31, 2013. The Director of the Department of Agriculture is required to appoint a task force to study the regulation of structural pest control.

## HISTORY

The Office of Pest Management (OPM) is a State agency that regulates, licenses and educates the pest management industry. OPM also enforces federal and state laws governing pesticide use and storage and handles complaints involving licensed businesses.

## KEY PROVISIONS

Requires the director of the Arizona Department of Agriculture (AZDA), rather than the director of the Department of Administration (ADOA), to appoint an acting director of OPM to serve at the pleasure of the director of AZDA through December 31, 2013.

## [Session Law](#)

# **SB 1403**

**Certificates; Line Siting Committee  
now: Mandatory Project Labor Agreements; Prohibition  
(Chapter 23)**

Sponsor: Senator Shooter

## OVERVIEW

SB1403 prohibits agencies and political subdivisions of this state from granting public works contracts based on the applicant's negotiation with or participation in a labor union.

## HISTORY

Pursuant to article XXV of the Arizona Constitution, a person cannot be compelled as a condition of employment to join or not to join, or to pay dues to a labor union. This provision, enacted in 1946, placed Arizona on a list of 22 states which have enacted right-to-work laws.

In 1935, Congress enacted the National Labor Relations Act (NRLA) to protect the rights of employees and employers, to encourage collective bargaining, and to curtail certain private sector labor and management practices.

## KEY PROVISIONS

Defines *agency* as any board, commission, department, officer or other administrative unit of this state.

Defines *political subdivision* as a city, charter city, town, county, school district, community college district, multi-county water conservation district, industrial development authority or special taxing district established pursuant to Title 48 that is primarily supported by taxes.

Defines *project labor agreement* as an pre-hire, collective bargaining, model construction or similar type of agreement entered into with one or more labor organizations, employees or employee representatives that establishes the terms and conditions of employment on a construction project.

Prohibits agencies, political subdivisions and the Arizona Corporation Commission (ACC) from requiring a contractor to negotiate, execute or become a party to any project labor agreement as a condition of or a factor in bidding, negotiating, being awarded or performing work on a public works contract or an ACC project.

Specifies that private parties are not prohibited from entering into individual collective bargaining relationships through this bill. Specifies that the bill does not interfere with any activity protected by law, including the NRLA.

## [Session Law](#)

## **SB 1512**

**Technical Correction; Light Pollution  
now: Bond Election; Informational Pamphlet  
(Chapter 72)**

Sponsor: Senator Griffin

### OVERVIEW

SB 1512 modifies the information required to be included in a bond election pamphlet.

### HISTORY

Current law requires the governing body or board of a political subdivision to mail an informational pamphlet to its registered voters at least 35 days prior to a bond election. The pamphlet must include: the amount of the bond authorization; the maximum interest rate of the bond; the estimated debt retirement schedule for the current amount of outstanding bonds; the estimated debt retirement schedule for the proposed bond authorization; the source of repayment; the estimated cost of issuance; the estimated total cost of the proposed bond authorization, to include principal and interest; the current outstanding general obligation debt and constitutional debt limitation; the purpose for which the bond is to be issued; the polling information for the addressee and the hours in which the polls will be open; and the arguments for and against the bond authorization.

Additionally, the pamphlet is required to include the estimated tax impact of debt service for the bonds on owner-occupied residential property (Class 3), based on a value of \$250,000, and on certain commercial property (Class 1, Subclass 12), based on a value of \$2,500,000.

### KEY PROVISIONS

Requires the informational pamphlet to include the estimated tax impact of debt service for the bonds on agricultural or other vacant property (Class 2).

Specifies that the estimated tax impact on Class 2 property be based on a value of \$100,000.

Decreases the value for which the estimated tax impact on certain Class 1 property is based from \$2,500,000 to \$1,000,000.

[Session Law](#)

## **CHARTER SCHOOLS / K12**

## **HB 2197**

**Charter Schools; Age Restricted Communities  
(Chapter 15 E)**

Sponsor: Representative Lesko

### OVERVIEW

HB 2197 is an emergency measure that prevents the establishment or operation of a charter school in an age-restricted community located in unorganized territory.

## HISTORY

State statute allows the establishment of charter schools to provide a learning environment that will improve pupil achievement. Charter schools are public schools that serve as alternatives to traditional public schools and are not subject to the same constitutional and statutory requirements as traditional public schools. Each charter school must be sponsored by a school district governing board, the State Board of Education, the State Board for Charter Schools, a state university, a community college district, or a group of community college districts.

## KEY PROVISIONS

Prohibits the establishment or operation of a charter school on commercial or residential property in an age-restricted community located in unorganized territory.

Contains an emergency clause.

## [Session Law](#)

# **HB 2219**

## **Study Committee; Unification; Consolidation (Chapter 215)**

Sponsor: Representative Fillmore

## OVERVIEW

HB 2219 creates the 16-member Joint Legislative Study Committee on School District Unification and Consolidation.

## HISTORY

Laws 2005, Chapter 191, established the School District Redistricting Commission (SDRC) to unify all school districts in the state. The SDRC researched issues connected to unification, held discussions and public hearings, and visited districts to gather information regarding the unification of school districts. In 2007, the SDRC proposed a unification plan that would have affected 76 school districts and created 27 new districts.

The SDRC submitted 27 unification proposals to the ballot on November 4, 2008. Four of the proposals passed; however, judges in Pima, Maricopa, and Cochise Counties overturned three of the four plans based on legislative wording requiring the approval of a majority of all registered voters in the districts (not just a majority of those voting) to pass the measures. In Pinal County, district officials decided against contesting the Pinal County Elections Department results, but the districts in question did not unify in light of the decisions handed down by the county courts.

## KEY PROVISIONS

Establishes the 16-member Committee and specifies the appointment process and qualifications for each member.

Specifies that the chairpersons of the House and Senate Education Committees will act as co-chairs of the Committee.

Assigns the following duties to the Committee:

Study issues regarding the unification and consolidation of school districts.

Prepare legislation for consideration during the subsequent Legislative Session that encourages the unification and consolidation of school districts.

Consider proposals for possible school district unifications or consolidations that include a process for a district governing board to develop its own unification or consolidation plan and a process for a

*2011 MCCC*

*Final Legislative Summary*

county school superintendent to develop a unification or consolidation plan if the district governing board is unable to develop its own plan.

Report to the Governor, the President of the Senate, the Speaker of the House of

Representatives, and the Secretary of State on the Committee's activities and recommendations by December 31, 2011.

Discharges the Committee on September 30, 2012.

[Session Law](#)

## **HB 2234**

### **Persistently Lowest Achieving Schools (Chapter 49)**

Sponsor: Representative Goodale

#### OVERVIEW

HB 2234 allows the State Board of Education (SBE) to assign a school a letter grade of F under AZ LEARNS if the school is among the persistently lowest-achieving schools.

#### HISTORY

##### *AZ LEARNS*

Under Arizona's school accountability system (AZ LEARNS), the Arizona Department of Education (ADE) is required to compile annual achievement profiles for each public school based on the following academic performance indicators: Arizona Instrument to Measure Standards (AIMS) assessment data, measures of academic progress, and results from the English Language Learners proficiency tests. The profiles for high schools also include annual dropout and graduation rates.

Currently, schools are given one of the following labels: Excelling, Highly Performing, Performing, Underperforming, or Failing to Meet Academic Standards. Laws 2010, Chapter 247 changed the method used to calculate a school's classification and also replaced the current labels with a letter-grade system: A, B, C, D, and F, respectively. The letter-grade system will be phased in over the 2010-11 and 2011-12 school years, with each school receiving a profile for those years that includes both the existing classification and the letter-grade classification.

##### *No Child Left Behind*

The "No Child Left Behind Act" (NCLB), which took effect at the beginning of the 2002-03 school year, requires states to measure the adequate yearly progress (AYP) of schools. AYP is based on the results of standardized tests in the subjects of reading and mathematics, attendance rates for elementary and middle schools and graduation rates for high schools.

##### *Persistently Lowest Achieving*

As part of the American Recovery and Reinvestment Act (ARRA), the U.S. Department of Education required states to identify the lowest-achieving 5% of schools, or persistently lowest-achieving (PLA) schools. The federal School Improvement Grants program makes grants available to states to target these schools. ADE calculates PLAs by taking all schools that failed to meet AYP, ranking them according to AIMS by student achievement and then by academic growth, and averaging those rankings. In 2010, SBE consolidated the calculation of PLA schools with the current AZ LEARNS label of "Failing to Meet Academic Standards."

## KEY PROVISIONS

Permits SBE to assign a PLA school a letter grade of F under AZ LEARNS.

[Session Law](#)

## **HB 2301**

**Soft Capital; Uses  
(Chapter 195)**

Sponsor: Representative Mesnard

## OVERVIEW

HB 2301 allows school districts to spend 50% of unencumbered Extracurricular Activity (ECA) tax credit monies received prior to tax year 2011 on short-term capital items in FYs 2011-12 and 2012-13 and lifts the restrictions on use of the Soft Capital Allocation.

## HISTORY

### *Public School Tax Credit*

A tax credit is a dollar-for-dollar reduction in individual or corporate tax liability. Arizona allows an individual income tax credit for monies donated to a public school, including a charter school, for the support of extracurricular activities or character education programs. The credit cannot exceed \$200 for a single person or \$400 for a married couple filing jointly.

*Extracurricular activities* are school-sponsored activities that require enrolled students to pay a fee in order to participate, such as band, varsity athletics, or travel for competitive events. Extracurricular activities do not include senior trips or events that are recreational, amusement, or tourist activities.

*Character education programs* must include presentations, activities, and discussions that illustrate and reinforce at least six of the following character traits: truthfulness, responsibility, compassion, diligence, sincerity, trustworthiness, respect, attentiveness, obedience, orderliness, forgiveness, and virtue.

### *Soft Capital*

A school district's Maintenance and Operations (M&O) budget funds ongoing operational expenses such as administration, employee salaries and benefits, and instruction. Capital funds are used to build and furnish schools. Soft Capital funds can only be used for short-term capital items that are required to meet academic adequacy standards such as technology, textbooks, library resources, instructional aids, pupil transportation vehicles, furniture, and equipment.

## KEY PROVISIONS

Lifts the current statutory restrictions on the use of the Soft Capital Allocation.

Allows 50% of unencumbered ECA tax credit monies received prior to tax year 2011 to be spent on short-term capital items in FYs 2011-12 and 2012-13.

Directs schools to report ECA expenditures on short-term capital items to the Joint Legislative Budget Committee at the end of each fiscal year.

[Session Law](#)

## **HB 2415**

### **Schools; Bullying Policies (Chapter 196)**

Sponsor: Representative Yee

#### OVERVIEW

HB 2415 outlines additional reporting, disciplinary, and student-protection procedures to be adopted by school districts for bullying incidents.

#### HISTORY

School districts must establish and enforce procedures to prevent pupil-to-pupil harassment, intimidation, or bullying, including procedures for reporting, documentation, and investigation of incidents, and disciplinary measures for those involved. A formal process must be established for the documentation and investigation of reported incidents and the governing board must establish procedures for pupils who are found guilty of harassment, bullying, or intimidation, as well as prescribe consequences for submitting false reports.

#### KEY PROVISIONS

Directs school districts to implement specified requirements with regard to incidents of bullying, harassment, or intimidation, including incidents carried out through the use of electronic technology or electronic communication on school property.

Develop procedures designed to protect the health and safety of victims who are physically harmed as the result of bullying or harassment, including, when appropriate, procedures for contacting emergency or law enforcement personnel, or both.

[Session Law](#)

## **HB 2710**

### **Study Committee; Outcome-Based Funding (Chapter 80 E)**

Sponsors: Representatives Crandell, Smith, Barton

#### OVERVIEW

HB 2710 establishes a 13-member Joint Legislative Study Committee on Outcome-Based Education Funding to develop legislation that will transition public school funding from a system based on instructional hours to a system based on student achievement. The Committee must report to the Governor and the Legislature by December 31, 2011. Self-repeals October 1, 2012.

#### HISTORY

In 1981, the current public school funding formulas, which are based on weighted student counts, commonly referred to as “seat-time” was established. These student counts are used to determine spending limits and to funding. Initially, the formulas also based funding for school facilities and equipment on student counts. This practice was ruled unconstitutional and the School Facilities Board (SFB) was established in 1998 to oversee a new capital financing system based on minimum adequacy standards.

## KEY PROVISIONS

Creates the 13-member Committee and specifies the appointment process and qualifications for each member.

Instructs the Committee to develop legislation to transition public school funding from a system based on instructional hours to a system based on student achievement and specifies the legislation must include the following considerations:

How current voter-approved revenue sources and spending requirements will interact with the new proposed system, and the entities that will be responsible for determining the appropriate student outcomes on which the new proposed system will be based.

Directs the Committee to submit a report of its activities and recommendations for legislative action to the Governor, President of the Senate, and Speaker of the House of Representatives, and provide a copy to the Secretary of State, by December 31, 2011.

Repeals the Committee on September 30, 2012.

Contains an emergency clause.

## [Session Law](#)

## **SB 1055**

### **Character Education Grants; Administrative Costs (Chapter 223)**

Sponsor: Senator Gray

## OVERVIEW

SB 1055 allows the Arizona Department of Education (ADE) to retain up to 10% of funds used for State matching grants for character education that are distributed to qualified public or charter schools. The retained amount is intended to defray the cost of administering the program.

## HISTORY

Proposition 301, passed by the voters in 2000, consisted of several educational reform measures, one of which directs \$200,000 annually to ADE for the Program. Additionally, Proposition 301 increased the transaction privilege (sales) tax rate by 0.6% specifically for educational purposes, including the Program. The tax increase is scheduled to terminate June 30, 2021.

State statute allows public schools, including charter schools, that teach character education to apply for state matching grants ranging from \$1,000 to \$10,000. Character education, must include presentations, activities, and discussions that illustrate and reinforce at least six of the following character traits: truthfulness, responsibility, compassion, diligence, sincerity, trustworthiness, respect, attentiveness, obedience, orderliness, forgiveness, virtue, fairness, caring, citizenship, and integrity. To apply for the Program, the school's character education must also be taught using age-specific, stand-alone curriculum and include a pre-course and post-course survey of parents, teachers, and students on their assessment of the program.

According to ADE, the Program has awarded approximately \$290,000 to 30 school districts and charter schools for FY 2010-11.

### KEY PROVISIONS

Authorizes ADE to annually retain up to 7% of the Program's state matching grant monies for administrative purposes.

Continues the Program permanently and contains a retroactive effective date of June 30, 2010.

### [Session Law](#)

## **SB 1152**

### **Homeschools; Designation (Chapter 19)**

Sponsor: Senator Crandall

### OVERVIEW

SB 1152 clarifies that homeschools are a form of nonpublic education.

### HISTORY

Every child between the age of 6 and 16 must attend school and be provided instruction in reading, grammar, mathematics, social studies, and science. State statutes specify certain conditions under which a child may be excused from compulsory education. If a child is not excused, the child is required to attend school during regular school hours unless the child meets one of several conditions, one of which is attendance at a home school. If a child will attend a private school or home school, the child's custodian must file an affidavit of intent with the county school superintendent stating the form of nonpublic education the child will receive. *Home school* is defined in statute as a school conducted primarily by the parent, guardian, or other custodian of the child or instruction provided in the child's home.

### KEY PROVISIONS

Replaces all statutory references to the term *home school* with *homeschool*.

Designates *homeschool* as a nonpublic form of schooling.

### [Session Law](#)

## **SB 1256**

### **Education; Omnibus (Chapter 306)**

Sponsor: Senator Crandall

### OVERVIEW

SB 1256 makes clarifying, technical, and conforming changes to K-12 education statutes.

### KEY PROVISIONS

#### *Teacher Certification Reciprocity*

Specifies a person is not required to take the teaching certificate proficiency examination if the person has passed an equivalent examination in another state.

## *180-day School Year*

Updates multiple references to the minimum number of instructional days in a school year from 175 days to 180 days. *Proposition 301, passed by the voters in 2000, added five school days to the school year, increasing the number of days each public school is required to be in session from 175 to 180 days.*

### [Session Law](#)

## **SB1451**

### **High Schools; Board Examination Systems (Chapter 310)**

Sponsor: Senator Crandall

#### OVERVIEW

SB 1451 outlines various changes to the Grand Canyon Diploma (GCD) system, including modifying the allocation of state aid for students earning a GCD. Students who are eligible for a GCD cannot be prevented from enrolling at a high school through grade 12. Schools in districts offering a GCD cannot include students in grades 11 and 12 in the district's student count unless the school also provides an academic program for students in those grades who do not elect to pursue a GCD.

#### HISTORY

The GCD, also known as Move on When Ready, was established in 2010 as a high school diploma available to students who meet certain requirements. Beginning in the 2012-13 school year, students attending a school that offers the GCD will be eligible to receive the diploma at the end of grade 10, 11, or 12 if they demonstrate readiness for college-level mathematics and English based on standards adopted by an interstate compact on board examination systems and achieve passing scores on board examinations in core courses to be determined by the State Board of Education (SBE).

Students who earn a GCD are exempt from the previously established graduation requirements in the state and may substitute passing scores on board examinations for acceptable outcomes on the Arizona Instrument to Measure Standards (AIMS). Upon receipt of the GCD, students will have the following options:

- Enroll as full-time students in a community college.
- Enroll in a full-time career and technical education program.
- Remain in high school and return to the traditional academic program available to them.
- Remain in high school and take another board examination program designed to prepare them for admission to a selective college.

#### KEY PROVISIONS

Requires the governing body of a charter school and school district governing boards to collaborate with the organization approved by SBE to provide board examination systems. Currently, the governing body of a charter school and school district governing boards may contract with the designated organization to provide board examination systems.

Mandates the periodic evaluation of the board examination systems to ensure alignment with internationally benchmarked standards selected by an interstate compact on board examination systems. Currently, the board examination systems must be periodically modified to reflect core standards selected by an interstate compact on board examination systems.

Clarifies that community colleges are not prohibited from requiring qualified recipients of the GCD to enroll in remedial courses.

Specifies that schools granting GCDs will include in their student count, and receive per pupil funding for, those students who receive GCDs until they would have graduated at the end of grade 12 as long as the students are enrolled full-time in an Arizona community college. Currently, those students must be included in a school's student count and be funded if they are enrolled in approved postsecondary studies at the school from which they received a GCD.

Directs schools to subtract 20% of their average daily membership amount (ADM) and reimburse the community college if the student earned a GCD and is enrolled full-time in a community college. Currently, a school must reimburse the community college for the amount of operating full-time student equivalency funding that the community college would be entitled to receive if the student were enrolled as a full-time equivalent student in a community college.

Allocates one half of the student funding that remains after reimbursement of the community college for offsetting the costs of board examinations and providing customized programs of assistance for students who failed the board examinations. This allocation is in addition to the current requirement that this portion of the funding also cover teacher and pupil incentives. The other half of the funding is to be used for maintenance and operations, including capital. States that a student who earns a GCD is responsible for tuition at a community college.

Directs school districts and charter schools to determine, by agreement with a community college, the funding and implementation mechanics of enrollment in a community college by recipients of the GCD.

Specifies, if instruction is provided by a JTED in a full-time career and technical education program that leads to a certificate awarded by an industry or recognized as meeting industry standards, ADM for that student cannot exceed 1.25, and ADM must be 1.0 for the JTED and 0.25 for the school district.

Allows schools to receive per pupil funding for students who elect to remain in high school without completing the next level of board examination systems.

Clarifies that students who choose to remain in high school without completing the next level of board examination systems may participate in extracurricular activities.

[Session Law](#)

## **SB 1453**

### **Parents' Rights; Schools (Chapter 134)**

Sponsor: Senator Crandall

#### OVERVIEW

SB 1143 allows a parent of a student in a public educational institution who objects to any learning material or activity on the basis that it is harmful (including for questioning beliefs or practices in sex, morality, or religion) may withdraw that student from the activity, class, or program in which the material is used. Schools must obtain parental consent before showing students R-rated movies.

#### HISTORY

State statute established the Parents' Bill of Rights, which includes the right of parents to direct the education of their child. Additionally, law protects these rights from infringement by any governmental entity unless a compelling interest is demonstrated.

## KEY PROVISIONS

Grants parents of students in public educational institutions the right to review learning materials and activities in advance.

Allows parents to request to withdraw their child from an activity or class if they object to the material or activity on the basis that it is harmful and request an alternative assignment.

Permits charter schools to require parents to submit a written request to review learning materials or activities or to withdraw a student from learning materials or activities.

Authorizes charter schools to require parents to waive their rights to object to learning materials as a condition of enrollment if the charter school provides a complete list of books and materials to be used prior to the beginning of each school year.

Grants parents the right to object to any charter school materials not disclosed prior to enrollment.

Requires a public educational institution to obtain signed, written consent from parents prior to using video, audio, or electronic materials that may be inappropriate for the age of the student.

Defines *objection to a learning material or activity on the basis that it is harmful and public educational institution*.

## [Session Law](#)

## **SB 1553**

### **Education; Arizona Empowerment Accounts (Chapter 75)**

Sponsor: Senator Murphy

## OVERVIEW

SB 1553 establishes Arizona Empowerment Scholarship Accounts for qualified students, consisting of 90 percent of the base level support for that particular student.

## HISTORY

Equalization assistance for education (State Aid) is computed by determining the difference between a school district's budget capacity for that fiscal year and the amount of revenue raised by the district through their local property tax levy.

## KEY PROVISIONS

Establishes Arizona Empowerment Scholarship Accounts (Account) for the stated purpose of providing educational options for Arizona students.

Defines *qualified school* to mean a nongovernmental primary or secondary school or a preschool for handicapped students that is located in Arizona and that does not discriminate on the basis of race, color or national origin.

Defines *qualified student* to mean a child who is a resident of Arizona that is eligible to receive disability related services from a school district or who has been identified as disabled either by the school district or under federal guidelines and who did any of the following:

Specifies that after a qualified student's graduation from a postsecondary institution or after four consecutive years of non-enrollment after graduation, the qualified student's Account shall be closed and any remaining funds in the Account be returned to the state.

## [Session Law](#)

## COMMUNITY COLLEGES

### HB 2155

#### **Dental Board; Omnibus (Chapter 86)**

Sponsors: Representatives Ash, Carter

#### OVERVIEW

HB 2155 makes a number of changes to statutes relating to the Dental Board, including authorizing the Executive Director or designee to issue licenses and permits and to initiate investigations, modifying requirements for license renewal, and establishing requirements for marking of dentures for identification.

#### HISTORY

The State Board of Dental Examiners (Board) was established in 1935. The Board consists of six licensed dentists, two licensed dental hygienists, two public members and a business entity member all appointed by the Governor to serve four-year terms. The mission of the Board is to provide professional, courteous service and information to the dental profession and the general public through the examination, licensure and complaint adjudication and enforcement processes and to protect the oral health, safety and welfare of Arizona citizens through a fair and impartial system.

The Board examines and licenses individuals who provide dental services. The Board also accepts complaints against licensed and unlicensed individuals, investigates allegations and takes disciplinary actions for violations of the law. The Board oversees approximately 8,100 licensees practicing in the state.

#### KEY PROVISIONS

Allows the Executive Director or their designee to:

- Issue and renew licenses, certificates and permits to applicants.

- Initiate investigations if there is evidence that a dentist, dental hygienist, denturist or restricted permit holder may be involved in unprofessional conduct or may be unable to safely practice dentistry.

- Initiate an investigation if evidence appears that a business entity may be involved in unethical conduct.

- Enter into a consent agreement with a dentist, dental hygienist, denturist or restricted permit holder if there is evidence of unprofessional conduct, subject to Board approval.

- Enter into a consent agreement with a business entity if there is evidence of unethical conduct, subject to Board approval.

Allows the Board to deny or suspend an application by a dentist for license renewal.

Requires a dentist, dental hygienist or denturist to include a written affidavit with the renewal application that the dentist, dental hygienist or denturist has completed continuing education requirements and establishes procedures for extension of time to complete continuing education requirements.

Requires every complete upper or lower denture to be marked with the patient's name unless the patient objects.

Specifies that the dentist must retain records of marked dentures and may not release the records to anyone except for law enforcement officers or anyone authorized by the patient to receive the information.

Clarifies that the Board may deny an application for dental hygienist licensure renewal if the applicant has committed specified acts.

Requires the Board to suspend an application for a license of a dental hygienist if the applicant is currently under investigation by a dental regulatory board in another jurisdiction.

Clarifies that the Board may deny an application by a dental hygienist for a restricted permit if the applicant has committed specified acts.

Requires the Board to suspend an application of a dental hygienist for a restricted permit or an application for restricted permit renewal if the applicant is currently under investigation by a dental regulatory board in another jurisdiction and the Board must not issue or deny a restricted permit to the applicant until the investigation is completed.

Specifies that the Board may deny a denturist certificate or renewal certificate.

Allows a dentist to meet the requirements for continuing education by participating remotely through audio visual means in a seminar, symposium, or lecture.

[Session Law](#)

## **HB 2369**

### **DUI; Work Release (Chapter 91)**

Sponsors: Representatives Smith, Ash, Barton

#### OVERVIEW

HB 2369 requires courts to allow certain Driving Under the Influence (DUI) offenders to continue employment or schooling while serving out their jail sentence, unless the court finds good cause.

#### HISTORY

Many courts in Arizona offer work release on a discretionary basis for offenders convicted of misdemeanors. It allows individuals that are employed or are students to leave jail for the hours that they are employed or attending class, returning at night and on the weekends to serve out their sentences.

Current law allows the courts to use discretion in granting a work release from jail for a first- or second-time DUI or extreme DUI (EDUI) offender for up to twelve hours a day and no more than five days a week. A first-time offender must serve 24 hours in jail before becoming eligible for work release, while a second-time offender must serve 48 hours to become eligible. All offenders on work release are still required to serve out the full sentence.

#### KEY PROVISIONS

Requires courts to allow first- and second-time DUI and EDUI offenders to continue their employment or schooling while serving out their jail sentence.

Permits courts to deny work release if the court finds good cause and places the findings on record.

Increases the number of days per week an offender may leave for work or school release from five days to six days.

[Session Law](#)

## **HB 2384**

### **Abortion; Public Funding Prohibition; Taxes (Chapter 55)**

Sponsors: Representatives Lesko, Ash, Burges

#### OVERVIEW

HB 2384 prohibits the use of public funds for training related to abortion procedures that are paid by tuition or fees for students at an Arizona university or community college and provides that charitable organizations that receive a cash contribution from an individual must provide a written certification to the Department of Revenue that the organization does not provide, pay for, promote, provide coverage of or provide referrals for abortions.

#### HISTORY

Current law prohibits the use of public funds, tax monies, funds of any political subdivision or any federal funds passing through this state be expended for the payment of abortion procedures, unless the procedure is needed to save the life of the woman having the abortion. Additionally, no public monies or tax monies may be used directly or indirectly to pay the costs, premiums or charges associated with a health insurance policy, contract or plan that provides coverage, benefits or services related to the performance of any abortion except if the abortion is necessary to save the life of the woman or avert substantial and irreversible impairment of a bodily function of the woman having the abortion.

#### KEY PROVISIONS

Prohibits any public funds, tax monies, funds of any political subdivision of this state or federal funds passing through this state or monies paid by students as part of tuition or fees to a state university or community college from being expended or allocated for training to perform abortions.

Provides that charitable organizations that receive a cash contribution from an individual must provide a written certification to the Department of Revenue. The certification must be signed by an officer of the organization and include a statement that the organization does not provide, pay for, promote, provide coverage of or provide referrals for abortions and does not financially support any other entity that provides, pays for, promotes provides coverage of or provides referrals for abortions.

Contains an effective date from and after December 31, 2011.

[Session Law](#)

## **HB 2410**

### **Honorably Discharged Veterans; In-State Tuition (Chapter 56 E)**

Sponsors: Representatives Vogt, Ash, Gallego

#### OVERVIEW

HB 2410 grants in-state student status for the purposes of tuition at any Arizona public university or community college to any person honorably discharged from the United States Armed Forces.

#### HISTORY

##### *In-State Student Status for Military Personnel*

Under current law, a person is not entitled to classification as an in-state student at an Arizona public university or community college until the person is domiciled in Arizona for one year. *Domicile* is defined as a person's true, fixed, and permanent home and place of habitation. The Legislature has provided several exceptions to the domicile requirement, four of which allow the following military personnel to be classified as in-state students:

A member of the Armed Forces of the United States, their spouse, or their dependent, if they are stationed in Arizona pursuant to military orders.

A member of the Armed Forces, their spouse, or their dependent, if they are stationed outside of Arizona, but claimed Arizona as their legal residence for the previous 12 months.

A veteran who was honorably discharged from the Armed Forces, their spouse, or their dependent, if they claimed Arizona as their legal residence for 12 consecutive months prior to the discharge, demonstrate evidence of intent to establish a domicile, and filed an Arizona resident income tax return in the prior tax year.

A veteran who was honorably discharged from the Armed Forces and who was serving at a military installation in Arizona at the time of their discharge.

HB 2410 will grant in-state student status to any veteran honorably discharged from the Armed Forces. According to information from the National Conference of State Legislatures, only three other states currently provide the same benefit: New Mexico, Minnesota (for undergraduates only), and Texas.

##### *The Post-9/11 GI Bill*

The federal Post-9/11 Veterans Educational Assistance Act of 2008 (GI Bill) provides a housing allowance, a book and supply stipend, and pays tuition and fees up to the highest possible in-state undergraduate rates for individuals who have served an aggregate period of at least 36 months of active duty in the Armed Forces after September 11, 2001. Individuals, who served at least 90 days, but less than 36 months, are entitled to a percentage of the full benefits, based on time served. While the housing allowance and book stipend is paid to the individual, tuition and fees are paid directly to the institution of higher learning (IHL). Benefits generally expire 15 years after release from active duty.

##### *The Yellow Ribbon Program*

If a student will incur costs beyond the scope of the GI Bill (due to out-of-state status or matriculation in graduate or a private school), the Yellow Ribbon Program (Program) can make up the difference. To receive Program benefits, a student must enroll in a participating IHL. The IHL determines the amount of tuition and fees it will contribute, which is then matched by the Department of Veterans Affairs. Each participating IHL can limit the number of students who may benefit from the Program in any given year. Arizona State University currently

limits benefits to 400 undergraduate and 100 graduate students while the University of Arizona limits benefits to 300 undergraduate, 100 graduate, and 100 doctoral students.

#### FISCAL IMPACT

According to the fiscal note prepared by the Joint Legislative Budget Committee for an identical bill, SB 1223, the bill has several potential fiscal impacts. Postsecondary institutions would receive less revenue due to decreased tuition payments by qualifying veterans. If the bill were to result in greater enrollment in the Arizona higher education system, the state could be responsible for greater costs to the General Fund. Under the funding formulas, the General Fund would pay \$7,568 for each new university student and between \$948 and \$998 for each new community college student. However, neither student enrollment formula is being funded in FY 2011.

#### KEY PROVISIONS

Beginning in the fall semester of 2011, classifies all persons who are honorably discharged from the United States Armed Forces and who demonstrate objective evidence of intent to be a resident of Arizona as in-state students for the purposes of tuition at an Arizona public university or community college.

Mandates Arizona voter registration for veterans seeking in-state student classification. Maintains current practice regarding residency status for veterans until the fall semester of 2011.

Contains an emergency clause.

[Session Law](#)

## **HB 2565**

### **Postsecondary Education; Students' Rights (Chapter 337)**

Sponsors: Representatives Court, Ash, Harper, Montenegro, Stevens, Barton, Gowan

#### OVERVIEW

HB 2565 prohibits public universities and community colleges from discriminating against, adopting policies that penalize or punish, or withholding any certificate or degree from a student based on the student's religious viewpoint, expression, or beliefs.

#### HISTORY

Current law asserts that free exercise of religion is a fundamental right that applies even if laws, rules, or other government actions are facially neutral. Additionally, government is prohibited from substantially burdening a person's exercise of religion unless it demonstrates that application of the burden to the person is both in furtherance of a compelling governmental interest and the least restrictive means of furthering that compelling governmental interest. For these purposes, *government* is defined as the state and any agency or political subdivision of the state. A person whose religious exercise is burdened in violation of the law and who prevails in any action to enforce the law against a government is entitled to recover attorney fees and costs.

#### KEY PROVISIONS

Stipulates that universities or community colleges cannot discriminate against a student nor adopt any policy that penalizes or punishes a student based on the student's religious viewpoint, expression, or beliefs.

Specifies coursework requiring a student's viewpoint be evaluated based on ordinary academic standards and adherence to the instructions for that assignment; the student cannot be penalized or rewarded on the basis of religious content or a religious viewpoint.

Prohibits a university or community college from withholding any certificate or degree on the basis of a student's religious viewpoint or expression.

Stipulates that a university or community college cannot discipline or discriminate against a student in a counseling, social work, or psychology program if the student refuses to counsel a client about goals that conflict with the student's sincerely held religious belief and the student consults with the supervising instructor to determine the proper course of action to avoid harm to the client.

Requires universities and community colleges that grant recognition to any student organization or group to recognize and give equal access or a fair opportunity to other student organizations regardless of the religious, political, philosophical, or other content of the organizations' speech.

Allows a religious or political student organization to determine the ordering of its internal affairs are in furtherance of the organization's religious or political mission and limit these activities to only persons committed to that mission.

Prohibits a university or community college from restricting a student's right to speak, hold a sign, or distribute fliers or other materials in a public forum unless the restriction is in furtherance of a compelling governmental interest and is the least restrictive means of furthering that compelling governmental interest.

Defines *community college*, *public forum*, and *university*.

[Session Law](#)

## **HB 2646**

### **JTEDS; Adult Students (Chapter 203)**

Sponsors: Representatives Gowan, Dial, Proud

#### OVERVIEW

HB 2646 permits adult students to attend vocational programs on a central campus of a Joint Technical Education District (JTED) during school hours.

#### HISTORY

##### *Age and School Enrollment*

Any school established for the purposes of offering instruction to pupils in kindergarten programs or any combination of grades one through twelve must admit a person who is between the ages of 6 and 21, resides in the school district, and meets the requirements for enrollment in one of the grades or programs offered in the school.

##### *JTEDs*

A JTED is a cooperative effort between two or more school districts to improve vocational education offerings in a more cost-effective manner and provide students with sufficient skills to enter occupations that normally do not require a postsecondary degree. Currently, there are 13 JTEDs in Arizona.

Once a JTED is formed, it is available to all persons residing within the boundaries of the participating school districts, but the JTED only receives state funding for resident high school pupils. A JTED may collect tuition for adult students (those over the age of 22) and pupils who are not residents of the participating districts.

Additionally, any district with career and technical and vocational education programs may offer vocational education services without regard to a student's age or high school graduation status. However, adult students are currently prohibited from attending vocational programs in high school buildings during regular school hours.

##### *EVIT Pilot Program for Adult Students*

In 2004, the East Valley Institute of Technology (EVIT) JTED was authorized to conduct a pilot program to allow adult students to attend courses on its central campus during regular school hours, through July 1, 2006. The program limited attendance to courses that had remaining student capacity. Under the program, the Legislature required EVIT to adopt policies to maximize the safety of minors in circumstances where interaction with adults was permitted in the same classroom at the same time. Subsequently, EVIT required felony background checks and fingerprinting for all participating adult students. According to EVIT, approximately 30 adult students participated in the 2-year pilot program.

#### KEY PROVISIONS

Allows adult students to attend vocational programs on a central campus that is owned and operated by a JTED during regular school hours if the program has additional student capacity after the enrollment of traditional pupils. Prohibits adults from enrolling in a massage therapy program.

Requires adults who enroll in a JTED program offered during regular school hours to have a valid fingerprint clearance card.

Directs JTEDs to send written notification to the parent or guardian of each student under the age of 18 who is enrolled in a vocational program during regular school hours when an adult enrolls in that same vocational program.

Stipulates that adult students can only participate in vocational education programs offered by a school district if the purpose of the program is skill retraining or skill upgrading. Adult students are prohibited from receiving college-level credit for those programs.

#### [Session Law](#)

## **SB 1196**

### **Optional Retirement Plans; Community Colleges (Chapter 207)**

Sponsor: Senator McComish

#### OVERVIEW

SB 1196 requires the Community College District Governing Board (Board) to make contributions from publicly appropriated monies to be at least equal to the contributions prescribed by Arizona State Retirement System (ASRS).

#### HISTORY

The Arizona Board of Regents established optional retirement programs (ORP). ORP contracts provide retirement and death benefits that may be purchased for members of the faculty and administrative officers of the institutions under its jurisdiction. The benefits to be provided for or on behalf of participants in the ORP are provided through fixed or variable annuity contracts, or a combination of both, or other retirement plans approved by the Arizona Board of Regents.

Eligible employees may elect to be a part of ASRS or ORP. The decision to participate in ORP is irrevocable. Currently, the Board must make contributions on behalf of each participant in the ORP program in an amount at least equal to the ASRS employer contribution rate but not more than 7%. At the time of enactment in 2001, the ASRS contribution rate was 2.17%. Currently, the contribution rate is 9.6% and will rise to 10.50% on July 1, 2011.

#### KEY PROVISIONS

Removes the 7% cap and requires the board to make contributions from public appropriated monies to be at least equal to the contributions prescribed by ASRS.

[Session Law](#)

**SB 1213**

**Community College Districts; Alternative Formation  
(Chapter 248)**

Sponsor: Senator Allen

OVERVIEW

SB 1213 establishes an alternative process to convert a provisional community college district to an independent community college district.

HISTORY

*Provisional Community College Districts*

Currently, a county with a minimum primary property assessed valuation of \$1,629,814,000 and a population of at least 40,000 persons who are 15 years of age or older is allowed to organize a community college district. A county that does not meet these thresholds may form a provisional community college district. A provisional community college must contract with an existing organized community college district for instruction and student services. Unlike an organized community college district, a provisional community college lacks the authority to award degrees, receive state Equalization aid, or receive the state contribution for Capital Outlay for initial or additional campuses. Last year, the Legislature enacted laws to allow a provisional community college to issue bonds for capital outlay purposes using the same procedures as organized districts. Currently, Arizona has 10 organized community college districts and two provisional community college districts.

*Community College Funding*

Community college districts receive revenues from local property taxes, student tuition and fees, and other monies generated by the colleges. Additionally, community college districts receive state funding through three separate formulas: Operating State Aid, Capital Outlay State Aid, and Equalization Aid. Operating and Capital Outlay State Aid are distributed based on the average of full-time equivalent student enrollment (FTSE) on the 45th day in both the fall and spring semester in a fiscal year. Equalization Aid is distributed to districts whose property tax base is less than the minimum assessed value (\$1.7 B in FY 2010-11) and is paid based on the difference between the minimum assessed valuation and the district's most recent actual assessed valuation.

KEY PROVISIONS

Allows a county to organize an independent community college district if the following requirements are met:

The county has operated a provisional community college for at least five years.

The provisional community college has an enrollment of at least 900 FTSE according to the most recent audited FTSE count.

The provisional community college district's governing board (Board) holds a public meeting to discuss and hear testimony on the conversion of the provisional community college district to an independent community college district.

The Board adopts a resolution to form a community college district.

The proposed community college district is seeking accreditation.

The provisional community college district has maintained a regional accreditation and oversight relationship with another community college district until it is converted from a provisional district to an independent district.

Permits the Board, after the resolution to convert to an independent district is adopted, to call an election on a general election date to seek voter approval to increase the property tax levy.

Specifies once the voters approve the proposed tax levy, the Board cannot submit another proposal in subsequent years.

Requires the new alternatively-formed community college district to maintain a regional accreditation and oversight relationship with another community college district until it has reached the initial candidacy stage of the accreditation process.

Prohibits community college districts formed pursuant to the alternative process from receiving state Equalization Aid and specifies these districts should not be considered when calculating the base used to determine Equalization Aid to the other community college districts.

Outlines the distribution of Proposition 301 (Prop. 301) Workforce Development monies for alternatively-formed community college districts as follows:

For a new alternatively-formed district that is required to contract with another district for the purpose of accreditation, the FTSE of the new district is included in the FTSE of the contracting district. Monies generated from the additional FTSE must be used to provide services to students in the new district as approved by the new district's governing board through its annual budget process.

For an alternatively-formed district that obtains initial candidacy status in its accreditation process, monies distributed based on FTSE will go directly to the alternatively-formed district.

Contains a delayed effective date of October 1, 2011 related to Prop. 301 Workforce Development monies.

#### [Session Law](#)

## **SB 1217**

### **Shared Revenues; Provisional Community Colleges (Chapter 249)**

Sponsor: Senator Allen

#### OVERVIEW

SB 1217 adjusts the distribution formula for the Proposition 301 Workforce Development monies.

#### HISTORY

##### *Provisional Community Colleges*

Currently, a county with a minimum primary property assessed valuation of \$1,629,814,000 and a population of at least 40,000 persons 15 years of age or older is allowed to organize a community college district. A county that does not meet these thresholds may form a provisional community college district. A provisional community college must contract with an existing organized community college district for instruction and student services. Unlike an organized community college district, a provisional community college lacks the authority to award degrees, receive state equalization aid, or receive the state contribution for capital outlay for initial or additional campuses. Last year, the Legislature enacted laws to allow a provisional community college to issue bonds for capital outlay purposes in the same manner as organized community colleges. Currently, Arizona has 10 community college districts and two provisional community college districts.

*Proposition 301 Workforce Development*

Proposition 301, passed by the voters in 2000, consisted of several educational reform measures, one of which raised the state’s transaction privilege (sales) tax rate by 0.6%. A portion of the total revenue collected each fiscal year is allocated to each community college district’s Workforce Development Account for the purpose of workforce development and job training.

KEY PROVISIONS

Includes a provisional community college district’s FTSE in the FTSE count of the community college district that provides services to the provisional district for the purpose of determining the distribution of Proposition 301 Workforce Development monies.

Requires the monies generated from the provisional district’s FTSE count to be used for workforce development services to students in the provisional district.

Contains a delayed effective date of September 30, 2011.

[Session Law](#)

**SB 1295**

**Provisional Community Colleges; Levy Limit  
(Chapter 233)**

Sponsor: Senator Griffin

OVERVIEW

SB 1295 requires the Property Tax Oversight Commission (PTOC) to set the primary property tax levy limit for provisional community college districts if no primary property taxes were levied by the district in the preceding tax year.

HISTORY

Under current law, the respective governing boards of counties, cities, towns and community college districts that did not levy primary property taxes in the preceding tax year must submit a proposed levy amount to the voters for approval if a primary property tax is to be levied. The specified levy amount will then be used as the base for determining the primary property tax levy limitations for the subsequent fiscal year. If the proposed levy amount is not approved at the election, the county, city, town or community college district is prohibited from levying a primary property tax for that year.

In 1999, legislation was enacted that authorized the formation of provisional community college districts. These districts operate in conjunction with an existing community college district to provide instruction and student services. Provisional community college districts are exempt from most of the formation criteria of a regular community college district, and cannot issue degrees, certificates, or diplomas. To form a provisional community college district, the county Board of Supervisors (Board) may adopt a resolution and submit the question of the district’s formation, and the proposed tax rate to fund the district to the voters for approval. The resolution must include a statement specifying that the primary property tax levy limit for the provisional community college district cannot be less than the levy limit of the most recently formed community college district. Currently, Gila County Community College District and Santa Cruz County Community College District are the only two provisional community college districts.

KEY PROVISIONS

Exempts provisional community college districts from the statutory requirements governing the establishment of a levy limit for counties, cities, towns and community college districts that did not levy primary property taxes in the preceding tax year.

Requires the PTOC to set the property tax levy limit for a provisional community college district that did not levy a primary property tax in the preceding tax year.

Specifies that the levy limit cannot be less than the levy limit of the most recently formed community college district.

Makes the provisions retroactive to May 16, 2010.

[Session Law](#)

## **SB 1521**

### **Schools; Head Injury Policies; Athletics (Chapter 167)**

Sponsors: Senators Crandall, Arredondo, Barto

#### OVERVIEW

SB 1521 requires school district governing boards to implement policies and procedures regarding concussions and head injuries of students participating in school-sponsored athletic activities.

#### HISTORY

Current law requires school district governing boards to prescribe and enforce health and safety policies for all students participating in district-sponsored athletic activities.

#### KEY PROVISIONS

Directs school district governing boards to consult with a statewide private entity that supervises interscholastic activities to develop guidelines, information, and forms to educate coaches, students, and parents about the dangers of concussions and head injuries and the risks of continued sports play after a concussion

Instructs school district governing boards to enforce a concussion policy that addresses risk awareness and appropriate response procedures.

Grants civil immunity to a school district, school district employee, team coach, official, team volunteer, or a parent or guardian of a team member for good-faith efforts to comply with the requirements of the bill, and to school districts and their employees for the failure of another person or organization to comply with the requirements of the bill.

Applies the provisions of the bill to any group or organization, except an out-of-state team, that uses school district property for athletic purposes.

Defines *health care provider* and *athletic activity*.

[Session Law](#)

## **ELECTIONS**

2011 MCCC

Final Legislative Summary

## **HB2303**

### **Voting Centers; Polling Places (Chapter 331)**

Sponsor: Representative Mesnard

#### OVERVIEW

HB 2303 permits the county board of supervisors to authorize the use of voting centers in addition to or in place of designated polling places on Election Day.

#### HISTORY

Voting centers are non-precinct based locations for voting on Election Day. The sites are fewer in number than precinct-voting stations, centrally located in major population centers, and rely on county-wide voter registration databases accessed by electronic voting machines. Voters in the voting jurisdiction are provided ballots according to their voter registration address.

Under current law, each county board of supervisors (Board) is responsible for establishing and defining the boundaries of election precincts in that county. Each county contains numerous precincts, with each precinct containing one polling place. The Board may also provide for more than one polling place within a precinct but must consider the population characteristics of each precinct.

#### KEY PROVISIONS

Allows the county board of supervisors to authorize the use of voting centers in place of or in addition to designated polling places.

Requires that voting centers provide an appropriate ballot for any voter in that county on Election Day.

Requires that voting centers allow any voter in that county to lawfully cast the ballot.

[Session Law](#)

## **HB 2304**

### **State Elections; Omnibus (Chapter 332)**

Sponsor: Representative Mesnard

#### OVERVIEW

HB 2304 makes numerous changes to relating to state election law.

#### HISTORY

##### *Uniformed Services and Overseas Voters*

Under current law, absent uniformed services and overseas voters may vote as prescribed by Arizona law. The statute permits these voters to request a special write-in early ballot and allows for these requests to be made on a federal postcard application.

The Federal Voting Assistance Program (FVAP) recommends that the Federal Write-in Absentee Ballot (FWAB) be the only write-in ballot used for uniformed services and overseas voters. They are concerned that the

authorization and use of both a FWAB and a State Write-In Absentee Ballot introduces greater complexity and opportunity for error for uniformed services and overseas voters.

#### *Filling Vacancy Due to Death/Incapacity versus Voluntary Withdrawal*

Under current law, a vacancy occurring due to death, mental incapacity or voluntary withdrawal of a candidate after the close of petition filing but prior to a primary or general election is filled by the political party with which the candidate is affiliated. State statute delineates the procedures that occur depending on the office left vacant.

#### KEY PROVISIONS

Removes the requirement that the county recorder send a list of all candidates who have qualified for the presidential preference ballot to absent uniformed services voters or overseas voters who request a special write-in early ballot.

Modifies the instructions contained on a nomination petition to clarify that a circulator is not required to be an Arizona resident but is required to register as a circulator with the SOS. Requires that circulators, who are not Arizona residents, register as circulators with the SOS.

Clarifies in the section of law governing the signing and certification of nomination petitions that the person before whom the signatures were written on the signature sheet does not have to be an Arizona resident but stipulates that they must register as a circulator with the SOS. Limits the ability for a candidate to run by writing in to those vacancies that occur due to voluntary withdrawal.

Prohibits a vacancy that occurs because of death or incapacity from being filled and requires the SOS to notify the county Board of Supervisors (Board) to post a notice of the death or incapacity in each polling place with notice that the votes cast will be tabulated.

Allows a Permanent Early Voter applicant to list a mailing address outside of the county of their residence. Requires that the affidavit of circulator contain the following provisions printed on the affidavit:

The circulator is not required to be an Arizona resident.

The signature, name and address are to be completed by the elector.

Permits initiative or referendum circulators to print the name and address of a person who is incapable of doing so because of physical infirmity.

Increases the threshold, that requires the SOS to return the original signature sheets to the person or organization that submitted them certifying that it failed to meet the minimum number of signatures to place it on the general election ballot, from 95% of the minimum number of signatures required by the constitution to 100%.

Expands the 75-foot limit on polling places to include electioneering.

Defines *electioneering* as express support for or opposition to (1) a candidate appearing on the ballot, (2) a proposition appearing on the ballot, or (3) a political party on the ballot.

Defines *electioneering materials* as written or printed material or items, including articles of clothing.

#### *Scanned Ballot Election Auditing Pilot Program*

Contains session law that allows the SOS to establish a scanned ballot election auditing pilot program. Stipulates that the pilot program shall include analytical assistance from one or more of the Arizona universities.

#### *Miscellaneous*

Contains session law that permits a nomination and petition form for the 2012 elections to refer to legislative district number as used in the 2010 elections.

#### [Session Law](#)

## **HB 2335**

### **Presidential Ballot; President; Vice-President (Chapter 299)**

Sponsor: Representative Harper

#### OVERVIEW

HB 2335 requires the heading of the column on a general election ballot containing the names of the candidates for the office of president to read “President and Vice-President.”

#### HISTORY

According to Article 2, Section 1 of the United States Constitution, electors must meet in their respective states and vote by ballot for president and vice-president, with each state appointing as many electors as it has senators and representatives in Congress.

Current law states that the chairman of the state committee of a political party that is qualified for representation on an official party ballot at the primary election and accorded a column on the general election ballot shall appoint candidates for the office of presidential elector. Currently, the names of those electors appear on the general election ballot.

#### KEY PROVISIONS

Requires the heading of the column on a ballot containing the names of the candidates for the office of president to read “President and Vice-President.”

Requires the indicator mark on a ballot to point to the name of the candidate for president with the name of the vice-presidential candidate immediately below that of the presidential candidate.

[Session Law](#)

## **SB 1160**

### **City Sales Tax; Residential Rental (Chapter 40)**

Sponsors: Senators McComish, Gould, Gray

#### OVERVIEW

SB 1160 prohibits a city or town from imposing or increasing sales tax on residential renters unless approved by municipal voters.

#### HISTORY

The first Model City Tax Code (Code) was originally drafted in response to a recommendation by a legislatively created municipal sales tax study commission. All proposed changes to the Code are reviewed and approved by the Municipal Tax Code Commission. The mission of the Code is to retain the right of individual cities and towns to determine the items taxed as well as the exemptions to be granted thereby leaving the determination of the local sales tax base up to the individual city or town, all while providing a greater degree of uniformity.

#### KEY PROVISIONS

Prohibits a city or town that levies a transaction privilege, sales, gross receipts, use, franchise or other similar tax or fee from imposing or increasing the rate of tax applied to the business of renting or leasing real property for

residential purposes, unless approved by the qualified electors of the city or town at any regular municipal election.

[Session Law](#)

## **SB 1167**

### **Legislation; Referenda Challenges (Chapter 159 E)**

Sponsors: Senators Yarbrough, McComish

#### OVERVIEW

SB 1167 is an emergency measure that establishes a statute of limitations for actions that challenge the legal sufficiency of a measure referred by the Legislature.

#### HISTORY

Part 1, section 1 of Article 4 of the Arizona Constitution governs initiative and referendum. In short, it states that though the legislative authority of the State is vested in a Legislature, the people reserve the power to propose laws and amendments to the Constitution and to enact or reject such laws independently of the Legislature through the Initiative or Referendum. Under this power the Legislature, or 5% of the qualified electors, may order the submission to the people at the polls of any measure, item, section, or part of any measure, enacted by the Legislature, with certain exceptions.

#### KEY PROVISIONS

Requires that any challenge to the legal sufficiency of any referendum measure or any proposed amendment to the Constitution of a measure referred by the Legislature must be filed within the following time period, starting after the referendum is filed with the Secretary of State:

20 days if filed in an odd numbered year;  
10 days if filed in an even numbered year.

Requires that the action be advanced on the calendar, heard and decided by the court as soon as possible.

Stipulates that either party may appeal to the Supreme Court within five days after judgment.

Stipulates that the Maricopa County superior court must have jurisdiction over actions filed pursuant to this section.

Entitles the President of the Senate or Speaker of the House of Representatives to be heard.

Authorizes the President of the Senate or Speaker of the House of Representatives to intervene as a party and file briefs in the matter or choose not to participate.

Contains an emergency clause.

[Session Law](#)

## **SB 1473**

### **Early Voting Sites; Electioneering (Chapter 273)**

Sponsor: Senator Gould

## OVERVIEW

SB 1473 requires facilities used as an early voting site during the period of early voting to allow persons to electioneer and engage in other political activity outside the 75-foot limit in public areas and parking lots used by voters, except in the case of an emergency.

## HISTORY

*75-foot Limitation* - The 75-foot limit is measured from the main outside entrance of the polling place. Within that space, no person is permitted to remain inside while the polls are open except:

- For the purposes of voting, or to assist a voter.
- The election officials.
- Department of Justice observers.
- One representative of each political party represented on the ballot and appointed in writing.

### *Electioneering Within the 75-foot Limit*

Under current law, it is unlawful for any person to attempt to influence a person's votes on Election Day within a polling place or in a public manner within 75-feet of the main outside entrance of a polling place or an early voting site designated by the Recorder. Electioneering is expressly prohibited within the 75-foot limit while the polls are open. No campaign related materials, including but not limited to, campaign signs, buttons, literature, shirts, bumper stickers, advertisements, endorsements, or written materials may be within the 75-foot limit designated by the election board.

### *Electioneering Outside the 75-foot Limit*

Except in the case of an emergency, any facility that is used as a polling place on Election Day shall allow persons to electioneer and engage in other political activity outside of the 75-foot limit in public areas and parking lots used by voters. However, the construction of permanent or temporary structures in public areas and parking lots or the blocking or impairment or access to parking spaces for voters is not permitted.

## KEY PROVISIONS

Expands the scenarios by which a polling place facility must allow electioneering outside of the 75-foot zone to include early voting sites during the early voting period.

[Session Law](#)

## **HUMAN RESOURCES**

### **HB 2444**

#### **Law Enforcement Officer Discipline (Chapter 198)**

Sponsor: Representative Montenegro

## OVERVIEW

HB 2444 regulates the manner in which a law enforcement or probation officer can be investigated for alleged misconduct and specifically concerning the use of a polygraph examination.

## HISTORY

State Statute outlines laws that are to be followed in the event of an alleged misconduct investigation by a law enforcement officer, a detention officer, a corrections officer or a probation officer. If an employer during an interview with the officer under investigation believes the interview may result in disciplinary action, the officer

may request a lawyer or representative to be present and the representative may only participate as an observer. Before the commencement of the interview, the employer is required to provide written notice informing the officer of the facts resulting in the investigation.

Employers are prohibited from including the disciplinary investigation in the portion of their personnel file of the employee that is open to the public until the investigation is complete. The investigation is not complete until any appeals processes are finished.

#### KEY PROVISIONS

Requires that the results of the polygraph examination cannot be the basis of the disciplinary action unless other information or evidence exists. Requires the employer to create an audio recording of any polygraph examination that occurs in its entirety and give a copy of the recording to the officer being examined.

Allows the employer to make a law enforcement officer or probation officer submit to a polygraph examination if during an investigatory meeting the officer makes a statement that differs from statements previously made and reconciling that the difference is essential to conclude the investigation.

Requires the employer to obtain a transcript of the polygraph exam and to give a copy to the officer in question within 10 business days of receipt if the transcript is needed for an administrative hearing. Authorizes the completion of the investigation to go past 120 business days as long as a “good faith effort” has been used to complete it in the allotted time, subject to certain exceptions.

Requires the employer to complete the investigation and give notice in writing to the employee concerning intent to proceed with any penalizing action if the employer decides such action is appropriate.

#### [Session Law](#)

## **HB 2477**

**Law Enforcement Officers; Witness; Representation  
now: Witness; Representation; Law Enforcement Officers  
(Chapter 301)**

Sponsor: Representative Gowan

#### OVERVIEW

HB 2477 allows law enforcement officers who are witnesses relating to an investigation that could lead to another officer’s dismissal, demotion or suspension to have a representative available during the interview.

#### HISTORY

Under current law, law enforcement officers and probation officers have the right to request representation during an interview that the employer reasonably believes will result in dismissal, demotion or suspension. Before the interview may begin, the employer must inform the law enforcement officer or the probation officer of the following information via a written notice:

- The specific nature of the investigation,
- The officer’s status in the investigation,
- All known allegations of misconduct that are the reason for the interview, and
- The officer’s right to have a representative present at the interview.

## KEY PROVISIONS

Defines *law enforcement officer* for the purposes of this section as: an individual who is certified by the Arizona Peace Officer Standards and Training Board, other than a person employed by a multi-county water conservation district or as a detention officer, juvenile detention officer or correction officer, other than a probationary employee who is employed by this state or a political subdivision of this state

Requires the employers of a law enforcement officer who is a witness relating to an investigation that could lead to another officer's dismissal or demotion to allow the law enforcement officer or probation officer to have a representative of the officer present at no cost to the employer during the interview.

[Session Law](#)

## **HB 2541**

**Technical Correction; Wage Board; Powers  
now: Employee Drug Testing; Medical Marijuana  
(Chapter 336)**

Sponsor: Representative Yee

## OVERVIEW

HB 2541 allows employers to take action against employees who are believed, in good faith, to be impaired at work due to prescribed, illegal or synthetic drug use.

## HISTORY

Synthetic cannabinoids are chemically engineered substances similar to THC (tetrahydrocannabinol), the active ingredient in marijuana. Initially developed for research related to the treatment of pain and the effects of cannabis on the brain, they are increasingly being marketed as a **popular alternative to marijuana**. The Drug

Enforcement Administration (DEA) has issued a temporary ban under the Controlled Substances Act of 1970 on five of the chemical compounds that compose K2. Additionally, 11 states have outlawed the use of these synthetic compounds and 21 states are presently considering similar legislation.

## KEY PROVISIONS

Defines *impairment* as symptoms that an applicant or employee may be under the influence of drugs or alcohol that may decrease or lessen the employee's performance of the duties or tasks of the employee's job position.

Defines *safety-sensitive positions* as any job that includes tasks or duties that could affect the safety or health of the employee performing the task or others.

Defines *current use of drugs* to mean that the drug use occurred recently enough to justify an employer's reasonable belief that involvement with drugs is ongoing.

Clarifies that *good faith* does not include a belief formed with gross negligence and expands its definition to include observation, report, lawful surveillance, legal records, and results of a drug test. Expands the definition of employer to include this state and its political subdivisions.

Allows employers to take action in good faith against employees who exhibit symptoms of impairment.

Provides that employers are not obligated to keep employees in **safety-sensitive positions if they are drug users** or show symptoms of impairment.

Permits an employer to use the medical marijuana verification system to verify a registry identification card that is provided to the employer by an employee or applicant that has received a conditional offer of employment.

Becomes effective on the general effective date, retroactive from and after April 12, 2011.

[Session Law](#)

## **SB1057**

### **Law Enforcement; Disciplinary Action (Chapter 244)**

Sponsor: Senator Gray

#### OVERVIEW

SB 1057 allows a law enforcement officer to bring an employer's action in superior court if the officer was terminated under certain circumstances and outlines the penalties if the court finds that there was no just cause for the action.

#### HISTORY

A *disciplinary action* is defined as the dismissal, demotion or suspension for more than 16 hours of an officer that is authorized by statute, charter or ordinance and that is subject to a hearing or other procedure by a local merit board, a civil service board, and administrative law judge or a hearing officer.

State statute specifies that if an officer's employer believes that any meeting concerning the officer's alleged misconduct could result in dismissal, suspension or a demotion then the officer must be notified in writing beforehand concerning the allegations. The officer may request that a representative be present at the meeting, although the representative must be of the same agency, unless the agency cannot provide a representative. An attorney may be consulted during breaks during the interview by telephone. If the officer makes any statement that differs from other information that was previously recorded, the officer may be forced to submit to a polygraph examination.

#### KEY PROVISIONS

Allows an officer to bring an action in Superior Court for a new hearing concerning termination if:

The termination occurred as a result of the chief of the law enforcement agency or the chief executive officer of a city or town reversing the choice or proposal of a civil service board or merit commission; and the termination is believed to be without just cause by the officer.

Specifies the following results if the superior court finds that just cause for the action against the employee did not exist:

- Requires the officer to be reinstated to the their previous position within the law enforcement agency by court order; and

- Allows the court to reward the officer monetary damages that cannot exceed the officer's combined wages and benefits lost as a result of the wrongful termination

[Session Law](#)

## **SB1235**

### **Law Enforcement Officers; Disciplinary Procedure (Chapter 230)**

Sponsors: Senators Gray, Aboud

#### OVERVIEW

SB 1235 requires a law enforcement officer or a probation officer's employer to provide additional information in interviews concerning alleged wrongdoing at the officer's request.

#### HISTORY

State Statute outlines the laws required when a law enforcement officer and employer have a meeting where either believe the meeting could result in disciplinary action against the employee including suspension, dismissal or a demotion. Current law also allows a party to request a change of hearing officer or administrative law judge in appeals of disciplinary actions when a single administrative law judge or hearing officer has been selected.

#### KEY PROVISIONS

Requires the employer, at the request of an officer who is subject to a disciplinary interview, regardless of a court's rule, to provide a basic summary of any discipline ordered against any other officer of similar rank and knowledge working for the employer within the preceding two years for the same or comparable infraction on the matter.

Allows the employer to supply file reproductions of relevant punitive cases as a substitute. Prohibits the employer from taking concluding action or arranging a hearing until the essential outline or file copies are provided to the officer.

Applies requirements for an officer's appellate hearings for disciplinary actions that result in dismissal, demotion or suspension for more than eight hours, instead of 16 hours.

[Session Law](#)

## **IMMIGRATION**

## **SB 1117**

### **Immigration Legislation Challenges (Chapter 3E)**

Sponsor: Senator Pearce

#### OVERVIEW

SB 1117 is an emergency measure that removes the time limitation related to the Governor directing the Attorney General or outside counsel to defend legal challenges to the Support Our Law Enforcement and Safe Neighborhoods Act.

#### HISTORY

The Support Our Law Enforcement and Safe Neighborhoods Act (Act) requires officials and agencies of the state and political subdivisions to fully comply with and to assist in the enforcement of federal immigration laws. The Act established crimes involving failure to complete an alien registration document, hiring or soliciting work under specified circumstances, transporting or harboring unlawful aliens and their respective penalties.

As amended by Laws 2010, Chapter 211, the Act requires the Attorney General (AG) to act at the direction of the Governor and permits the Governor to direct other counsel in any challenge to the Act and its amendments through December 31, 2010. S.B. 1117 removes the January 1, 2011 expiration date and permits the Speaker of the House of Representatives and the President of the Senate to direct counsel to initiate a legal proceeding, or appear on behalf of their respective chambers, or on behalf of the Legislature in any challenge in state or federal court to the Act or its amendments.

The fiscal impact is unknown; however, there may be additional costs associated with litigation.

#### KEY PROVISIONS

Removes the time limitation requiring the AG to act at the direction of the Governor in any challenge in state or federal court to the Act or its amendments.

Removes the time limitation that permits the Governor to direct counsel other than the AG to appear on behalf of the state to defend any challenge to the Act or its amendments.

Allows the Speaker of the House of Representatives and the President of the Senate to direct counsel to initiate a legal proceeding or appear on behalf of their respective chambers or on behalf of the Legislature in any challenge in state or federal court to the Act or its amendments.

Becomes effective on the signature of the Governor, if the emergency clause is enacted, retroactive to January 1, 2011.

[Session Law](#)

## **PROPERTY TAX**

### **HB 2397**

#### **Taxes; Sale of Trust Lands (Chapter 284)**

Sponsor: Representative Jones

#### OVERVIEW

HB 2397 exempts purchasers of state trust lands from paying taxes on that land for seven years from the time a certificate of purchase is issued, or until a patent for the land is issued, whichever occurs first.

#### HISTORY

“State lands” means any land owned or held in trust, or otherwise, by the state, including leased school or university land. When state trust land is purchased by a private entity, the State Land Department (SLD) issues a Certificate of Purchase, which indicates the details and terms of the sale. Once the terms and conditions of the Certificate of Purchase have been satisfied, the SLD issues a patent to the purchaser. However, if a purchaser of state trust land becomes delinquent on their taxes before a patent is issued, the SLD is required to repossess the land. If purchasers of trust land pay in full for land with cash up front, they are immediately issued a patent on the land and would be added to tax rolls.

#### KEY PROVISIONS

Exempts the sale of state lands from taxation until SLD issues a patent for the sold land, or until seven years after the date of auction, whichever occurs first.

Requires sold state lands to be taxed and the taxes collected and enforced as against other lands if a patent has not been issued within seven years after SLD issued a Certificate of Purchase on that land.

Prohibits SLD from issuing a patent to the purchaser of state lands until all taxes due on that land have been paid.

[Session Law](#)

## **SB1178**

### **County Judgment Bonds (Chapter 321)**

Sponsor: Senator Allen

#### OVERVIEW

SB 1178 allows county supervisors of counties, by resolution, to levy an excise tax, issue and administer county judgment bonds.

#### HISTORY

A bond is a debt security in which the issuer owes the holders a debt, and depending on the terms of the bond, is obligated to pay interest and the principal at a later date. There are many types of bonds available for investment including U.S. government securities, municipal bonds, corporate bonds and foreign government bonds.

Governments and companies issue bonds when they need a large sum of money to pay for everything from expansion and infrastructure to social programs. A bond is similar to a loan. The issuer is the borrower, the holder is the lender and the coupon is the interest.

#### KEY PROVISIONS

Establishes Article 5, County Judgment Bonds.

Authorizes a county board of supervisors (Board) in counties to issue negotiable bonds at a principal rate that the Board determines is necessary to:

Provide sufficient monies for any county judgment purpose.

Pay necessary bond related expenses.

Establish and fully or partially fund any reserves or sinking accounts established by the bond resolution.

Issue refunding bonds if the Board considers refunding to be expedient.

Refund any bonds issued if the bonds are secured from the same source of revenues as the bonds authorized in this article by issuing new bonds, whether the bonds to be refunded have or have not matured.

Issue bonds partly to refund outstanding bonds and partly for any county judgment purpose consistent with Article 5.

Requires the Board to authorize bonds by resolution and outlines what the resolution shall prescribe.

Specifies that surplus monies that remain in the bond proceeds fund after all county judgment purposes, bonds, interest and other charges related to the bonds have been paid shall be credited to the county general fund.

[Session Law](#)

## RETIREMENT

### HB 2024

#### **ASRS; Amendments (Chapter 277)**

Sponsor: Representative Robson

#### OVERVIEW

HB 2024 makes numerous changes to the Arizona State Retirement Statutes (ASRS) relating to administration, distribution of benefits, Long Term Disability (LTD,) employer collections, return to work, service purchase and benefit transfers.

#### HISTORY

Established in 1953, ASRS manages retirement, health and LTD benefits for state, county and municipal employees. ASRS benefits are funded by member and employer contributions and by earnings on investments. The ASRS has three funds: Retirement, Health Benefit, and Long Term Disability, to which the employee and employer contributions are distributed according to actuarially determined contribution rates. Actuaries are appointed by the board of directors of ASRS, and must make assessments according to statutory actuarial standards.

#### KEY PROVISIONS

Defines *disabled* as a person who is incapable of self-sustaining employment by reason of mental or physical handicap and is chiefly dependent on the member for support.

Defines *contract fee* as the gross amount paid to a retired member as an independent contractor minus an amount, not to exceed ten per cent, for an administrative fee.

Defines *gross salary* as the gross amount paid to a retired member by a leasing company as salary or wages, including amounts that are subject to deferred compensation or tax shelter agreements, for services rendered or that would have been paid to the retired member except for the member's election or a legal requirement that all or part of the gross amount be used for other purposes.

#### *Transfers*

Requires benefit transfers from charter cities to conform to Public Safety Personnel Retirement System (PSPRS) and Correction Officers Retirement Plan (CORP) transfer guidelines as outlined in statute.

Specifies that if the market value of the System or Plan is greater than 100%, then the system of plan shall use a 100% market value.

#### *Qualified Domestic Relations Order*

Terminates an alternate payee's benefit under a Qualified Domestic Relations Order (QDRO) if the alternate payee pre-deceases the member.

Specifies that the change only applies to new or amended QDROs filed with the ASRS on or after January 1, 2012.

### *Delinquent Contributions*

Adds LTD benefits, transfers from another retirement system or plan, and supplemental defined contributions to the list of delinquent employer contributions which ASRS can intercept and assess interest. Requires an employer to report monies intercepted by ASRS that were due to an employer from another department or agency of this state.

### *Federal Conforming Changes*

Clarifies that a member who is not currently working for an employer, and who is receiving differential wage payments is not considered as having a severance with employment, as outlined in the Uniformed Services Employment and Reemployment Rights Act (USERRA.)

Clarifies the period for which a member may receive service for a military call-up to the date the member returns to employment or should have returned to employment under Federal regulations and also extends the period for service-related hospitalizations from one to two years.

Allows members to rollover to a Roth IRA, effective January 1, 2008.

### *Survivor Benefits*

Removes references to “stepchild,” and replaces with the term “adopted.”

Specifies that a member’s natural or adopted child of any age who is disabled qualifies for survivor benefits (as defined in the bill.)

### *Lump Sum Retirement Threshold*

Increases the lump sum retirement threshold from \$20.00 to an amount determined by the ASRS Board.

Clarifies that a member continues to have rights to the ASRS Health Insurance Program, but does not have rights to a Permanent Benefit Increase.

### *Long Term Disability Plan*

Specifies that LTD benefits are not payable to a member who files their initial claim more than 24 months after their date of disability

Allows ASRS to suspend or terminate benefits if a member fails to provide information as requested by ASRS or the claims administrator.

### *Return to Work*

Requires employers to pay an Alternate Contribution Rate (ACR) beginning on July 1, 2014 for retired members who perform services that would otherwise be performed by an employee of the employer and requires the ACR to be assessed starting the 366<sup>th</sup> day after retirement for a member who reached normal retirement, and for a member who is an early retiree, working less than 20 weeks a year and 20 hours a week.

Prohibits the retired member from accruing credited service, member service, account balances, retirement benefits, LTD benefits, and the time is not eligible for later service purchase.

Requires employers to pay the ACR on behalf of any retiree that it employs regardless of 20/20 status, direct/leasing/contracting arrangement, or whether the retiree satisfied the 12 month break in service without working on a leased or contract basis. Instructs the ASRS actuary to determine the ACR in an annual valuation performed by June 30<sup>th</sup> each year.

Specifies that the ACR is calculated as the greater of 2% or two times the “deficit” payment, and calculates the ACR by adding the employer ASRS Contribution Rate to the employer LTD Contribution Rate, and then subtracting the normal cost.

Establishes a cap on the ACR that cannot be higher than the employer’s portion of the total ASRS Contribution Rate which is the Defined Benefit (DB) plus LTD. States that the ACR shall be payable on the compensation (for direct hire), gross salary (for leased employee), or contract fee (for independent contractor), as defined in the bill.

Allows ASRS to determine how frequently the ACR is paid and how the monies are submitted to the ASRS and specifies that late contributions will be subject to 8% interest and may be recovered in court or by State revenue offsets.

Requires employers to submit any reports, data, paperwork, or materials required by the ASRS to determine the function, utilization, efficacy, or operation of the return to work program.

Includes a Legislative Intent clause which states that the purpose of the legislation is to mitigate the potential actuarial impact that retired members who return to work might have on the trust fund.

#### *Return to Work Violations*

Clarifies the period for which a member shall repay suspended pensions to the ASRS starts with the date the ASRS notifies the member in writing that their employment violated the statute, the date the ASRS determines the member knew or should have known that their employment violated the statute, or any other time period determined by the ASRS.

Requires an employer that employed a member whose pension was suspended to pay the ASRS the ACR starting with the date the member returned to employment. The employer is required to make the ACR payment through the earlier of:

The date the member terminates employment.

The date the employer begins making the ACR payment required by the new Return to Work statute.

The date the member resumes active membership in the ASRS.

Authorizes ASRS to conduct rulemaking to implement the bill.

Makes a \$150,000 appropriation to the ASRS and specifies that State General Fund monies shall not be used to implement the legislation.

#### [Session Law](#)

## **SB1609**

### **Retirement Systems; Plans; Plan Design (Chapter 357)**

Sponsor: Senator Yarbrough

#### OVERVIEW

SB 1609 makes changes to the existing contribution and benefit structures for the Arizona State Retirement System (ASRS), the Public Safety Personnel Retirement System (PSPRS), the Elected Officials Retirement Plan (EORP), and the Corrections Officers Retirement Plan (CORP).

## HISTORY

Established in 1953, the ASRS manages retirement, health and Long-Term Disability LTD benefits for state, county and municipal employees. ASRS benefits are funded by member and employer contributions and by earnings on investments.

In 1968, PSPRS was created by the Legislature to provide a uniform statewide retirement program for public safety personnel and full-time firefighters who are regularly assigned to hazardous duty. Under PSPRS, the employee contribution rate is fixed by statute at 7.65% of salary on a pre-tax basis. Created in 1986, CORP provides retirement benefits for certain full-time state and county detention officers, and is designed to meet the special needs of personnel engaged in the prison environment. The employee contribution rate is fixed by statute at 8.41% of salary on a pre-tax basis.

EORP was established in 1985 to provide a statewide program for eligible elected officials. Elected official means every elected official of the state, counties, every justice of the Supreme Court, every judge of the court of appeals and superior court, every full-time superior court commissioner and each elected official of an incorporated city or town whose employer has executed a proper joinder agreement for coverage of its elected officials. A state elected official who is subject to term limits may elect not to participate in EORP for that specific term of office. EORP member contribution rates are set in statute at 7% of salary on a pre-tax basis.

## KEY PROVISIONS

### *ASRS*

Defines *contract fee* for the purposes of this section as the gross amount paid to a retired member as an independent contractor minus an amount, not to exceed 10%, for an administrative fee.

Defines *gross salary* for the purposes of this section as the gross amount paid to a retired member by a leasing company as salary or wages, including amounts that are subject to deferred compensation or tax shelter agreements for services rendered or that would have been paid to the retired member except for the member's election or a legal requirement that all or part of the gross amount be used for other purposes.

Removes the 85 points system for all members; Retaining the 80 points system for members hired before July 1, 2011.

Changes age plus service requirements for members hired after the effective date of the bill to:

Age 55 and 30 years of service.

Age 60 and 25 years of service.

Age 62 and 10 years of service.

Age 65.

Transfers the PSPRS Administrator from EORP to ASRS prospectively.

### *ASRS Alternate Contribution Rate*

Requires employers to pay an Alternate Contribution Rate (ACR), beginning on July 1, 2012 for retired members who perform services that would otherwise be performed by an employee of the employer.

Requires the ACR to be assessed starting the day after retirement for a member who reached normal retirement, and for a member who is an early retiree, working less than 20 weeks each year and 20 hours each week.

Removes the 12-month grace period for return to work employees before the ACR is assessed.

Prohibits the retired member from accruing credited service, member service, account balances, retirement benefits, LTD benefits, and the time is not eligible for later service purchase.

Requires employers to pay the ACR on behalf of any retiree that it employs regardless of 20/20 status, direct/leasing/contracting arrangement, or whether the retiree satisfied the 12 month break in service without working on a leased or contract basis.

Instructs the ASRS actuary to determine the ACR in an annual valuation performed by June 30<sup>th</sup> each year.

Specifies that the ACR is calculated as the greater of 2% or two times the “deficit” payment, and calculates the ACR by adding the employer ASRS Contribution Rate to the employer LTD Contribution Rate, and then subtracting the normal cost.

Establishes a cap on the ACR that cannot be higher than the employer’s portion of the total ASRS Contribution Rate which is the Defined Benefit (DB) plus LTD. States that the ACR shall be payable on the compensation (for direct hire), gross salary (for leased employee), or contract fee (for independent contractor), as defined in the bill.

Allows ASRS to determine how frequently the ACR is paid and how the monies are submitted to the ASRS.

Specifies that late contributions will be subject to 8% interest and may be recovered in court or by state revenue offsets. Requires employers to submit any reports, data, paperwork or materials required by the ASRS to determine the function, utilization, efficacy or operation of the return to work program.

Clarifies the period for which a member shall repay suspended pensions to the ASRS starts with the date the ASRS notifies the member in writing that their employment violated the statute, the date the ASRS determines the member knew or should have known that their employment violated the statute, or any other time period determined by the ASRS.

Requires an employer that employed a member whose pension was suspended to pay the ASRS the ACR starting with the date the member returned to employment. The employer is required to make the ACR payment through the earlier of:

The date the member terminates employment.

The date the employer begins making the ACR payment required by the new Return to Work statutes.

The date the member resumes active membership in the ASRS.

#### *EORP*

Defines *average yearly salary* as the five consecutive years within the last 10 completed years of credited service as an elected official yielding the highest average. Stipulates that if a member does not have five consecutive years of credited service, the considered period is the member’s last consecutive period of employment with a plan employer immediately before retirement.

Removes the definition of recent elected official and all references to that term in the bill.

Allows a member to withdraw the member’s contributions plus interest at a rate determined by the PSPRS Board if that member ceases to hold office for any reason other than death or retirement.

Requires contributions by a retired member’s employer if a retired member subsequently becomes an elected official. Removes the ability for an elected official to retire early after reaching age 60 and at least 10 years of service.

Changes the amount of payment for a surviving spouse of a deceased retired or deceased active or inactive member to 1/2, rather than 3/4, of the deceased retired member’s pension at the time of death. Allows a member to elect, at the time of retirement, an optional form of retirement benefit that provides for an actuarially reduced pension and an increased surviving spouse’s benefit.

Changes the monthly pension amount equaling  $1/12^{\text{th}}$  of 3% of the member's average yearly salary multiplied by credited service, not to exceed 75% of average yearly salary and reduces that amount for early retirement by 1/2 of 1% for each month the member's early retirement age precedes normal retirement age.

Changes the disability pension amount to 3% of the member's average yearly salary multiplied by:

25 years of service if the member has 10 or more years of credited service.

12.5 years of service if the member has five or more years of credited service but fewer than 10 years.

6.25 years of service if the member has fewer than five years of credited service.

#### *EORP Contributions*

Removes a member's flat contribution rate of 7% of the member's gross salary, retroactive to July 1, 2011. Sets member contribution rates to:

7% of member's gross salary through June 30, 2011.

10% of member's gross salary for Fiscal Year (FY) 2011-2012.

11.5% of member's gross salary for FY 2012-2013.

For FY 2013-2014 and thereafter, either 13% of member's gross salary, or 33.3% of the sum of contribution rate from the preceding fiscal year and the normal cost plus the actuarially determined amount required to amortize the unfunded accrued liability for the employer.

Requires, for FY 2013-2014 and thereafter, that the member's contribution rate shall not be less than 7% and the employer contribution rate shall not be less than sufficient to meet both the normal cost, plus the actuarially determined amount required to amortize the unfunded accrued liability.

Prohibits, retroactive to July 1, 2011, the member's contribution that exceeds 7% of the member's compensation from being used to reduce the unfunded accrued liability in FY 2011-2012 and thereafter.

#### *EORP Alternate Contribution Rate*

Requires an employer to pay an ACR for a retired member who returns to work in any capacity in a position ordinarily filled by an elected official, if that retired member has been retired for more than one full term from that office.

Sets the ACR at the portion of the total required contribution that is applied to the amortization of the unfunded actuarial accrued liability, based on actuarial calculations of the total required contribution for the preceding fiscal year.

Requires that the ACR be applied to the compensation, gross salary or contract fee of a retired member who returns to work. Sets a minimum of 10% for the ACR. Specifies that all ACR contributions are irrevocable and shall be used as benefits or to pay expenses of the plan. Penalizes an employer for delinquent ACR payments and adds interest until payment is received by the plan. Requires an employer or a retired member to submit any reports, data, paperwork or materials that are requested by the Board in order determine the compensation of a retired member who returns to work, and to determine the function of the return to work program.

#### *Cost of Living Adjustments*

Stipulates that the COLA formula shall be triggered by a funded rate of 60% using the actuarial value of assets as well as a 10.5% investment performance.

The COLA increases by .5% for every 5% increase in the funded rate and places a final cap on the COLA. When the funded rate is 80% or higher and investment earnings are at 10.5% or higher, a 4% COLA will be awarded. Members must be age 55 or older to receive a COLA.

### *Service Purchase*

Changes service purchase requirements to allow members to purchase up to 5 years of service from another system and stipulates that members must be a member of the plan for 10 or more years to qualify for service purchase. Requires members to forfeit time in the system from which the purchase it.

### *PSPRS*

Redefines *normal retirement date* for an employee who becomes a member of the system on or after January 1, 2012, as the first day of the calendar month immediately following the employee's completion of 25 years of service if the employee is at least 52.5 years old. Redefines *average monthly benefit compensation* for an employee who becomes a member of the system on or after January 1, 2012, as five consecutive years within the last 20 completed years of credited service that yield the highest average.

Specifies that retroactive to January 1, 2009, a member of PSPRS includes a Police Chief or Fire Chief.

Repeals a dual enactment. Prohibits the sale of compensatory time from being included in the calculation of overtime pay, regardless of the date that funding value of accrued assets to accrued liabilities reaches at least 100%, as well as prohibiting members, for purposes of computing retirement benefits, from using third party contracts between public agencies for law enforcement, fire or emergency medical activities or where the employer supervises the employee's performance of those activities.

Modifies the benefit amount for members who retire with other than 25 years of credited service:

Reduces by 4% for each year of credited service fewer than 25 years.

Increases by 2.5% of the member's average monthly benefit compensation multiplied by the number of the member's years of credited service in excess of 25 years.

Limits the maximum amount payable as a normal pension to 80% of the average monthly benefit compensation.

Prevents an individual who becomes a member of the system on or after January 1, 2012 from being eligible for a deferred annuity. A deferred annuity is a lifetime monthly payment actuarially equivalent to the annuitant's accumulated contributions plus an equal amount paid by the employer. That member may be eligible for normal retirement if the member attains the service requirement for normal retirement.

Changes the benefit payment for a member who becomes a member of the system on or after January 1, 2012, and who terminates employment for any reason other than death or retirement, to allow the member to withdraw the member's accumulated contributions plus interest at a rate determined by the Board. Replaces fund manager duties with duties of the PSPRS Board.

### *PSPRS Contributions*

Removes the member's flat contribution rate of 7.65% of the member's compensation, retroactive to July 1, 2011.

Sets the contribution rate retroactive to July 1, 2011.

7.65% of member's compensation through June 30, 2011.

8.65% of member's compensation through FY 2011-2012.

9.55% of member's compensation through FY 2012-2013.

.35% of member's compensation through FY2013-2014.

11.05% of member's compensation through FY2014-2015.

For FY 2013-2014 and thereafter, either 11.65% of member's gross salary, or 33.3% of the sum of the contribution rate from the preceding fiscal year and the aggregate computed employer contribution rate that is calculated, whichever is less.

Prohibits, retroactive to July 1, 2011, the member's contribution rate from being less than 7.65% of the member's compensation. The employer contribution rate shall not be less than the amount needed to meet both the normal cost plus the actuarially determined amount required to amortize the unfunded accrued liability.

Prohibits, retroactive to July 1, 2011, the member's contribution that exceeds 7.65% of the member's compensation from being used to reduce the unfunded accrued liability in FY 2011-2012 and thereafter.

#### *PSPRS Alternate Contribution Rate*

Requires an employer to pay an ACR for a retired member who returns to work in any capacity in a position ordinarily filled by an employee in an eligible group and stipulates that the return to work provisions apply to a retired member who returns to work with another participating employer, and a retired member who returns to work after 60 consecutive days with the same employer from which the employee retired.

Sets the ACR at the portion of the total required contribution that is applied to the amortization of the unfunded actuarial accrued liability, based on actuarial calculations of the total required contribution for the preceding fiscal year requiring that the ACR be applied to the compensation, gross salary or contract fee of a retired member who returns to work. Sets a minimum of 8% for the ACR.

Stipulates that all ACR contributions are irrevocable and shall be used as benefits or to pay expenses of the plan. Penalizes an employer for delinquent ACR payments and adds interest until payment is received by the plan.

Requires an employer or a retired member to submit any reports, data, paperwork or materials that are requested by the Board and that are necessary to determine the compensation of a retired member who returns to work or necessary to determine the function of the return to work program.

#### *PSPRS Deferred Retirement Option Plan*

Stipulates that for a member who has 20 years or more in the system as of January 1, 2012 the current statutory Deferred Retirement Option Plan (DROP) formula applies; and for members with 20 years or less in the system as of January 1, 2012, the employee is required to pay an ACR equal to the employer contribution rate.

Institutes interest earning restrictions for new DROP members. Removes DROP eligibility for members who are hired after the effective date of the bill.

#### *PSPRS Cost of Living Adjustments*

Stipulates that the Cost of Living Adjustment (COLA) formula shall be triggered by a funded rate of 60% using the actuarial value of assets as well as a 10.5% investment performance.

The COLA increases by .5% for every 5% increase in the funded rate and places a final cap on the COLA. When the funded rate is 80% or higher and investment earnings are at 10.5% or higher, a 4% COLA will be awarded.

Members must be age 55 or older to receive a COLA.

#### *PSPRS Service Purchase*

Changes service purchase requirements to allow members to purchase up to five years of service from another system; stipulating that members must be a member of the plan for 10 or more years to qualify for service purchase. Also requires members to forfeit time in the system from which the purchase it.

#### *CORP*

Defines *average monthly salary* for an employee who becomes a member of the plan on or after January 1, 2012, as one sixtieth of the aggregate of salary paid during a period of 60 consecutive months of service in which the member received the highest salary within the last 120 months of service.

Defines *normal retirement date* for an employee who becomes a member of the plan on or after January 1, 2012, as:

The first day of the month immediately following completion of 25 years of service if the employee is at least 52.5 years old or the employee's 62<sup>nd</sup> birthday and completion of 10 years of service.

Removes a dual enactment and changes the benefit payment for a member who becomes a member of the system on or after January 1, 2012, and who terminates employment for any reason other than death or retirement, to allow the member to withdraw the member's accumulated contributions plus interest at a rate determined by the Board.

Changes the minimum requirements, for a member who becomes a member on or after January 1, 2012, for a normal retirement pension to one of the following:

At least 62 years of age and 10 or more years of service.

At least 52.5 years of age and 25 years or more of service.

Sets the amount of normal retirement benefit for a member who becomes a member on or after January 1, 2012 and has 25 years of credited service, to 62.5% of the member's average monthly salary, except:

If the person retires with more than 25 years of credited service, increases by 2.5% of the member's average monthly benefit compensation multiplied by the number of the member's years of credited service in excess of 25 years.

If the person retires with less than 25 years of credited service, reduces the pension to the product of 2.5% of the member's average monthly salary and the member's credited service.

Stipulates that for a person who becomes a member of the plan on or after January 1, 2012, the amount of an ordinary disability pension is equal to a fraction times the member's normal retirement pension. The fraction is obtained by dividing the member's actual years of credited service, not to exceed 25, by 25.

#### *CORP Contributions*

Deletes member contribution rates previously established, retroactive to July 1, 2011, and establishes a new contribution rate:

Through June 30, 2011, 8.41% and 7.96% for a dispatcher.

For FY 2011-2012 and each fiscal year thereafter, 8.41% or 50% of the sum of the member's contribution rate from the preceding fiscal year and the aggregate computed employer contribution rate, whichever is lower, except that the member contribution rate shall not be less than 7.65%.

Specifies that the contribution rate for a full-time dispatcher is 45 basis points less than the member contribution rate, except that at the close of any fiscal year, if the plan's actuary determines that the aggregate ratio of the funding value of the accrued assets to the accrued liabilities is at least 100%, a full-time dispatcher's contribution rate is equal to the member contribution rate for the next fiscal year.

Stipulates that for FY 2011-2012 and each year thereafter, the amount of the member's contribution rate that exceeds 8.41%, or 7.96% for a full-time dispatcher, shall not be used to reduce the employer's contributions.

#### *CORP Alternate Contribution Rate*

Requires an employer to pay an ACR for a retired member who returns to work in any capacity in a position ordinarily filled by an employee in an eligible group.

Stipulates that the return to work provisions apply to a retired member who has been retired for 12 consecutive months.

Sets the ACR at the portion of the total required contribution that is applied to the amortization of the unfunded actuarial accrued liability, based on actuarial calculations of the total required contribution for the preceding fiscal year.

Requires that the ACR be applied to the compensation, gross salary or contract fee of a retired member who returns to work.

Sets a minimum of 6% for the ACR and stipulates that all ACR contributions are irrevocable and shall be used as benefits or to pay expenses of the plan.

Penalizes an employer for delinquent ACR payments and adds interest until payment is received by the plan.

Requires an employer or a retired member to submit any reports, data, paperwork or materials that are requested by the Board and that are necessary to determine the compensation of a retired member who returns to work or necessary to determine the function of the return to work program.

#### *CORP Cost of Living Adjustments*

Stipulates that the COLA formula shall be triggered by a funded rate of 60% using the actuarial value of assets as well as a 10.5% investment performance. COLA increases by .5% for every 5% increase in the funded rate and places a final cap on the COLA. When the funded rate is 80% or higher and investment earnings are at 10.5% or higher, a 4% COLA will be awarded. Members must be age 55 or older to receive a COLA.

#### *CORP Service Purchase*

Changes service purchase requirements to allow members to purchase up to 5 years of service from another system.

Stipulates that members must be a member of the plan for 10 or more years to qualify for service purchase.

Requires members to forfeit time in the system from which the purchase it.

#### *Felonies*

Requires the court to order a person's membership terminated and the person shall forfeit all rights and benefits earned under the state retirement system or plan if the member is convicted of a class one, two, three, four, or five felony that was committed in the course of the member's employment as a public official or for a public employer.

Stipulates that an order of forfeiting a member's benefits on conviction of an offense shall not be stayed on the filing of any appeal of the conviction. If the conviction is reversed on final judgment, no rights or benefits shall be forfeited and the member's membership shall be reinstated.

Permits the court, after considering the totality of the circumstances, to award the forfeited benefits to a spouse, dependent or former spouse of a member who has been convicted of a felony. The judge must consider:

The role, if any, of the spouse, dependent or former spouse in connection with the illegal conduct for which the person was committed.

The degree of knowledge, if any possessed by the person's spouse, dependent or former spouse in connection with the illegal conduct for which the person was convicted.

The community property nature of the benefits involved.

The extent to which the person's spouse, dependent or former spouse was relying on the forfeited benefits.

Prohibits a person who is subject to forfeiture as a result of a felony from becoming eligible for future membership in any state retirement system or plan. Requires the court to provide a copy of the order of forfeiture to the state retirement system or plan to which it applies.

Stipulates that this section does not apply to a member whose most recent retirement occurs before the effective date of this section, unless the member has resumed making contributions in the state retirement system or plan.

Clarifies that the felony provisions outlined in this bill apply only to the state retirement system or plan in which the person was a contributing member at the time of the offense.

Makes clarifying changes to the appeal process stipulating that the member's benefits on conviction of an offense shall not be stayed on the filing of any appeal of the conviction.

Stipulates that during the appeal of the conviction and until final judgment is issued, for a member who is not receiving benefits, the member and the employer must continue to make contributions to the retirement system for a member who is receiving benefits.

The retirement system to suspend payments to the member and hold the benefits in trust.

Stipulates that if the conviction is reversed, then no rights or benefits will be forfeited and the membership will be reinstated. Clarifies that all changes to felony provisions apply prospectively only.

Prohibits a member in any system from receiving benefit other than a lump sum payment of member's contributions if convicted of a felony related to professional duties.

Changes the crime of knowingly making a false statement or falsifying documents with the intent to defraud the system from a class six to a class five felony for PSPRS and CORP.

Removes conflicting felony language in current statute, contains a severability clause and contains legislative findings.

#### *Defined Contribution Study Committee*

Establishes a Defined Contribution Study Committee consisting of; the five members of the State Board of Investment, the chairperson of the State Board of Investment is the Chairperson of the study committee three members of the Senate, three members of the House of Representatives, the member of the Board of Trustees of PSPRS and one member of the ASRS Board.

Requires the Committee to study the feasibility and cost of transferring existing members of a public retirement system or plan to a new defined contribution plan as well as providing for a new defined contribution plan for newly hired public employees, the existing section 401(a) plans in statute, the definitions of compensation, average yearly salary, the advantages and disadvantages of the local board system. And the practices of granting accidental and ordinary disability retirements to members in PSPRS and CORP.

Permits the Committee to use the services of consultants, actuaries and attorneys in performing the Committee's duties and exempts contracts for services from the Arizona Procurement Code.

Requires the Committee to meet at least twice in 2011.

Requires the Committee to submit an interim report on or before December 31, 2011.

Requires the Committee to submit a final report with its recommendations and findings on or before December 31, 2012.

#### *All Systems Service Purchase*

Changes service purchase requirements to allow members to purchase up to 5 years of service from another system. Also stipulates that members must be a member of the plan for 10 or more years to qualify for service purchase while requiring members to forfeit time in the system from which the purchase it.

### *Miscellaneous Changes*

Permits the Legislature to enact permanent one-time increases in retirement benefits for PSPRS, CORP and EORP after December 31, 2015 following an analysis of the effect on the plan by the Joint Legislative Budget Committee (JLBC.) Requires JLBC to analyze the effect of the permanent benefit increase on the funded status of the plan based on the following criteria:

- The funded status of the plan.
- The length of time since the last increase.
- The increase in the cost of living since the last increase.
- The current economic condition of this state.
- Recent investment performance of the plan.
- The overall view of the economy and market.
- The total cost of the increase to the plan.

Permits members of PSPRS, CORP, and EORP who receive a refund and subsequently become reemployed as an elected official to redeposit the amount withdrawn plus interest into the fund. Stipulates that a member who redeems prior service pursuant to statute is subject to the benefits and duties in effect at the time of the member's most recent reemployment.

Retroactively to May 31, 2011 prohibits excess investment earnings to be transferred to the excess investment earnings on pensions in payment status account. Stipulates that after May 31, 2011 no excess investment earnings on the net assets of the fund shall be transferred to the excess investment earnings account.

Requires the Board of Trustees to provide to the Legislature and the JLBC on or before December 31<sup>st</sup> of each year the shared cost structure of employees and employers, the funding status and the rate of return.

Stipulates that the report to the Legislature shall include when the trigger to the reduction in employee rates is being met. States that the Legislature's intent in establishing the ACR for all four systems is to mitigate the potential actuarial impact that a retired member who returns to work.

Appropriates \$250,000 from the ASRS administration account in FY 2011-2012 to the ASRS system for the administrative implementation of this act. Exempts the appropriation from the lapsing of appropriations. Appropriates \$50,000 from the ASRS administration account in FY 2011-2012 to the state Treasurer for the purpose of implementing the duties of the Committee.

Exempts the appropriation from the lapsing of appropriations. Appropriates \$50,000 from the PSPRS system in FY 2011-2012 to the state Treasurer for the purpose of implementing the duties of the Committee. Exempts the appropriation from the lapsing of appropriations. Stipulates that all monies remaining unexpended and unencumbered on September 30, 2013 from the appropriations made to the Committee shall revert respectively to ASRS and PSPRS.

Contains a general effective date with retroactive provisions as noted.

[Session Law](#)

# **SB1614**

## **State Budget Procedures; 2011-2012 (Chapter 26)**

Sponsor: Senator Biggs

### OVERVIEW

SB 1614 makes statutory and session law changes related to budget procedures to implement the FY 2011-12 General Fund appropriations.

### KEY PROVISIONS

#### *Employee Benefits*

Specifies that any state employees hired after the effective date of this act is not eligible:

For state employee benefits until they have worked regularly for at least 90 days.

To become a member of any state retirement system until the employee has worked regularly for at least six months.

Defines *state employee benefits* and *state retirement system*.

#### *Employee/Employer Contribution Rate*

Changes the employee/employer Arizona State Retirement System contribution rate from 50/50 to 53/47.

Transfers the reduction from the employer contribution for all state, university, school district and charter school employees to the state General Fund.

#### *Furloughs*

Allows an agency director to prescribe furloughs for agency covered employees to comply with reductions in appropriations.

Permits the director of the Department of Administration to prescribe procedures for accounting for agency furloughs.

Reduces the number of furloughs for FY 2010-11 from total of six to five.

Eliminates the six furlough days for FY 2011-12.

#### *American Recovery and Reinvestment Act Reporting*

Requires the Governor's Office of Economic Recovery provide a quarterly report outlining the allocation of monies to designated categories from the American Recovery and Reinvestment Act discretionary funds to the Joint Legislative Budget Committee.

#### *Unrestricted Federal Monies*

Requires any unrestricted monies received from July 1, 2011 through June 30, 2012 be deposited into the state General Fund (GF) and that the unrestricted monies that are collected to be used for the payment of essential governmental services.

#### *Capital Outlay Stabilization Fund*

Decreases the Capital Outlay Stabilization Fund rental rates for state-owned building in FY 2011-12 from \$21.02 per usable square foot for office space to \$15.08 and from \$7.62 per usable square foot for storage space to \$5.47.

*Miscellaneous*

Suspends statutes that require biennial budgeting for various state agencies.  
Requires any non-lapsing monies that are appropriations from the state GF at the close of FY 2011-12 that remain unexpended and unencumbered at the close of FY 2011-12 be included in the closing balance as if the appropriations had lapsed or otherwise been reverted to the state GF.

[Session Law](#)

**WEAPONS**

**HB 2146**

**Concealed Weapons Permit; Training  
(Chapter 85)**

Sponsors: Representatives Smith, Burges, Gowan

OVERVIEW

HB 2146 allows firearms safety training programs that use instructors who are certified by the National Rifle Association can be used to fulfill the training requirement for a person to qualify for a concealed weapons (CCW) permit.

HISTORY

State statute prescribes the qualifications required for an individual to obtain a CCW permit from DPS. To qualify for a CCW permit, a person must meet all of the following requirements:

- Is a resident of Arizona or a United States citizen.
- Is 21 years of age or older.
- Is not under indictment for, and has not been convicted in any jurisdiction, of a felony.
- Does not suffer from mental illness and has not been adjudicated mentally incompetent or committed to a mental institution.
- Is not unlawfully present in the United States.
- Has demonstrated competence with a firearm and provides adequate documentation that proves he or she had demonstrated competence.
- A firearms training program that is conducted by either a DPS authorized or National Rifle Association (NRA) certified instructors that have submitted to a background check;
- Firearms safety or training course available to the general public, offered by a law enforcement agency, a junior college, college, or a private or public institution, academy, organization or firearms training school.
- Completion of any hunter education or hunter safety course approved by the Arizona Game and Fish Department or a similar agency of another state.
- Completion of any NRA firearms safety or training course.

Law enforcement firearm safety or training course or class that is offered for security guards, investigators, special deputies or other divisions of law enforcement or security enforcement.

Evidence of current military service or proof of honorable discharge or general discharge from the United States Armed Forces.

A valid current or expired concealed weapon, firearm or handgun permit or license that is issued by another state or political subdivision of another state that has a training or testing requirement for initial issuance.

Completion of any governmental police agency firearms training course and qualification to carry a firearm in the course of normal police duties.

Completion of any other firearms training that DPS deems acceptable.

#### KEY PROVISIONS

Modifies firearm training and certification to allow instruction and approval by either DPS or a National Rifle Association certified instructor.

Removes the requirement that instructors authorized by DPS or who possess current NRA instructor certifications submit DPS a fee, fingerprints, and undergo a federal background check.

Removes safeguards for the proprietary interest of instructors and programs.

#### [Session Law](#)

### MISCELLANEOUS

## HB 2163

### **Investing Public Monies; Notes (Chapter 108)**

Sponsor: Representative Seel

#### OVERVIEW

HB 2163 allows the treasurer of a local government to invest public monies in notes of the state, counties, incorporated cities or towns or school districts.

#### HISTORY

Treasurers have a statutory obligation to invest and reinvest public monies in securities and deposits in eligible investments with a maximum maturity of five years. Statute also outlines which types of ventures are eligible for investment, including bonds of the state, counties, incorporated cities or towns or school districts, certificates of deposit issued by chartered banks, and interest-bearing savings accounts.

A *note* is similar to a bond in that it is issued with a set interest rate that is awarded to the purchaser. Notes simply have shorter maturities. This includes tax anticipation notes, which are notes issued based on the receipt of future tax revenues that generally mature within one year.

#### KEY PROVISIONS

Allows the treasurer of a local government to invest public monies in treasury notes of the state, counties, incorporated cities or towns or school districts.

Makes technical and conforming changes.

[Session Law](#)

## **HB 2233**

### **Mobile Dental Facilities (Chapter 48)**

Sponsor: Representative Goodale

#### OVERVIEW

HB 2233 establishes a regulatory framework for mobile dentistry facilities and portable units.

#### HISTORY

The State Board of Dental Examiners (Board) consists of six licensed dentists, two licensed dental hygienists, two public members and a business entity member all appointed by the Governor to serve four-year terms. The mission of the Board is to provide professional, courteous service and information to the dental profession and the general public through the examination, licensure and complaint adjudication and enforcement processes and to protect the oral health, safety and welfare of Arizona citizens through a fair and impartial system.

The Board examines and licenses individuals who provide dental services. The Board also accepts complaints against licensed and unlicensed individuals, investigates allegations and takes disciplinary actions for violations of the law. The Board oversees approximately 8,100 licensees practicing in the state.

#### KEY PROVISIONS

##### *Mobile Dental Facilities*

Beginning January 1, 2012 every Facility, Unit, provider, program or entity must obtain a permit with the exceptions outlined below. States a licensee who does not hold a permit for a Facility or Unit may provide dental services if:

Occasional services are provided to a patient of record of a fixed dental office who is treated outside the dental office.

Services are provided by a federal, state, or local government agency.

Occasional services are performed outside of the licensee's office without charge to a patient or a third party.

Services are provided to a patient by an accredited dental or dental hygiene school.

The licensee holds a valid permit to provide mobile dental anesthesia services.

The licensee is an affiliated practice dental hygienist.

##### *Applications, Fees and Renewals*

Specifies that an entity or individual that seeks a permit to operate a Facility or Unit must submit an application and pay an annual registration fee prescribed by the Board.

Requires the permit to be renewed annually. Permits not renewed by the expiration date are subject to a late fee.

Provides that a permit holder must notify the Board of any change in address or contact person within ten days of the change. The Board may assess a penalty if the permit holder does not notify the Board of the change.

States that if ownership of the Facility or Unit changes a new permit application must be submitted.

### *Standards of Operation and Practice*

Requires a permit holder to:

Comply with all federal, state and local laws, regulations and ordinances dealing with radiographic equipment, flammability, sanitation, zoning and construction standards, including construction standards relating to persons with disabilities.

Establish written protocols for follow-up care for patients who are treated in a Facility or Unit. The protocols must include referrals for treatment in a dental office within a reasonable geographic area and may include follow-up care by the Facility or Unit.

Ensure that each Facility or Unit has access to communication equipment that will allow personnel to contact appropriate emergency personnel if needed.

Identify a person who is licensed pursuant to this Chapter, who is responsible to supervise treatment and who, if required by law, will be present when dental services are rendered.

Display a current valid permit that is readily observable by patients or visitors.

Provide a means of communication during and after business hours whereby the patient, parent or guardian may be able to contact Facility or Unit for emergency care, follow-up care or information about the treatment received.

Comply with all requirements for maintenance of records applicable to health care providers and patient records.

Ensure that all dentists, dental hygienists and denturists working in the Facility or Unit hold a valid license issued by the Board.

Maintain a written or electronic record of the locations where services are provided. A permit holder or licensee who fails to comply with the rules or statutes is subject to disciplinary action for unethical or unprofessional conduct.

### *Informed Consent and Information for Patients*

Requires a permit holder of a Facility or Unit to obtain appropriate informed consent by written or verbal communication from the patient, parent or guardian of the patient authorizing treatment before it is performed and if the consent is verbal it must be recorded by an electronic or digital device and the informed consent must be maintained as part of the patient's record.

States that if the services are provided to a minor the consent form must inform the parent or guardian that if the minor already has a dentist, the parent or guardian should continue to arrange care through that provider and that the treatment of the minor by the Facility or Unit may affect future benefits the minor may be entitled to.

Requires the Facility or Unit to provide an information sheet to the patient that contains contact information, the name of the provider who provided the services, a description of the treatment received, and if necessary referral information to another dentist.

Provides that if the patient or the patient's parent or guardian has provided written consent to an institutional facility to access the patient's records, the permit holder must provide the institution with a copy of the information sheet provided to the patient.

### *Disciplinary Actions*

Specifies that if a permit holder or licensee fails to refer the patient for follow-up treatment it is considered an act of unprofessional or unethical conduct and is subject to disciplinary action.

Provides that the Board may refuse to issue a permit or suspend or revoke a permit or impose a civil penalty of not more than \$2,000 for each violation, if a Facility or Unit violates any statute or Board rule:

Specifies that if a Facility or Unit ceases operation, the permit holder must notify the Board within 30 days and must report on the disposition of patient records.

Requires the permit holder to notify all active clients of the disposition of records and make arrangements for the transfer of records to a succeeding practitioner or to the patient.

Defines *active patient* for subsection C of Arizona Revised Statutes § 32-1299.26.

Defines the terms *mobile dental facility*, *permit holder* and *portable dental unit*.

[Session Law](#)

## **HB 2421**

### **School Districts; Budgets; Financial Reports (Chapter 197)**

Sponsors: Representatives Yee, Dial, Gowan

#### OVERVIEW

HB 2421 requires school boards to prominently display the annual proposed budget, final adopted budget, and annual financial report for the previous fiscal year on the district's website, and must maintain these items on the website for at least three years. The annual financial report must contain information on how the monies approved at the most recent override election have been spent.

#### HISTORY

##### *School District Budgets*

School districts must publish in a newspaper, transmit electronically to the Arizona Department of Education (ADE) for posting on ADE's website, or mail a copy or summary of the proposed budget to each household in the school district no later than 10 days prior to the meeting of the district's governing board. Each school district must notify the public of a meeting time before July 15 each year. Copies of the finalized budget must be transmitted to the county school superintendent and the county board of supervisors by July 18 each year. The school district must transmit an amended budget to ADE by September 18 each year.

##### *School District Annual Financial Reports and Expenditures*

Each school district must prepare and distribute an annual financial report containing budgeted and actual expenditures for the preceding fiscal year to the county school superintendent and ADE by October 15 each year. By November 15 each year, each school district is required to publish in a newspaper, transmit electronically to ADE for posting on ADE's website, or mail the annual financial report to each household in the school district.

By January 1, 2013, each school district with a student count over 600 must develop and maintain an official website on which expenditures of more than \$5,000 in local monies are prominently displayed. The data must be updated every three months and remain available on the website for three fiscal years.

##### *School District Budget Overrides and Bonding*

A school district may exceed its revenue control limit (RCL) if the voters of that district approve a budget override. A school district may request a maintenance and operations (M&O) override, a special program override, or a combination of the two for a period of one, two, or five through seven years. The proceeds from the special program override must be used for programs designed to remove barriers to academic achievement as well as efforts to improve or increase the amount of instruction. Overrides are typically funded by a secondary

property tax levy, though the override may be funded by other revenues, or a combination of property tax and other revenues.

If a school district is operating with a capital outlay override, the district must provide the public with an update that includes a comparison of the current status and the original projections on the construction of capital improvements, the costs of completed capital improvements and those in progress, and the future capital plans of the school district. Each school district that issues bonds must hold an annual public meeting, until the bond proceeds are spent, to provide an update of the progress of capital improvements financed through bonding.

#### KEY PROVISIONS

Requires school districts to follow the same annual public meeting requirements to update voters on the use of monies spent as authorized by an M&O override as currently required for monies spent as authorized by a Capital Outlay override.

Requires school districts to submit specified financial documents to ADE for posting on ADE's website.

Requires the annual financial report to contain detailed information on expenditures of funds approved during the most recent override election.

Require school districts that have a website to post a link to the location on ADE's website where its financial documents can be viewed.

Requires ADE to comply with the posting requirements within six months of the bill's effective date.

#### [Session Law](#)

## **SB 1116**

### **Universities; Taxpayer Funded Programs Restrictions (Chapter 158)**

Sponsor: Senator Biggs

#### OVERVIEW

SB 1116 prohibits university employees from using university assets to advocate for legislation and public policy. Registered lobbyists for the Board of Regents, university employees, when not using university supplies, and professors when providing classroom instruction are excluded from this prohibition.

#### HISTORY

State law prohibits persons acting on behalf of State universities from using university personnel, equipment, materials buildings or other resources for the purpose of influencing the outcomes of elections. Additionally, the law prohibits university employees from using the authority of their positions to influence the vote or political activities of subordinate employees. The statute does not prohibit student political organizations of political parties from conducting lawful meetings in university buildings or on the university grounds, except when using university resources to influence the outcomes of elections.

#### KEY PROVISIONS

Prohibits an individual acting on behalf of a university from using university personnel, equipment, materials, buildings or other resources to advocate in support for or against pending or proposed legislation and stipulates that the prohibition does not preclude any of the following:

A registered lobbyist from advocating on behalf of the university or Arizona Board of Regents (ABOR).

An employee of the university using personal time and resources from influencing the outcomes of elections or advocating in support or opposition of pending or proposed legislation as long as the employee does not use university personnel, equipment, materials, buildings or other university resources.

A university employee from providing classroom instruction on matters relating to politics, elections, laws, ballot measures, candidates running for public office and pending legislation.

Prohibits universities under the jurisdiction of ABOR from:

Providing publicly funded programs, scholarships or courses with the purpose of advocating for a specified public policy.

Allowing publicly funded organizations, institutes or centers to operate on the campus or on behalf of or in association with the university with a purpose of advocating for a specified public policy.

States that the restriction does not pertain to:

Registered lobbyists working on behalf of the university, including other employees assisting university lobbyists.

A university employee who expresses a personal opinion on a political or policy issue.

Print or electronic media produced by enrolled students.

A recognized student government, club, or organization of students.

Any university employee who is appointed to a government board, commission, or advisory panel who provides expert testimony or guidance on public policy.

The publication of reports or hosting of seminars or guest speakers by the university that recommends public policy.

Researching, teaching and service activities of university employees that involve the study, discussion, intellectual exercise, debate, or presentation of information that recommends public policy.

Any other type of advocacy that is allowed by law.

## [Session Law](#)

### **SB 1123**

#### **State Library and Archives Amendments (Chapter 18)**

Sponsor: Senator McComish

#### OVERVIEW

SB 1123 makes substantive and conforming changes to the statutes governing the Arizona State Library, Archives and Public Records.

## HISTORY

The Arizona State Library, Archives, and Public Records (ASLAPR) was established to oversee, plan, support, seek resources for, and coordinate public library and public record services. Their mission is to serve the Arizona government and public by providing public access to public information, fostering historical/cultural collaborative research, and ensuring that Arizona's history is well documented and preserved. It is a part of the Secretary of State's Office.

## KEY PROVISIONS

### *Public Records Management*

Requires the head of each state agency and local agency to submit a list of all essential public records in their custody to the Director once every five years.

Clarifies a statutory definition of *records* to include records that are made confidential by statute.

Stipulates that ASLAPR must be apprised of the identity of the individual designated to manage the public records of an agency every other year.

Clarifies that approval from the Director is only required when an entity is creating a digitizing *program*, not for individual instances of digitization.

### *General*

Recodifies and organizes the *existing* statutory powers and duties of ASLAPR to:

- Direct and coordinate state library services.

- Encourage and assist the development of library services in state and local institutions and *governmental units*.

- Give professional advice and assistance in the establishment and operation of private libraries.

- Develop library services for the blind and physically disabled, regardless of the type of technology used.

Clarifies that the county recorder may destroy all of the filed papers or record books created by *electronic means* in accordance with statute.

States that participation in the e-Rate Program established by Laws 2010, Chapter 332 is voluntary and that ASLAPR shall determine eligibility applications.

## [Session Law](#)

## **SB 1153**

### **City Auditors; Confidential Information (Chapter 74)**

Sponsor: Senator Reagan

## OVERVIEW

SB 1153 allows a city or town to, by ordinance, permit the city or town auditor to examine the minutes of executive sessions of the city or town council or any board, commission or other public body established by the municipality.

## HISTORY

Current law requires the governing body of each incorporated city or town to cause an audit to be made by a certified public accountant or public accountant who is currently licensed by the Arizona state board of accountancy. These audits must be performed every fiscal year for incorporated cities and at least every two fiscal years for incorporated towns.

Permanent public records must be transcribed or kept on paper or other material which is of durable or permanent quality and which conforms to standards established by the Arizona state library, archives and public records. Additionally, these public records must be open to inspection by any person at all times during office hours.

## KEY PROVISIONS

Allows a city or town auditor, when provided by ordinance and if a municipality has established the office of city or town auditor, to examine the minutes of executive sessions of the city or town council or any board, commission or other public body established by the city or town.

Clarifies that a city or town auditor may only look at the minutes of executive sessions within the performance of their official duties.

Specifies that the working papers and other audit files that are maintained by the city or town auditor are not public records and are exempt from the public records statutes.

Clarifies that if any audit report is prepared for or presented to a city or town by their auditor or auditor's representative, that report is considered a public record.

## [Session Law](#)

## **SB 1429**

### **Health Care Actions; Liability; Students (Chapter 192)**

Sponsor: Senator Nelson

## OVERVIEW

SB 1429 specifies that a student in an accredited educational or training program that prepares students for licensing as a health care provider is not liable in a medical malpractice action for injury that occurs during or as a result of care provided in the program unless gross negligence is established by clear and convincing evidence. A student does not owe an independent duty of care to a patient if the student is participating in patient care under the supervision of a licensed health care provider.

## HISTORY

State statute allows a medical malpractice action to be brought against a licensed physician, podiatrist, registered nurse practitioner, or physician assistant for the provider's negligence, misconduct, errors or omissions, or breach of written contract in rendering health care, medical services or nursing services. Additionally, a health professional who provides medical or dental treatment at a nonprofit clinic and a health professional who provides previously owned prescription eyeglasses free of charge is not liable in a medical malpractice action unless gross negligence is found.

## KEY PROVISIONS

States that a student of an educational or training program of a certified, accredited or state approved postsecondary institution that prepares students for licensing as a health care provider:

Is not liable in a medical malpractice action for injury that occurs during, or as a result of, care provided while the student is in the program and under supervision of a licensed health care provider unless gross negligence is established by clear and convincing evidence.

Does not owe an independent duty of care to a patient if the student is participating in patient care under the supervision of a licensed health care provider.

Specifies that the responsibility of the supervising licensed health care provider for the student's actions is not eliminated by this section.

## [Session Law](#)

### **SB1465**

#### **Valid Identification; Consular Cards; Prohibition (Chapter 325)**

Sponsor: Senator Gould

## OVERVIEW

SB 1465 prohibits Arizona or any of its political subdivisions from accepting a consular identification card issued by a foreign government as a valid form of identification.

## HISTORY

According to the United States Government Accountability Office (GAO) a *consular identification card* is a form of identification for foreign nationals who are present in the United States. Possession of a consular identification card does not certify legal residence within a country, but card holders may derive benefits from the cards' acceptance for identification purposes by financial institutions, law enforcement agencies, and state and local governments in the United States. The acceptance of a consular identification card as a valid form of identification is discretionary and as a result, the GAO recommended that the Homeland Security Council develop policies and implement consistent federal guidance to enable state and local governments, financial institutions and others to assess the authenticity of these cards.

## KEY PROVISIONS

Prohibits Arizona or any of its political subdivisions from accepting a consular identification card issued by a foreign government as a valid form of identification.

## [Session Law](#)

### **SB 1583**

#### **Nursing Board; Membership (Chapter 242E)**

Sponsor: Senator Nelson

## OVERVIEW

SB 1583 is an emergency measure that allows a certified registered nurse anesthetist to serve as a member on the State Board of Nursing (Board).

## HISTORY

The Board consists of 11 members all of whom are appointed for five-year terms beginning and ending on June 30. Six members must be registered nurses, including at least one registered nurse practitioner or a clinical nurse specialist. Two members must represent the public, two must be licensed practical nurses, and one must be a nursing assistant or a nursing assistant educator. The Board assures that standards of practice are met and that persons engaged in the practice of nursing are competent. It approves individuals for licensure, registration and certification, approves educational programs for nurses and nursing assistants, investigates complaints, and determines and administers disciplinary actions.

## KEY PROVISIONS

Allows the Governor to appoint a certified registered nurse anesthetist as one of the six members required to be registered nurses that make up the eleven-member Board.

States that all members currently serving may continue to serve until the expiration of their normal terms.

Contains an emergency clause.

## [Session Law](#)

## **SCR 1025**

**Public Funds; Political Candidates; Ban  
(Secretary of State April 20, 2011)**

Sponsors: Senators Pierce, Bundgaard

## OVERVIEW

SCR 1025 prohibits the state or its political subdivisions from using public funds for political campaigns.

## HISTORY

In 1998, Arizona passed the Citizens Clean Elections Act (CCEA). The CCEA allows a candidate running for a state level office, who meets certain criteria, to qualify for public funding. If a candidate chooses to be a clean elections participant, they are prohibited from receiving outside funds. A candidate must collect a specified number of \$5.00 contributions from registered voters residing in their political subdivision to qualify for public funds.

## KEY PROVISIONS

Prohibits the state, its agencies, commissions and tax-supported political subdivisions from spending or collecting public funds to provide campaign support to candidates running for public office.

Prohibits the state and its political subdivisions from providing any tax credits or deductions that allow public funds to support candidates running for public office.

Stipulates that no taxes, fees or surcharges can be assessed if they are used to support a candidate running for public office.

Requires that any existing distributions of public funds for campaigns be discontinued.

Requires any public funds that were designated for political campaign use to be deposited in the state General Fund.

Defines *public funds* as any monies received by the state, its agencies, commissions and tax-supported political subdivisions from taxes, fees, penalties, surcharges, payments, tax credits, deductions or check-offs.

Titles the proposition the “Stop Public Money for Political Candidates Campaigns Act”.

[As Transmitted to the Secretary of State](#)

## **SECOND SPECIAL SESSION**

### **HB 2001**

#### **Arizona Commerce Authority; Business Incentives (Chapter 1)**

Sponsor: Representative Adams

#### **OVERVIEW**

HB 2001 establishes the Arizona Commerce Authority and makes several changes to individual and corporate taxes and property taxes.

#### **HISTORY**

Established in 1985, the Arizona Department of Commerce (ADOC) serves as the lead economic and community development agency for the State of Arizona. ADOC's duties include: conducting economic research and providing information and advice on request; promoting statewide business expansion and attraction and film and television production; establishing international trade offices, and workforce development and job training programs; and providing online assistance for new business start-ups, and community planning and rural assistance for infrastructure development.

The Arizona Commerce Authority (Authority) was established through Executive Order 2010-12, and is charged with the following responsibilities: job creation and expansion of capital investment through business attraction, expansion and retention, including business incubation and entrepreneurship; create, monitor and execute a comprehensive economic and workforce strategy; manage and administer economic development and workforce programs; provide statewide marketing leadership; utilize all means necessary, prudent and practical to integrate private sector-based innovation, flexibility, focus and responsiveness; and advance public policy to meet its objectives.

According to a fiscal note prepared by the Joint Legislative Budget Committee (JLBC), the measure is estimated to cost \$38,200,000 in Fiscal Year (FY) 2012, growing to \$538,000,000 in FY 2018, when all the provisions are fully implemented.

#### **KEY PROVISIONS**

##### *Arizona Commerce Authority*

Establishes the Arizona Commerce Authority and prescribes its membership and mission. Requires the Board to employ a CEO and prescribes the terms and conditions of employment and requires the Board, on behalf of the Authority to:

- Develop and submit comprehensive long-range strategic economic plans for Arizona.
- Annually update a strategic economic plan for submission to the Governor.
- Accept gifts, grants and loans, and enter into contracts and other transactions with any federal or state agency, municipality, private organization or other source.

Requires the Authority to:

- Assess and collect fees for processing applications and administering incentives and adopt the manner of computing the amount of each fee to be assessed.
- Submit a schedule of the fees for review by the Joint Legislative Budget Committee (JLBC) within 30 days after proposing fees for adoption. Stipulates that it is the intent of the Legislature that a fee not exceed one percent of the amount of the incentive.

Determine and collect registry fees for the administration of the allocation of federal tax exempt industrial development bonds and student loan bonds authorized by the Authority, and requires that such monies to be deposited into an Authority Bond Fund (Fund). Stipulates that Fund monies be used, subject to annual appropriation by the Legislature, by the Authority to administer the allocations and are exempt from provisions relating to lapsing appropriations.

Determine and collect security deposits for the allocation, for the expansion of allocations and for the difference between allocations and principal amounts of federal tax exempt industrial development bonds and student loan bonds authorized by the Authority. Stipulates that security deposits forfeited to the Authority be deposited in the state General Fund.

Establish and supervise operations, at the direction of the Board, of full-time or part-time offices in other states and foreign countries for the purpose of expanding direct investment and export trade opportunities for businesses and industries in Arizona if, based on objective research, the Authority determines that the effort would be beneficial to the Arizona economy.

Establish a program by which entrepreneurs become aware of permits, licenses or other authorization needed to establish, expand or operate in Arizona.

Be the state registration agency for apprenticeship functions prescribed by the federal government.

Allows the Authority, through the CEO, to:

Contract and incur obligations within the general scope of the Authority's activities and operations to enable the Authority to adequately perform its duties.

Use monies, facilities or services to provide matching contributions under federal or other programs that further the objectives and programs of the Authority.

Accept gifts, grants, matching monies or direct payments from public or private agencies or private persons and enterprises for the conduct of programs that are consistent with the general purposes and objections of the Authority.

Assess business fees for promotional services provided to businesses that export products and services from Arizona.

Repeals the statute that establishes and outlines ADOC and repeals the following programs, services, committees, commissions and funds; Employer Assistance Program, Main Street Program, Rural Economic Development program, Cooperative Advertising Program, Hydrogen Grant Program, Technology Training Assistance Program, Small Community Planning Assistance Program, Central State Permitting Program, Recycled Materials Market, Development Program, Advisory Committee on Recycled Materials Markets, Small Business Innovation, Research Program, Small Business Technology Transfer Program, Export Promotion Services, Export Promotion Fund, Commerce and Economic Development Commission (CEDC), CEDC Fund, Arizona Job Training Program, (delayed repeal date of December 31, 2016), Enterprise Zone Program (allows to sunset June 30, 2011).

Repeals the termination date of the Arizona Aerospace and Defense Commission.

Transfers the following programs, statutory powers, mandates and administrative duties from ADOC to the Authority:

Administration of the Economic Strength Project Fund and Economic Strength Projects.

Administration of the Healthy Forest Enterprise Incentives Program.

Administration of the Defense Contractor Restructuring Assistance Program.

Administration of the Environmental Technology Assistance Program.

Administration of Capital Investment Incentives (Angel Investment Program).

Administration of the credit for investment in qualified small businesses.

Administration of the remaining functions related to Motion Picture Production and Motion Picture Infrastructure Tax Incentives.

Certification and evaluation of Commercial Solar Energy Tax Credit applications.

Certification and approval of Renewable Energy Tax Incentives Program applications.

Certification and evaluation of submitted requests for tax credits for increased research activity.

Administration of the Arizona 21<sup>st</sup> Century Competitive Initiative Fund.

Administration of the Job Training Program and Job Training Fund (Fund).

Modifies the definition of *rural county* by increasing the population designation from 400,000 to 750,000 or fewer persons.

Removes the Legislature's authority to appropriate monies from the Fund to the Arizona Department of Economic Security's Jobs Program to provide job training for welfare clients. Membership on the Governor's Council on Workforce Policy.

Transfers the following programs, statutory powers, mandates and administrative duties from ADOC to the Governor's Energy Office (Office):

Recipient of a copy of a qualified provider's approved study that establishes the exact scope of guaranteed energy cost savings for a school.

Recipient of a school district's report specifying information regarding energy cost savings projects.

Approving entity for the Alternative Fuel Vehicle Special Plate design.

Designating entity for Military Reuse Zones.

Administration of the Technical Assistance Review Program.

Recipient of assistance, advice and recommendations from the Solar Energy Advisory Council.

Administration of the Arizona Biofuels Conversion Program.

Administration of the Oil Overcharge Fund.

Membership on the Arizona Power Plant and Line Sitting Committee (Director).

Developing and implementing a vehicle fleet energy conservation plan.

Transfers administrative and staff support for the Greater Arizona Development Authority from ADOC to the Water Infrastructure Finance Authority of Arizona and transfers the deposit of fees relating to exempt issuers of securities from the CEDC Fund to the Arizona Competes Fund.

Establishes the Rural Business Development Advisory Council (Council) and prescribes mission of the Council.

Prescribes that the Council consist of the following members:

One representative from each county, seven appointed by the Governor, four appointed by the President of the Senate and four appointed by the Speaker of the House of Representatives.

One representative from a rural development organization that represents statewide interests, appointed by the Governor.

One member representing all Indian tribes, nations, bands and communities in Arizona, appointed by the Governor.

The CEO or the CEO's designee.

Requires the Governor to appoint a member to serve as Chairperson each year, and allows the Chairperson to be reappointed.

Prescribes that Council members service staggered, three-year terms beginning and ending on the third Monday in January and stipulates that members of the Council serve without compensation and are subject to statute relating to conflicts of interest.

Requires the Council to:

Recommend to the Board policy development and funding allocation to complement regional and local economic development strategies that focus on and assist rural communities.

Leverage local, state and federal resources to advance business in rural areas.

Develop selection criteria and an application format for rural communities or areas to use in applying for matching monies.

Make recommendations for coordinating personnel activities of the Authority to ensure that communities receive appropriate technical assistance to complement economic development efforts.

Assist local rural economic development professionals, main street project managers and others involved in economic development.

Make recommendations regarding state responsibilities under any necessary contracts with consultants, including the National Main Street Center of the National Trust for Historic Preservation, and coordination of the activities of other state agency personnel assisting with rural economic development programs.

Monitor the progress of main street communities and other aspects of the program.

Coordinate the expenditure of available federal monies to support rural business and economic development programs.

Develop a priority list of economic strength projects that meet the criteria and submit the list to the CEO.

Confer with regional planning agencies and local authorities that would be affected by a specific economic strength project, and requires those entities to submit their comments to the CEO.

Requires the CEO to transmit the priority list and comments to the State Transportation Board after review by the Board and Specifies that the Council set priorities for individual projects based on:

The cost of the project.

The number of jobs that the project will create, retain or increase.

The nature and amount of capital investment or other contribution to the economy of Arizona or a local authority as a result of the project.

The likelihood that benefits resulting from the project will exceed the costs of the project.

The amount of contributions to the project provided from other than the Economic Strength Project Fund is at least ten percent of the cost of the project.

The amount and percentage of funding for the project that will come from a source other than the Economic Strength Project Fund as compared to other proposed projects.

The amount of expenditures required for local infrastructure relating to the project.

The magnitude of the project and its relative value to Arizona or a local authority as compared to other proposed projects.

The extent to which the project would contribute to achieving an equitable distribution of monies and projects among the various regions of Arizona and throughout the state as a whole.

The specific time schedule for completion of the project.

#### *Arizona Commerce Authority Fund*

Establishes the Arizona Commerce Authority Fund (Fund).

Stipulates that the Fund consists of withholding tax revenues allocated to the Fund from the Job Creation Withholdings Clearing Account.

Allows the monies credited to the Fund to be deposited in the State Treasury or in a bank or other depository approved by the Board.

Requires the CEO to administer the Fund, directing the State Treasurer to invest and divest any monies in the Fund deposited in the State Treasury on notice from the CEO.

Stipulates that monies earned from investment to be credited to the Fund.

Exempts monies in the Fund from provisions relating to lapsing of appropriations.

Requires the CEO to use the monies in the Fund exclusively for the purposes of the Authority, without further Legislative authorization.

#### *Business Incentives - Arizona Quality Jobs Incentives – Tax Credit for New Employment*

Allows the owner of a business or an insurer located in Arizona prior to July 1, 2017 to claim a tax credit for net increases in full-time employees hired in qualified employment positions. Specifies that the premium tax credit is not allowed against the portion of the insurance premium tax payable to the Firefighter's Relief and Pension Fund or the portion payable to the Public Safety Personnel Retirement System. Sets the amount of the credit at \$3,000 for each newly hired full-time employee in each of the first three years of employment. Clarifies that the credit is only allowed in the second and third years of employment for qualified positions for which the credit was claimed and allowed in the first year. Prescribes the method for computing the net increase in the number of qualified employment positions. States that the net increase of qualified positions may not exceed 400 employees for any taxable year.

To qualify for the credit, the owner must complete the following in the first taxable year:

Invest at least \$5,000,000 of capital investment and create at least 25 new qualified employment positions within a city or town that has a population of at least 50,000 and that is located in a county that has a population of at least 800,000.

Invest at least \$1,000,000 of capital investment and create at least 5 qualified employee positions in any other location.

Limits the amount of new jobs that qualify for the first year credit to 400 new jobs per employer and no more than 10,000 new jobs for all employers in the first year and specifies that the employer pay compensation at least equal to the county median wage and offer health insurance for the employee of which the employer pays at least 65 percent of the premium membership cost.

Stipulates that a taxpayer who claims a premium tax credit for increased employment in a military reuse zone cannot claim the credit for the same employment positions and allows excess credits to be carried forward for up to five taxable years. Specifies that insurers claiming the credit are not required to pay any additional retaliatory

tax as a result of claiming that tax credit while stating that a failure to timely report and certify to the Authority disqualifies the taxpayer from the credit and subjects the credit to recovery for prescribed violations.

Allows for the adoption of rules for the administration of the credit; prescribes reporting and certification requirements.

Defines *Capital investment, primarily and qualified employment position.*

*Credit for Increased Research Activities – R&D Tax Credit*

Allows an additional individual and corporate credit amount for payments made for university related research. Amount of the credit is equal to 10 percent of the basic research payments that constitute excess expenses over the base amount. Limits the aggregate annual amount of the additional credit to a \$10,000,000. Allows excess credits to be carried forward for up to five taxable years. Specifies an effective date from and after December 31, 2017.

*Capital Investment Incentives – Angel Investment Credit*

Expands and continues the program through June 30, 2016 and increases the cap on total allowable assets for a *qualified small business* from \$2,000,000 to \$10,000,000 beginning in 2012.

Expands the definition of *qualified small business*, to include a principal business that engages in retail, real estate, professional services health care services to patients, financial and investment services, personal services, mining, forestry and natural resource exploitation or other resource extraction businesses, agricultural operations, and operating an investment company or fund.

Specifies that a *qualified small business* does include those businesses that have a principal business involving activities excluded by the Authority.

Modifies the definition of *rural county* by increasing the population designation from 400,000 to 750,000 or fewer persons.

*Arizona Competes Fund*

Establishes the Arizona Competes Fund (Fund), stipulating that the Fund consists of withholding tax revenues allocated to the Fund from the Job Creation Withholdings Clearing Account, dedicated funds, gifts, grants or other donations and monies received from the American Recovery and Reinvestment Act of 2009. Stipulates that monies earned from investment to be credited to the Fund. Exempts monies in the Fund from provisions relating to lapsing of appropriations.

Allows the CEO to negotiate the award of deal closing grants to Arizona basic enterprises for the following purposes:

Attracting, expanding or retaining Arizona basic enterprises.

Supporting and advancing programs and projects for rural and small businesses and business development that enhance economic development.

Defines *Arizona basic enterprise, Arizona basic industry, authority, employee, employer, full-time, headquarters, new job and primarily engaged.*

Establishes a \$3.5 million annual transfer from the State Lottery commission to the Arizona Competes fund and repeals the 21 percent transfer from the lottery fund to the CEDC fund, effective July 1, 2011. Terminates the program on July 1, 2016.

*Job Creation Withholdings Clearing Account*

Establishes the Job Creation Withholdings Clearing Account, consisting of \$31,500,000 of annual withholding tax revenues.

Directs the State Treasurer to credit the following amounts on a monthly basis:

1/12 of the annual sum of \$10,000,000 in FY 2011-12 to the Authority.

1/12 of the annual sum of \$21,500,000 in FY 2011-12 to the Arizona Competes Fund.

*General*

Replaces the Gross Domestic Product Cost Deflator with the Employment Cost Index for the purposes of calculating the inflation adjusted exemption amount for business personal property, beginning in 2012.

Increases the depreciation schedule for business personal property as follows:

25 percent of the scheduled depreciation value for the first year of assessment.

41 percent of the scheduled depreciation value for the second year of assessment.

57 percent of the scheduled depreciation value for the third year of assessment.

73 percent of the scheduled depreciation value for the fourth year of assessment.

89 percent of the scheduled depreciation value for the fifth year of assessment.

States that the assessor shall use the scheduled depreciation value prescribed by DOR for the sixth and subsequent years of assessment. Phases down the Class 1 property (commercial) assessment ratio as follows:

19.5 percent in Tax Year (TY) 2013.

19.0 percent in TY 2014.

18.5 percent in TY 2015.

18.0 percent in TY 2016 and beyond.

Reduces the Class 2 property (agricultural) assessment ratio to 15 percent beginning in TY 2016 (real and personal). Eliminates capital gains on income derived from investments in small businesses with assets up to \$10,000,000 beginning in TY 2014 and extends the sunset date for the credit for investment in qualified small businesses from 2015 to 2019.

Phases down the corporate income tax rate as follows:

6.5 percent of net income in TY2014.

6.0 percent of net income in TY 2015.

5.5 percent of net income in TY 2016

4.9 percent of net income in TY 2017 and beyond.

Incrementally increases the optional enhanced sales factor formula available to multistate corporations as follows:

85 percent of sales in TY 2014.

90 percent of sales in TY 2015.

95 percent of sales in TY 2016.

100 percent of sales in TY 2017.

Reduces eligibility for the Homeowner's Rebate by classifying only owner-occupied residential properties used as a primary residence by either the owner or the owner's relative as Class 3 property. Requires homeowners to submit an affidavit to the county assessor indicating that the home represents their primary residence.

Prescribes the contents of the affidavit, outlines criteria for determining whether the property is considered to be the owner's primary residence, reclassifies all other residential property not used as a primary residence as Class 4 (lease or rented residential property).

Requires the Legislature to reimburse counties in FY 2013 for the costs of administering the Homeowner's Rebate affidavit process. Increases the Homeowner's Rebate for FY 2014 through FY 2018 by an amount determined by DOR.

Requires DOE to adjust additional state aid to offset the effect on statewide effective tax rate changes to assessed valuation. Specifies that the statewide effective tax rate is the total primary property tax levied from the preceding year divided by the primary net assessed value based on DOR's abstract of the assessment roll for the current tax year.

Specifies the treatment of preexisting tax credits.

Becomes effective June 30, 2011, unless otherwise noted.

[Session Law](#)

**APPENDIX A**  
**BILLS TRACKED AND VETOED BY THE GOVERNOR 2011**

**HOUSE BILLS**

**HB 2177**

**Presidential Candidates; Qualifications; Affidavit**

**VETOED**

Sponsor: Representative Seel

HB 2177 requires candidates for elected office to provide the Arizona Secretary of State or the appropriate local government with documents certifying they meet the requirements for office.

**HB 2338**

**Special Districts; Secondary Levy Limits**

**VETOED**

Sponsor: Justin Olson

HB 2338 authorizes the Property Tax Oversight Commission to review the secondary property tax levy of county free library districts, county jail districts, and public health services districts. Beginning in tax year 2011, the maximum amount of a levy for these special districts cannot exceed the amount of the levy in the preceding tax year, adjusted annually by a percentage equal to the rate of change in the levy limit for the county in which the district is located.

**HB 2502**

**Public programs; Advertisements; Funding Source**

**VETOED**

Sponsor: Representative Seel

HB 2502 directs a public agency using multimedia announcements to advertise a public program to identify, in the announcement or communication, the source of monies for the program. A public agency that advertises a program they administer or offer to the public using any print media announcement, visual media announcement, broadcast media announcement, website campaign or similar type of official communication must include a disclosure statement in the advertisement stating that it is paid for with federal, state or local taxes pursuant to statute. A public agency or nonprofit agency, or both, is exempt from the provisions of this bill when soliciting for donations of funds or goods. The announcement, communication or advertisement is exempt from the provisions of this Act if it already includes a disclosure statement referencing a funding source.

## **SENATE BILLS**

### **SB 1201**

#### **Firearms Omnibus**

#### **VETOED**

Sponsors: Senators Gould, Pearce, Burges

SB 1201 prohibits the State and state agencies from enacting any ordinance, rule or tax relating to the transportation, possession, sale, gift, storage, registration or use of firearms or ammunition. It is no longer misconduct involving weapons to carry a deadly weapon in a public establishment or at a public event after a request from the operator to remove the weapon for temporary and secure storage. The State, state agencies and political subdivisions may limit or prohibit firearms in a public establishment or at a public event that is issued a liquor license at times when alcoholic beverages are available for consumption on the premises, with some exceptions. The limit or prohibition must be done with specified signs and meet other requirements. An employee or official acting on behalf of the State, agency, or political subdivision who knowingly violates this statute is guilty of a class 5 felony, and no public monies may be spent defending a person who is charged with a violation.

### **SB 1329**

#### **Public Employees; Lobbying; Political Activities**

#### **VETOED**

Sponsors: Senators Antenori, Gowan, Montenegro, Stevens

SB 1329 prohibits a public employee from engaging in any political activity or lobbying a governmental entity during the employee's hours of employment.

### **SB 1467**

#### **Educational Institution; Concealed Weapons**

#### **VETOED**

Sponsor: Senator Gould

Governing boards of educational institutions are prohibited from adopting or enforcing any policy or rule that prohibits the possession of a concealed weapon by a person with a valid concealed weapon permit or that prohibit the transportation or storage of a firearm in a private motor vehicle.

## **SB 1592**

### **Health Care Compact; Funding VETOED**

Sponsor: Senator Barto

SB 1592 authorizes and directs the Governor to enter into an interstate compact pledging that the member state will take joint and separate action to secure the consent of the U.S. Congress to return the authority to regulate health care to the member states. The compact also establishes a formula to be used for federal monies appropriated to member states as mandatory spending. The compact is effective on its adoption by the member states and consent of the U.S. Congress.

## **SB 1593**

### **Health Insurance; Interstate Purchase VETOED**

Sponsor: Senator Barto

Hospital, medical, dental and optometric service corporations, health care services organizations, disability insurers, and group and blanket disability insurers located outside of Arizona are permitted to transact health or sickness insurance in Arizona if the insurer provides evidence to the Department of Insurance that it is subject to the jurisdiction of another state's insurance department.

# **APPENDIX B**

## **Bills Tracked, but NOT Enacted**

**2011**

<b>Bill Number</b>	<b>Short Title</b>	<b>Sponsor</b>	<b>Status/Last Action</b>
HB 2001	Community Colleges; Universities; Concealed Weapons	Harper	NOT ASSIGNED TO COMMITTEE
HB 2014	Disruption; Educational Institution; Concealed Weapon	Harper	NOT ASSIGNED TO COMMITTEE
HB 2017	Storage of Firearms; Application	Kavanagh	NOT ASSIGNED TO COMMITTEE
HB 2018	College Districts; Requirements; Technical Correction	Court	NOT ASSIGNED TO COMMITTEE
HB 2020	Tech Correction; Student Status Guidelines	Court	NOT ASSIGNED TO COMMITTEE
HB 2021	Community Colleges; Bonds; Technical Correction	Court	NOT ASSIGNED TO COMMITTEE
HB 2023	ASRS; Long-Term Disability Amendments	Robson	FIN (5-2-0-0) DPA/SE
HB 2026	ASRS; Administration	Robson	HOUSE SECOND READ
HB 2027	ASRS; Return to Work; Contributions.	Robson	APPROP HELD
HB 2031	Technical Correction; ASRS; Contribution Payments	Robson	NOT ASSIGNED TO COMMITTEE
HB 2032	Technical Correction; Defined Contribution Plan	Robson	NOT ASSIGNED TO COMMITTEE
HB 2056	Tech Correction; Budget Estimates	Seel	NOT ASSIGNED TO COMMITTEE
HB 2069	Corporate Income Tax; Sales Factor	Harper	WM (6-2-0-1-0) DPA, NOT HEARD IN APPROPS
HB 2070	Homeland Security; Committee; Force (now: AZ State Guard; Establishment)	Harper	TRANSMIT TO SENATE, NOT HEARD IN COMMITTEE
HB 2080	High-Volume Internet Sellers	Weiers	RULES (7-0-0-2-0) C&P, Awaiting COW
HB 2089	Unrestrained Minors; Motor Vehicles; Prohibition	Heinz	TRANSMIT TO SENATE, NOT HEARD IN COMMITTEE
HB 2091	Nurses; Continuing Education	Heinz	APPROP W/D, DPA HHS, AWAITING RULES
HB 2094	State Health Coverage; Survivor Benefits	Heinz	NOT HEARD IN COMMITTEE
HB 2095	State Employee Health Insurance; Dependents	Heinz	NOT HEARD IN COMMITTEE

HB 2105	PSPRS; Board Of Trustees.	Robson	NOT ASSIGNED TO COMMITTEE
HB 2106	CORP; Salary Determination; Overtime	Robson	NOT HEARD IN COMMITTEE
HB 2107	State Custodial and Janitorial Services	Campbell	NOT HEARD IN COMMITTEE
HB 2108	Development Fees; Codes; Moratorium; Repeal	Campbell	NOT HEARD IN COMMITTEE
HB 2114	Technical Correction; Chiropractic (now: Fish Eradication; Moratorium; Study Committee	Stevens	FAILED ON HOUSE FINAL READ
HB 2122	Energy Policy Study Committee	Patterson	ENR DISC/HELD
HB 2126	Rest Area Maintenance; ADOT Agreements	Patterson	NOT HEARD IN COMMITTEE
HB 2128	Insurance; Mental Health Coverage; Parity	Patterson	NOT HEARD IN COMMITTEE
HB 2129	Large Employers; AHCCCS; Reimbursement	Patterson	COM DISC/HELD
HB 2130	Bicycles; Yield at Stop Signs.	Patterson	NOT HEARD IN COMMITTEE
HB 2131	Regional Transportation Authority; Voting	Patterson	NOT HEARD IN COMMITTEE
HB 2139	Property Tax Valuation; Land Fraud	Judd	WM DISC/HELD
HB 2140	Firearms Regulation; Landlords; HOA's (now: Landlords; HOA's; Firearms Regulation)	Harper	COW ACTION 1 DPA, AWAITING HOUSE 3 <sup>rd</sup>
HB 2141	County Alignment; Local Initiative	Harper	GOV W/D
HB 2144	Community College Correction; Levy Amount	Court	RULES HELD
HB 2145	Justification; Defensive Display; Holster	Smith	NOT ASSIGNED TO COMMITTEE
HB 2156	Dental Hygienists; Supervision Requirements	Ash	RETAINED ON COW CALENDAR
HB 2162	Credit Card Agreements	Weiers	NOT ASSIGNED TO COMMITTEE
HB 2165	Private Postsecondary Education; Technical Correction	Olson	ERA HELD
HB 2176	State Compensation Fund; Conforming Changes.	Seel	NOT HEARD IN COMMITTEE

HB 2179	Schools; Student Data Collection	Seel	NOT HEARD IN COMMITTEE
HB 2180	Schools; SAIS Data; Penalty	Seel	NOT HEARD IN COMMITTEE
HB 2182	School Employees; Contract Offers; Date	Seel	NOT HEARD IN COMMITTEE
HB 2183	Prop. 301 Monies; Supplanting; Restoration	Seel	NOT HEARD IN COMMITTEE
HB 2185	Constitutional Authority for Legislation; Statement	Seel	NOT HEARD IN COMMITTEE
HB 2186	County Surplus Revenue; Report	Seel	NOT HEARD IN COMMITTEE
HB 2187	Aestheticians; Applications; Qualifications	Weiers	NOT HEARD IN COMMITTEE
HB 2188	Barber License; Application; Qualifications	Weiers	NOT HEARD IN COMMITTEE
HB 2189	Aestheticians; Applications; Qualifications; Age	Weiers	NOT HEARD IN COMMITTEE
HB 2190	Nail Technician; Applications; Qualifications	Weiers	NOT HEARD IN COMMITTEE
HB 2195	Renewable Energy; Legislative Authority	Seel	NOT ASSIGNED TO COMMITTEE
HB 2198	EORP; Plan Design	Robson	NOT HEARD IN COMMITTEE
HB 2199	PSPRS; Plan Design	Robson	NOT HEARD IN COMMITTEE
HB 2200	CORP; Plan Design	Robson	NOT HEARD IN COMMITTEE
HB 2215	Public Saving Suggestions; Awards	Fillmore	NOT HEARD IN COMMITTEE
HB 2217	School Superintendents; Contracts	Fillmore	NOT HEARD IN COMMITTEE
HB 2218	Postbaccalaureate Students; State Monies	Fillmore	NOT HEARD IN COMMITTEE
HB 2221	Establishment; Bank of Arizona	Fillmore	BI DISC/HELD
HB 2222	Unlimited School Tuition Tax Credits	Fillmore	NOT HEARD IN COMMITTEE
HB 2223	Income Tax Rate Reduction; Corporations	Fillmore	WM HELD

HB 2225	Housing Incentive Program	Fillmore	NOT HEARD IN COMMITTEE
HB 2226	Schools; Performance Pay; Distribution	Fillmore	NOT HEARD IN COMMITTEE
HB 2228	Marijuana; Classification; Petty Offense	Fillmore	NOT HEARD IN COMMITTEE
HB 2229	Vehicle Emissions Testing; Diagnostic Code	Kavanagh	APPROP (12-0-0-1-0) DPA/SE, AWAITING RULES
HB 2235	ASDB; Instructional Improvement Fund	Goodale	ED HELD
HB 2240	Registration Forms; Notary; Ballot Record	Seel	NOT HEARD IN COMMITTEE
HB 2249	School Board Agendas; Posting; Time	Miranda	NOT HEARD IN COMMITTEE
HB 2250	Surveys; Ethnicity; Multiracial Category	Miranda	NOT HEARD IN COMMITTEE
HB 2251	8th Grade Promotion Certificates	Miranda	NOT HEARD IN COMMITTEE
HB 2252	Voter Registration; Youth Registrants	Ableser	NOT HEARD IN COMMITTEE
HB 2253	Election Day Voter Registration	Ableser	NOT HEARD IN COMMITTEE
HB 2254	Affordable Housing Projects; Tax Assessment	Ableser	NOT HEARD IN COMMITTEE
HB 2255	Voter Registration; Permanent Early Voting	Ableser	NOT HEARD IN COMMITTEE
HB 2256	Lobbyists; Gift Ban	Ableser	NOT HEARD IN COMMITTEE
HB 2257	Energy Conservation; Public Buildings	Ableser	NOT HEARD IN COMMITTEE
HB 2258	Arizona Twenty-First Century Initiative; Priority	Ableser	NOT HEARD IN COMMITTEE
HB 2259	Budget Units; Directors; Compensation; Reduction	Ableser	NOT HEARD IN COMMITTEE
HB 2263	Discrimination; Enforcement; Damages	Ableser	NOT HEARD IN COMMITTEE
HB 2267	Microenterprise Development Program; Establishment	Ableser	NOT HEARD IN COMMITTEE
HB 2270	Phoenix Airport; Study Committee	Ableser	NOT HEARD IN COMMITTEE
HB 2277	Community Colleges; Baccalaureate Degrees	Pratt	APPROP DISC/HELD

HB 2282	Lobbyists; Prohibited Acts	Mccune	HOUSE SECOND READ
HB 2286	Clean Elections; Trigger Reports; Repeal.	McLain	NOT HEARD IN COMMITTEE
HB 2295	Net-Metering; Renewable Energy Sources	Alston	NOT HEARD IN COMMITTEE
HB 2300	Private Prison Contractors; Public Records	Campbell	NOT HEARD IN COMMITTEE
HB 2309	Interior Designer Registration	Mesnard	ERA HELD
HB 2313	Eminent Domain on Federal Property	Jones	NOT HEARD IN COMMITTEE
HB 2333	Legislator Lobbying Moratorium; Repeal	Harper	HOUSE SECOND READ
HB 2334	Private Attorney Retention; Contingency Fees	Harper	JUD HELD
HB 2337	School Finance; Kindergarten Funding	Olson	NOT HEARD IN COMMITTEE
HB 2339	Commercial, Agriculture Property Assessment Reduction	Olson	WM HELD
HB 2340	State Equalization Tax; Phase-Out	Olson	NOT HEARD IN COMMITTEE
HB 2342	State Equalization Assistance; Appropriated Monies	Olson	NOT HEARD IN COMMITTEE
HB 2343	Student Count; Growth; Current Year	Olson	NOT HEARD IN COMMITTEE
HB 2344	Schools; JTEDs; Group B Weight	Olson	NOT HEARD IN COMMITTEE
HB 2363	Financial Institution Records; Disclosure; Notice	Smith	JUD HELD
HB 2364	Disciplinary Actions; Probation Officers	Smith	MAPS HELD
HB 2365	Initiative and Referendum; Petition Form	Smith	NOT HEARD IN COMMITTEE
HB 2366	Communication with Public Officer; Identity	Smith	MAPS HELD
HB 2367	Public Employees; Prohibited Negotiations	Smith	NOT HEARD IN COMMITTEE
HB 2368	Home Detention Programs; Counties; Cities	Smith	NOT HEARD IN COMMITTEE
HB 2373	Judicial Facility Districts	Ash	NOT HEARD IN COMMITTEE

HB 2385	Schools; Athletics; Head Injury Policies	Arredondo	NOT HEARD IN COMMITTEE
HB 2386	School District Fund Balances; Reporting	Seel	NOT HEARD IN COMMITTEE
HB 2387	School Districts; Ending Cash Balances	Seel	NOT HEARD IN COMMITTEE
HB 2388	Certified Mold Assessors and Remediators	Seel	NOT HEARD IN COMMITTEE
HB 2389	Access to Agency Data; Legislators	Seel	NOT HEARD IN COMMITTEE
HB 2390	Schools; Current Year Funding	Seel	NOT HEARD IN COMMITTEE
HB 2391	School Districts; Cash Balances	Seel	NOT HEARD IN COMMITTEE
HB 2392	Firearms; Federal Law; School Perimeters	Seel	NOT ASSIGNED TO COMMITTEE
HB 2399	Sick and Safe Time	Patterson	NOT HEARD IN COMMITTEE
HB 2400	Labor; Rest Periods; Meal Breaks	Patterson	NOT HEARD IN COMMITTEE
HB 2413	CORP; Accidental Disability Calculation	Mesnard	ERA DISC/HELD
HB 2417	School Boards; Vocational Education Meeting	Yee	NOT HEARD IN COMMITTEE
HB 2418	Schools; Textbook Study; Academic Standards	Yee	NOT HEARD IN COMMITTEE
HB 2419	Schools; Reading Coaches	Yee	ED HELD
HB 2420	Teachers; Literacy Instruction Endorsement	Yee	ED HELD
HB 2440	Agency Settlement Agreements; Public Record	Montenegro	NOT HEARD IN COMMITTEE
HB 2456	Property Tax Appeals; New Owners	Williams	WM DISC/HELD
HB 2460	Postsecondary Education; Veterans; Database	Williams	TI (7-0-0-0-0) DP
HB 2461	JLBC; Annual Report; Rollovers	Williams	NOT HEARD IN COMMITTEE
HB 2463	JLBC; Annual Report; Sale-leaseback	Williams	NOT HEARD IN COMMITTEE
HB 2469	Board of Cosmetology; Fees	Gowan	ERA HELD

HB 2471	Federal Mandates; Proof of Constitutionality	Gowan	COW ACTION DP
HB 2479	Educational Institution; Concealed Weapons.	Gowan	NOT ASSIGNED TO COMMITTEE
HB 2481	Primary Election Date	Gowan	NOT HEARD IN COMMITTEE
HB 2483	Legislature; Vacancies; Precinct Committeemen; Supervisors	Gowan	NOT HEARD IN COMMITTEE
HB 2485	Government Land; Replacing Private Land (now: Liquefied Petroleum Gas; Emergency Aid)	Gowan	MINORITY CAUCUS Y; Conference committee recommended
HB 2501	Rules; Laws; Ordinances; Interpretation	Vogt	COW RETAINED
HB 2503	Reduce Corporate Income Tax Rate	Seel	WM (6-3-0-0-0) DPA
HB 2504	Capital Gains Tax Phase-Out	Seel	WM (6-2-0-1-0) DPA
HB 2505	School Pupils; Lawful Status; State Aid	Seel	NOT HEARD IN COMMITTEE
HB 2512	Satellite Voting and Registration Locations	Heinz	NOT HEARD IN COMMITTEE
HB 2518	Education Authority Districts	Heinz	NOT HEARD IN COMMITTEE
HB 2521	Significant Psychological Episode; Incident; Reporting	Heinz	NOT ASSIGNED TO COMMITTEE
HB 2525	Community Colleges; Expenditure Limitation; Penalties	Forese	NOT HEARD IN COMMITTEE
HB 2533	Biennial Budgeting; State Agencies	Crandell	NOT HEARD IN COMMITTEE
HB 2537	Immigration Legislation Challenges.	Adams	COW DP, AWAITING HOUSE THIRD READ
HB 2540	Teachers; Continuing Education; Discounted Tuition	Weiers	HEIR (6-2-0-1-0) DPA
HB 2559	Reporting Violent Behavior; Government Entities	Heinz	MAPS (7-0-0-2-0) DPA
HB 2570	AZ State University; Budget Units	Dial	NOT HEARD IN COMMITTEE
HB 2574	ASRS; Return To Work Prohibited	Fillmore	NOT HEARD IN COMMITTEE
HB 2576	State Agencies; Budget Submission	Olson	NOT HEARD IN COMMITTEE

HB 2580	Schools; Anti-Bullying; Electronic Media	Hobbs	NOT HEARD IN COMMITTEE
HB 2596	Personal Property Tax Exemption	Campbell	NOT ASSIGNED TO COMMITTEE
HB 2599	School Day; Additional Hour	Miranda	NOT HEARD IN COMMITTEE
HB 2601	Schools; Bullying; Sexual Orientation; Enforcement	Miranda	NOT HEARD IN COMMITTEE
HB 2614	Firearms Omnibus.	Stevens	NOT HEARD IN COMMITTEE
HB 2615	Public Benefits; Eligibility; Time Limit	Stevens	NOT HEARD IN COMMITTEE
HB 2624	Public Benefits; Reporting Fraud	Williams	NOT HEARD IN COMMITTEE
HB 2628	Public Employees; Disclosure Protection	Patterson	NOT HEARD IN COMMITTEE
HB 2640	Education; Basic Skills Lists	Saldate	NOT HEARD IN COMMITTEE
HB 2649	Early Ballots; Voter Rolls; Enforcement	Burges	NOT HEARD IN COMMITTEE
HB 2657	Partisan Elections; Schools; Cities; Towns	Proud	NOT HEARD IN COMMITTEE
HB 2662	Elections; Organization Dues; Public Monies	Ash	NOT HEARD IN COMMITTEE
HB 2663	Interstate Agreement; National Popular Vote	Ash	NOT HEARD IN COMMITTEE
HB 2667	State Mental Health Plan	Ableser	NOT HEARD IN COMMITTEE
HB 2670	School Districts; Electronic Record Keeping	Meyer	MINORITY CAUCUS Y
HB 2671	School Teachers; Multiyear Contracts	Meyer	NOT HEARD IN COMMITTEE
HB 2672	State Employees; Activity Based Compensation	Mesnard	NOT HEARD IN COMMITTEE
HB 2674	State False Claims Actions	Patterson	NOT HEARD IN COMMITTEE
HB 2682	English Language Learners; Classrooms; Balance	Judd	NOT HEARD IN COMMITTEE
HB 2683	Potentially Dangerous Persons; DHS; Reporting	Judd	NOT HEARD IN COMMITTEE
HB 2686	Health Insurance; Vaccines	Jones	BI DISC/HELD

HB 2688	Health Care Compact; Funding.	Brophy	NOT HEARD IN COMMITTEE
HB 2691	Firearm Sales; Reporting; Inspections	Miranda	NOT HEARD IN COMMITTEE
HB 2693	Legislation Imposing Unfunded Mandates; Effect	Miranda	NOT HEARD IN COMMITTEE
HB 2696	Appropriation; Head Start Building	Hale	NOT HEARD IN COMMITTEE
HB 2697	Teacher Performance Pay Plan	Goodale	NOT HEARD IN COMMITTEE
HB 2699	Expanded Public School Tax Credit	Alston	NOT HEARD IN COMMITTEE
HB 2708	Homeowner's Rebate; Primary Residence	Lesko	WM HELD
HB 2709	Study Committee; CTE Reform	Crandell	NOT HEARD IN COMMITTEE
HB 2711	Prohibited Weapon; High Capacity Magazine	Farley	NOT HEARD IN COMMITTEE
HB 2712	Municipal Tax Increment Financing; Infrastructure	Farley	NOT HEARD IN COMMITTEE
HB 2713	EORP; Defined Contribution Retirement System	Williams	NOT HEARD IN COMMITTEE
HB 2715	Privilege Tax; Private Recreational Establishments	Gallego	NOT HEARD IN COMMITTEE
HB 2722	Pay Statements; Required Information	Stevens	NOT HEARD IN COMMITTEE
HB 2726	Public Retirement Systems; Plan Design	Adams	MINORITY CAUCUS Y
HCR2004	Bond Elections; Technical Correction	Seel	NOT ASSIGNED TO COMMITTEE
HCR2005	Ballot Measures; Unpaid Circulators	Kavanagh	NOT ASSIGNED TO COMMITTEE
HCR 2006	Personal Property Tax Exemption Amount	Harper	NOT ASSIGNED TO COMMITTEE
HCR2007	Development Fees; Authority	Campbell	NOT ASSIGNED TO COMMITTEE
HCR2010	Legislature; Term Limits; Four Years	Chabin	NOT ASSIGNED TO COMMITTEE
HCR2011	AHCCCS; Prop. 204; Repeal	Seel	NOT ASSIGNED TO COMMITTEE
HCR2012	Legislation; Statement Of Constitutional Authority	Seel	NOT ASSIGNED TO COMMITTEE

HCR2015	Constitutional Convention; Federal Debt	Kavanagh	HOUSE SECOND READ
HCR2032	Paycheck Deductions; Political Purposes; Requirement	Burges	NOT ASSIGNED TO COMMITTEE
HCR2036	Legislative Referenda; Primary Election	Stevens	NOT ASSIGNED TO COMMITTEE
HCR2037	Tax Increases; Ballots; Vote Requirement	Stevens	NOT ASSIGNED TO COMMITTEE
HCR2040	State Imposed Unfunded Mandates; Referendum	Miranda	NOT ASSIGNED TO COMMITTEE
HCR2043	Income Tax Surcharges; Education	Chabin	NOT ASSIGNED TO COMMITTEE
HCR2045	Property Tax Exemption; Unencumbered Homes	Ugenti	NOT ASSIGNED TO COMMITTEE
HCR 2046	State Public Retirement Systems; Benefits	Montenegro	NOT ASSIGNED TO COMMITTEE
HCR2047	Property Tax Exemption; Disabled Veterans.	Gowan	NOT ASSIGNED TO COMMITTEE
SB 1018	Prisoners; Transition Services (now: Transition Services; Prisoners)	Gray	TRANSMIT TO HOUSE
SB 1029	Restricted Driver License; DUI	Gray	PSHS (5-0-1-0) DP
SB 1034	Private Easements; Maintenance	Barto	NOT HEARD IN COMMITTEE
SB 1036	Jury Duty; Students; Temporary Excuse	Barto	NOT HEARD IN COMMITTEE
SB 1056	Central Registry; Background Checks	Gray	MINORITY CAUCUS Y
SB 1060	Misconduct Involving Weapons; Fraudulent Transactions	Sinema	NOT HEARD IN COMMITTEE
SB 1061	Homicide; Interrogations; Electronic Recording	Sinema	NOT HEARD IN COMMITTEE
SB 1062	Professional Teaching Standards Board	Schapira	NOT HEARD IN COMMITTEE
SB 1063	Compulsory School Attendance; Increase	Schapira	NOT HEARD IN COMMITTEE
SB 1064	Schools; American Competitiveness Project Fund	Schapira	Withdrawn from GOVERNMENT
SB 1065	Noncertificated School Employees; Policies	Schapira	NOT HEARD IN COMMITTEE
SB 1066	Cancer Screening Examinations; Reporting Requirements	Schapira	NOT HEARD IN COMMITTEE

SB 1067	STOs; Designating Scholarship Recipients; Prohibition	Schapira	NOT HEARD IN COMMITTEE
SB 1068	STOs; Awarding Scholarships; Financial Need	Schapira	NOT HEARD IN COMMITTEE
SB 1069	Schools; Technology; Personnel Training	Schapira	NOT HEARD IN COMMITTEE
SB 1071	Racial Profiling; Prohibition; Training	Schapira	NOT HEARD IN COMMITTEE
SB 1072	School Boards; Election Cancellation; Certificate	Gallardo	ED (7-0-1-0) DP
SB 1073	School Board Members; Oath	Gallardo	NOT HEARD IN COMMITTEE
SB 1074	Community College Boards; Membership	Gallardo	NOT HEARD IN COMMITTEE
SB 1075	Consolidated Election Dates; Recall	Gallardo	NOT HEARD IN COMMITTEE
SB 1076	Elections; Signature Collection; Registration	Gallardo	NOT HEARD IN COMMITTEE
SB 1077	Ballot Measures; Recall Petitions; Notarization	Gallardo	NOT HEARD IN COMMITTEE
SB 1078	Immigration Enforcement; Federal Agreement	Gallardo	NOT HEARD IN COMMITTEE
SB 1079	Law Enforcement; Surviving Spouses; Insurance	Gray	NOT HEARD IN COMMITTEE
SB 1084	Child Restraint Systems	Gray	NOT HEARD IN COMMITTEE
SB 1100	Bonds; Recreational Facilities; School Use	Biggs	COM (4-3-1-0-0) DPA/SE
SB 1101	Protest Activity; Prohibition.	Sinema	THIRD READ 58 0 2 0 E PASSED
SB 1106	ASRS; Definitions; Service Credits; Military	Yarbrough	ERA (8-0-0-1-0) DPA
SB 1107	ASRS; Transfers; Distributions; DRO Payments	Yarbrough	ERA (7-0-1-1-0) DP
SB 1108	Cesar Chavez Day	Gallardo	NOT HEARD IN COMMITTEE
SB 1111	Handheld Wireless Communication Devices; Driving	Pierce	NOT HEARD IN COMMITTEE
SB 1112	Expenditure Limit; Penalty Waiver; Pima	Allen	NOT HEARD IN COMMITTEE
SB 1115	JLBC; JCCR; Reports	Biggs	HELD AWAITING COW

SB 1150	Technical Correction; Taxes; Intangible Income	Pearce	NOT HEARD IN COMMITTEE
SB 1151	Consumer Fraud; Technical Correction	Pearce	NOT HEARD IN COMMITTEE
SB 1155	Electronic; Digital Devices; Stalking; Threatening	Gray	HELD IN THE HOUSE
SB 1156	Grand Jury Proceedings; Electronic Recording.	Gray	JUD HELD
SB 1157	Technical Correction; Cosmetology Schools; Contracts (now: Wastewater and Garbage Charges)	Griffin	HELD IN THE HOUSE
SB 1159	Multimedia Production Tax Credits	Nelson	NOT HEARD IN COMMITTEE
SB 1161	Personal Property Tax; Exemption; Depreciation	Yarbrough	HELD IN RULES
SB 1162	Corporate Income Tax Rate Reduction	Yarbrough	HELD IN RULES
SB 1163	Business Property Tax Assessment Percentage	Yarbrough	HELD IN RULES
SB 1164	Income Tax; Corporate Sales Factor	Yarbrough	HELD IN RULES
SB 1173	Enterprise Zone Tax Credits; Trusts	Nelson	CE HELD
SB 1174	Charter Schools; Age Restricted Communities.	Crandall	HELD IN THE HOUSE
SB 1177	Public Intoxication; Local Laws	Allen	HELD AWAITING COW
SB 1182	Traffic School; Driver License Suspension	Reagan	NOT HEARD IN COMMITTEE
SB 1183	Agricultural Property Tax Classification; Equine	Pierce	SUBSTITUTED FOR HB 2552 ON THIRD READ
SB 1185	Court Records; Electronic Access	Mccomish	BI (6-0-0-0) DP
SB 1189	Developmentally Disabled; Residential Setting	Gray	PSHS HELD
SB 1199	Income Tax; Net Operating Loss	Reagan	FIN HELD
SB 1214	Interstate Compact; Health Care	Allen	BI (5-1-0-1-0) DP
SB 1215	Public Meetings; Call to Public	Allen	RETAINED SENATE COW

SB 1222	Public Benefits; Eligibility; Required Proof	Biggs	HELD IN THE HOUSE
SB 1223	In-State Tuition; Veterans	Sinema	SUBSTITUTED FOR HB2410 ON THIRD READ
SB 1289	Eastern Arizona College; Baccalaureate Degrees	Crandall	FAILED ON SENATE THIRD READ
SB 1296	Provisional Community Colleges; Tuition	Griffin	WLRD (3-3-0-0) FAILED
SB 1297	Provisional Community Colleges; Expenditure Limit	Griffin	NOT HEARD IN COMMITTEE
SB 1308	Interstate Compact; Birth Certificates	Gould	FAILED ON SENATE THIRD READ (12-18-0-0)
SB 1309	Arizona Citizenship	Gould	FAILED ON SENATE THIRD READ (11-19-0-0)
SB 1319	Government Land; Restoring Private Land	Griffin	WLRD HELD
SB 1332	Public Agencies; Elected Officials; Communications	Antenori	HELD AWAITING HOUSE COW
SB 1340	Defined Contribution Retirement System	Antenori	NOT HEARD IN COMMITTEE
SB 1405	Hospital Admissions; Restrictions	Smith	FAILED ON SENATE THIRD READ (12-18-0-0)
SB 1407	Schools; Data; Noncitizen Students	Smith	FAILED ON SENATE THIRD READ (14-16-0-0)
SB 1409	Government Publications; English Only	Smith	NOT HEARD IN COMMITTEE
SB 1417	Schools; Mandatory Daily Recess	Antenori	NOT HEARD IN COMMITTEE
SB 1420	School Districts; Competitive Bidding; Filing	Bundgaard	RETAINED ON HOUSE COW
SB 1426	Driver Licenses; Neighborhood Electric Vehicles	Nelson	NOT HEARD IN COMMITTEE
SB 1430	Motor Vehicles; Towing	Nelson	HELD IN THE HOUSE
SB 1431	ADOT Omnibus	Nelson	NOT HEARD IN COMMITTEE
SB 1438	Technical Correction; Valuation; Personal Property	Melvin	NOT HEARD IN COMMITTEE
SB 1450	Reporting Violent Behavior; Government Entities.	Aboud	NOT HEARD IN COMMITTEE
SB 1452	Schools; E-learning Programs (now: E-learning Programs; Schools)	Crandall	ED (7-0-0-3-0) DP

SB 1454	JTEDS; Student Count; Adm	Crandall	NOT HEARD IN COMMITTEE
SB 1455	AP Teachers; Bonus Pay; Weight	Crandall	ED (6-2-0-0) DPA
SB 1456	Small Business Loans; Fee Waiver	Sinema	NOT HEARD IN COMMITTEE
SB 1457	Schools; Sex Education	Sinema	NOT HEARD IN COMMITTEE
SB 1463	Political Subdivisions; Economic Estimate Commission	Cajero	NOT HEARD IN COMMITTEE
SB 1491	Privatization; Correctional Health Services.	Gould	APPROP (9-3-1-0) DP
SB 1494	Community College Bookstores; Financial Aid	Gould	NOT HEARD IN COMMITTEE
SB 1500	Political Signs; Time Limit	Driggs	NOT HEARD IN COMMITTEE
SB 1513	Elections; Ballots; Punch Cards	Griffin	NOT HEARD IN COMMITTEE
SB 1514	Election Equipment; Ballots	Griffin	NOT HEARD IN COMMITTEE
SB 1516	Provisional Community Colleges; Limits	Griffin	NOT HEARD IN COMMITTEE
SB 1518	School Districts; Capacity; Charter Schools	Bundgaard	RETAINED ON SENATE COW
SB 1519	AHCCCS; Termination	Biggs	APPROP (8-5-0-0) DPA
SB 1520	Arizona Background Clearance Card	Crandall	HELD IN THE HOUSE
SB 1526	Affidavit of Qualifications; Presidential Candidates	Gould	JUD (3-5-0-0) FAILED
SB 1527	Health Care; Disclosures; Information	Melvin	NOT HEARD IN COMMITTEE
SB 1528	Arizona Review Committee; School Funding	Melvin	NOT HEARD IN COMMITTEE
SB 1532	ADE; RFP; ELL Instruction	Melvin	NOT HEARD IN COMMITTEE
SB 1538	Driving; Handheld Wireless Communication Devices	Melvin	NOT HEARD IN COMMITTEE
SB 1548	Nuclear Fuel Recycling; School Funding	Melvin	HELD IN THE HOUSE
SB 1549	Schools; Anti-Bullying; Electronic Media.	Schapira	ED HELD

SB 1550	Repainting Government Vehicles	Schapira	NOT HEARD IN COMMITTEE
SB 1554	ADE; Teachers; Liability Insurance	Murphy	ED (3-5-0-2-0) FAILED
SB 1555	Government Employees; Union Dues; Withholding	Murphy	GR (3-3-1-0) FAILED
SB 1556	School District Monies; Associations; Elections.	Murphy	NOT HEARD IN COMMITTEE
SB 1562	Public Employees; Collective Bargaining	Gallardo	NOT HEARD IN COMMITTEE
SB 1581	Lobbyists; Meals; Annual Limit	Gallardo	NOT HEARD IN COMMITTEE
SB 1582	Public Officers; Employees; Promotional Materials	Gallardo	NOT HEARD IN COMMITTEE
SB 1586	Firearms; Background Checks; Gun Shows	Gallardo	NOT HEARD IN COMMITTEE
SB 1587	Misconduct Involving Weapons; Universities; Colleges	Gallardo	NOT HEARD IN COMMITTEE
SB 1588	Misconduct Involving Weapons; State Buildings	Gallardo	NOT HEARD IN COMMITTEE
SB 1590	Employers; Group Insurance Pooling	Barto	NOT HEARD IN COMMITTEE
SB 1591	Health Insurance Claims; Information; Disclosure	Barto	HELD IN CONFERENCE COMMITTEE
SB 1594	Prescription Drugs; Multitiered Formularies	Barto	BI HELD
SB 1597	Medical Information; Rights	Barto	NOT HEARD IN COMMITTEE
SB 1602	Technical Correction; School Safety Clearinghouse	Driggs	NOT HEARD IN COMMITTEE
SB 1603	Schools; Performance Based Compensation Plans	Smith	ED HELD
SB 1604	Schools; Capital Monies; Temporary Uses	Smith	NOT HEARD IN COMMITTEE
SB 1605	RFP; Advertising In Newspapers; Repeal	Smith	FAILED ON SENATE THIRD READ (12-14-4-0)
SB 1607	Schools; Residency Requirements	Smith	APPROP W/D
SB 1611	Immigration Omnibus	Pearce	FAILED ON SENATE THIRD READ (11-19-0-0)
SCM1001	Comprehensive Immigration Reform	Gallardo	NOT HEARD IN COMMITTEE

SCR 1005	Aircraft License Tax; Technical Correction (now: Private Sector Colleges; Support)	Barto	COW ACTION 1 DP 0 0 0 0
SCR 1010	Judicial Decisions; International Law	Gray	NOT HEARD IN COMMITTEE
SCR 1018	Property Tax Valuation Limits	Pierce	NOT HEARD IN COMMITTEE
SCR 1019	State Appropriation Limit; Reduction	Bundgaard	HELD IN THE HOUSE
SCR 1036	State Trust Land Exchanges	Nelson	NOT HEARD IN COMMITTEE
SCR 1039	Property Tax Levy Increases; Limit	Gould	NOT HEARD IN COMMITTEE
SCR 1041	Supreme Court; Jurisdiction	Gould	NOT HEARD IN COMMITTEE
SCR 1050	Corporation Commission; Districts	Gould	CE (1-4-2-0) FAILED
SCR 1051	Voter Enacted Expenditures; Funding Source	Murphy	HELD IN THE HOUSE
SCR 1053	Phase-Out Business Personal Property Tax	Murphy	NOT HEARD IN COMMITTEE
SCR 1058	Property Tax Limits; Local Districts	Melvin	NOT HEARD IN COMMITTEE