



CITY OF GLENDALE

Intergovernmental Programs Department

2023 End of Session Report

Table of Contents

Session Summary.....	2
Glendale’s 2023 Municipal Legislative Principles	3
Legislation of Interest to Glendale	
State Budget	5
Fiscal Sustainability	6
Land Use Planning.....	25
Military Preservation	31
Neighborhoods	34
Public Safety/Courts.....	56
Transportation	80
Water/Environmental Resources.....	89
Ballot Measures	105
Elections/Public Notice.....	120
Insurance/Risk Management.....	144

Session Summary

The 56th Legislature First Regular Session has not yet adjourned Sine Die, at the time of this publication (July 10). The legislature is currently on their second 30-day recess and there is no commitment to adjourn for the session, making the 56th Legislature First Regular Session truly unprecedented.

To date, the legislative session has lasted 183 days. Legislators introduced 1,672 bills, memorials, and resolutions and sent 345 bills to the Governor. Of these, 202 were signed into law and 143 were vetoed by Governor Hobbs. The new laws will become effective 90 days after adjournment (still to be determined) unless the bill contained an otherwise specified effective date.

Intergovernmental Programs sponsored two bills this session; SB 1006 Municipal Notices and Ordinances; Posting & SB 1148 Law Enforcement; Video Recordings; Fee. While both bills were amended from their introduced drafts, each passed out of the legislature and were signed into law by Governor Hobbs.

This comprehensive report contains a summary of each of the bills that relate to the City of Glendale's municipal operations. Each section includes the new laws enacted as well as the list of bills that did not pass this session. Please direct any questions to the Intergovernmental Programs Department at (623) 930-2081.

Glendale's 2023 Municipal Legislative Principles

FISCAL SUSTAINABILITY

Preservation of State Shared Revenue

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

Maintaining Revenue Streams/Directed Funding Sources

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

Preservation of Local Taxing Authority

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

Unfunded Mandates

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

ECONOMIC DEVELOPMENT

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

LAND USE PLANNING

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

MILITARY PRESERVATION

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

NEIGHBORHOODS

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

PUBLIC SAFETY

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

TRANSPORTATION

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

WATER/ENVIRONMENTAL RESOURCES

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

State Budget

The Arizona legislature began the 2023 legislative session with a much different economic forecast than in prior years. With a General Fund increase to 17 % in Fiscal Year (FY) 2022, the General Fund revenue growth was expected to moderate to 7.5% in FY 2023 and 2% in FY 2024. The declining growth rate is large in part due to the recession concerns as the Federal Government raises interest rates in an attempt to lower inflation. The State was projected to have a 1-time balance of \$1.8 billion in FY 2024, but the balance drastically declines to \$48 million by FY 2025. With the substantial capacity for 1-time budget proposals, the ongoing initiatives would have created a shortfall by FY 2025. Therefore, the legislature was only taking budget request for items of onetime spending versus ongoing funding.

While the budget was introduced in early May, and news of Governor Hobbs's efforts to directly negotiate with Republican leadership showed significant progress in a divided state government, a large majority of House and Senate Democrats saw the budget on May 8th for the first time and expressed frustration in the process. As a result, many Democrats supported the deal grudgingly, criticizing both Republican lawmakers and the Governor for how they handled the budget process. On the other side, several Republicans criticized the budget as being bloated while Republican leadership praised the deal, noting it ultimately came away with overwhelming support.

In total, the Fiscal Year 2023-24 (FY 24) budget includes state General Fund spending of \$17.8 billion which is a 0.2% decrease below last year's budget. Highlights for the budget include a one-time rebate of \$250 for dependents under 17 and \$100 for dependents 17 and older. Major areas of spending include \$5 million invested for senior housing assistance, \$10 million for statewide cybersecurity grants, \$8 for human trafficking reduction grants, \$5 million for a new Mobile Home Relocation Funds, \$12.2 million for local border support, \$1 million for law enforcement recruitment and retention matching grants, \$12.2 million for the Fire Incident Management Fund, \$23.6 million for the Rural Broadband Accelerated Match Fund, \$5 million for Fire District Grants, \$32 million for wildfire mitigation. The budget also encompasses several wins for Governor Hobbs, including a 0.9% increase in base level K-12 funding and an additional \$300 million in one-time supplemental funding for the Department of Education. The budget also made a significant one-time investment in housing and homelessness solutions – a priority for both parties this year. That includes a \$150 million deposit into the Housing Trust Fund and \$40 million to a fund for homeless services and shelters. Other highlights include \$5 million for Corrections Transition and Re-entry Housing, \$5 million for Homeless Veterans Reintegration and \$1.9 million for Military Transition Housing. Finally, the budget includes two appropriations for the City of Glendale. The first is a \$3.2 million appropriation to help fund the Glendale Veterans Community Project. The second is an \$800,000 appropriation to help accelerate the Transportation Department's conversion of Rights of Way to xeriscape landscape and smart irrigation technology which will reduce the city water consumption.

Governor Hobbs signed the budget bills on May 12, 2023.

Fiscal Sustainability

New Laws

HB 2008 (Chapter 46) ASRS; Contribution Prepayment

When an Arizona State Retirement System (ASRS) employer is prepaying the employer's 401(a) pension contributions directly to ASRS, the earnings accrual rate may be the actual rate of return of a short-term investment through ASRS, as requested by the employer and agreed to by ASRS. The requirement for the prepaying employer to elect an amortization schedule by written agreement with ASRS is deleted. Establishes requirements for any prepayment agreement made between ASRS and the state or any state agency

HB 2009 (Chapter 47) ASRS; Retirement Application; Changes

A member of the Arizona State Retirement System (ASRS) is allowed to elect to make changes to a retirement application before the member's retirement date, and to exercise a onetime election to make changes to the retirement application within 60 days after the member's retirement date. The member is prohibited from changing the retirement date, and any changes made are retroactive to the retirement date.

HB 2015 (Chapter 48) Retirement Plans; Plan Election; Rehire

For the Public Safety Personnel Retirement System and Corrections Officer Retirement Plan, if an eligible employee who was already a member of the plan is subsequently rehired after a bona fide termination of employment of at least six months with no prearranged reemployment agreement or hired by a new employer, the employee is allowed to make a new election to participate in either the regular plan or the defined contribution plan before the 90th day after the date of hire. If the employee does not make a new election in that time, the employee's previous election continues. Previously, once an employee made an election, that election was irrevocable for the remainder of the employee's employment with any employer under the system, regardless of whether the employment was continuous

HB 2028 (Chapter 102) PSPRS; contribution rates

Beginning with FY2023-24, the contribution rate for members of the Public Safety Personnel Retirement System is reduced to 7.65 percent of the member's compensation, from 11.65 percent. Beginning July 1, 2023, the amount of the member's contribution that exceeds 7.65 percent and that was accumulated between July 1, 2011 through June 30, 2023 may be used in calculating the employers contributions. Retroactive to July 1, 2023. Emergency clause.

HB 2064 (Chapter 79) Property tax exemption; disability; qualifications

For the purpose of the property tax exemption for persons with total and permanent disabilities, the term "person with a total and permanent disability" is defined as a person who is unable to engage in any substantial gainful activity by reason of any physical or mental impairment that is expected to last for a continuous period of at least 12 months or result in death within 12 months as certified by a "competent medical authority" (defined).

HB 2066 (Chapter 31) Banks; financial institutions; personal information

Bank and financial institutions are required to destroy all personal information belonging to a former customer or client no later than ten years after the business relationship ends, except as provided by an applicable law that requires a longer retention period.

HB 2228 (Chapter 80) Sales; home solicitation (Home solicitation sales)

A sale made with a prior invitation, appointment, or consent from the buyer is exempt from regulation as a "home solicitation sale" (defined).

HB 2534 (Chapter 100) Mortgaged property; tax statements; email

On request of the mortgager, the county treasurer is required to email a statement of taxes due on the property, instead of mailing the statement.

SB 1130 (Chapter 12) Deferred payments; prohibition (Technical correction; budget report)

An obligation of the state that is required by law to be paid with general fund monies in one fiscal year cannot be deferred in whole or in part for payment in another fiscal year. Does not apply to funding deferrals for basic state aid and additional state aid entitlement that otherwise would be apportioned to school districts.

SB 1171 (Chapter 2) Conformity; internal revenue code

For the purpose of Title 42 (Taxation), the definition of "Internal Revenue Code" is updated to mean the U.S. Internal Revenue Code in effect as of January 1, 2023. For the purpose of Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax year 2023 means the U.S. Internal Revenue Code in effect on January 1, 2023.

SB 1173 (Chapter 6) Public retirement systems; plan election

If a Public Safety Personnel Retirement System (PSPRS) employee who is hired on or after July 1, 2017 and who is an active or inactive member of PSPRS or a participant in the PSPRS defined contribution plan (DC Plan) is subsequently rehired by the employee's previous employer or another employer under PSPRS, the employee's participation in either PSPRS or the PSPRS DC Plan begins on the date the employee is rehired or hired by another employer. If a Corrections Officer Retirement Plan (CORP) employee who is hired on or after July 1, 2018 and who is an active or inactive member of CORP or a participant in the PSPRS DC Plan is subsequently rehired by the employee's previous employer or another employer under CORP, the employee's participation in either CORP or the PSPRS DC Plan begins on the date the employee is rehired or hired by another employer.

SB 1230 (Chapter 14) Tax exemptions; affidavit

A qualifying community health center, health organization, or hospital, or any other entity that is recognized as nonprofit under section 501(c) of the U.S. Internal Revenue Code and that is required to obtain a transaction privilege tax (TPT) exemption letter from the Arizona Department of Revenue (ADOR) is required to notify ADOR in writing if the entity no longer qualifies for the exemption letter. The exemption letter is valid until the entity is no longer qualified. Regardless of whether the entity notifies ADOR, if the entity no longer qualifies for

2023 END OF SESSION REPORT

the letter, the entity is liable for any tax, penalty, and interest that the seller would have been required to pay in TPT if the seller had not been furnished the exemption letter. Persons who claim exemptions from property taxation are required to notify the county assessor in writing if all or part of the property is conveyed to a new owner, if the property is no longer used for the purpose that qualifies it for the exemption, or if there is any event that otherwise disqualifies the person or property from the exemption. Applies to tax years beginning with 2024.

SB 1260 (Chapter 67) Small businesses; income tax; rate

The tax rate on Arizona small business taxable income is reduced to 2.5 percent for tax years beginning with 2023, instead of 2025. Previously, the tax rate was 2.8 percent for tax years 2023 and 2024. Retroactive to tax years beginning with 2023

Bills that Failed

Tracking List: Fiscal Sustainability

HB 2003 Corporate income tax; rates

Decreases the corporate income tax rate to 4.0 percent of net income in tax year 2023, 3.5 percent of net income in tax year 2024, 3.0 percent of net income in tax year 2025, and 2.5 percent of net income in tax years beginning with 2026, from 4.9 percent of net income. Retroactive to tax years beginning with 2023. AS PASSED HOUSE

HB 2013 Transportation tax; deposit; regional fund

Interest earned on net revenues collected from a county transportation excise tax that are not distributed or refunded pursuant to existing statute, including interest earned on those revenues, are required to be deposited in the same funds that the net revenues are required to be deposited in.

HB 2014 STOs; scholarships; corporate tax credits

Increases the aggregate dollar amount of the cap on corporate income tax credit for contributions to school tuition organizations in any fiscal year to \$10 million for FY2022-23, \$15 million for FY2023-24, and \$20 million for FY2024-25 and each fiscal year after, from \$6 million. The amount of an STO scholarship is capped at the amount of state aid that otherwise would be computed for the student, instead of 90 percent of the amount of state aid or the cost of tuition for the student to attend the qualified school. AS PASSED HOUSE

HB 2020 ASRS; contribution prepayment; appropriation

Makes a supplemental appropriation of \$45 million from the general fund in FY2022-23 to the Arizona State Retirement System to prepay Arizona's employers' 401(a) pension contributions. AS PASSED HOUSE

HB 2027 Appropriation; unfunded liability; CORP

From July 1, 2023 through June 30 2033, each county is required to annually pay a specified amount to repay the state for the amounts paid in FY2022-23 on the counties' behalf to the Corrections Officer Retirement Plan (CORP) for unfunded accrued liability. Makes a supplemental appropriation of \$428.8 million from the general fund in FY2022-23 to the Public Safety Personnel Retirement System (PSPRS) to be deposited in the Administrative

2023 END OF SESSION REPORT

Office of the Courts CORP group employer account to pay the unfunded accrued liability. The PSPRS Board is required to account for the appropriation in the June 30, 2023 actuarial valuation of CORP, and account for the appropriation when calculating the employee contribution rates and employer contribution rates during FY2023-24. Reduces the appropriations made from the general fund in FY2023-24 to a list of specified judiciary-superior court line items by \$10.1 million total. Emergency clause. AS PASSED HOUSE

HB 2061 Food; municipal tax; exemption.

Municipalities and other taxing jurisdictions are prohibited from levying a transaction privilege, sales, or use tax or fee on the sale of food items intended for human consumption or home consumption (as defined elsewhere in statute and by rule). Applies to tax periods on or after the first day of the month following the general effective date.

HB 2065 Home insurers; discrimination; prohibition

The list of prohibited factors used to calculate an insurance score is expanded to include the consumer's age. Does not prohibit an insurer from using age information for underwriting purposes.

HB 2067 Residential leases; municipal tax exemption

Beginning January 1, 2024, municipalities and other taxing jurisdictions are prohibited from levying a transaction privilege, sales, use or other similar tax or fee on the business of renting or leasing real property for residential purposes. Does not apply to health care facilities, long-term care facilities, hotels, motels, or other transient lodging businesses. By January 1, 2024, the owner of real property that is rented or leased for residential purposes and that is located in a municipality or other taxing jurisdiction that levies such a tax is required to reduce the amount of rent due by an amount equal to the difference caused by the elimination of the tax as provided in this legislation. Contains a legislative intent section. Applies to tax periods beginning January 1, 2024.

HB 2115 Income tax; credits; subtractions

A taxpayer that is allowed a tax credit under statutes governing the transaction of insurance business or an individual or corporate income tax credit is prohibited from selling or transferring the tax credit to another taxpayer. Any income tax credit enacted beginning January 1, 2024 is not refundable. Retroactive to January 1, 2023, for the purpose of computing Arizona adjusted gross income for income tax purposes, the subtraction from Arizona gross income for 25 percent of the net long-term capital gain included in federal adjusted gross income does not apply to any net long-term capital gain from the sale of a charter school.

HB 2127 Minimum wage increase

Increases the minimum wage to \$15 per hour on and after January 1, 2025. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

HB 2128 Employers; employee salary history; prohibitions

2023 END OF SESSION REPORT

Employers are prohibited from screening prospective employees based on previous wage or salary history, seeking the previous wage or salary history of any prospective employee from any current or former employer, checking public records for a prospective employee's previous wage or salary history, and discharging or in any other manner retaliating against any employee or prospective employee for opposing, making a complaint or testifying relating to any of these prohibited actions. Violations are subject to a civil penalty of \$5,000 for a first offense and an additional \$1,000 for each subsequent offense, up to \$10,000. A person in violation is liable to each employee or prospective employee for special damages of up to \$10,000 plus attorney fees. An action to recover special damages may be maintained against any employer in any court of competent jurisdiction by any one or more employees for and on behalf of the employee(s) and other similarly situated employees.

HB 2129 Wage disclosure; employee rights

Employers are prohibited from taking adverse employment action against an employee because the employee discloses his/her wage information, and from requiring an employee to sign a waiver or other document that prohibits such disclosure. Establishes penalties for violations.

HB 2131 Overtime pay

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

HB 2236 G&F; fees; exemption; tribal members

A person who is an enrolled member of a federally recognized Indian tribe located wholly or partially in Arizona is exempt from the fees for licenses, permits, tags and stamps and application fees prescribed by the Game and Fish Commission.

HB 2253 Appropriation; health innovation trust fund.

Appropriates \$200 million from the general fund in FY2023-24 to the Arizona Health Innovation Trust Fund.

HB 2254 Rulemaking; regulatory costs; legislative ratification

If a proposed rule was estimated to increase regulatory costs in Arizona in excess of \$500,000 within five years after implementation or to have an adverse impact on economic growth in Arizona in excess of \$500,000 within five years after implementation, the proposed rule would have been prohibited from becoming effective until the Legislature enacted legislation ratifying the proposed rule. The agency would have been prohibited from filing a final rule with the Secretary of State before obtaining legislative approval of the rule through legislation. Emergency rules would have been exempt. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that the rulemaking process state agencies follow is rigorous, transparent, and effective.

HB 2256 Housing trust fund; appropriation

Appropriates \$150 million from the general fund in FY2023-24 to the Housing Trust Fund.

HB 2257 Taxation; repeal; selected exemptions

Eliminates various exemptions from taxation, including the exemptions from the retail classification of transaction privilege taxes for sales of warranty or service contracts and sales of stocks and bonds. For tax years beginning with 2024, the income tax rate for corporations is increased to 5.5 percent, from 4.9 percent. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

HB 2258 Historic preservation tax credit

For tax years 2024 through 2033, establishes an individual and corporate income tax credit for 20 percent of “qualified rehabilitation expenses” for the “substantial rehabilitation” of a “certified historic structure” (all defined). To qualify for the credit, the taxpayer is required to obtain a final certification from the Arizona State Parks Board. If the allowable credit exceeds taxes due, the amount of the claim not used to offset taxes may be carried forward for up to ten consecutive tax years. An applicant who does not claim the credit allowed, in whole or in part, may assign, transfer or sell the credits to any person, and the proceeds of the sale or transfer are exempt from income taxes.

HB 2263 Tax credits; reporting requirements

By May 15 each year, each "qualified investor" claiming an income tax credit for investments made in a qualified small business in Arizona is required to report to the Arizona Commerce Authority (ACA) the number of jobs created by a qualified small business that received a qualified investment from the investor. By June 15 each year, the (ACA) is required to report this information to the Joint Legislative Budget Committee (JLBC), as well as information about the allocation of qualified investments by industry. By May 15 of each year, each claimant of a tax credit for the production of electricity using renewable energy resources is required to report to the Arizona Department of Revenue (ADOR) the total megawatt hours of electricity generated from the qualified energy generator and the number of persons employed at the time the tax credit is claimed by businesses in Arizona that manufacture, install, or service qualified energy generators. By June 15 of each year, ADOR is required to report this information to the JLBC.

HB 2264 Housing; inventory; sales

By July 1, 2025 and every three years after, each county and municipality is required to prepare an inventory of all real property within its jurisdiction to which the county or municipality holds title and that is appropriate for use as affordable housing. The county board of supervisors or municipal governing body is required to hold a public hearing at which the inventory list is reviewed. Properties on the list may be offered for sale and the proceeds may be used to purchase land for the development of affordable housing. Properties on the list may be sold with a restriction that requires the development of the property as affordable housing, donated to a nonprofit housing organization, or made available for use or the production and

2023 END OF SESSION REPORT

preservation of permanent affordable housing. By July 1, 2025 and every three years after, each state agency is required to create an inventory of surplus real estate within the agency jurisdiction to which the state holds title and provide the inventory to the Arizona Department of Administration (ADOA). ADOA is required to make the surplus real estate on the inventories available for sale, and monies received from the sale are deposited in the Housing Trust Fund.

HB 2267 Tax credit; earned income

Establishes an income tax credit for an individual who qualifies for an earned income tax credit under the federal Internal Revenue Code, in the amount of five percent of the federal credit allowed to the taxpayer for the tax year. Only one claimant per household per tax year is entitled to the credit. If the amount of the credit exceeds taxes due, the excess is paid in the same manner as a refund. The Department of Revenue is required to make suitable claim forms available with the individual income tax returns. Retroactive to tax years beginning with 2023.

HB 2268 - Income tax credits; repeal

Repeals the individual income tax credit for agricultural pollution control equipment. Establishes reporting requirements for recipients of the qualified facility income tax credit and the income tax credit for agricultural water conservation systems. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage and becomes effective on signature of the Governor.

HB 2269 Tax exemptions; credits; review schedule

The Joint Legislative Income Tax Credit Review Committee is renamed the Joint Legislative Tax Exemption Review Committee, and the Committee is required to review existing "tax exemptions" (defined as exclusions, exemptions, and credits from transaction privilege taxes as well as individual and corporate income tax credits) according to a ten-year review schedule. The Committee is required to compile and adopt a ten-year review schedule by December 15, 2023.

HB 2270 Extension; affordable housing tax credit

The statutory repeal dates for the insurance premium tax credit and the individual and corporate income tax credits for projects that qualify for the federal low-income tax credit are extended eleven years, through tax year 2036. The cap on the aggregate amount of the affordable housing tax credits in any calendar year is increased to \$10 million, from \$4 million, beginning in calendar year 2024.

HB 2271 Repeal; tax credits; grants; reporting

Repeals the individual income tax credit for agricultural pollution control equipment. By March 1 each year, each "qualified facility" (defined as a facility in Arizona that devotes at least 80 percent of the property and payroll to qualified manufacturing, headquarters or research) claiming an income tax credit for expanding or locating a qualified facility in Arizona is required to report to the Arizona Commerce Authority the following: the number of full-time employees the qualified facility hired in Arizona in the preceding calendar year, the compensation and benefit information for each full-time employment position created for tax credit purposes, and the total capital expenditures the qualified facility invested in Arizona as a

2023 END OF SESSION REPORT

result of the tax credit. By May 1 each year, the Authority is required to report this information to the Joint Legislative Budget Committee. The information that each entity receiving a grant from the Arizona Competes Fund is required to annually report to the Authority is expanded to include compensation and benefit information for each employment position required for eligibility. By March 1 each year, each claimant of the tax credit for purchasing and installing an agricultural water conservation system in Arizona is required to report to the Arizona Department of Revenue (ADOR) on the reduction in water usage as a result of installing the system. By May 1 each year, ADOR is required to report to the "joint legislative committee" on the reduction in water usage as a result of installing agricultural water conservation systems as reported by all claimants, and the number of states where taxpayers receive a comparable income tax credit. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage and becomes effective on signature of the Governor.

HB 2272 Municipality; housing plan; report

A municipality with a population of more than 75,000 persons is required to develop a housing plan. Information that must be included in the housing plan is specified. The municipal governing body is required to annually review the housing plan and plan implementation and post the report of the annual review on the municipality's website.

HB 2274 Income tax; credits; subtractions.

A taxpayer that is allowed a tax credit under statutes governing the transaction of insurance business or an individual or corporate income tax credit is prohibited from selling or transferring the tax credit to another taxpayer. Any income tax credit enacted beginning January 1, 2024 is not refundable. Retroactive to January 1, 2023, for the purpose of computing Arizona adjusted gross income for income tax purposes, the subtraction from Arizona gross income for 25 percent of the net long-term capital gain included in federal adjusted gross income does not apply to any net long-term capital gain from the sale of a charter school.

HB 2315 Primary residence; property tax; exemption

The primary residence of an Arizona resident that is not subject to a mortgage, deed of trust or other similar encumbrance is exempt from taxation. The property owner is required to file an affidavit with the county assessor to initially establish qualification for this exemption. Conditionally enacted on the state Constitution being amended by the voters at the 2024 general election by passage of an unspecified House Concurrent Resolution (blank in original) relating to property tax exemptions.

HB 2318 - Affordable housing; tax credits; extension

The statutory repeal dates for the insurance premium tax credit and the individual and corporate income tax credits for projects that qualify for the federal low-income tax credit are extended six years, through tax year 2031. The cap on the aggregate amount of the affordable housing tax credits in any calendar year is increased to \$12 million, from \$4 million, beginning in calendar year 2024.

HB 2327 Housing trust fund; unclaimed property

2023 END OF SESSION REPORT

The amount of proceeds from the sale of abandoned property that are deposited in the Housing Trust Fund each fiscal year is changed to 55 percent of the proceeds, instead of \$2.5 million.

HB 2362 State shared revenues; withholding; repeal

Repeals statute requiring the Attorney General to investigate any official action taken by the governing body of a county or municipality that a member of the Legislature alleges violates state law or the state Constitution, and withholding state shared monies from the county or municipality if the Attorney General concludes that there is a violation and if the county or municipality fails to resolve the violation within 30 days.

HB 2365 Foster children; adulthood; stipend

The Department of Child Safety (DCS) is required to provide a stipend of \$1,200 per month to all children who are under DCS care at the time they turn 18 years of age until they reach 21 years of age.

HB 2367 Property taxes; elderly assistance fund

Statute establishing and regulating the Elderly Assistance Fund is repealed and replaced. Impossible to determine new provisions without a line by line comparison. Effective January 1, 2024.

HB 2383 Conformity; internal revenue code.

For the purpose of Title 42 (Taxation), the definition of "Internal Revenue Code" is updated to mean the U.S. Internal Revenue Code in effect as of January 1, 2023. For the purpose of Title 43 (Taxation of Income), the definition of "Internal Revenue Code" for tax year 2023 means the U.S. Internal Revenue Code in effect on January 1, 2023.

HB 2395 Repeal; individual income tax

Repeals the Arizona individual income tax.

HB 2396 Student activity fees; conscience exemption.

The Arizona Board of Regents is required to provide an exemption from the requirements to pay student activity fees if the payment would violate the student's conscience or if the student meets any of a list of reasons for exemption, including objecting on religious or moral grounds, financial hardship, and part-time status.

HB 2401 TPT; diapers; feminine hygiene; exemption

The list of exemptions from the retail classification of transaction privilege and use taxes is expanded to include disposable diapers, other similar disposable items commonly used for incontinence, and a list of feminine hygiene products. Applies to taxable periods beginning on or after the first day of the month following the general effective date.

HB 2423 Appropriation; healthcare; interoperability (Technical correction; public records)

Makes changes to the competitive grant program for an interoperability software technology solution to support acute care for rural hospitals, health care providers, and trauma centers. The Arizona Department of Administration (ADOA) is required to award one grant, instead of multiple grants, and the grant recipient is prohibited from using a third-party vendor to comply with any grant program requirements. Requirements for the software are modified, including adding a requirement for mobile technology. The delayed repeal of the program on July 1, 2026 is eliminated. Appropriates \$12 million from the general fund in FY2023-24 to ADOA for the grant. AS PASSED HOUSE

HB 2430 EORP; appropriations; repayment

For FY2023-24 and each fiscal year after, monies collected from contributions of members of the Elected Officials' Retirement Plan (EORP) must be distributed directly to the qualified governmental excess benefit arrangement in an amount as determined by the Board of Trustees. After that transfer, the Board is required to transfer any remaining monies collected to the general fund. Beginning July 1, 2023 through June 30, 2033, a specified list of counties and municipalities are required to annually repay the state specified amounts for the amounts paid in FY2022-23 on the local governments' behalf to EORP for unfunded accrued liability. Counties and municipalities may pay the annual repayment amount from any source of revenue. Makes a supplemental appropriation of \$609 million from the general fund in FY2022-23 to EORP to pay the unfunded accrued liability for EORP. Numerous appropriations made from the general fund in FY2023-24 for required employer contributions to EORP are reduced. Emergency clause. AS PASSED HOUSE

HB 2447 TPT; exemption; motor vehicle manufacturers

A vehicle manufacturer or new vehicle dealer that is owned, operated or controlled by the manufacturer or one of its affiliates or subsidiaries is authorized to issue a special ten day nonresident registration permit in order to deliver a vehicle to a nonresident purchaser. The maximum number of these permits that a manufacturer or new dealer may issue in FY2023-24 is 500, and the maximum number will increase by 10 percent each fiscal year after. The list of exemptions from transaction privilege taxes is modified to include sales of motor vehicles to nonresidents if the motor vehicle is sold to a nonresident purchaser who has obtained a special ten day nonresident registration permit. Applies to taxable periods beginning on or after the first day of the month following the effective date of this legislation.

HB 2493 Nonresident real estate transactions; notice

By June 30 of each year, the Department of Revenue is required to notify the director of the Joint Legislative Budget Committee (JLBC) and the director of the Governor's Office of Strategic Planning and Budgeting (OSPB) whether the amount of revenue collected from the sale of real estate by nonresidents in Arizona for the prior fiscal year was \$3 million or more.

HB2501 Dependent tax credit; additional amount

A taxpayer who is or whose spouse is pregnant during the taxable year before the taxable year in which the dependent is born is allowed to increase the dependent tax credit for the taxable year in which the dependent is born by the amount of the credit prorated based on the number of months the taxpayer or taxpayer's spouse was pregnant during the prior tax year. Applies to tax years beginning with 2023.

HB 2551 County salaries; approval

The county board of supervisors in each county is required to approve an increase in any of the salaries of county officers. If there is an increase in the county officer salaries in state statute, the board is allowed to approve a lesser amount than that increase. The amount approved cannot be less than the county officer's current salary. Applies to increases in salaries from and after January 1, 2025.

HB 2555 Businesses; requirement to accept cash

A retail business with a physical location in Arizona is required to accept cash as a form of payment for goods and services with an aggregate value of \$100 or less and cannot charge a fee or penalty for using cash as a form of payment. Establishes penalties for violations. Does not apply to the online sale of goods or services or a written contract between two parties that dictates the acceptable form of payment. AS PASSED HOUSE

HB 2585 TPT; digital goods and services

Establishes a digital goods classification of transaction privilege taxes (TPT) and levies a TPT at a rate of 5 percent of the tax base for every person engaging or continuing in the business of digital goods. The digital goods classification is comprised of the business of selling, leasing or licensing the use of "prewritten computer software" or providing "specified digital goods" (both defined). The tax base for the digital goods classification is the gross proceeds of sales or gross income derived from the business. Establishes requirements for sourcing prewritten computer software and specified digital goods. Imposes an additional TPT rate increment of 0.6 percent on the digital goods classification through June 30, 2041. The gross income, gross receipts, gross proceeds, purchase price, or sales price from selling, leasing, licensing, purchasing, or using "digital services" (defined elsewhere in statute) is excluded from TPT and excise taxes. Does not apply to services provided by a person subject to tax under the online lodging marketplace classification. Applies to taxable periods beginning on or after the first day of the month following the general effective date.

HB 2587 Governor's declaration; fiscal impact analysis

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

HB 2637 TPT; online lodging marketplace; reporting

2023 END OF SESSION REPORT

Online lodging marketplaces are required to list on the return of online lodging transaction privilege taxes or on an attachment to the return the following information for each online lodging transaction: the transaction privilege tax license number, the property address, and the amount of tax collected on behalf of the individual online lodging operator.

HB 2638 Online lodging marketplaces

An online lodging marketplace may not display or offer for rent a property or transact business for a property or online lodging operator in Arizona if the property or online lodging operator is not in compliance with all applicable state, county and local laws at the time of the rental or occupancy. Violations are subject to a civil penalty of \$250 per violation, and each day of a violation constitutes a separate violation. Municipalities are authorized to verify and enforce an online lodging marketplace's compliance with these requirements, collect penalties, and report to the Arizona Department of Revenue the number of violations and the total penalties collected.

HB 2640 State debt payoff

Makes a supplemental appropriation of \$430 million from the general fund in FY2022-23 to the Arizona Department of Administration to pay for the retirement or defeasance of the financing agreements entered into for state properties. Makes a supplemental appropriation of \$238 million from the general fund in FY2022-23 to the Arizona Board of Regents to pay for the retirement or defeasance of the lease-purchase capital financing agreements entered into for university research facilities. Deletes appropriations to the Arizona Convention Center Development Fund in FY2023-24 through FY2043-44. Deletes appropriations to Arizona State University, University of Arizona, and Northern Arizona University for lease-purchase capital financing for research infrastructure projects in FY2023-24 through FY2030-31.

HB 2677 Income tax; subtraction; retirement distribution

For the purpose of computer Arizona adjusted gross income for individual income tax purposes, the list of subtractions from Arizona gross income is expanded to include the amount of any distributions from an individual retirement account or from a qualified retirement plan as provided in specified federal code, to the extent not already excluded from Arizona gross income under the federal Internal Revenue Code.

HB 2679 Appropriation; grants; medical debt

Appropriates \$30 million from the general fund in FY2023-24 to the Arizona Department of Health Services to award grants to pay medical debt.

HB 2680 Corporate tax; business income; allocation.

Beginning with tax year 2024, the option for a taxpayer to apportion all business income to Arizona by multiplying the income by the sales factor is eliminated. For tax years beginning with 2024, sales, other than sales of tangible personal property, are in Arizona if the taxpayer's market for the sales is in Arizona, and factors used to determine if the taxpayer's market for the sales is in Arizona are listed.

HB 2682 Lobbyists; campaign contributions; prohibition

2023 END OF SESSION REPORT

Lobbyists are prohibited from making or promising to make campaign contributions to or soliciting or promising to solicit campaign contributions for a member of the Legislature or the Governor at any time, instead of only during the regular session of the Legislature.

HB 2712 TPT; diapers; feminine hygiene; exemption

The list of exemptions from the retail classification of transaction privilege and use taxes is expanded to include disposable diapers, other similar disposable items commonly used for incontinence, and a list of feminine hygiene products. Applies to taxable periods beginning on or after the first day of the month following the general effective date.

HB 2807 TPT; prime contracting; exemption; alterations

The definitions of "modification" and "alteration" for the purpose of computing the tax base for the prime contracting classification of transaction privilege taxes are modified. Effective January 1, 2024 and applies to contracts, bids, or other binding obligations entered into beginning January 1, 2024.

SB 1033 TPT; diapers; feminine hygiene; exemption.

The list of exemptions from the retail classification of transaction privilege and use taxes is expanded to include disposable diapers, other similar disposable items commonly used for incontinence, and a list of feminine hygiene products. Applies to tax periods beginning on or after the first day of the month following the general effective date.

SB 1063 Food; municipal tax; exemption

Municipalities and other taxing jurisdictions would have been prohibited from levying a transaction privilege, sales, or use tax or fee on the sale of food items intended for human consumption or home consumption (as defined elsewhere in statute and by rule). Would have become effective July 1, 2025. AS VETOED BY GOVERNOR. In her veto letter, the Governor expressed concern about the impact this legislation would have on municipalities and the resulting potential cuts to services or increases in property taxes.

SB 1084 Appropriation; health innovation trust fund

Appropriates \$50 million from the general fund in FY2023-24 to the Arizona Health Innovation Trust Fund. The Legislature intends that the Fund steadily grow to ultimately maintain a permanent endowment balance of at least \$200 million. AS PASSED SENATE

SB 1089 Food; municipal tax; exemption

Municipalities and other taxing jurisdictions are prohibited from levying a transaction privilege, sales, or use tax or fee on the sale of food items intended for human consumption or home consumption (as defined elsewhere in statute and by rule). Applies to tax periods on or after the first day of the month following the general effective date.

SB 1108 Income tax; credit; labor costs

For tax years beginning with 2024, establishes an individual and corporate income tax credit for a portion of a taxpayer's increased hourly labor costs that results from paying a local minimum

2023 END OF SESSION REPORT

wage that is more than the state minimum wage. The amount of the credit is ten percent of the difference between the amount of hourly labor costs the employer actually paid to employees and the product of the total number of hours worked by all employees during the taxable year multiplied by the state minimum wage. Requirements to qualify for the credit are specified. If the allowable credit exceeds taxes due, the unused amount may be carried forward for up to five consecutive tax years. Each month the State Treasurer is required to withhold from a municipality an amount equal to 1/12 of the total amount of credits claimed for the prior taxable year by taxpayer's located in that municipality from the municipality's distribution of state shared revenues. Some exceptions. AS PASSED SENATE

SB 1138 Business; discrimination prohibition; social criteria (Banks; discrimination prohibition; social criteria)

A financial institution, insurer, or credit reporting agency doing business in Arizona, either directly or through a contractor, is prohibited from discriminating against any person based on a political affiliation or other social credit, environmental, social, governance or similar values-based or impact criteria. AS PASSED SENATE

SB 1156 Income tax; subtraction; adoption fees

The maximum amount of the subtraction from Arizona gross income for nonrecurring costs of adoption is increased to \$40,000, from \$3,000, for tax year 2024. Establishes the Adoptive Parent Grant Fund, to be administered by the Department of Child Safety, and used to provide \$1,000 grants to adoptive parents on a first-come, first-served basis beginning January 1, 2025. Appropriates \$4 million from the general fund in FY2023-24 to the Fund. AS PASSED SENATE

SB 1184 Municipal tax exemption; residential leases

Beginning January 1, 2024, municipalities and other taxing jurisdictions would have been prohibited from levying a transaction privilege, use, or other similar tax or fee on the business of renting or leasing residential property. Some exceptions. By January 1, 2024, the landlord of real property that is rented or leased for residential purposes and that is located in a municipality or other taxing jurisdiction that levies a transaction privilege tax on the business of renting or leasing residential property would have been required to reduce the amount of rent due by an amount equal to the difference caused by the elimination of the transaction privilege tax on the business of renting or leasing residential property. The Arizona Department of Revenue would have been required to electronically notify each residential rental transaction privilege tax licensee of these provisions. From January 1, 2024 through June 30, 2025, the State Treasurer would have been required to distribute proportionately for each month \$14,945,600 from the portion of the revenues derived from transaction privilege taxes that is not designated as the distribution base to the municipalities that levied a transaction privilege tax on renting or leasing real property for residential purposes during FY2021-22, based on the average amount that the municipality collected from that tax during FY2021-22. Also, municipalities would have been required to use monies paid from revenues collected from a remote seller in the retail transaction privilege tax classification and paid to the municipality as state shared revenue for public safety before any other municipal purpose. Would have applied to tax periods beginning January 1, 2024 and after. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that lowering housing costs is a priority, but that this bill lacks any enforceable mechanism to ensure relief will be provided to renters and includes an appropriation outside of a comprehensive budget agreement.

SB 1202 Banking; fees; licensing

Consumer lender licensees and premium finance company licensees are required to apply for renewal as prescribed by the Department of Insurance and Financial Institutions (DIFI) by December 31 of each year. If DIFI does not receive the licensee's renewal application and fee by January 31, the license or permit automatically expires. The holder of an expired license or permit may not be issued a renewal license or permit but may be issued a new license or permit.

SB 1203 Income tax; reduction; budget surplus

Beginning with FY2023-24 and each fiscal year thereafter, the Joint Legislative Budget Committee is required to notify the Arizona Department of Revenue (ADOR) if there is a budget surplus in a fiscal year and, if so, the amount of the budget surplus. On receipt of the notice ADOR is required to reduce the individual income tax rate for the taxable year after the year in which the notice is provided such that the amount of the overall rate reduction is equal to 50 percent of the budget surplus provided in the notice. On receipt of any subsequent notice, ADOR is required to further reduce the income tax rate from the prior taxable year for the taxable year after the year in which the notice is provided such that the amount of the overall rate reduction is equal to 50 percent of the budget surplus provided in the notice until the tax rate is zero percent of taxable income.

SB 1222 Tax credit; substance abuse rehabilitation

Establishes an individual income tax credit for medical expenses incurred by the taxpayer for substance abuse rehabilitation. The amount of the credit is the amount of medical expenses the taxpayer incurred that would be allowed under section 213 of the federal Internal Revenue Code but that exceeded the amount allowed, with a maximum credit amount of \$2,000 for a single individual or head of household and \$4,000 for a married couple filing jointly. If the allowable credit exceeds taxes due, the taxpayer is allowed to carry the unused amount forward for up to five years. The credit is in lieu of any deduction for medical expenses as part of a taxpayer's itemized deductions.

SB 1236 Blockchain technology; tax; fee; prohibition

Counties and municipalities would have been prohibited from imposing a tax or fee on any person or entity for "running a node on blockchain technology" (defined) in a residence. Would not have applied to a transaction privilege or use tax on electricity. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill broadly defines "blockchain technology" and prevents local policymaking concerning an emergent and potentially energy-intensive economic activity.

SB 1255 Regulatory costs; rulemaking; ratification

If a proposed rule was estimated to increase regulatory costs in Arizona in excess of \$500,000 within five years after implementation, the proposed rule would have been prohibited from becoming effective until the Legislature enacted legislation ratifying the proposed rule. A process for the Legislature to ratify a proposed rule would have been established. Would not have applied to emergency rules or the Arizona Corporation Commission. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that the rulemaking process is

2023 END OF SESSION REPORT

essential to allowing state government to function at its best, and that if the Legislature disagrees with rules it can produce legislation to change them.

SB 1325 TPT; administration; remote sellers

If another state tax agency extends comity to Arizona in the tax administration for remote sellers, the Arizona Department of Revenue (ADOR) is required to allow a remote seller to communicate exclusively through the state tax agency of the state in which the remote seller is located, including allowing the remote seller to report and remit the tax owed to Arizona to the state tax agency of that state and for that state tax agency to remit it to Arizona on behalf of the remote seller. ADOR is required to cooperate with other state tax agencies to develop a "central clearinghouse" (defined). If a central clearinghouse is established, ADOR is required to use the central clearinghouse to accept all tax returns and remittances for remote sellers. Beginning in calendar year 2024, a remote seller may elect to pay a single municipal tax rate instead of the municipal tax rates for retail sales in effect for each municipality or special district. The single municipal tax rate is equal to the average rate of municipal taxes imposed in Arizona during the previous fiscal year. For calendar year 2024 and after, any person that conducts business in an activity classified under transaction privilege tax (TPT) classifications with purchasers in Arizona is required to pay TPT if the person is a remote seller and the taxable sales, instead of the gross proceeds of sales or gross income, derived from the remote seller's business with customers in Arizona that is not facilitated by a marketplace facilitator is more than \$100,000. Contains legislative findings.

SB 1353 Income tax; addition; net worth

The list of additions to Arizona gross income for the purpose of computing Arizona adjusted gross income for income tax purposes is expanded to include one percent of the taxpayer's net worth as of December 31 of the taxable year, if the taxpayer's net worth as of December 31 of the taxable year is more than \$50,000. For this purpose, net worth does not include the value of real property that the taxpayer owns and occupies as the taxpayer's primary residence. Effective January 1, 2024.

SB 1416 County excise tax; rate reduction

A county in which a regional transportation authority improperly levied a county transportation excise tax is required to reduce the county's general excise tax rate by an amount equal to the rate of the county transportation excise tax for the "rate reduction period," defined as the period of time necessary to exhaust the net revenues improperly collected minus the amount refunded during the first year of the refund period. Applies to tax periods beginning on or after the first day of the month following the general effective date.

SB 1426 Right to redeem; lien; sale

The foreclosure of the right to redeem does not extinguish any of the property owner's or another lienholder's interest in the surplus proceeds from the sale of the property. After a property is sold at auction, the county treasurer is required to post a public list of the remaining monies that any party that had a legal interest in the property before the judgment foreclosing the right to redeem or the issuance of the tax deed to the state may claim. After receiving full

2023 END OF SESSION REPORT

payment for the property, the county treasurer is required to notify by mail the former property owner and any person with a recorded interest in the property. Information that must be included in the notice is listed, including that any amount remaining after disbursement of surplus monies to any lienholders or other interested parties that filed a claim will be available for the former property owner or the owner's heirs or assigns to claim for up to five years. More. Emergency clause.

SB 1517 Appropriation; secretary of state; security.

Appropriates \$1.04 million from the general fund in FY2023-24 to the Secretary of State for security personnel, office security infrastructure, and the creation of the full-time equivalent position of chief information security officer.

SB 1542 Appropriation; housing assistance; elderly

Appropriates \$7 million from the general fund in FY2023-24 to the Department of Economic Security to distribute to area agencies on aging for housing assistance for persons who are at least 60 years of age.

SB 1550 Home and community-based services; appropriation

Appropriates \$1.5 million from the general fund in FY2023-24 to the Department of Economic Security to distribute to area agencies on aging for home and community-based services.

SB 1559 Businesses; fees; income tax reduction

For tax years beginning with 2024, the list of subtractions from Arizona gross income for the purpose of individual and corporate income taxes is expanded to include the following amounts of income received from the business for an individual who is the owner of a business or for a corporation: 100 percent of the income received for the business' first year of operation, 50 percent of the income received for the business' second year of operation, and 25 percent of the income received for the business' third year of operation. A new business or a person establishing a new business is exempt from all Arizona Corporation Commission business, service, and copying filing fees, from all Secretary of State business and trademark registration and financing statement filing fees, and from state transaction privilege tax license fees. Beginning January 1, 2024, the Arizona Department of Administration (ADOA) is encouraged to award five percent of the total number of state contracts entered into each year to "new businesses" (defined). ADOA is required to evaluate lowering barriers for new businesses to compete for state contracts. AS PASSED SENATE

SB 1561 Appropriation; infrastructure grant program

Appropriates \$30 million from the general fund in FY2023-24 to the Arizona Commerce Authority (ACA) to administer an Arizona Infrastructure Grant Program. The ACA is required to award grants to nonprofit organizations that meet specified requirements. Grant monies must be used for investments authorized by specified federal law relating to the production of qualified clean hydrogen, including projects in partnership with, and that leverage investment from, the private sector, projects that assist low-income communities to deploy or to benefit from zero emission technologies, or investments in partnership with counties, municipalities and special districts within water management areas.

SB 1577 Income tax rate; reduction; surplus

For each tax year beginning with 2024, the Department of Revenue is required to reduce the individual income tax rate for the current tax year so that the amount of the rate reduction is equal to that tax year's "Arizona taxpayer return," defined as 50 percent of the "structural surplus" (defined) for the immediately following fiscal year.

SB 1682 Corporate tax; business income; allocation

Beginning with tax year 2024, the option for a taxpayer to apportion all business income to Arizona by multiplying the income by the sales factor is eliminated. For tax years beginning with 2024, sales, other than sales of tangible personal property, are in Arizona if the taxpayer's market for the sales is in Arizona, and factors used to determine if the taxpayer's market for the sales is in Arizona are listed.

SB 1683 Income tax; subtraction; capital gains

For the purpose of computing Arizona adjusted gross income for individual income tax purposes, and for tax years beginning with 2024, the subtraction from Arizona gross income for 25 percent of the net long-term capital gain included in federal adjusted gross income applies only for a single individual or a head of household whose federal adjusted gross income is no more than \$100,000 or a married couple filing jointly whose federal adjusted gross income is no more than \$200,000. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

SB 1684 Tax expenditures; review; sunset

The Joint Legislative Income Tax Credit Review Committee is renamed the Joint Legislation Tax Expenditure Review Committee. The Committee is required to adopt and review the "tax expenditures" (defined as any exemption from the impact of established taxes and tax classifications) for transaction privilege and affiliated excise taxes according to a 10-year review schedule, and the Committee is required to compile and adopt the schedule by December 15, 2023. After a review, the Committee is required to recommend the tax expenditures to be amended, repealed or retained. The Committee is required to report its recommendations to the Legislature and the Governor by December 15 of the year the tax expenditure is reviewed. If the tax expenditure is recommended to be retained or amended, the next review year must be no later than the 10th full calendar year following the date the tax expenditure was reviewed. Modifies the income tax credit review schedule.

SB 1685 Capital expenditures; tax incentives; reporting

By March 1 of each year, any person that receives a "tax incentive" (defined) governed by the Arizona Commerce Authority (ACA) is required to report to the ACA the person's total "capital expenditures" (defined) made in Arizona. By May 1 of each year, the ACA is required to consolidate and report this information to the Joint Legislative Budget Committee.

SB 1686 Tax credit; TPT; residential rent

2023 END OF SESSION REPORT

Establishes an individual income tax credit for a taxpayer who pays residential rent for a period of at least 30 days in Arizona and whose federal adjusted gross income is \$70,000 or less for a single individual or \$140,000 or less for a married couple filing jointly or a head of household. The amount of the credit is the amount of transaction privilege tax paid on the taxpayer's residential rent during the tax year. If the allowable amount of the credit exceeds taxes due, the unused amount must be paid in the same manner as a refund.

SB 1687 Tax credits; grants; reporting; repeal

Repeals the individual income tax credits for employment by a healthy forest enterprise and for agricultural pollution control equipment. By March 1 each year, each "qualified facility" (defined as a facility in Arizona that devotes at least 80 percent of the property and payroll to qualified manufacturing, headquarters or research) claiming an income tax credit for expanding or locating a qualified facility in Arizona is required to report to the Arizona Commerce Authority (ACA) the following: the number of full-time employees the qualified facility hired in Arizona in the preceding calendar year, the compensation and benefit information for each full-time employment position created for tax credit purposes, and the total capital expenditures the qualified facility invested in Arizona as a result of the tax credit. By May 1 each year, the ACA is required to report this information to the Joint Legislative Budget Committee. The information that each entity receiving a grant from the Arizona Competes Fund is required to annually report to the ACA is expanded to include compensation and benefit information for each employment position required for eligibility. By March 1 each year, each claimant of the tax credit for purchasing and installing an agricultural water conservation system in Arizona is required to report to the Arizona Department of Revenue (ADOR) on the reduction in water usage as a result of installing the system. By May 1 each year, ADOR is required to report to the "joint legislative committee" on the reduction in water usage as a result of installing agricultural water conservation systems as reported by all claimants, and the number of states where taxpayers receive a comparable income tax credit. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

Land Use Planning

New Laws

HB 2019 (Chapter 86) Licensing; permitting; criteria; clarity

If a county or municipality requires a license or permit for any free speech or assembly activity or any activity that changes the use, appearance, or density of a structure or land, the county or municipality is required to specify in clear and unambiguous language the criteria for granting the license or permit, unless criteria are established by existing state or federal law. Counties and municipalities are required to approve or deny an application for such a license or permit within 60 days after a submittal is deemed administratively complete. Some exceptions.

HB 2209 (Chapter 172) Economic opportunity; industrial development authority

The statutory life of the Office of Economic Opportunity is extended four years to July 1, 2027. Retroactive to July 1, 2023. Also makes various changes to statutes related to the Board of Directors of the Industrial Development Authority. AS PASSED HOUSE

HB 2381 (Chapter 16) Mobile homes; recreational vehicles; fund

Increases the maximum amount of assistance a mobile home owner may receive from the Mobile Home Relocation Fund and increases the amount a landlord is required to pay into the Fund if there is a change in use that causes mobile home relocations. The Arizona Department of Housing (ADOH) is required, instead of allowed, to notify the county assessors to reinstate the assessments if the amount in the Fund is less than \$6 million at the end of a fiscal year. Retroactive to April 16, 2022. Emergency clause.

HB 2496 (Chapter 21) Transmission lines; definition

For the purpose of the requiring approval from the Power Plant and Transmission Line Siting Committee, "transmission line" means five or more new structures that span more than one mile in length and that are erected above ground and support one or more conductors designed for the transmission of electric energy, and excludes structures located on the substation, switchyard, or generating site to which the line connects.

HB 2505 (Chapter 98) Outdoor recreation coordinating commission; continuation

The statutory life of the Arizona Outdoor Recreation Coordinating Commission is extended eight years to July 1, 2031. Retroactive to July 1, 2023.

HB 2547 (Chapter 85) Zoning ordinances; property rights; costs

Before adopting any zoning ordinance or zoning ordinance text amendment of general applicability, a municipal legislative body is required to consider a housing impact statement regarding the impact of the zoning ordinance. Information that must be included in the impact statement is listed.

HB 2669 (Chapter 167) Prohibition; biosolids; land application

The Director of the Arizona Department of Environmental Quality must require any land application of a substance that contains sewage or septage to comply with Sewage Sludge

2023 END OF SESSION REPORT

Program rules. A biosolid combined with a solid waste is required to be regulated as a solid waste.

HB 2809 (Chapter 181) Public infrastructure improvements; reimbursement

Increases the aggregate maximum amount on payments to all counties and municipalities to reimburse the cost of public infrastructure improvements for the benefit of a manufacturing facility to \$200 million, from \$100 million.

SB 1103 (Chapter 1) Administrative review; approvals; developments

The legislative body of a county or municipality is allowed by ordinance to: authorize administrative personnel to review and approve site plans, development plans, land divisions, preliminary plats, final plats, and plat amendments without a public hearing; authorize administrative personnel to review and approve design review plans based on "objective" (defined) standards without a public hearing; adopt a self-certification program allowing registered architects and professional engineers to certify and be responsible for compliance with all applicable ordinances and construction standards for certain projects; allow at-risk submittals for certain on-site preliminary grading or drainage work; and allow applicants with a history of compliance with building codes and regulations to be eligible for expedited permit review.

Bills that Failed

Tracking List: Land Use Planning

HB 2040 Industrial development bonds; preapproval; threshold (Industrial development bonds; preapproval; repeal)

Counties and municipalities with a population of more than three percent of the total state population, decreased from seven percent, may approve a corporation issuing bonds to finance a multifamily residential rental project, clinic, rest home, nursing home, skilled nursing facility, or life care facility. AS PASSED HOUSE

HB 2350 State properties; grass lawns; prohibition

Beginning on the effective date of this legislation, the Arizona Department of Administration (ADOA) is prohibited from installing natural grass on the grounds of any state property except to replace existing natural grass for recreational use or install new natural grass for recreational use. ADOA is required to remove any natural grass on the grounds of all state property and replace it with artificial turf or xeriscape. Does not apply to state property that is the responsibility of Legislative Council, except for the lawns on Wesley Bolin Plaza. Contains a legislative intent section.

HB 2374 State lake improvement fund; appropriation

The Arizona State Parks Board is authorized to use the monies in the State Lake Improvement Fund for water search and rescue operations. Appropriates \$3 million from the general fund in FY2023-24 to the Arizona State Parks Board for operating costs. Appropriates \$2 million from the State Parks Revenue Fund in FY2023-24 to the Arizona State Parks Board for operating costs.

HB 2376 Agricultural land; foreign ownership; prohibition

Beginning from and after the effective date of this legislation, sales, leases, or subleases of state lands are prohibited from being made to a "foreign entity" (defined). Leases or subleases of

2023 END OF SESSION REPORT

state lands are prohibited from being made to corporations or associations not qualified to transact business in Arizona. AS PASSED HOUSE

HB 2390 Local planning; residential housing; repeal

Repeals statute that prohibits counties and municipalities from adopting a land use regulation or general or specific plan provision, or imposing as a condition for approving a building or use permit a requirement or fee that has the effect of establishing the sales or lease price for a residential housing unit or residential dwelling lot or parcel or that requires a residential housing unit or residential dwelling lot or parcel to be designated for sale or lease to any particular class or group of residents.

HB 2424 County procedures; technical correction

Minor change in Title 11 (Counties) related to county formation. Apparent striker bus.

HB 2441 Standpipe service; continuation; emergency (State tree; residential planning)

On the effective date of this legislation, a municipality that provided water service in a county with a population of more than 1.5 million persons (Maricopa County) would have been required to execute a treat and transport agreement with one or more third parties and, for a period of up to three years, would have been required to treat and transport water to a standpipe and allow use of the standpipe for water to be hauled to residences that were outside the municipality's water service area if a list of specified conditions applied, including that the number of residences to be served was capped at 750, the municipality previously provided standpipe service to water haulers that deliver water to the residences, and there was no other source of water for those persons within ten miles of their residences. The municipality would have been required to be reimbursed for the full reasonable costs of treating and transporting the water and allowing the water to be hauled from the standpipe. These provisions would have self-repealed January 1, 2026. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill fails to provide an immediate solution and called on the Legislature to send HB2561 to her desk, a bipartisan solution that addresses the long-term issue of wildcat development and that includes an emergency clause for immediate effect.

HB 2509 Food preparation; sale; cottage food

Would have established a new article in Title 36 (Public Health and Safety) regulating "cottage food products" (defined as food that is prepared in a home kitchen by an individual who is registered with the Arizona Department of Health Services (ADHS) and that meets other specified requirements). Cottage food products would have been required to have an attached label that clearly stated the name and registration number of the food preparer, listed all the ingredients in the product, and included a specified statement regarding allergens and not being subject to public health inspection. If a cottage food product was offered for sale online, the online platform would have been required to provide a notification that included the same information as the label. The person preparing the cottage food product or supervising the food preparation would have been required to complete a food handler training course and maintain active certification. A list of conditions under which cottage food products may be sold and delivered would have been established. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill would significantly increase the risk of food-borne illness and could limit the ability of ADHS to investigate food-borne disease outbreaks.

HB 2535 Private property; wells; regulation; prohibition

A well drilled with the consent of the well owner on private property in an unincorporated area would have been exempt from municipal regulation if the unincorporated area where the well was located was annexed by a municipality after the well was drilled. With the consent of the building or structure owner, any buildings or structures that required water from a well drilled on private property in an unincorporated area would have been prohibited from being required to connect to a municipal water system. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that prohibiting a municipality from requiring even the most basic of safety standards and regulations for groundwater wells threatens the safety and quality of drinking water that public utilities provide throughout Arizona.

HB 2536 Housing; zoning; regulation; preemption (Administrative review; approvals; developments.)

The legislative body of a municipality is allowed by ordinance to: authorize administrative personnel to review and approve site plans, development plans, preliminary plats or final plats without a public hearing; authorize administrative personnel to review and approve design review plans based on objective standards without a public hearing; adopt a self-certification program allowing registered architects and professional engineers to certify and be responsible for compliance with all applicable ordinances and construction standards for certain projects; allow at-risk submittals for certain on-site preliminary grading or drainage work; and allow applicants with a history of compliance with building codes and regulations to be eligible for expedited permit review.

HB 2659 Building permits; conditions; qualifications

The issuance of a county or municipal building permit for constructing, reconstructing, installing, demolishing, maintaining or repairing any commercial building estimated to cost at least \$250,000 or a residential building with at least five units is conditioned on the contractor complying with the a list of qualifications and conditions at all times during the performance of work on the project, including maintaining appropriate workers' compensation insurance, properly classifying employees, complying with minimum wage requirements, and paying contributions to the Unemployment Compensation Fund. If a person fails to comply, the permit is suspended by operation of law and all construction work on the project is required to immediately cease and desist on issuance of a stop work order issued by the county or municipality. Violations are a class 6 (lowest) felony.

HB 2761 Foreign entities; land ownership; prohibition

Beginning from and after the effective date of this legislation, land in Arizona is prohibited from being conveyed to a "foreign entity" (defined) and sales of state lands are prohibited from being made to a foreign entity.

HB 2778 Mobile home parks; operations; purchase

A mobile home park owner is prohibited from making a final unconditional acceptance of any offer for the sale or other transfer of ownership of the mobile home part without first giving 90

2023 END OF SESSION REPORT

days' notice to each tenant of the owner's intention to sell and that the residents have the opportunity to purchase the mobile home park. A group or association of tenants of the mobile home park may submit a proposed purchase and sale agreement within 90 days after the notice is mailed, which must include reasonable evidence that the owners of at least 51 percent of the owner-occupied mobile homes in the park have approved the group or association purchasing the park. Any capital gains income realized from the sale of a mobile home park to a tenants' association or mobile home park residents' association, a nonprofit organization that purchases the park on behalf of an association of tenants or residents, or a county or municipal housing authority is excluded from Arizona taxable income or gross income for income tax purposes.

SB 1104 Procurement; information disclosure; bidders

During competitive sealed bidding, the Director of the Arizona Department of Administration is required to provide a question and answer period for bidders and interested parties outside of the procurement process to submit written questions and for the Director to provide written responses to those questions.

SB 1115 Land sales; foreign entities; prohibition

Beginning from and after the effective date of this legislation, sales of state land are prohibited from being made to a "foreign entity" (defined as a foreign government or a state-controlled enterprise of a foreign government). AS PASSED SENATE

SB 1117 Housing; infrastructure; regulation; administration (Municipal platting; technical correction)

Establishes residential zoning district regulations, limitations of residential housing design standards and municipal housing need assessments. Modifies current municipal zoning requirements

SB 1149 Land division; acting in concert

An applicant to split a parcel of land is required to sign an affidavit or similar document under oath acknowledging that the applicant is aware that it is unlawful for a person or group of persons to attempt to avoid a review of a land division or the subdivision laws of Arizona by acting in concert to divide a parcel of land into six or more lots, or to sell or lease six or more lots, by using a series of owners or conveyances or by any other method that results in the division of land into a subdivision or subdivided land. A county where a land division occurred or the State Real Estate Department are authorized to deny a building permit for one or more lots if a cease and desist or other similar notice has been sent to the person or group of persons under investigation for acting in concert.

SB 1161 Affordable housing; development standards; report

Requires municipalities to allow by right the construction of low-income multifamily residential rental property and establishes municipal reporting requirements relating to housing needs.

SB 1162 Home-based businesses; restrictions; prohibition

A home-based business would have been required to be allowed as a use by right if the home-based business did not supersede any deed restriction, covenant or agreement restricting the use of land, a master deed or any other document applicable to a common interest ownership

2023 END OF SESSION REPORT

community. Counties and municipalities would have been disallowed from prohibiting a "no-impact home-based business" (defined) or from requiring a person to apply for, register, or obtain a permit, license, variance or other type of prior municipal approval to operate a no-impact home-based business. Counties and municipalities would have been authorized to establish reasonable regulations on a home-based business if the regulations were narrowly tailored for specified purposes, including protecting public health and safety and ensuring that the business activity is compatible with residential use of the property. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this approach to supporting small businesses is too broad and would create challenges for public safety and code enforcement in neighborhoods.

SB 1163 municipal; zoning; housing assessment; report

Creates an at-risk permit relating to grading and earthmoving of property, provides zoning regulations relating to single-family residential uses, and establishes municipal reporting requirements relating to housing needs.

SB 1193 Online home sharing; repeal

Repeals statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and limiting the restrictions that municipalities and counties may place on those rentals to a list of specified purposes. Repeals the online lodging marketplace transaction privilege tax classification, and the requirement for online lodging marketplaces to register with the Department of Revenue for payment of transaction privilege taxes on online lodging transactions. Repeals the requirement for online lodging operators to have a current transaction privilege tax license and related civil penalties for noncompliance. Repeals the Joint Legislative Study Committee on Transient Lodging.

SB 1219 Municipal real property; sale; valuation

The circumstances under which real property of a municipality cannot be sold without authorization from the voters is changed to apply to real property of a municipality that has a total assessed value for the current year net assessed value subject to taxation in prior year, the value of which exceeds 2.5 percent of the locally assessed real property value of a municipality, instead of the value of which exceeds \$1.5 million.

SB 1268 Annexation; notice; approval

The requirements for municipal annexation would have been modified to require a petition signed by the owners of 60 percent or more, instead of 50 percent or more, in value of the real and personal property and more than 60 percent, instead of 50 percent, of the persons owning real and personal property that would be subject to taxation by the municipality in the event of annexation. AS VETOED BY THE GOVERNOR. In her veto message, the Governor stated that this bill undermines the consistent, orderly, and successful development of Arizona's communities.

Military Preservation

New Laws

HB 2064 (Chapter 79) Property tax exemption; disability; qualifications

For the purpose of the property tax exemption for persons with total and permanent disabilities, the term "person with a total and permanent disability" is defined as a person who is unable to engage in any substantial gainful activity by reason of any physical or mental impairment that is expected to last for a continuous period of at least 12 months or result in death within 12 months as certified by a "competent medical authority"

HB 2090 (Chapter 55) Emergency and military affairs; continuation

The statutory life of the Department of Emergency and Military Affairs and the State Emergency Council is extended eight years to July 1, 2031. Retroactive to July 1, 2023.

HB 2589 (Chapter 43) Emergency medical technicians; military reciprocity

The standards for certification of emergency medical care technicians (EMTs) are modified to allow certification of a person who has completed training and testing by the U.S. Armed Forces at a level comparable to the National Standards for EMTs.

HB 2599 (Chapter 151) Interstate compact; military children; revisions

Corrects a reference to federal code in the interstate compact on educational opportunity for military children.

SB 1007 (Chapter 114) Nuclear emergency management; appropriations; assessments

Appropriates \$2.43 million in FY2023-24 and \$2.48 million in FY2024-25 from the Nuclear Emergency Management Fund for use by the Division of Emergency Management of the Department of Emergency and Military Affairs and the Arizona Department of Agriculture for programs to implement the State Off-Site Nuclear Emergency Response Plan. Assesses those same amounts in those fiscal years against each consortium of public service corporations and municipal corporations engaged in constructing or operating a commercial nuclear generating station in Arizona. Emergency clause.

SB 1454 (Chapter 199) Veteran suicide prevention; pilot program

Establishes the Veteran Suicide Prevention Training Pilot Program in the Arizona Department of Veterans' Services (ADVS) to offer claims examiners and county and municipal veteran service offices specialized training and certification in preventing veteran suicides. Requirements for the Program are listed. By July 30 of each year, ADVS is required to report specified information on the Program to the Legislature. The Program self-repeals January 1, 2028. Appropriates \$600,000 and one FTE position from the general fund in FY2023-24 to ADVS for the Program

Tracking List: Military Preservation

Bills that Failed

HB 2089 Military veterans; surviving spouses; scholarships

Expands eligibility for a tuition scholarship from the Spouses of Military Veterans Tuition Scholarship Fund to include the surviving spouse of an honorably discharged veteran of the

2023 END OF SESSION REPORT

U.S. Armed Forces who has not remarried, who is an Arizona resident and who meets other specified requirements.

HB 2320 National guard; active-duty combat

The National Guard of Arizona is prohibited from being released from Arizona into "active duty combat" (defined) unless the U.S. Congress passes an official declaration of war or takes an official action pursuant to the U.S. Constitution that calls on the National Guard of Arizona to expressly execute the laws of the union, repel an invasion or suppress an insurrection. Contains legislative findings.

HB 2671 Armed forces; definition; veterans' services

The definition of "Armed Forces of the United States" is modified to include the Space Force. Appropriates \$50,000 from the general fund in FY2023-24 to the Department of Veterans' Services for costs associated with including the Space Force as an enumerated branch.

HB 2673 Tenant early termination; servicemembers

Establishes circumstances under which a servicemember tenant is allowed to terminate a rental agreement of one year or less when the servicemember tenant receives military orders requiring the servicemember to vacate civilian housing and move into on-post government quarters. In these circumstances the servicemember tenant does not incur early termination penalties or fees. Some exceptions. Applies to servicemember tenant terminations that occur on or after the effective date of this legislation.

HB 2729 Consumer credit; military; federal law

Establishes a new chapter in Title 6 (Banks & Financial Institutions) regulating the terms of consumer credit extended to military members and dependents. Creditors that extend "consumer credit" to a "covered member" (both defined in federal law) or dependent of the covered member are required to comply with specified federal law. Violations are an unlawful act or practice, subject to investigation and appropriate enforcement action by the Attorney General.

HB 2792 Appropriation; medical marijuana; veterans; fees

Appropriates \$10 million from the general fund in FY2023-24 to the Arizona Department of Health Services for the issuance and renewal of registry identification cards for veterans of the U.S. Armed Forces.

HB 2797 Military affairs commission; members

Modifies the membership of the Military Affairs Commission. Requires the Commission to recommend projects to the Arizona Finance Authority and the Industrial Development Authority requiring funding that enhances the military value of area military installations and defense facilities and meets other specified requirements. Requires the Commission to submit a biannual report to the Governor and the Legislature. Information that must be included in the report is listed. Increases the annual statutory appropriation from the general fund to the Department of Emergency and Military Affairs to \$200,000 and 2 FTE positions beginning in FY2023-24, from \$90,000 and 1 FTE position. Appropriates \$100,000 to the Military

2023 END OF SESSION REPORT

Installation Fund in FY2023-24 and each fiscal year after for studies necessary to preserve or enhance military missions and military installments in Arizona.

SB 1126 Technical correction; electromagnetic pulse preparedness

Minor change in Title 26 (Military Affairs and Emergency Management) related to electromagnetic pulse preparedness. Apparent striker bus.

SB 1319 VLT exemption; veteran amputees

A person who is certified by the U.S. Department of Veterans Affairs as having at least a 40 percent disability that results from a lower limb amputation and drawing compensation on that basis is exempt from vehicle license taxes and registration fees.

SB 1338 Military and surveillance equipment; approval

Adds a new article to Title 26 (Military Affairs & Emergency Management) regulating military equipment and surveillance equipment. The state, counties and municipalities are required to obtain approval from the relevant "approving entity" (defined) before seeking monies for new military or surveillance equipment, acquiring or borrowing new military or surveillance equipment, deploying or using new or existing military or surveillance equipment for a purpose not previously approved by the approving entity, and soliciting proposals for or entering into an agreement with any other person or entity to acquire, share or otherwise use military or surveillance equipment or its surveillance data. Establishes a process for obtaining approval for these actions. Requires the approving entity to release an annual public report containing a list of specified information on military or surveillance equipment. Each approving entity is required to appoint a Community Advisory Committee on Military Equipment and Surveillance Equipment, and Committee duties are specified. Session law requires the state and counties or municipalities that seek to continue the use of any military or surveillance equipment acquired before the effective date of this legislation to begin the approval process no later than 120 days after the effective date.

SB 1367 National guard; active duty; requirements

The National Guard of Arizona is prohibited from being released from Arizona into "active duty combat" (defined) unless the U.S. Congress has passed an official declaration of war or has taken an official action pursuant to the U.S. Constitution to explicitly call forth the National Guard of Arizona for the enumerated purposes of executing the laws of the union, repelling an invasion or suppressing an insurrection.

SB 1378 Technical correction; national guard

Minor change in Title 26 (Military Affairs and Emergency Management) related to the National Guard. Apparent striker bus.

*New Laws***HB 2041 (Chapter 103) Mental health; voluntary evaluations; payment**

During the process for court-ordered mental health evaluations, if a person who requested a voluntary mental health evaluation does not appear or does not complete the appointments scheduled, the provider who was to conduct the evaluation is required to immediately notify the evaluation agency provided for by the county, and the evaluation agency is required to provide pre-petition screening of the application for court-ordered mental health evaluation. When a person is given a voluntary mental health evaluation, the person is required to pay all or a portion of the established charges as the person can afford. If the person is indigent, charges cannot be made against the person.

HB 2043 (Chapter 54) Physician assistants; supervision; collaboration

Licensed physician assistants (PAs) who have at least 8,000 hours of clinical practice certified by the Arizona Regulatory Board of Physician Assistants are no longer required to be supervised by a licensed physician, and instead are required to collaborate with or refer to the appropriate health care professional as determined by the policies of the practice setting at which the PA is employed. PAs are authorized to provide any legal medical service for which the physician assistant has been prepared by education, training and experience and that the physician assistant is competent to perform. PAs who have less than 8,000 hours of clinical practice certified by the Board are required to work in accordance with a supervision agreement that describes the PA's scope of practice. A PA who does not practice under a supervision agreement is legally responsible for the health care services performed by the PA. A PA is allowed to bill and receive direct payment for the professional services provided by the PA. Effective January 1, 2024.

HB 2166 (Chapter 94) DHS; licensure; group homes

Beginning July 1, 2024, "behavioral-supported group homes" (defined) that are operated in Arizona by a service provider and that are under contract with the Arizona Department of Economic Security are required to be licensed by the Arizona Department of Health Services (ADHS). Establishes a list of rules that ADHS is required to adopt for behavioral-supported group homes, including ensuring that each client's "behavioral treatment plan" (defined) is developed and monitored by a clinical professional with specified qualifications, requiring direct care staff in a behavioral-supported group home to have specified training and experience, and ensuring that each client has an "integrated treatment plan" (defined).

HB 2301 (Chapter 61) Homeowners' associations; political activity

Condominium associations and planned community associations are authorized to prohibit a person who is not accompanied by a member or resident of the community from entering the community if the community restricts vehicular or pedestrian access

HB 2346 (Chapter 89) Outpatient treatment centers; exemption

Statutes regulating health care institutions do not apply to outpatient treatment centers that have the same "direct owner" or "indirect owner" (both defined) as a licensed hospital, that is staffed by licensed health care providers, and that provides notice to the Arizona Department

2023 END OF SESSION REPORT

of Health Services (ADHS) of its decision to be exempt from licensure. Each licensed hospital is required to provide to and maintain with ADHS a current list of exempt outpatient treatment centers that have the same direct owner or indirect owner as the hospital. An outpatient treatment center that was licensed on September 23, 2022 and that does not provide notice to ADHS of intent to be exempt from licensure will remain licensed if the center pays the lapsed licensing fees within 60 days after the effective date of this legislation.

HB 2381 (Chapter 16) Mobile homes; recreational vehicles; fund

Increases the maximum amount of assistance a mobile home owner may receive from the Mobile Home Relocation Fund and increases the amount a landlord is required to pay into the Fund if there is a change in use that causes mobile home relocations. The Arizona Department of Housing (ADOH) is required, instead of allowed, to notify the county assessors to reinstate the assessments if the amount in the Fund is less than \$6 million at the end of a fiscal year. Retroactive to April 16, 2022. Emergency clause.

HB 2607 (Chapter 111) Board members; condominiums; planned communities (Meetings; homeowners' associations)

If all of the requirements for calling a special meeting to remove a member of a condo association or homeowner's association (HOA) board are met, and the HOA board fails to call the special meeting within 30 days after receipt of the petition, the members of the board are deemed removed from office effective at midnight of the 31st day.

HCM 2002 Federal lands; housing shortage

The Legislature urges the U.S. Congress to enact the Helping Open Underutilized Space to Ensure Shelter Act to allow the U.S. Secretary of the Interior to sell federal parcels of land to state and local governments, and urges the U.S. Secretary of the Interior, on passage of such legislation, to immediately implement a process for applicants to nominate federal lands for purchase. The Secretary of State is directed to transmit copies of this memorial to the U.S. Secretary of the Interior, the President of the U.S. Senate, the Speaker of the U.S. House and each member of Congress from Arizona.

SB 1188 (Chapter 161) Regulation; permissible consumer fireworks (Technical correction; nonprobate transfers)

Changes one of the ranges of dates that the use of permissible consumer fireworks is allowed in Arizona to December 26 through January 4, instead of December 24 through January 3.

SB 1720 (Chapter 133) General appropriations act; 2023-2024

The "feed bill" for FY2023-24, containing appropriations for state agencies and programs. Provisions include: Continues deferment of \$800.7 million in basic state aid payments to schools until FY2024-25. Makes a supplemental appropriation of \$180.6 million from the general fund in FY2022-23 to the Superintendent of Public Instruction for additional basic state aid formula costs. Appropriates \$77.9 million from the general fund in FY2024-25 for a one time deposit in the New School Facilities Fund. Reduces the FY2023-24 appropriation to the New School Facilities Fund to \$26.4 million, from \$31.8 million. Reduces the FY2023-24 appropriation to the Long-Term Water Augmentation Fund by \$143.8 million. Reduces the FY2022-23 general fund appropriation to the Arizona Health Care Cost Containment System Administration by \$25 million to remove funding for the construction of secure behavioral

2023 END OF SESSION REPORT

health residential facilities. Makes a supplemental appropriation of \$20 million from the general fund in FY2022-23 to the Arizona Department of Housing for programs that provide shelter and services to unsheltered persons who are experiencing homelessness. Appropriates the following amounts from the general fund in FY2023-24 to the Arizona Department of Administration (ADOA) for distribution to counties for maintenance of essential county services: \$7.15 million for distribution to counties with a population of less than 900,000, \$500,000 for distribution to Graham County, \$3 million to supplement the normal cost plus an amount to amortize the unfunded accrued liability in the Elected Officials' Retirement Plan, which ADOA is required to allocate equally among all counties with a population of less than 300,000 persons, and \$7 million for distribution to counties to establish a coordinated reentry planning services program. On or after April 1, 2024, the Department of Economic Security is authorized to use up to \$25 million from the Budget Stabilization Fund to provide funding for reimbursement grants. This appropriation must be fully reimbursed by September 1, 2024. Requires various reports and makes various fund transfers.

SB 1728 (Chapter 141) Human services; 2023-2024

Makes changes relating to human services programs that affect the state budget. Establishes the Extended Foster Care Comprehensive Service Model Fund, to be administered by the Department of Child Safety (DCS). Within 10 days after the effective date of this legislation, DCS is required to prepare a scope of work for an extended foster care comprehensive service model that includes supportive services and case management provided by contracted community providers for young adults who participate in the Extended Foster Care Program. During FY2023-24, the Department of Economic Security is required to screen and test each adult recipient who is otherwise eligible for Temporary Assistance for Needy Families (TANF) cash benefits and who DES has reasonable cause to believe engages in the illegal use of controlled substances. Any recipient who tests positive for the use of a controlled substance that was not prescribed by a licensed health care provider is ineligible for TANF cash benefits for one year. Establishes the Homeless Shelter and Services Fund and requires the Arizona Department of Housing to use Fund monies in FY2023-24 through FY2026-27 to award grants to counties, municipalities, Indian tribes, and nonprofit organizations for programs that provide shelter and services to unsheltered persons who are experiencing homelessness.

Bills that Failed

Tracking List: Neighborhoods

HB 2035 Dental board; formal hearings

After completing an investigation or review of a complaint, if the State Board of Dental Examiners finds information sufficient to merit license suspension or revocation, the Board is authorized to issue a formal complaint and order that a formal hearing be held by the Office of Administrative Hearings.

HB 2036 Dental board; rules; assistance; repeal

The State Board of Dental Examiners is no longer required to adopt rules that provide a method for the Board to receive the assistance and advice of licensed denturists, dental hygienists, or business entities in all matters relating to the regulation of those licensees.

HB 2037 Dentists; registration; civil penalty; repeal

2023 END OF SESSION REPORT

Eliminates the civil penalty of at least \$300 and not more than \$1,000 for a dentist who dispenses drugs for a profit without being registered to do so by the State Board of Dental Examiners.

HB 2038 Automated external defibrillators; requirements

A business entity that offers dental services is required to have at least one automated external defibrillator at each place of practice.

HB 2039 Dental board; continuation

The statutory life of the State Board of Dental Examiners is extended eight years to July 1, 2031. Retroactive to July 1, 2023.

HB 2047 Vacation rentals; short-term rentals; restrictions

A municipality with a population of less than 17,000 persons is allowed to limit the number of vacation rentals and short-term rentals based on a percentage of total residentially zoned buildings or structures in that municipality and is allowed to regulate vacation rentals or short-term rentals in the same manner as transient lodging activities.

HB 2053 Nurse-home visitation; program; appropriations

Establishes the Evidence-Based Nurse-Home Visitor Grant Program in the Department of Child Safety (DCS) to prevent child maltreatment and neglect, improve maternal and child health, and promote families' economic mobility. DCS is required to award grant monies to at least one eligible organization to provide voluntary, evidence-based nurse-home visiting services for a three-year period to first-time low-income expectant mothers who voluntarily enroll before their third trimester. Establishes a list of qualifications that DCS is required to use when determining which organizations will be awarded monies through the Program. Appropriates \$15 million and an unspecified number of FTE positions (blank in original) from the general fund in FY2023-24 to DCS for the Program, and allows DCS to use up to an unspecified amount (blank in original) to administer the Program. Contains legislative findings.

HB 2083 Landlord; tenant; fee disclosure; waiver

At or before a tenancy begins, the landlord is required to disclose to the tenant the exact amount of the rent and the due date for the rent, any additional fees or costs that may be chargeable to the tenant and that are not included in the periodic rental rate, and whether the landlord or any of its vendors collect or sell the tenant's person data as a result of using facilities or services on the rental premises. Landlords must allow a tenant to choose not to receive and pay for any nonessential services and must allow a tenant to pay rent with any legal tender. Landlords are prohibited from charging a late fee if rent is paid in full within five days after the due date.

HB 2084 Landlord tenant; housing assistance; waiver

For the purpose of the Arizona Residential Landlord and Tenant Act, the definition of "housing assistance" includes any payment made by a faith-based organization, a community action agency program or a nonprofit entity. A landlord's acceptance of a housing assistance payment constitutes an acceptance of a partial payment of rent and a waiver of the landlord's

2023 END OF SESSION REPORT

right to terminate the rental agreement for failure to pay rent for the rental period covered by the partial payment.

HB 2085 Rental housing; income source discrimination

A landlord is prohibited from using the "source of income" (defined) of an otherwise eligible prospective or current tenant to take any of a list of actions, including refusing to rent, eviction, or in any other manner denying a rental unit. For a landlord who requires that a prospective or current tenant meet a certain threshold level of income, any source of income in the form of a rent voucher or subsidy must be subtracted from the total of the monthly rent before calculating whether the income criteria have been met. Violations are an unlawful practice subject to enforcement by the Attorney General.

HB 2086 Rent regulation; state preemption

Repeals statutes that prohibit municipalities from regulating rent or imposing rent controls.

HB 2111 Broadband; internet protocol services; commission

The Arizona Corporation Commission (ACC) is required to oversee "broadband service" and "voice over internet protocol service" (both defined). The ACC is required to adopt rules to implement this requirement, and requirements for the rules are listed. The ACC is also required to conduct evaluations and audits of facilities and infrastructure that are used to provide high-speed internet service.

HB 2135 TPT; additional rate; online lodging

Levies an additional transaction privilege tax on every person engaging or continuing in the online lodging marketplace classification of 16.5 percent of the tax base. The Department of Revenue is required to separately account for the revenues collected from the additional tax rate and the monies must be deposited in the Housing Trust Fund. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

HB 2136 Homeless; restrooms; water; statewide preemption

Counties and municipalities are required to provide 24-hour daily access to county-maintained or municipality-maintained public restrooms and potable water for use by homeless individuals.

HB 2161 Rent increase; limitation; substantial remodel

A landlord, in a 12-month period, is prohibited from increasing the rent for a dwelling unit more than five percent plus the percentage change in the cost of living or ten percent, whichever is less. The percentage increase limitation is based on the lowest rent charged for the dwelling unit at any time during the 12 months before the increase. Does not apply if a dwelling unit is "substantially remodeled" (defined).

HB 2256 Housing trust fund; appropriation

Appropriates \$150 million from the general fund in FY2023-24 to the Housing Trust Fund.

HB 2259 Parking requirements; affordable housing; prohibition

2023 END OF SESSION REPORT

Counties and municipalities are prohibited from adopting a land use regulation or general or specific plan provision, and from imposing as a condition for approving a building or use permit, any regulation that requires a specific number of parking spaces per residential dwelling unit if the unit is designated as "affordable housing" (defined).

HB 2264 Housing; inventory; sales

By July 1, 2025 and every three years after, each county and municipality is required to prepare an inventory of all real property within its jurisdiction to which the county or municipality holds title and that is appropriate for use as affordable housing. The county board of supervisors or municipal governing body is required to hold a public hearing at which the inventory list is reviewed. Properties on the list may be offered for sale and the proceeds may be used to purchase land for the development of affordable housing. Properties on the list may be sold with a restriction that requires the development of the property as affordable housing, donated to a nonprofit housing organization, or made available for use or the production and preservation of permanent affordable housing. By July 1, 2025 and every three years after, each state agency is required to create an inventory of surplus real estate within the agency jurisdiction to which the state holds title and provide the inventory to the Arizona Department of Administration (ADOA). ADOA is required to make the surplus real estate on the inventories available for sale, and monies received from the sale are deposited in the Housing Trust Fund.

HB 2270 Extension; affordable housing tax credit

The statutory repeal dates for the insurance premium tax credit and the individual and corporate income tax credits for projects that qualify for the federal low-income tax credit are extended eleven years, through tax year 2036. The cap on the aggregate amount of the affordable housing tax credits in any calendar year is increased to \$10 million, from \$4 million, beginning in calendar year 2024.

HB 2272 Municipality; housing plan; report

A municipality with a population of more than 75,000 persons is required to develop a housing plan. Information that must be included in the housing plan is specified. The municipal governing body is required to annually review the housing plan and plan implementation, and post the report of the annual review on the municipality's website.

HB 2273 Housing trust fund; unclaimed property

The amount of proceeds from the sale of abandoned property that are deposited in the Housing Trust Fund each fiscal year is changed to 55 percent of the proceeds, instead of \$2.5 million.

HB 2281 Homeless youth; families; funding sources

Requires \$2 million of tax revenue collected from nonresident sales of real property located in Arizona to be distributed to the general fund, after which any remaining monies are distributed to the Housing Trust Fund. Up to \$10 million of the monies deposited in the Housing Trust Fund from tax collections from nonresident sales of real property located in Arizona must be used exclusively for capital projects, rental assistance and services for homeless youth and families, and must supplement and not supplant homeless youth and family funding from other potential sources. The Department of Housing is authorized to use monies deposited from tax

2023 END OF SESSION REPORT

collections from nonresident sales of real property located in Arizona in excess of \$10 million for other projects and programs. Effective for taxable period beginning January 1, 2024.

HB 2284 Homelessness; housing; facilities

The Arizona Department of Housing (ADOH) is required to accept and allocate monies appropriated by the Legislature for services for individuals experiencing homelessness. Monies must be used for parking areas that have access to potable water, electric outlets, and bathrooms; camping facilities and individual shelters that meet specified requirements; and shelters that house at least four individuals and that provide programs to improve the employment and income of individuals leaving the shelter. ADOH is required to prioritize spending for all of these purposes before spending monies on permanent housing for individuals experiencing homelessness. ADOH is authorized to use monies appropriated to assist individuals experiencing homelessness with substance abuse treatment, mental health treatment, and other services. A person is prohibited from using state or local government owned lands for unauthorized sleeping, camping, or long-term shelter, and from allowing such land to be used for these purposes. Political subdivisions are prohibited from adopting or enforcing policies that discourage or prohibit the enforcement of any order or ordinance that prohibits public camping or sleeping or obstructing a public right-of-way. The Attorney General is authorized to bring a civil action against a political subdivision in violation. Severability clause. Effective January 1, 2024.

HB 2312 Women's shelters; male employees; liability

A "facility" (defined) that did not allow a biological male employee to be in the presence of a woman or the woman's minor children who are living in the facility would not have been liable for gender discrimination if the facility's sole purpose was to provide a safe and stable shelter to women or women with minor children. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that Arizonans who choose to work in domestic violence shelters and services deserve the freedom to live their lives without laws targeting them for their gender identity.

HB 2327 Housing trust fund; unclaimed property

The amount of proceeds from the sale of abandoned property that are deposited in the Housing Trust Fund each fiscal year is changed to 55 percent of the proceeds, instead of \$2.5 million.

HB 2329 First-generation home buyers assistance; appropriation

Establishes the First Generation Home Buyers Down Payment Assistance Grant Fund, to be administered by the Arizona Department of Housing (ADOH). ADOH is required to distribute monies from the Fund to entities that administer down payment assistance for the purposes of providing down payment assistance to "eligible first-generation home buyers" (defined as a first-time home buyer whose parent does not or did not own a home and whose income is at or below 100 percent of the area median income at the time of purchase). Establishes requirements for the down payment assistance, which must be provided in the form of a five-year loan. Appropriates \$12 million from the general fund in FY2023-24 to the Fund.

HB 2358 State emergency; eviction reporting; prohibition

The clerk of the court is required to immediately seal any filing, pleading or judgment in a forcible entry and detainer proceeding that is based on nonpayment of rent or a judgment rendered in a forcible entry and detainer proceeding in favor of the lessor or owner for reasons other than a violation by the lessee or occupant that occurred during the COVID-19 pandemic and declared state of emergency between the dates of March 11, 2020 and June 30, 2023. An application that is used to screen applicants for housing or credit and that seeks information concerning a previous forcible entry and detainer action or lessor action of the applicant is required to include a statement that an applicant for housing or credit with a sealed record is allowed to answer "no record" to an inquiry related to that sealed record.

HB 2359 Landlord; tenant; rent increase; limitation

The maximum amount of a permissible rent increase for a tenant is the lesser of either 10 percent of the lowest rental rate charged during the 12 months immediately preceding the date on which the rental increase takes effect, or 5 percent of the lowest rental rate charged during the 12 months plus the rate of inflation as determined by the gross domestic product price deflator index published by the U.S. Department of Commerce.

HB 2363 Landlord tenant; evictions for cause

For any tenant who has maintained a tenancy of 12 months or more, a landlord is only permitted to terminate the rental agreement or refuse to renew the rental agreement if the tenant fails to pay rent, the tenant materially breaches the rental agreement, or the landlord or landlord's specified family member is to reside in the rental property or the landlord removes the rental property from the rental market. For any termination for removal from the rental market or the landlord or a family member to reside in the property, the landlord is required to waive one month of the tenant's rent or provide to the tenant one month's rent as relocation assistance.

HB 2366 Landlord tenant; evictions; assistance

A writ of restitution for all rent found due and unpaid when a defendant is found guilty of forcible entry and detainer or forcible detainer cannot be enforced until at least seven calendar days after the date that the writ of restitution is issued. Appropriates \$290 million from the general fund in FY2023-24 to the Department of Economic Security (DES) to distribute for rental assistance. DES is required to allocate at least \$10 million of that amount for rental assistance to persons who are at least 65 years of age.

HB 2367 Property taxes; elderly assistance fund

Statute establishing and regulating the Elderly Assistance Fund is repealed and replaced. Impossible to determine new provisions without a line by line comparison. Effective January 1, 2024.

HB 2379 Hotel; motel; vouchers; homeless; prohibition

The Arizona Department of Housing, counties, and municipalities would have been prohibited from requiring a hotel or motel to participate in any program that houses "homeless individuals or families" (defined) in an unoccupied hotel or motel guest room through the use of a housing voucher. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this

2023 END OF SESSION REPORT

legislation is unnecessary since no requirement to accept a voucher to house someone exists in Arizona, and no proposal to do so is under consideration.

HB 2402 Small business incubator program

Establishes the Small Business Incubator Program in the Arizona Commerce Authority (ACA) to assist current and former inmates who are participating in "second chance centers" (defined as a program in which the Arizona Department of Corrections and the Arizona Department of Economic Security collaborate and bring comprehensive services to inmates who are nearing release and who are most likely to recidivate) to establish small businesses. Appropriates \$500,000 from the Temporary Assistance for Needy Families block grant in FY2023-24 to the ACA for the Program.

HB 2412 Foreclosure sales; housing department; registry

For a trustee's sale of residential property with up to four residential units, an "eligible tenant buyer" (defined) is allowed to submit a bid in an amount equal to the full amount of the successful bid at the trustee's sale, along with an affidavit stating that the eligible tenant buyer will occupy the residential property as his/her primary residence within 60 days after the recording of a trustee's deed in favor of the eligible tenant buyer, and will maintain occupancy for at least one year. For a trustee's sale of residential property with up to four residential units, an "eligible bidder" (defined) is allowed to submit a bid in an amount that exceeds the full amount of the successful bid along with an affidavit stating that the eligible tenant buyer will occupy the residential property as his/her primary residence within 60 days after the recording of a trustee's deed in favor of the eligible tenant buyer, and will maintain occupancy for at least one year. These types of bids must be submitted within 30 days after the trustee sale. For a trustee's sale of residential property with up to four residential units, the trustee is required to allow eligible tenant buyers and eligible bidders to match or exceed the bid amount and are prohibited to execute the trustee's deed until expiration of the 30-day period. Also, the Arizona Department of Housing (ADOH) is required to establish and operate a registry of persons or entities that own more than 25 residential properties in Arizona, and monitor the level of compliance with state and local laws with respect to those properties. ADOH is also required to acquire and assist in acquiring at trustee sales residential housing appropriate for maintaining and increasing the supply of housing for purchase or rent by low and moderate income persons, including nonprofit corporations that provide housing assistance to acquire residential properties for sale or rent.

HB 2454 Clergy; priests; duty to report

The list of persons with a duty to report a reasonable belief that a minor has been the victim of abuse or neglect is modified so that a member of the clergy or a priest who has received a confidential communication or a confession about abuse cannot withhold reporting of the communication or confession if there is a reasonable suspicion to believe that the abuse is ongoing, will continue or may be a threat to other minors. A member of the clergy or a priest who has knowledge or a reasonable suspicion that a person is committing or may commit child abuse or neglect is required to immediately report this information to a peace officer, to the Department of Child Safety or to a tribal law enforcement or social services agency, except if the report concerns a person who does not have care, custody or control of the minor, the report must be made to a peace officer only. Some exceptions.

HB 2483 Backyard fowl; regulation; prohibition

Counties and municipalities are prohibited from adopting any law, ordinance, or other regulation that prohibits a resident of a single-family detached residence that is one-half acre or less in size from keeping "fowl" (defined as a cock or hen of the domestic chicken) in the backyard of the property. Counties and municipalities are allowed to establish specified regulations on fowl, including restricting the number of fowl and prohibiting a resident from keeping male fowl, including roosters. AS PASSED HOUSE

HB 2535 Private property; wells; regulation; prohibition

A well drilled with the consent of the well owner on private property in an unincorporated area would have been exempt from municipal regulation if the unincorporated area where the well was located was annexed by a municipality after the well was drilled. With the consent of the building or structure owner, any buildings or structures that required water from a well drilled on private property in an unincorporated area would have been prohibited from being required to connect to a municipal water system. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that prohibiting a municipality from requiring even the most basic of safety standards and regulations for groundwater wells threatens the safety and quality of drinking water that public utilities provide throughout Arizona.

HB 2538 Live, remote instruction; incentive bonuses

School districts and charter schools are authorized to offer live, remote instructional courses for their own students in grades 9 through 12. Schools that offer live, remote instruction courses are required to provide an in-person teacher or instructional aide for each course and ensure that students satisfy the instructional time and instructional hours requirements. The school district or charter school offering the course is required to pay the instructor of the course a stipend of at least 25 percent of the contractual amount of per-course, per-student monies. The school district or charter school offering the course generates average daily membership for students that participate in the course. Beginning in FY2023-24, the Arizona Department of Education (ADE) is required to pay an incentive bonus of \$500 for each remote student who receives a passing grade in a live, remote instruction course that provides the relevant instruction for a qualifying exam for college credit while in high school. The bonus is paid to the school district or charter school that acts as an instructional services provider for the course. Appropriates \$200,000 from the general fund in FY2023-24 to ADE for the incentive bonuses. AS PASSED HOUSE

HB 2547 Zoning ordinances; property rights; costs

Before adopting any zoning ordinance or zoning ordinance text amendment of general applicability, a municipal legislative body is required to consider a housing impact statement regarding the impact of the zoning ordinance. Information that must be included in the impact statement is listed.

HB 2555 Businesses; requirement to accept cash

A retail business with a physical location in Arizona is required to accept cash as a form of payment for goods and services with an aggregate value of \$100 or less and cannot charge a fee or penalty for using cash as a form of payment. Establishes penalties for violations. Does not

2023 END OF SESSION REPORT

apply to the online sale of goods or services or a written contract between two parties that dictates the acceptable form of payment. AS PASSED HOUSE

HB 2568 Homelessness rights; criminal liability

A person's rights, privileges or access to public services cannot be denied or abridged solely because the person is homeless. A homeless person has the same rights and privileges as any other resident of Arizona. Establishes a list of rights that a person experiencing homelessness has. A person is not criminally liable and cannot be charged with or convicted of an offense that prohibits the person from sitting, lying or sleeping in or on public property if, at the time of the act, the person is homeless, and there is no space available for the person to sleep in a homeless shelter.

HB 2602 Railroads; telecommunications corporations; wire-crossing agreements

A telecommunications corporation that intends to place a line, wire or cable across a railroad right-of-way is required to request the railroad's permission for the placement by applying for a binding wire-crossing agreement. The railroad is required to approve an application within 35 days unless the railroad provides notice to the telecommunications corporation that the proposed crossing is a serious threat to the safe operations of the railroad, or to the current or future use of the railroad right-of-way, or would violate any applicable federal law. If a telecommunications corporation places a line, wire or cable across a railroad right-of-way, the telecommunications corporation is required to pay the railroad a onetime standard crossing fee of \$1,250 for each applicable crossing and is required to reimburse the railroad for any actual flagging expenses associated with placing the line, wire or cable. Some exceptions.

HB 2603 Reimbursement; direct care workers

All service provider contracts must require that at least 80 percent of reimbursement rates for home and community-based services to individuals with intellectual and developmental disabilities be used for wages for direct care workers and supervisory staff directly overseeing direct care workers.

HB 2614 State broadband grant program

Establishes the State Broadband Grant Program to promote broadband infrastructure development and provide broadband access in Arizona. The Arizona Commerce Authority (ACA) is required to administer the Program. Requires the ACA to prioritize grant applicants that meet a list of specified qualifications.

HB 2616 Subdivisions; leased properties

Leasehold offerings of one year or less is no longer excluded from the definition of "subdivision" or "subdivided lands" for the purpose of statute regulating the sale of subdivided lands.

HB 2634 Housing trust fund; donations; form

A title insurer is required to provide a form prescribed by the Department of Insurance and Financial Institutions to buyers and sellers of real estate that would allow the buyer and the seller to donate monies to the Housing Trust Fund.

HB 2657 Appropriation; housing assistance; elderly.

2023 END OF SESSION REPORT

Appropriates \$7 million from the general fund in FY2023-24 to the Department of Economic Security to distribute to area agencies on aging for housing assistance for persons who are at least 60 years of age.

HB 2683 Real estate transfer tax

Levies a real estate transfer tax on the transfer of title to residential real property to an "institutional investor" (defined) at a rate of 100 percent of the value of the property. Applies only to the transfer of title to residential real property classified as class 3 or 4 for property tax purposes. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.

HB 2718 Rights; homelessness; housing; eviction; appropriation

A person's rights, privileges or access to public services cannot be denied or abridged solely because the person is homeless. A homeless person has the same rights and privileges as any other Arizona resident. A person is not criminally liable and cannot be charged with or convicted of an offense that prohibits the person from sitting, lying, or sleeping in or on public property if the person is homeless and there is no single space available for the person to sleep in a homeless shelter. The Administrative Office of the Courts (AOC) is required to establish a statewide eviction diversion and prevention program that provides tenant education through community-based organizations in Arizona for tenant rights. The AOC, through community-based organizations, is also required to provide legal aid to assist tenants with criminal record expungement, unemployment, disability and social security benefits and landlord and tenant assistance to enable housing stability. The Arizona Department of Administration (ADOA) is required to develop a pilot program that provides affordable housing opportunities to individuals experiencing homelessness and provides a list of specified services. The Arizona Department of Housing (ADOH) is authorized to award grants to a municipality, a tribe, a county, or a nonprofit organization in cooperation with a municipality or county to establish or operate sanctioned housing for unsheltered individuals experiencing homelessness. Requirements for sanctioned housing are listed. More. Appropriates \$50 million from the general fund in FY2023-24 to ADOH for the Affordable Housing Pilot Program and specifies Program requirements. Appropriates \$290 million from the general fund in FY2023-24 to the Department of Economic Security to distribute for rental assistance. Appropriates \$6 million from the general fund in FY2023-24 to the AOC for the eviction diversion and prevent program. Emergency clause.

HB 2719 Appropriation; affordable housing

Appropriates \$25 million from the general fund in FY2023-24 to the Housing Trust Fund. If a landlord receives monies from this appropriation as payment for rent owed to the landlord by a tenant, the landlord is prohibited from filing, finalizing or enforcing any action against the tenant for the unpaid rent.

HB 2721 Affordable housing; parking; reduction

Counties and municipalities are required to adopt a regulation or general or specific plan provision that reduces the minimum parking requirements for any "housing development" (defined) that meets a list of requirements, including that the development is located within 500 feet of a major public transit stop, and that the development is subject to a regulatory

2023 END OF SESSION REPORT

agreement with the county or municipality that restricts at least 20 percent of the total number of units to "lower income households" (defined).

HB 2734 Homelessness; rights; eviction; housing; appropriation.

A person's rights, privileges or access to public services cannot be denied or abridged solely because the person is homeless. A homeless person has the same rights and privileges as any other Arizona resident. The Administrative Office of the Courts (AOC) is required to establish a statewide eviction diversion and prevention program that provides tenant education through community-based organizations in Arizona for tenant rights. The AOC, through community-based organizations, is also required to provide legal aid to assist tenants with criminal record expungement, unemployment, disability and social security benefits and landlord and tenant assistance to enable housing stability. The Arizona Department of Administration (ADOA) is required to develop a pilot program that provides affordable housing opportunities to individuals experiencing homelessness and provides a list of specified services. The Arizona Department of Housing (ADOH) is authorized to award grants to a municipality, a tribe, a county, or a nonprofit organization in cooperation with a municipality or county to establish or operate sanctioned housing for unsheltered individuals experiencing homelessness.

Requirements for sanctioned housing are listed. More. Appropriates \$150 million from the general fund in FY2023-24 to ADOH for the grant program. Appropriates \$50 million from the general fund in FY2023-24 to ADOH for the Affordable Housing Pilot Program and specifies Program requirements. Appropriates \$290 million from the general fund in FY2023-24 to the Department of Economic Security to distribute for rental assistance. Appropriates \$6 million from the general fund in FY2023-24 to the AOC for the eviction diversion and prevent program. Emergency clause.

HB 2739 Antidiscrimination; public accommodations; employment; housing

The list of attributes for which a person cannot be discriminated against in employment practices, various housing related statutes, and in places of public accommodation is expanded to include "sexual orientation" and "gender identity" (both defined). Contains exemptions for places of worship, church administrative offices or conference centers, religious educational institutions, and facilities used for religious celebrations or exercises. Employers are prohibited from punishing, terminating, or discriminating against employees for expressing in the workplace the employee's religious, political, or moral beliefs regarding marriage, family, gender identity, or sexuality in a reasonable, nondisruptive, and nonharrassing way on equal terms with similar types of expression of beliefs allowed by the employer in the workplace. Some exceptions.

HB 2758 Vacation rentals; short-term rentals; regulation

Counties and municipalities may deny a permit or license to operate a vacation rental or short-term rental if a previous owner of the property had a suspended permit or license or has outstanding civil penalties for the same vacation rental or short-term rental property. Counties and municipalities are authorized to suspend a permit or license to operate a vacation rental or short-term rental if an owner or owner's designee knowingly or intentionally allows the use of the rental for nonresidential use or avoids paying transaction privilege tax for bookings made without the use of an online lodging marketplace that is registered with the Arizona Department of Revenue. Modifies the definition of "vacation rental" or "short-term rental" to limit the number of days per year the house or unit may be offered for transient use.

2023 END OF SESSION REPORT
HB 2772 Middle housing; residential zoning

Counties and municipalities are required to allow the development of "middle housing" (defined) in all areas zone for residential use. A municipality is authorized to regulate the design of middle housing if the regulations do not prohibit or discourage the development of middle housing.

HB 2773 Accessory dwelling unit; requirements

Counties and municipalities are authorized to adopt an ordinance that provides for the development of an "accessory dwelling unit" (defined) in an area zoned to allow single-family or multifamily use. Requirements for the ordinance are specified.

HB 2780 Condominiums; termination; agreement

An agreement to terminate the condominium declaration is required to contain the required number of unit owners' signatures and their printed names and unit numbers, and must be signed and notarized by the person or entity presenting the termination agreement. Additional requirements for the termination agreement are specified. The Board of Directors of the condo association is required to hold a public meeting to ratify the termination agreement. After termination, each unit owner is allowed to sell the unit owner's interest in the individual unit, its real estate, and the unit owner's interest in the common property as a single parcel that is subject to the recorded termination agreement. Following termination, all financial assets and loans or continuing obligations of the previous condominium association, if any, transfer to the owners in common as organized under the termination agreement.

HB 2784 Condominiums; unit sales; termination

When a condominium association is terminated, the respective interests of unit owners is the sales price of each unit as negotiated in a sale between the unit owner and the association. A transfer of title for a unit cannot occur before the unit owner and the association agree on the sales price.

SB 1009 - Criminal damage; monuments; memorials; statues

Defacing, damaging or tampering with a public or private monument, memorial or statue would have been classified as aggravated criminal damage, a class 6 (lowest) felony, if it resulted from an intentional or reckless act. If the damaged property was at least \$1,500 but less than \$10,000, the criminal classification would have been increased to a class 5 (second lowest) felony, and if the damaged property was \$10,000 or more, the criminal classification would have been increased to a class 4 (lower mid-level) felony. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that state law already provides adequate tools to prosecute criminal damage to the items contemplated in this bill.

SB 1012 Inspections; sober living homes

Counties and municipalities are authorized to conduct inspections at sober living homes to ensure compliance with county or municipal fire codes and zoning ordinances.

SB 1015 Unlawful public sale of animals

The crime of "unlawful public sale of animals" (defined) applies in all counties, instead of only counties with a population of 800,000 persons or more.

SB 1034 Homeowners' associations; flag ban; prohibition

Condominium associations and homeowners' associations cannot prohibit the outdoor display of any flag unless the flag is obscene, defamatory, or likely to incite violence.

SB 1062 Minors; capacity to consent; shelter

An emancipated minor, a minor who is legally married, or an independent "unaccompanied homeless minor" (defined) is authorized to give consent to the furnishing of shelter, transitional living, or other temporary housing or homeless-associated services and supportive services to the minor, and the consent of a parent or legal guardian of the minor is not necessary. A shelter, transitional living, or other temporary housing provider or homeless-associated services or supportive services provider, acting in reliance on the consent of a minor who has authority under these provisions to consent to the services, is not subject to criminal or civil liability and professional disciplinary action on the ground that the provider failed to obtain consent of the minor's parent or legal guardian. Some exceptions. Contains legislative findings. AS PASSED SENATE

SB 1063 Food; municipal tax; exemption...

Municipalities and other taxing jurisdictions would have been prohibited from levying a transaction privilege, sales, or use tax or fee on the sale of food items intended for human consumption or home consumption (as defined elsewhere in statute and by rule). Would have become effective July 1, 2025. AS VETOED BY GOVERNOR. In her veto letter, the Governor expressed concern about the impact this legislation would have on municipalities and the resulting potential cuts to services or increases in property taxes.

SB 1117 Housing; infrastructure; regulation; administration (Municipal platting; technical correction)

Establishes residential zoning district regulations, limitations of residential housing design standards and municipal housing need assessments. Modifies current municipal zoning requirements

SB 1161 Affordable housing; development standards; report

Requires municipalities to allow by right the construction of low-income multifamily residential rental property and establishes municipal reporting requirements relating to housing needs.

SB 1162 Home-based businesses; restrictions; prohibition

A home-based business would have been required to be allowed as a use by right if the home-based business did not supersede any deed restriction, covenant or agreement restricting the use of land, a master deed or any other document applicable to a common interest ownership community. Counties and municipalities would have been disallowed from prohibiting a "no-impact home-based business" (defined) or from requiring a person to apply for, register, or obtain a permit, license, variance or other type of prior municipal approval to operate a no-impact home-based business. Counties and municipalities would have been authorized to establish reasonable regulations on a home-based business if the regulations were narrowly tailored for specified purposes, including protecting public health and safety and ensuring that the business activity is compatible with residential use of the property. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this approach to supporting

2023 END OF SESSION REPORT

small businesses is too broad and would create challenges for public safety and code enforcement in neighborhoods.

SB 1163 municipal; zoning; housing assessment; report

Creates an at-risk permit relating to grading and earthmoving of property, provides zoning regulations relating to single-family residential uses, and establishes municipal reporting requirements relating to housing needs.

SB 1184 Municipal tax exemption; residential leases

Beginning January 1, 2024, municipalities and other taxing jurisdictions would have been prohibited from levying a transaction privilege, use, or other similar tax or fee on the business of renting or leasing residential property. Some exceptions. By January 1, 2024, the landlord of real property that is rented or leased for residential purposes and that is located in a municipality or other taxing jurisdiction that levies a transaction privilege tax on the business of renting or leasing residential property would have been required to reduce the amount of rent due by an amount equal to the difference caused by the elimination of the transaction privilege tax on the business of renting or leasing residential property. The Arizona Department of Revenue would have been required to electronically notify each residential rental transaction privilege tax licensee of these provisions. From January 1, 2024 through June 30, 2025, the State Treasurer would have been required to distribute proportionately for each month \$14,945,600 from the portion of the revenues derived from transaction privilege taxes that is not designated as the distribution base to the municipalities that levied a transaction privilege tax on renting or leasing real property for residential purposes during FY2021-22, based on the average amount that the municipality collected from that tax during FY2021-22. Also, municipalities would have been required to use monies paid from revenues collected from a remote seller in the retail transaction privilege tax classification and paid to the municipality as state shared revenue for public safety before any other municipal purpose. Would have applied to tax periods beginning January 1, 2024 and after. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that lowering housing costs is a priority, but that this bill lacks any enforceable mechanism to ensure relief will be provided to renters and includes an appropriation outside of a comprehensive budget agreement.

SB 1191 Disbursements; applicability; definition

The list of authorized forms for escrow deposits is expanded to include "distributed ledger technology" (defined) transfers within or among a secure network of federally insured depository institutions where disbursements are recorded on a ledger and securely deposited in an escrow agent's depository account. Requirements for distributed ledger technology transfer escrow deposits are specified. AS PASSED HOUSE

SB 1193 Online home sharing; repeal

Repeals statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and limiting the restrictions that municipalities and counties may place on those rentals to a list of specified purposes. Repeals the online lodging marketplace transaction privilege tax classification, and the requirement for online lodging marketplaces to register with the Department of Revenue for payment of transaction privilege taxes on online lodging transactions. Repeals the requirement for online lodging operators to have a current transaction

2023 END OF SESSION REPORT

privilege tax license and related civil penalties for noncompliance. Repeals the Joint Legislative Study Committee on Transient Lodging.

SB 1195 Licensing; marijuana establishments

Beginning on the effective date of this legislation, the Arizona Department of Health Services (ADHS) is required to allow "Arizona small businesses" (defined) that have been awarded a marijuana establishment license but not a nonprofit medical marijuana dispensary registration certificate to apply for and receive a nonprofit medical marijuana dispensary registration certificate and become a dual licensee. ADHS is required to issue a nonprofit medical marijuana dispensary registration certificate to each qualified Arizona small business applicant on submittal of a complete application and the application fee. Contains legislative findings. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage. Emergency clause.

SB 1196 Marijuana establishments; dual licensing

A licensee is allowed to apply for a nonprofit medical marijuana dispensary registration certificate or a marijuana establishment license. The Arizona Department of Health Services is required to issue a nonprofit medical marijuana dispensary registration certificate or a marijuana establishment license to each qualified applicant on submittal of a complete application and the application fee. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage. Emergency clause.

SB 1214 Sober living homes; fee reduction

Beginning January 1, 2024, the Arizona Department of Health Services is required to decrease the initial licensing and license renewal fees and the per resident charge for sober living homes by 50 percent.

SB 1234 Prohibition; photo radar

State agencies and local authorities would have been prohibited from using a photo enforcement system to identify violators of traffic control devices and speed regulations. Statutes authorizing and regulating photo enforcement systems would have been repealed. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that photo radar is an important tool for law enforcement that allows for a more efficient allocation of limited police resources.

SB 1271 Hemp-derived products; regulation

Numerous changes to statutes regulating "hemp-derived products" (defined). The Director of the Arizona Department of Agriculture (AZDA) is required to oversee and prescribe requirements for labeling and retail sale of hemp-derived products in Arizona. Manufacturers and retailers are added to the list of entities that must obtain an industrial hemp license from AZDA. Establishes a method for calculating the total delta-9 tetrahydrocannabinol concentration of a crop.

SB 1278 Housing trust fund; rural areas

The Director of the Arizona Department of Housing is required to include in the annual report to the Legislature on the Housing Trust Fund a summary of the projects and programs for which funding was provided exclusively for housing in rural areas.

SB 1289 Employee housing; long-term leases; construction

Voter approval is not required for a school district governing board to construct school employee housing facilities.

SB 1346 Online lodging; regulation; property classification

Repeals statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and limiting the restrictions that municipalities and counties may place on those rentals to a list of specified purposes. Real and personal property and improvements that are used for residential purposes, that are solely leased or rented to lodgers for periods of less than thirty days and that are valued at full cash value are classified as class one property, instead of class four property, for property tax purposes. Some exceptions.

SB 1347 Home buyer assistance program

The Arizona Department of Housing (ADOH) is required to establish and administer the Home Buyer Assistance Program to assist home buyers by providing low-interest mortgage loans, with down payment and closing cost assistance options, for the purchase of homes, and to coordinate with and provide matching monies for similar programs that are offered by private employers and county and municipal governments so as to maximize the total amount that home buyers can receive under the Program. ADOH is required to adopt rules to implement the Program.

SB 1370 Municipal ordinances and notices; posting

Notices of election, invitations for bids, notices of letting contracts, laws and ordinances, and other notices of a public character issued by authority of the governing body of any municipality may be posted on the municipality's website in lieu of being published in a newspaper if the municipality is located within a county with a population of 4 million persons or more (Maricopa County). A municipality that posts notices on the website is required to provide a link to a listing of all current notices and ordinances on the website's home page.

SB 1384 Homeowners' associations; annual meeting

For all homeowners' association and condo association directors' elections, cumulative voting is prohibited, nominations from the floor are prohibited, and the names of all eligible candidates nominated for the board of directors must appear on the ballot. For any meeting at which the election of directors occurs and for the annual meeting, the quorum requirement is 1/10 of the total number of votes entitled to be cast unless the homeowners' association or condo association documents specify a lesser amount. Homeowners' association or condo association votes cannot be cast by proxy but may be cast by absentee ballots, and the process for absentee ballot voting is specified.

SB 1387 Homeowner's associations; board duties; indemnification

Homeowners' associations and condo associations (HOAs), through the board of directors, have a duty to the members or unit owners to act with the care an ordinarily prudent person in a like position would exercise under similar circumstances in managing and maintaining the common property and in protecting and managing the financial assets and affairs of the HOA, to treat members fairly, and to act reasonably in the exercise of discretionary powers. The directors and officers of an HOA have a duty to the HOA to act in good faith, in compliance

2023 END OF SESSION REPORT

with statute and the community documents, and to use ordinary care and prudence in performing their functions. The HOA and its directors and officers are indemnified from any liability for any action taken or any failure to take any action if the duties were performed in compliance with these requirements. A legislative intent section states that these changes are clarifying and do not provide any substantive change in the law.

SB 1413 Homeless encampment; removal

On receipt of a report of the existence of a "homeless encampment" (defined), a county or municipality would have been required to notify the owner to remove the owner's tent, structure, or other personal property from the area in which the encampment is located. If removal did not occur within 24 hours, the county or municipality would have been required to claim the property and retain the property for 14 days, during which the owner would have been allowed to claim the property. Unclaimed property would have been allowed to be disposed of as provided in statute. Persons living at an encampment located on private property would have been deemed guilty of trespassing. Persons living at the encampment who are engaging in illegal drug use would have been deemed guilty of the appropriate drug-related offense. AS VETOED BY THE GOVERNOR. In her veto message, the Governor stated that this legislation does not address the root causes of homelessness, offers no pathways to assistance, and effectively criminalizes experiencing homelessness.

SB 1426 Right to redeem; lien; sale

The foreclosure of the right to redeem does not extinguish any of the property owner's or another lienholder's interest in the surplus proceeds from the sale of the property. After a property is sold at auction, the county treasurer is required to post a public list of the remaining monies that any party that had a legal interest in the property before the judgment foreclosing the right to redeem or the issuance of the tax deed to the state may claim. After receiving full payment for the property, the county treasurer is required to notify by mail the former property owner and any person with a recorded interest in the property. Information that must be included in the notice is listed, including that any amount remaining after disbursement of surplus monies to any lienholders or other interested parties that filed a claim will be available for the former property owner or the owner's heirs or assigns to claim for up to five years. More. Emergency clause.

SB 1456 Homeowners' associations; records requests

Establishes a specific list of records that homeowners' associations and condo associations are required to make reasonably available to a member or unit owner on request, including financial statements and accounts, the operating budget, current contracts, and current insurance policies. Establishes requirements for a request to examine association records.

SB 1462 Appropriation; coordinated homeless services

Appropriates \$25 million from the general fund in FY2023-24 to the Arizona Department of Economic Security for coordinated homeless services.

SB 1465 Housing trust fund; deposit; appropriation

All monies remaining in the State Lottery Fund after the statutory appropriations and deposits are deposited in the Housing Trust Fund, instead of the general fund. At the end of each fiscal year, the Arizona Finance Authority is required to transfer all unencumbered monies in the

2023 END OF SESSION REPORT

Arizona Finance Authority Operations Fund to the Housing Trust Fund, instead of the Economic Development Fund. After statutory deposits, the Arizona Department of Revenue is required to deposit 75 percent of the monies remaining from the proceeds of the sale of abandoned properties each fiscal year in the Housing Trust Fund.

SB 1470 Homeowners' association liens; homestead exemptions

A homeowners' association or condo association lien is subject to the homestead exemption.

SB 1472 Mobile homes; certificates of title

Within 15 days after purchase, a person is required to apply to the Arizona Department of Transportation for a certificate of title to a mobile home, except that a licensed dealer has 30 days to make the application. Information that must be included on and with an application is listed.

SB 1497 Vacation rentals; diminution in value

Repeals statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and limiting the restrictions that municipalities and counties may place on those rentals to a list of specified purposes. Statute entitling a property owner to just compensation from the state or a political subdivision if the existing property rights are reduced by the enactment of a land use law enacted after the date the property is transferred to the owner and the action reduces the fair market value of the property does not apply to land use laws that regulate a vacation rental or short-term rental.

SB 1506 Rental housing; income source discrimination.

A landlord is prohibited from using the "source of income" (defined) of an otherwise eligible prospective or current tenant to take any of a list of actions, including refusing to rent, eviction, or in any other manner denying a rental unit. For a landlord who requires that a prospective or current tenant meet a certain threshold level of income, any source of income in the form of a rent voucher or subsidy must be subtracted from the total of the monthly rent before calculating whether the income criteria have been met. Violations are an unlawful practice subject to enforcement by the Attorney General.

SB 1539 Appropriation; housing trust fund

Appropriates \$200 million from the general fund in FY2023-24 to the Housing Trust Fund.

SB 1542 Appropriation; housing assistance; elderly

Appropriates \$7 million from the general fund in FY2023-24 to the Department of Economic Security to distribute to area agencies on aging for housing assistance for persons who are at least 60 years of age.

SB 1550 Home and community-based services; appropriation

Appropriates \$1.5 million from the general fund in FY2023-24 to the Department of Economic Security to distribute to area agencies on aging for home and community-based services.

SB 1569 Study committee; eviction prevention

2023 END OF SESSION REPORT

Establishes a 19-member Study Committee on Statewide Eviction Prevention and Housing Affordability to conduct a comprehensive study on reducing eviction filings, review related policies and statutes, conduct research on housing affordability issues, and propose legislation to address these issues. The Committee is required to submit a report of its activities and recommendations to the Governor and the Legislature by December 1, 2023, and self-repeals November 1, 2024.

SB 1570 Landlord tenant; housing assistance; waiver.

For the purpose of the Arizona Residential Landlord and Tenant Act, the definition of "housing assistance" includes any payment made by a faith-based organization, a community action agency program or a nonprofit entity. A landlord's acceptance of a housing assistance payment constitutes an acceptance of a partial payment of rent and a waiver of the landlord's right to terminate the rental agreement for failure to pay rent for the rental period covered by the partial payment.

SB 157- Landlord; tenant; evictions; forms.

State agencies and individual courts are no longer prohibited from adopting or enforcing a rule or policy that requires a mandatory or technical form for providing notice or for pleadings in an action for forcible entry or forcible or special detainer.

SB 1573 Landlord; tenant; fee disclosure; waiver.

At or before a tenancy begins, the landlord is required to disclose to the tenant the exact amount of the rent and the due date for the rent, and any additional fees or costs that may be chargeable to the tenant and that are not included in the periodic rental rate. Deletes the requirement for the landlord to deliver a signed copy of a written rental agreement to the tenant and the tenant to sign and deliver one fully executed copy to the landlord. Landlords must allow a tenant to choose not to receive and pay for any nonessential services, and must allow a tenant to pay rent with any legal tender. Landlords are prohibited from charging a late fee if rent is paid in full within five days after the due date.

SB 1574 Landlord tenant; evictions; assistance.

A writ of restitution for all rent found due and unpaid when a defendant is found guilty of forcible entry and detainer or forcible detainer cannot be enforced until at least seven calendar days after the date that the writ of restitution is issued. Appropriates \$290 million from the general fund in FY2023-24 to the Department of Economic Security (DES) to distribute for rental assistance. DES is required to allocate at least \$10 million of that amount for rental assistance to persons who are at least 65 years of age.

SB 1575 Home buyer assistance program

The Arizona Department of Housing (ADOH) is required to establish and administer the Home Buyer Assistance Program to assist home buyers by providing low-interest mortgage loans, with down payment and closing cost assistance options, for the purchase of homes, and to coordinate with and provide matching monies for similar programs that are offered by private employers and county and municipal governments so as to maximize the total amount that home buyers can receive under the Program. ADOH is required to adopt rules to implement the Program.

2023 END OF SESSION REPORT

SB 1585 Homelessness; rights; eviction; housing; appropriation

The Arizona Department of Administration (ADOA) is required to develop a pilot program that provides affordable housing opportunities to individuals experiencing homelessness and provides a list of specified services. The Arizona Department of Housing (ADOH) is authorized to award grants to a municipality, a tribe, a county, or a nonprofit organization in cooperation with a municipality or county to establish or operate sanctioned housing for unsheltered individuals experiencing homelessness. Requirements for sanctioned housing are listed. More. Appropriates \$145 million from the general fund in FY2023-24 to the newly established Homeless Shelter and Services Fund, to be used to award grants to counties, municipalities, tribes, and nonprofit organizations for programs that provide shelter and services to unsheltered persons experiencing homelessness. Appropriates \$10 million from the general fund in FY2023-24 to the Department of Economic Security to distribute for rental assistance and eviction prevention for persons who are at least 65 years of age. AS PASSED SENATE

*New Laws***HB 2055 (Chapter 53) Probation; work time credits; reporting.**

The court is authorized to adjust the period of a probationer's supervised probation for work time credit, which equals 30 days for every 30 days that a probationer is engaged in "eligible employment" (defined as an occupation or occupations with at least 130 documented wage-earning hours in any 30-day period). Establishes documentation and verification requirements for the employment. The court or a probation officer may allow a defendant to fulfill a reporting requirement through remote reporting. Effective January 1, 2024.

HB 2168 (Chapter 26) Good Samaritan; medical assistance

Extends for five years, to July 1, 2028, the repeal date for statute protecting a person who, in good faith, seeks medical assistance for someone experiencing a drug overdose from prosecution for the possession or use of a controlled substance or drug paraphernalia if the evidence for the violation was gained as a result of the person's seeking medical assistance. Emergency clause.

HB 2169 (Chapter 153) Child sex doll; exploitation (Sexual conduct; minor; classification; sentence)

It is a class 4 (lower mid-level) felony to intentionally or knowingly possess a "child sex doll" (defined); to traffic a child sex doll by knowingly manufacturing, distributing, selling, advertising, shipping, or possessing with the intent to distribute, sell, or ship a child sex doll; and to import a child sex doll by knowingly transporting a child sex doll into Arizona with the intent to distribute, sell, or transfer the child sex doll. Does not apply to a common carrier transporting a container with a child sex doll if the common carrier does not have knowledge of the container's contents. Possessing, manufacturing, advertising, ordering, selling or purchasing a child sex doll that uses the face, image, or likeness of a real infant or minor who is under 12 years of age is added to the definition of sexual exploitation of a minor, a class 2 (second highest) felony. Emergency clause.

HB 2313 (Chapter 87) Child placement; relative search; notice.

Establishes requirements for the search to identify adult relatives or persons with a significant relationship with a child who has been taken into temporary custody, including documentation requirements. Unless domestic violence or other safety concerns exist, the Department of Child Safety (DCS) is required to provide notice to adult relatives and persons with a significant relationship with a child who are identified through the search, and information that must be included in the notice is listed. DCS is required to continue to conduct an ongoing search until the child is placed with an adult relative or person with a significant relationship with the child.

HB 2478 (Chapter 159) Aggravated assault; law enforcement employees

The list of circumstances that cause an assault to be classified as aggravated assault is expanded to include if the person knows or has reason to know that the victim is an employee of a law enforcement agency, other than a peace officer, while engaged in the execution of any official duties.

HB 2479 (Chapter 92) Law enforcement merit system; continuation

The statutory life of the Law Enforcement Merit System Council is extended eight years to July 1, 2031. Retroactive to July 1, 2023.

HB 2482 (Chapter 154) Sexual assault kits; victim notification (Appropriations; crime victim notification fund.)

Expands the types of software that may be purchased by law enforcement agencies using monies from the Law Enforcement Crime Victim Notification Fund. Monies in the Fund are continuously appropriated. Establishes a 10-member Sexual Assault Kit Study Committee to examine the feasibility of providing crime victims with a tracking system for sexual assault forensic examination kits. The Committee is required to submit a report to the Legislature by December 1, 2023, and self-repeals January 3, 2024. In FY2023-24 through FY2025-26, the Arizona Criminal Justice Commission is required to include a partnership between at least two vendors for the purpose of expanding the automated crime victim notification system.

HB 2484 (Chapter 112) Failure to return vehicle (Failure to return vehicle; repeal.)

Repeals the crime of unlawful failure to return a motor vehicle subject to a security interest, a class 6 (lowest) felony. A person is required to return a motor vehicle that is subject to a security interest if a list of specified conditions applies, including that the person fails to make a payment on the lien for more than 90 days, and the secured creditor notifies the owner in writing that the owner is 90 days late in making a payment and is in default. Some exceptions. If a person does not return a motor vehicle, the secured creditor is authorized to file an affidavit with the Arizona Department of Transportation (ADOT), and ADOT is required to immediately suspend the registration of, and any license plate assigned to, the motor vehicle.

HB 2485 (Chapter 96) Ambush; police; sentencing enhancement (Aggravated assault; ambush; police; classification)

If a person is convicted of aggravated assault on a peace officer and the trier of fact determines that the person was lying in wait for or ambushed the peace officer, the person must be sentenced to two years more than would otherwise be imposed for the offense and is not eligible for suspension of sentence, commutation, or release on any basis until the sentence imposed is served. Some exceptions.

HB 2489 (Chapter 97) Prescriptions; approval; controlled substance (DUI; public safety; technical correction)

Any compound, mixture or preparation that contains 3, 4-methylenedioxymethamphetamine and that is approved by the U.S. Food and Drug Administration and rescheduled by the U.S. Drug Enforcement Administration to a schedule other than schedule I of the federal Controlled Substances Act is a controlled substance for the purposes of the Arizona Controlled Substances Act and may be prescribed in Arizona. Contains legislative findings. Conditionally enacted on a 3, 4-methylenedioxymethamphetamine investigational product being approved as a prescription medication and published in the Federal Register by January 1, 2026.

HB 2516 (Chapter 155) Child abuse; investigations; forensic interview

A person who takes a child into custody because of an exigent circumstance is required to immediately have the child forensically interviewed by a person who is trained in forensic

2023 END OF SESSION REPORT

interviewing, and is allowed, instead of required, to have the child examined by a licensed physician or health care provider.

SB 1023 (Chapter 185) Residential picketing; offense

A person commits residential picketing, a class 3 (lowest) misdemeanor, if the person intentionally engages in picketing or otherwise demonstrates near the residence of an individual if the picketing or demonstrating is intentionally directed at a person located in the residence at the time it occurs, and if a reasonable person would find the picketing or demonstrating to be harassing, threatening, or alarming to a person in the residence.

SB 1038 (Chapter 123) Probate advisory panel; establishment

Establishes an 11-member Probate Advisory Panel in the Office of the Governor. The Panel is required to hold a public meeting at least quarterly on how to improve the adult guardianship and conservatorship laws through statutory changes. The Panel is required to submit a report of its findings and recommendations to the Governor and the Legislature by November 15 of each year. Session law provides for the initial terms of Panel members. The Panel self-repeals January 1, 2028.

SB 1148 (Chapter 190) Law enforcement; video recordings; fee

Municipalities are authorized to establish a onetime fee of \$46 an hour that is charged to a person who submits a public records request to a local law enforcement agency for a copy of a video recording. Specified crime victims or their immediate family members may receive one copy of a video recording at no charge.

SB 1172 (Chapter 19) Fire district bonding; limitation

Fire district bonds are prohibited from exceeding 120 percent of the district's statutory debt limitation when combined with the district's current outstanding general obligation debt amount.

SB 1211 (Chapter 8) County attorney; representation; duties

The requirements for the county attorney to act as the attorney for school districts and community college districts applies only if there is no conflict of interest and based on the availability of staff.

SB 1294 (Chapter 38) Sex offender registration; online identifiers

The Department of Public Safety (DPS) is required to make a registered sex offender's required online identifier available to an "authorized organization" (defined as an internet communication service or related safety organization the is approved to access required online identifiers) for comparison with information held by the authorized organization. Effective July 1, 2024.

SB 1711 (Chapter 165) Ambulances; emergency medical services

Ambulance services providing interfacility transportation in any certificate of necessity area are required to have at least one ambulance attendant that is an emergency medical technician (EMT) or a licensed physician or professional nurse, and one ambulance attendant that is an EMT or an emergency medical responder staffing an ambulance while transporting a patient. Effective January 1, 2024.

Bills that Failed

Tracking List: Public Safety

HB 2017 Public officers; residency requirements

The deputy or assistant of an elected officer of Arizona is not required to be an Arizona resident, but is required to be a U.S. citizen.

HB 2058 Flight from law enforcement; classification

Increases the criminal classification of unlawful flight from a pursuing law enforcement vehicle to a class 2 (second highest) felony, from a class 5 (second lowest) felony.

HB 2059 Riot; unlawful assembly; classification; liability

Establishes the crime of aggravated riot, a class 3 (upper mid-level) felony, if a person, in the course of committing a riot, participates with 25 or more other persons, causes serious physical injury to another person who is not participating in the riot, causes property damage in excess of \$5,000, displays, uses, threatens to use, or attempts to use a deadly weapon, or, by force or by the threat of force, endangers the safe movement of a motor vehicle traveling on a public street. Establishes the crime of mob intimidation, a class 1 (highest) misdemeanor, if a person, assembled with two or more other persons and acting with common intent, uses force or threatens to use imminent force to compel or attempt to compel another person to do or refrain from doing any act or to assume, abandon or maintain a particular viewpoint against the person's will. The list of circumstances under which assault is classified as aggravated assault, a class 6 (lowest) felony, is expanded to include if the person commits the assault on a peace officer in the furtherance of a riot or unlawful assembly. A person convicted of aggravated assault on a peace officer in these circumstances must be sentenced to serve no less than the minimum sentence and is not eligible for probation or suspension of execution of sentence until the entire sentence is served. Burglary committed during a riot where the perpetration of the burglary is facilitated by "conditions arising from the riot" (defined) is classified as burglary in the first degree. The criminal classification of abuse of venerated objects by desecrating any public monument, memorial, or property of a public park is increased to a class 6 (lowest) felony, from a class 2 (mid-level) misdemeanor. A person who is convicted of any offense that is committed in furtherance of a riot or an unlawful assembly must be sentenced to the next higher class of offense than that for which the person is convicted. A municipality has a duty to allow a municipality law enforcement agency to respond appropriately to protect persons and property during a riot or unlawful assembly based on the availability of adequate equipment to its city and town law enforcement officers and relevant state and federal laws. If a municipal governing body or a person who is authorized by the municipal governing body breaches that duty, the municipality is liable in a civil action for any damages, including damages arising from personal injury, wrongful death or property damages proximately caused by the breach of duty.

HB 2070 Emergency response plans; community engagement

Charter school governing bodies are required to develop, in conjunction with local law enforcement agencies and emergency response agencies, an emergency response plan for each school site that meets minimum standards developed by the Arizona Department of Education and the Department of Emergency and Military Affairs Division of Emergency Management.

2023 END OF SESSION REPORT

School district governing boards and charter schools are required to solicit input from students, parents, teachers, and other school employees when developing an emergency response plan.

HB 2088 Justification; criminal offenses.

Justification is a defense in any prosecution for a criminal offense, instead of for any offense in Title 13 (Criminal Code).

HB 2157 Medical malpractice; statute of limitations

Increases the statute of limitations on a cause of action for medical malpractice to five years, from two years, after the cause of action accrues.

HB 2158 Fire district board members; employees

A member of a fire district board is no longer prohibited from being an employee of the fire district.

HB 2167 Drug offenses; homicide; sentencing

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

HB 2170 Provisional concealed weapons permit

The Department of Public Safety (DPS) is required to issue a provisional concealed weapons permit to carry a concealed weapon to a person who is at least 18 years of age and under 21 years of age and who is otherwise qualified. The person is required to carry the provisional permit at all times when the person is in actual possession of the concealed weapon and must present the permit for inspection to any law enforcement officer on request. Establishes eligibility requirements for a provisional permit, including passing a background check and demonstrating competence with a firearm. On the 21st birthday of a person who has a valid provisional concealed weapons permit, DPS is required to issue a concealed weapons permit. Effective July 1, 2024.

HB 2177 Sentencing; concealed weapons permits; surrender

When imposing a sentence for an offense that results in the person being a prohibited possessor or if prohibiting a defendant from possessing or purchasing a firearm during the duration of an order of protection, the court is required to inquire if the defendant possesses a concealed weapons permit. If the defendant possesses a concealed weapons permit, the court must require the defendant to surrender the permit or submit an affidavit declaring that the permit is lost. If the defendant does not surrender the permit, the court is required to revoke

2023 END OF SESSION REPORT

the concealed weapons permit and notify the Department of Public Safety (DPS) of the revocation. If a person is placed on probation and does not surrender a revoked concealed weapons permit, the probation department is required to locate the defendant, seize the permit, and transfer it to DPS.

HB 2178 Patient information; gun safety; appropriation

A licensed physician or nurse practitioner who provides well-baby and pediatric services is required to inform the parent or guardian of a child during an office visit for those services of gun safety measures that may be implemented in the home, including proper gun storage, and the risks to children who find a gun in the home. By January 2, 2024, the Arizona Department of Health Services (ADHS) is required to prepare a pamphlet that includes information regarding gun safety measures that parents and guardians may implement in the home and to distribute the pamphlet free of charge to physicians, nurse practitioners and health care institutions. Appropriates \$250,000 from the general fund in FY2023-24 to ADHS to prepare the pamphlet.

HB 2179 Firearm transfers; domestic violence; offenses

For the purpose of the criminal code, the definition of "prohibited possessor" of a firearm is expanded to include any person who has been convicted of either a domestic violence offense that involved another of a specified list of offenses, or any other offense that involves the use or attempted use of physical force or the threatened use of a deadly weapon if the victim and the defendant have a domestic relationship (as defined elsewhere in statute), and to include any person who is subject to an order of protection that was issued after the person received notice and had an opportunity to participate in the proceedings. At the time of sentencing, the court is required to inform a person who is a prohibited possessor due to a domestic violence conviction that the person is prohibited from owning or possessing a firearm, and to order the person to transfer all firearms to the appropriate law enforcement agency or a federally licensed firearms dealer within 24 hours after the court issues the order. The law enforcement agency or federally licensed firearms dealer that receives a transferred firearm may dispose of the firearm in accordance with state and federal law. More.

HB 2180 Firearm purchases; waiting period; offense

It is a class 6 (lowest) felony for a firearms "retailer" (defined) to deliver a firearm before the expiration of a mandatory waiting period of three days after the purchase of firearm, excluding weekends and legal holidays.

HB 2181 Firearm dealers; firearms transfers; requirements

A "firearms dealer" (defined) that transfers firearms to persons in Arizona is required to take reasonable measures to prevent the transfer of firearms to straw purchasers or firearms traffickers, including screening for indicators, prohibiting dealer personnel from directing a customer on how to answer questions on forms that must be completed in connection with the sale, and limiting purchases of firearms to one purchase per 30 days per civilian, non-law enforcement customer. A firearms dealer is required to take reasonable measures to prevent the transfer of firearms to individuals who are prohibited from purchasing firearms and individuals who are too dangerous to possess firearms, including refusing to transfer a firearm until a background check has been completed and the transferee is cleared to purchase the firearm, refusing to transfer a firearm or ammunition to an individual exhibiting signs of intoxication or

2023 END OF SESSION REPORT

mental instability, refusing to sell firearms at firearm shows unless all firearm sales at the shows are conducted only on completion of a background check, and performing background checks for private sellers for a reasonable fee. Also establishes requirements for firearms dealers that sell firearms over the internet or telephone or through other electronic means, requirements for firearms dealers to take reasonable measures to prevent theft, and requirements for firearms dealers to take reasonable measures to assist law enforcement in investigating and preventing criminal access to firearms. A firearms dealer is required to maintain a liability insurance policy with a minimum policy limit of \$1 million to potentially compensate victims for damage to property and for injury to or death of any individual as a result of a firearms dealer's wrongful conduct in the transfer of any firearm or ammunition. Violations of any of these requirements are subject to a civil penalty of \$500 for each violation.

HB 2182 Firearm sales; transfers; background checks

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

HB 2183 Firearm sales; permit verification; requirements

The Department of Public Safety (DPS) is required to maintain a secure website portal that allows federally licensed firearms dealers to check the permit status of a person who presents a concealed weapons permit to purchase a firearm. If a person who is purchasing or receiving a firearm in Arizona presents a concealed weapons permit to a federally licensed firearms dealer, the dealer is required to confirm the validity of the permit by checking the portal. Appropriates \$300,000 from the School Safety Interoperability Fund in FY2023-24 to DPS for the cost of developing and maintaining the portal.

HB 2184 Severe threat order of protection

A petitioner is authorized to file a verified petition in the superior court or a municipal court requesting the court to issue a severe threat order of protection (STOP order). The petition for a STOP order must include a list of specified information, including a specific statement of either a credible threat of death or serious physical injury or an act of violence that resulted in or was intended to cause death or physical injury that occurred within the preceding 6 months, or a specific behavior or act that justifies the reasonable belief that the respondent is a danger to self or others. Evidence the court is required to review is listed. The court is authorized to order a mental health evaluation of the respondent at no cost to the respondent. The court is required to issue an ex parte temporary STOP order on the day of or day after the court receives the petition, if the court determines that there is probable cause to believe that the respondent poses a danger to self or others and that, for the safety of the respondent and others, the respondent should not possess a firearm for the duration of the order, which is 14 days. The court is authorized to schedule a hearing on a petition for a STOP order within 14 days after receipt of the petition. At a hearing, the court is required to issue a STOP order if the court determines that clear and convincing evidence exists to believe the respondent poses a

2023 END OF SESSION REPORT

danger to self or others and that, for the safety of the respondent and others, the respondent should not possess a firearm for the duration of the order, which is 1 year. Within 90 days after a STOP order is issued, the respondent is entitled to one hearing on written request to quash the order. Establishes a process for extending a STOP order. If the respondent to a petition for a STOP order is a minor, the petition must be transferred to the juvenile court. A person who is subject to an ex parte temporary STOP order or a STOP order is prohibited from possessing or purchasing a firearm, and violations are a class 4 (lower mid-level) felony. It is a class 5 (second lowest) felony to make a false sworn statement for the purpose of obtaining a STOP order.

HB 2185 TPT; exemption; firearm storage devices

The list of exemptions from transaction privilege taxes is expanded to include sales of "safe firearm storage devices" (defined). Applies to taxable periods beginning on or after the first day of the month following the general effective date.

HB 2192 Firearms; ammunition; storage; civil penalty

A person is prohibited from storing or keeping a firearm and/or ammunition in any residence unless the person either keeps the firearm and/or ammunition in a securely locked box, equips the firearm with a device that renders the firearm inoperable without a key or combination, or carries the firearm and/or ammunition on his person or within such close proximity to his person that the person can readily retrieve and use the firearm as if it was carried on his person. Violations are subject to a civil penalty of at least \$1,000.

HB 2193 Underage persons; possession; ownership; firearms

A person who is under 21 years of age, instead of 18 years of age, and who is unaccompanied by a parent, grandparent, guardian, or certified firearms safety instructor, is prohibited from knowingly carrying or possessing a firearm in any place that is open to the public, on a means of transportation on any street or highway, and on any private property other than private property owned or leased by the person or the person's parent, grandparent, or guardian. Political subdivisions are authorized to prohibit a person who is under 21 years of age, instead of a minor, and who is unaccompanied by a parent, grandparent, guardian, or certified firearms safety instructor, from knowingly possessing or carrying a firearm in any place that is open to the public, on a means of transportation on any street or highway, and on any private property other than private property owned or leased by the person or the person's parent, grandparent, or guardian. It is a class 6 (lowest) felony to sell or give a firearm or ammunition to a person who is under 21 years of age, instead of to a minor, without written consent of that person's parent or legal guardian. Some exceptions, including for active members of the U.S. Armed Forces. Does not apply to a person who is at least 18 years of age on the effective date of this legislation.

HB 2195 Criminal justice data collection; system

The Arizona Criminal Justice Commission is required to implement the state, county and municipal open data system. The Commission is required to publish the data system Commission's website in an electronic format that is accessible to the public. Beginning on January 1, 2024, and unless prohibited by any other law, criminal justice agencies in Arizona are required to submit specified data into the system. The Commission is required to establish policies to protect confidential information. Appropriates \$4.7 million in FY2023-24, \$4.8

2023 END OF SESSION REPORT

million in FY2024-25, and \$4.8 million in FY2025-26 from the general fund to the Commission to implement the data system.

HB 2196 Appropriation; department of public safety

Appropriates \$50.5 million from the general fund in FY2023-24 to the Department of Public Safety for the building or repair of infrastructure in Arizona. AS PASSED HOUSE

HB 2212 Criminal damage; trespassing; critical facilities

The definition of aggravated criminal damage would have been expanded to include interfering with or otherwise preventing the performance of a normal function of any utility infrastructure or property or the intended course or path of any utility service. The classification for aggravated criminal damage under these circumstances would have been a class 5 (second-lowest) felony, except that the classification would have increased for damages greater than \$1,500. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this conduct is already covered by several state and federal laws, making this bill unnecessary.

HB 2222 Driver license fees; homeless exemption

The fees for driver licenses and nonoperating identification licenses do not apply to any person who does not have a residence address or whose residence address is the address of a homeless shelter. The Arizona Department of Transportation (ADOT) is authorized to enter into an agreement with a charitable organization that works to end and prevent homelessness in Arizona to help persons acquire replacement personal identification documents at no cost to them, and enable persons to have secure personal identification document storage. Appropriates \$1 million from the State Highway Fund in FY2023-24 to the newly established Personal Identification Document Fund and is appropriated from the Fund to ADOT.

HB 2226 Appropriation; fentanyl prosecution; testing; fund

Appropriates \$5 million from the general fund in FY2023-24 to the newly established Fentanyl Prosecution and Testing Fund, to be allocated on a first-come, first-served basis to county attorneys, county sheriffs, and courts to reimburse costs related to fentanyl prosecutions, and to law enforcement agencies to reimburse costs related to fentanyl testing. AS PASSED HOUSE

HB 2275 Misclassification; tax fraud; task force

Establishes a 5-member Employee Misclassification and Payroll Tax Fraud Advisory Task Force to study and make recommendations regarding issues relating to employee misclassification and payroll tax fraud in the construction industry, including a list of specified issues. The Task Force is required to submit a report of its findings and progress to specified legislative committees by February 1, 2025 and by each February 1 thereafter.

HB 2297 Fraudulent schemes; artifices; jurisdiction

In a prosecution for a violation of fraudulent schemes and artifices, the state would not have been required to establish that all of the acts that constituted a violation occurred in Arizona or within a single local jurisdiction in Arizona. Would have stated that is not a defense that not all of the acts that constituted a violation occurred in Arizona or within a single local jurisdiction

2023 END OF SESSION REPORT

within Arizona. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that existing state law adequately outlines the jurisdictional issues addressed in this bill.

HB 2302 Misdemeanor expungement; requirements; procedure

Beginning January 1, 2024, a person who is convicted of a misdemeanor is allowed to petition the convicting court for an expungement of the record of conviction. Some exceptions. After a hearing on the petition, if the judge believes that justice will be served, the judge is required to order that all records of the person's conviction that are in the custody of the court be sealed with accompanying justification and must deliver a copy of the order to all law enforcement agencies and courts. The order must require that all law enforcement agencies and courts not release copies of the records to any person except on order of the court. Unless otherwise provided by law, a person who receives an expungement for a conviction is allowed to respond to any inquiry as though the conviction did not exist. AS PASSED HOUSE

HB 2309 Law enforcement; sovereign authority (Sovereign authority; law enforcement)

On demand by the Legislature, either house of the Legislature, or any member of the Legislature, the Attorney General would have been required to render a written opinion to determine the constitutionality of any federal law, treaty, order, rule, regulation, action, or program that was alleged to be inconsistent with or contrary to the authority of state or local law enforcement agencies. The laws of Arizona would have been required to be interpreted and construed to protect Arizona's sovereign authority against federal actions. To the extent that any law, treaty, executive order, rule, or regulation of the U.S. government had been found by a court of competent jurisdiction to violate Article II, Section 3 of the state Constitution or the 10th amendment to the U.S. Constitution, that law, treaty, executive order, rule, or regulation would have been declared null, void, and unenforceable in Arizona. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill would create ambiguity within law enforcement and conflict for federally funded and administered programs in Arizona.

HB 2314 Foster homes; inactive licenses.

A foster home licensee who holds an active license and whose license has not been previously revoked is allowed to request an inactive license from the Department of Child Safety (DCS). During the period of an inactive license, the licensee is not eligible for placement of a child and is not subject to the renewal fees, training and visitation requirements for an active license. An inactive license is valid for five years, and a licensee who holds an inactive license may apply to reactivate the license at any time during the five-year period in the same manner as the renewal of an active license. DCS is authorized to terminate the license of a licensee who holds an inactive license and who does not reactivate the license by noon of the expiration date.

HB 2331 Arizona criminal justice commission; membership

Increases the number of members of the Arizona Criminal Justice Commission to 17 members by adding one person who leads an indigent defense agency, one person who leads a private nonprofit juvenile justice organization, and one licensed psychiatrist or psychologist with experience working in the criminal justice system, all of whom are appointed by the Governor. Session law provides for the initial terms of the new members.

HB 2332 Firearms safety; training; schools

2023 END OF SESSION REPORT

Beginning July 1, 2024, school districts and charter schools would have been required to provide public school students in grades 6 through 12 with one or more training sessions in firearms safety in an age-appropriate manner. Requirements for the training sessions would have been established. School districts and charter schools would have been required to notify the parent of any student who would have received training at least two weeks before the training was provided and to allow parents to opt the student out of the training. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that mandatory firearm safety training in schools is not the solution to gun violence prevention.

HB 2369 Sexual harassment; nondisclosure agreements; prohibition

Employers are prohibited from requiring an employee, as a condition of employment, to sign a nondisclosure agreement or other document that prevents the employee from disclosing sexual harassment or sexual assault occurring in the workplace, at work-related events, or between employees or an employer and an employee off the employment premises. Except for settlement agreements, any nondisclosure agreement or other document signed in violation of this prohibition is void and unenforceable. It is an unfair practice for an employer to discharge or otherwise retaliate against an employee for disclosing or discussing sexual harassment or sexual assault occurring in the workplace, at work-related events, or between employees or an employer and an employee off the employment premises. Does not prohibit a settlement agreement between an employee or former employee alleging sexual harassment and an employer from containing confidentiality provisions. Applies prospectively to all new employment contracts entered into on or after the effective date of this legislation.

HB 2370 Minors; consent; venereal disease prevention

A minor is authorized to give consent to medical care and prescription usage related to the prevention of a venereal disease, and the consent is not subject to disaffirmance because of minority. The consent of the minor's parent or legal guardian is not necessary to authorize medical or pharmaceutical care.

HB 2385 Chemical agents; prohibited uses; police

A peace officer or law enforcement agency is prohibited from ordering a person to disperse for the sole purpose of punishing a person who is exercising a constitutionally protected right to engage in expressive activity. Peace officers are prohibited from using a "chemical agent" (defined) against any person who is engaged in expressive, nonviolent activity unless there is probable cause to arrest the person and without first issuing a clear and unambiguous warning that the person is subject to arrest and that a chemical agent will be used and providing the person with a sufficient opportunity to heed the warning and comply with the peace officer's command.

HB 2387 Wrongful arrest; record clearance

If a law enforcement agency determines that a person has been wrongfully arrested or charged with a crime, the agency is required to notify the person of the right to file a petition in the superior court for entry on all records of a notation that the person has been cleared. The clerk of the court is prohibited from imposing a fee for filing the petition. A person whose record is cleared is authorized to deny that the arrest or charge ever occurred.

HB 2398 Bailable offenses; requirements; release

2023 END OF SESSION REPORT

A person may only be required to execute bail in order to be released pending trial if the person is charged with a felony. The list of factors the judicial officer is required to consider in determining the method of release or the amount of bail is expanded to include whether the accused has the financial ability to pay bail, and whether the race or ethnicity of the accused is one that historically has been and currently continues to be disproportionately represented in the jail population relative to the county population and whether resisting implicit bias against that race or ethnicity is necessary to avoid disparate treatment or discrimination.

HB 2399 Juveniles; civil rights restoration

Reduces to 25 years, from 30 years, the age at which a person who was adjudicated delinquent as a juvenile for a dangerous offense, serious offense, burglary in the first or second degree, or arson may file for the restoration of the right to possess or carry a firearm. If a person was adjudicated delinquent as a juvenile for any other felony offense, the person may file for the restoration of the right to possess or carry a firearm once the person completes any court-ordered conditions, completes their term of probation, and is discharged from the Department of Juvenile Corrections, and is no longer required to wait for two years from the date of discharge.

HB 2418 Police response time; study committee (Law enforcement; response times; requirements)

Establishes a 13-member Police Response Time Study Committee to solicit ideas on recommendations to maintain or improve emergency call response times and critical law enforcement staffing shortages in Arizona. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 21, 2023, and self-repeals July 1, 2024. Emergency clause. AS PASSED HOUSE

HB 2420 Law enforcement; families; tuition scholarships

Establishes the Spouses and Dependents of Law Enforcement Officers Tuition Scholarship Fund, to be administered by the Arizona Board of Regents (ABOR) to award tuition scholarships to any person who is the spouse or an under-27-years-of-age dependent of a "law enforcement officer" (defined) in Arizona and who enrolls in a university under the jurisdiction of ABOR, a community college, a career technical education district, or a private postsecondary educational institution in Arizona. Establishes requirements to apply for scholarships and prescribes scholarship amounts. The scholarship is limited to four academic years or eight semesters. Appropriates \$10 million from the general fund in FY2023-24 to the Fund. AS PASSED HOUSE

HB 2422 Arizona criminal justice academy

Eligible postsecondary institutions are required to implement an Arizona Criminal Justice Academy to incentivize students to enter the criminal justice profession and to commit to work in Arizona. Each postsecondary institution is required to develop formalized partnerships with criminal justice agencies in Arizona to build commitments for employment for students completing the Academy. Each postsecondary institution is required to provide to each student enrolled in the Academy an annual scholarship up to the actual cost of tuition and fees for a maximum of two academic years for graduate university students, four academic years for undergraduate university students, and two academic years for community college students. Establishes requirements for scholarship recipients, including an agreement to work for one

2023 END OF SESSION REPORT

full year in a criminal justice profession in Arizona for every academic year for which the student receives a scholarship. By September 1, 2024 and each year after, the Arizona Board of Regents is required to report to the Governor and the Legislature on the Academy, and information that must be included in the report is listed.

HB 2427 Domestic violence; pregnant victim; sentencing

The list of circumstances under which assault is classified as aggravated assault, a class 3 (upper mid-level) felony, would have been expanded to include if the person committed the assault knowing or having reason to know that the victim was pregnant and there was a domestic relationship (defined elsewhere in statute) between the person and the victim. If a person was convicted of a domestic violence offense and the victim was pregnant at the time of the commission of the offense, the court would have been required to increase the sentence by up to five years, instead of two years. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that current law already allows the court to consider the pregnancy of the victim as a factor in sentencing.

HB 2454 Clergy; priests; duty to report

The list of persons with a duty to report a reasonable belief that a minor has been the victim of abuse or neglect is modified so that a member of the clergy or a priest who has received a confidential communication or a confession about abuse cannot withhold reporting of the communication or confession if there is a reasonable suspicion to believe that the abuse is ongoing, will continue or may be a threat to other minors. A member of the clergy or a priest who has knowledge or a reasonable suspicion that a person is committing or may commit child abuse or neglect is required to immediately report this information to a peace officer, to the Department of Child Safety or to a tribal law enforcement or social services agency, except if the report concerns a person who does not have care, custody or control of the minor, the report must be made to a peace officer only. Some exceptions.

HB 2500 Sexual assault victims; financial assistance

The rules that the Arizona Criminal Justice Commission is required to adopt for the allocation of monies from the Victim Compensation and Assistance Fund must include that a woman who is a victim of a sexual offense and who carries a resulting baby to term is will receive compensation for health care expenses and economic support during the pregnancy and up to 12 months after the baby is born. Appropriates \$5 million from the general fund in FY2023-24 to the Fund.

HB 2511 AZPOST; membership

Increases the number of members of the Arizona Peace Officer Standards and Training Board to 15, from 13, by adding one chief of police and one certified law enforcement officer from the police department of a federally recognized Native American tribe.

HB 2524 Executive clemency; medical confinement release

Except for prisoners who are sentenced to death or to natural life, the Board of Executive Clemency is authorized to release a prisoner on medical confinement if the prisoner has been examined by a licensed physician and has received a written diagnosis that the prisoner suffers from an incapacitating or debilitating condition, disease or syndrome, a determination that the prisoner suffers from an extraordinary medical circumstance, a prognosis that the prisoner is

2023 END OF SESSION REPORT

terminally ill with a condition or disease with an end-of-life trajectory, or a determination that the prisoner is 65 years of age or older and is in deteriorating health due to advancing age. Establishes a list of conditions that must be met for a prisoner to be released on medical confinement.

HB 2554 Search and rescue equipment fund

Establishes the County Sheriffs Search and Rescue Equipment Fund and requires the State Treasurer to distribute monies from the Fund in specified percentages to county sheriffs offices for search and rescue related equipment to enhance the sheriff's search and rescue mission capabilities. Appropriates \$1 million from the general fund in FY2023-24 to the Fund. AS PASSED HOUSE

HB 2568 Homelessness rights; criminal liability

A person's rights, privileges or access to public services cannot be denied or abridged solely because the person is homeless. A homeless person has the same rights and privileges as any other resident of Arizona. Establishes a list of rights that a person experiencing homelessness has. A person is not criminally liable and cannot be charged with or convicted of an offense that prohibits the person from sitting, lying or sleeping in or on public property if, at the time of the act, the person is homeless, and there is no space available for the person to sleep in a homeless shelter.

HB 2588 Jury; parental rights; termination; appropriation

A hearing to terminate parental rights must be tried to a jury if a parent files a written request for a jury trial before or at the time of the initial termination hearing. A jury trial held in these circumstances must be commenced no later than 120 days after the initial termination hearing is completed. By January 1, 2026, the Administrative Office of the Courts (AOC) is required to review specified information related to jury trials requested under these circumstances and issue a report of its findings and recommendations to the Governor and the Legislature. Appropriates \$15 million from the general fund in FY2023-24 to the AOC for jury trials in parental termination matters.

HB 2632 Appropriation; simulators; law enforcement; probation

Appropriates \$1.67 million from the Peace Officer Training Equipment Fund in FY2023-24 to the State Treasurer, and requires the State Treasurer to distribute \$300,000 each to the Flagstaff Police Department, Mohave County Probation Department, Gila County Sheriff's Office, and Navajo County Sheriff's Office, to distribute \$138,000 to the Casa Grande Police Department, and to distribute \$330,000 to the Maricopa County Sheriff's Office to purchase training simulators. AS PASSED HOUSE

HB 2745 Domestic violence; discrimination; protections

An individual who is the victim of domestic violence and who voluntarily leaves the individual's current place of employment to address any abuse is required to receive from the individual's current employer reasonable accommodations, leave balance protections, and unemployment eligibility protections.

HB 2754 Criminal liability; enterprises

2023 END OF SESSION REPORT

For the purpose of criminal liability, the definition of "enterprise" would have been expanded to include nongovernmental organizations. Would have specified that the crime of participating in a human smuggling organization or operation, a class 2 (second highest) felony, can be committed by an enterprise. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill has unintended consequences for organizations that support immigrants, and encouraged the Legislature to work with stakeholders to find better solutions to human smuggling and trafficking.

HB 2759 Nonprofits; facilitation; trafficking offenses; penalties

A person who facilitates the trafficking of a person or who intentionally or knowingly benefits from facilitating a venture that traffics another person is liable to the person trafficked for damages that arise from the trafficking of that person by the person or venture. The Arizona Corporation Commission is prohibited from incorporating a corporation if an officer, director, or trustee of the corporation has been convicted of any of a list of offenses related to human smuggling or trafficking. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that stakeholders agree that this bill could further harm victims of trafficking.

HB 2787 Sexual assault survivor; rights

Establishes a list of rights that a survivor of a sexual assault has, including the right to be informed of any result of a sexual assault evidence collection kit, have a sexual assault evidence collection kit preserved without charge for 55 years, and be informed about the right to apply for victim compensation.

HB 2788 Sexual assault survivor; provider choice

The victim of a sexual assault has the right to select the sexual assault nurse examiner who will examine the victim from a list of qualified examiners in Arizona.

HB 2802 Fentanyl sales; manufacture; sentencing; testing

Establishes minimum, presumptive, and maximum sentences of 5, 10, and 15 calendar years for a person convicted of possession or use involving a "single unit dose" (defined) of fentanyl having a weight of at least 2 milligrams. The minimum, presumptive, and maximum sentences are increased by 5 years for a person with a previous conviction involving a single unit dose of fentanyl having a weight of at least 2 milligrams. A law enforcement agency that confiscates fentanyl during the course of an investigation involving fentanyl is required to submit a sufficient sample of the fentanyl to an accredited crime laboratory for testing to determine the appropriate criminal violation. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill would criminalize substance use disorder instead of locking up people who are suffering from the effects, we must prioritize treatment and risk reduction.

HB 2805 Appropriation; victim compensation and assistance

Appropriates \$5 million from the general fund in FY2023-24 to the Victim Compensation and Assistance Fund.

HCR 2025 Death benefit; assault; first responders

The 2024 general election ballot is to carry the question of whether to amend state statute to levy a surcharge of two percent on every fine, penalty and forfeiture imposed and collected by the courts for criminal offenses and on traffic-related civil penalties through December 31,

2023 END OF SESSION REPORT

2032, and to deposit the monies from the surcharge in the newly established State Supplemental Benefit Fund. Beginning January 1, 2024, the state is required to pay \$250,000 to the surviving spouse of a "first responder" (defined) who is "killed in the line of duty" (defined), using monies from the Fund. Contains legislative findings. Severability clause.

SB 1003 Traffic violations; identification

A person other than the driver of a motor vehicle is required to provide their full name, date of birth, and residence address to a peace officer on request, if the officer has reasonable cause to believe the person has committed a traffic violation. Previously, a person other than the driver was required to provide "evidence of the person's identity" to a peace officer on request.

SB1004 Court security officers; duties; jurisdiction

Court security officers are authorized to respond to threats to and emergencies involving a court participant, including a juror, witness, or victim.

SB 1005 Unjustified actions; parental rights

Except in "unjustified actions" (defined elsewhere in statute), the court would have been prohibited from granting attorney fees, expenses, or damages to a governmental entity or official for a claim or defense asserted in a suit brought by a parent based on a violation of statutory parental rights. AS VETOED BY GOVERNOR. In her veto message, the Governor said that this bill encourages litigation without consequence, no matter how frivolous.

SB 1008 Court fees; costs; deferral; waiver

The court is required to grant an application for deferral of court fees and costs if an applicant establishes that the applicant has a gross monthly income that is 225 percent or less of the current federal poverty level, increased from 150 percent or less, or if an applicant establishes that the applicant is receiving benefits from the Arizona Health Care Cost Containment System (in addition to other programs previously listed). The court is authorized to waive court fees and costs entirely or in part.

SB 1022 Pedestrians; selling goods; begging; medians

Pedestrians are prohibited from selling goods, soliciting donations, or begging on a painted or raised traffic island or median. The penalty for a first violation is a warning, the second violation is a civil traffic violation, and the third or subsequent violation is a class 1 (highest) misdemeanor.

SB 1024 Public rights-of-way; unlawful acts

A person would have been prohibited from erecting or maintaining in a public street, highway, alley, sidewalk, or other right-of-way any full or partial enclosure for habitation, including a tent, tarp, box, or similar object. Would not have applied to a commercial motor vehicle. AS VETOED BY GOVERNOR. In her veto letter, the Governor stated that this bill does not solve Arizona's housing and homelessness crisis in a meaningful way.

SB 1027 Carfentanil; fentanyl; minors; penalties (Carfentanil; fentanyl; threshold amount; minors)

Would have made various changes to statutes relating to drug offenses. Minimum, presumptive, and maximum sentences for possession for sale, manufacture, administering to

2023 END OF SESSION REPORT

another person, or transporting for sale heroin, carfentanil, fentanyl, or fentanyl mimetic substances would have been established. Would have made it a class 2 (second highest) felony to knowingly manufacture carfentanil, fentanyl, or fentanyl mimetic substances under any circumstance that caused physical injury to a minor who is under 15 years of age.

Manufacturing carfentanil, fentanyl or fentanyl mimetic substances under circumstances that cause physical injury to a minor would have been added to the definition of "dangerous crimes against children." AS VETOED BY GOVERNOR. In her veto message, the Governor expressed concern that this bill would undermine the purpose of Arizona's "Good Samaritan Law" and encouraged the Legislature to send her a narrower bill that focuses on the manufacture of fentanyl.

SB 1029 Marijuana tax; collection; report; enforcement (Felony murder; fentanyl; sentencing)

The list of acts that constitute first degree murder, a class 1 (highest) felony, is expanded to include committing or attempting to commit a narcotics offense involving fentanyl that was committed as part of the person's association with and participation in the conduct of an "enterprise" (defined elsewhere in statute) that is engaged in dealing in illegal drugs, and the person organized, supervised, or financed the enterprise with the intent to promote or further its criminal objectives, and, in the course of the offense or immediate flight from the offense, the person or another person causes the death of any person. AS PASSED SENATE

SB 1037 Superior court commissioner; appointment; qualifications

In any county, instead of only in counties having three or more superior court judges, the presiding judge is authorized to appoint court commissioners to serve at the presiding judge's pleasure. Statute allowing each superior court judge to appoint a court commissioner and establishing the powers of court commissioners is repealed. In counties with fewer than three superior court judges, if sufficient state monies are appropriated, the state and county must each pay one-half of a court commissioner's salary.

SB 1046 Arbitrators; appointment requirements

The list of qualified persons who have volunteered to serve as arbitrators that each superior court is required to maintain must consist of any person who is qualified by training, experience, or credentials as well as attorneys. Before being placed on the list, the court is required to obtain the person's written consent to volunteer as an arbitrator. The court is prohibited from requiring an attorney to serve as an arbitrator.

SB 1058 Law enforcement; polygraph examinations; prohibition

Employers are prohibited from administering a polygraph examination to an applicant for the position of law enforcement officer or to a law enforcement agency volunteer. The requirement for data and reports from a polygraph examination of a law enforcement officer to be destroyed three years after the date of appointment or employment is moved to session law and self-repeals January 1, 2027.

SB 1085 Time limitation; DUI prosecutions

A prosecution for a driving under the influence (DUI) or extreme DUI violation involving a collision that resulted in serious physical injury or death is required to be commenced within two years after actual discovery of the offense by the state or political subdivision having

2023 END OF SESSION REPORT

jurisdiction, or discovery that should have occurred with the exercise of reasonable diligence, whichever occurs first. AS PASSED HOUSE

SB 1088 Identification; traffic violations (Good Samaritan; drug overdose; extension)

A person other than the driver of a motor vehicle is required to provide their true full name and date of birth to a peace officer on request, if the officer has reasonable cause to believe the person has committed a traffic violation. Previously, a person other than the driver was required to provide "evidence of the person's identity" to a peace officer on request. Failure or refusing to provide this information is a class 3 (lowest) misdemeanor. The person cannot be compelled to answer any other inquiry of a peace officer. AS PASSED HOUSE

SB 1092 Attorney discipline; revocation; prohibited basis

The State Bar of Arizona and the Arizona Supreme Court are prohibited from infringing or impeding the political speech rights of any attorney or the attorney's clients by disciplining or revoking an attorney's license for bringing a good faith, nonfrivolous claim that is based in law and fact to court. Establishes penalties for violations. Contains a legislative intent section.

SB 1096 Firearms; contracts; prohibited practices

A "public entity" (defined) would have been prohibited from entering into a contract with a value of \$100,000 or more with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract included a written certification that the company did not, and agreed for the duration of the contract that it would not, "discriminate" against a "firearm entity" or "firearm trade association" (all defined). AS VETOED BY GOVERNOR. In her veto letter, the Governor called the bill unnecessary and expressed concern that it could result in banks leaving Arizona's market, resulting in increased costs for local governments.

SB 1109 Prohibited weapons; muffling device; repeal

For the purposes of the criminal code, a device that is designed, made, or adapted to muffle the report of a firearm would have been removed from the definition of "prohibited weapon." AS VETOED BY GOVERNOR. In her veto message, the Governor stated that legalizing gun silencers, or any other weapon that is currently on the "prohibited weapon" list, will make Arizonans less safe.

SB 1155 Catalytic converters; crime; classification

The criminal classification of the unlawful purchase or sale of a used catalytic converter is increased to a class 6 (lowest) felony, from a class 1 (highest) misdemeanor.

SB 1156 Income tax; subtraction; adoption fees

The maximum amount of the subtraction from Arizona gross income for nonrecurring costs of adoption is increased to \$40,000, from \$3,000, for tax year 2024. Establishes the Adoptive Parent Grant Fund, to be administered by the Department of Child Safety, and used to provide \$1,000 grants to adoptive parents on a first-come, first-served basis beginning January 1, 2025. Appropriates \$4 million from the general fund in FY2023-24 to the Fund. AS PASSED SENATE

SB 1159 Drug paraphernalia; testing; analyzing; repeal

2023 END OF SESSION REPORT

For the purpose of the unlawful use or possession of drug paraphernalia, a class 6 (lowest) felony, testing equipment used to identify or analyze the strength, effectiveness, or purity of drugs is removed from the definition of "drug paraphernalia."

SB 1160 Medical assistance; drugs; prohibited arrest

A person who, in good faith, seeks medical assistance for someone experiencing a drug-related overdose is prohibited from being arrested for the possession or use of a controlled substance or drug paraphernalia or a preparatory offense if the evidence for the violation was gained as a result of the person's seeking medical assistance.

SB 1177 Pulsar manipulation device; prohibited

It is a class 3 (upper mid-level) felony to possess or knowingly use or manufacture a "pulsar manipulation device," defined as a mechanical or electronic device that can manipulate the dispenser meter of a fuel pump.

SB 1187 Public safety investment fund; appropriation

Establishes the Public Safety Investment Fund and appropriates \$45 million from the general fund in FY2023-24 to the Fund.

SB 1192 Appropriation; fentanyl testing strips

Appropriates \$30,000 from the general fund in FY2023-24 to the Arizona Department of Health Services to purchase and distribute fentanyl testing strips to institutions of higher education for availability in health centers located on the campuses of the institutions of higher education.

SB 1199 Wrongful death action; attorney fees

The court is required to award reasonable attorney fees to a plaintiff who prevails in an action for wrongful death against a "long-term care facility" (defined).

SB 1200 Aggravated unlawful flight; law enforcement.

Establishes the crime of aggravated unlawful flight from a pursuing law enforcement vehicle, a class 4 (lower mid-level) felony, if a driver willfully operates a motor vehicle in a manner that endangers the life of another person while attempting to flee or elude a pursuing official law enforcement vehicle. If the violation results in serious physical injury or if the driver was transporting a minor under 15 years of age, the criminal classification is increased to a class 2 (second-highest) felony. A person who is convicted of aggravated unlawful flight is not eligible for probation, pardon, commutation or suspension of sentence, or release on any other basis until the person has served at least four months in prison.

SB 1204 Prisoners; hygiene products

The Arizona Department of Corrections is required to provide to each inmate "basic hygiene products," defined as toothbrushes, toothpaste, shampoo, body soap, deodorant, and laundry detergent.

SB 1207 Fire incident management fund; appropriation.

2023 END OF SESSION REPORT

Establishes the Fire Incident Management Fund, to be administered by the State Treasurer and used to provide hardware and software that enables the statewide deployment of a secure incident management platform to fire and law enforcement agencies, provides a standardized incident command and management platform that meets specified requirements, and provides a collaboration and communications solution that performs a list of specified tasks.

Appropriates \$12.2 million from the general fund in FY2023-24 to the Fund. AS PASSED SENATE

SB 1234 Prohibition; photo radar

State agencies and local authorities would have been prohibited from using a photo enforcement system to identify violators of traffic control devices and speed regulations.

Statutes authorizing and regulating photo enforcement systems would have been repealed. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that photo radar is an important tool for law enforcement that allows for a more efficient allocation of limited police resources.

SB 1253 Sex offender registration; school notification

A person who is required to register as a sex offender and who is the legal guardian of a student at a public or private school would have been required to annually provide a notice of the person's registration status to the principal or administrator of the school within 10 days after the student's enrollment in the school. If the person is on probation, the probation officer would have been required to verify that the school has received the notification. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that state law already outlines requirements for sex offender registration that include notifying school districts, and that the Department of Public Safety is best-equipped to oversee all community notification.

SB 1254 Opioids; containers; labeling; requirements; repeal

The container of a schedule II controlled substance that is an opioid that is directly dispensed by a pharmacist and that is not for the immediate administration to the ultimate user is allowed, instead of required, to have a red cap. AS PASSED HOUSE

SB 1277 Unmanned aircraft; photography; private place (Unmanned aircraft; photography; loitering prohibited)

It would have been a class 6 (lowest) felony to operate or use an unmanned aircraft or unmanned aircraft system to intentionally photograph, record, or otherwise observe another person in a private place where the person had a reasonable expectation of privacy, with some exceptions. AS VETOED BY THE GOVERNOR. In her veto message, the Governor stated that statute already protects Arizonans from the types of privacy violation that the sponsor is targeting, and that this bill would negatively affect and restrict the important work of journalists, telecommunication providers, and insurance providers in Arizona.

SB 1295 Public nuisance; immunity; domestic violence

A person is immune from committing public nuisance, a class 2 (mid-level) misdemeanor, if, in the course of committing the public nuisance, the person is, has been, or is about to become a victim of domestic violence.

2023 END OF SESSION REPORT

SB 1301 Misconduct investigations; time limit; applicability (Law enforcement investigations; applicability)

If an employer received notice of an allegation of employee misconduct by a person authorized by the employer to initiate an investigation of the misconduct before September 24, 2022, the employer is required to complete the investigation within one year after the effective date of this legislation or the investigation is dismissed. Some exceptions, including for investigations that are suspended during a criminal investigation or prosecution in connection with an allegation of law enforcement officer misconduct. Self-repeals January 1, 2025. AS PASSED HOUSE

SB 1309 Aggravated unlawful flight; law enforcement

Establishes the crime of aggravated unlawful flight from a pursuing law enforcement vehicle, a class 4 (lower mid-level) felony, if a driver willfully operates a motor vehicle in a manner that recklessly endangers the life of another person while attempting to fee or elude a pursuing official law enforcement vehicle that is appropriately marked or that is unmarked but the driver knows or should have known that the vehicle was an official law enforcement vehicle. If the violation results in serious physical injury, if the driver was transporting a minor under 15 years of age, or if the driver was driving under the influence at the time of the offense, the criminal classification is increased to a class 2 (second-highest) felony. A person who is convicted of aggravated unlawful flight is not eligible for probation, pardon, commutation or suspension of sentence, or release on any other basis until the person has served at least four months in prison. AS PASSED SENATE

SB 1313 General plan; transportation; independent study

Municipal general plans are prohibited from including transportation or land use policies or projects that reduce overall system capacity of motor vehicle traffic. If a general plan includes a reduction in the level of service of any arterial street, the municipality is required to conduct an independent study on the impact on emergency vehicle response times. Municipal general plans for municipalities with a population of 50,000 persons or more are no longer required to include a bicycling element consisting of proposed bicycle facilities. AS PASSED SENATE

SB 1331 Schools; parents; firearm possession

The governing board of an educational institution would have been prohibited from adopting or enforcing any policy or rule that restricted or prohibited the parent or legal guardian of a student of the educational institution from carrying or transporting a firearm on the property of and in an educational institution if the parent or legal guardian possessed a valid concealed weapons permit. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that it is not prudent to allow parents to carry concealed weapons on school campuses, and that firearms on campus have the potential to confuse law enforcement as they arrive at an active shooter situation.

SB 1339 Justification; deadly physical force exceptions

A person is not justified in threatening or using deadly physical force against another if the person either leaves a place of safety and actively pursues the other person who is engaged in a lawful activity, or pursues the other person after a law enforcement officer requests that the person retreat to a place of safety.

2023 END OF SESSION REPORT

SB 1366 Health professionals; pregnant women; information (Technical correction; emergency interception.)

Each licensed physician, nurse practitioner, and physician assistant is required to inform a patient who is pregnant and whose visit with the professional is related to the pregnancy of a list of specified information relating to abortion and public services to assist her with prenatal care, childbirth, and care after the birth of the child. AS PASSED SENATE

SB 1377 Civil air patrol; appropriation (Public safety equipment; technical correction)

Appropriates \$10 million from the general fund in FY2023-24 to the Department of Public Safety for civil air patrol infrastructure. AS PASSED SENATE

SB 1415 Parents' rights; violation; felony

A person who violates a parents' right to direct the upbringing, education, health care, and mental health of their children, or any of the listed rights in the parents' bill of rights, is guilty of a class 6 (lowest) felony.

SB 1418 Religious; political beliefs; adverse actions (Attorneys; court professionals; discipline; juries)

A "government agent" (defined) is prohibited from initiating, taking, conducting, assisting, or participating in an "adverse action" (defined as a criminal or civil investigation, prosecution, or similar proceeding) against any natural person if a substantial motivation for the government agent's decision to do so is motivated by an "unlawful animus" (defined as a disagreement with or dislike of a person's religious or political beliefs, positions, associations, or expression), even if that natural person would otherwise properly be the subject of the adverse action. No court in Arizona has jurisdiction over an adverse action brought in violation of this prohibition. All judgments and decisions rendered in violation of this prohibition shall be deemed unenforceable and invalid. Any evidence obtained pursuant to a search or seizure that is in violation of this prohibition is inadmissible in any administrative, civil or criminal proceeding. An arrest that is made in violation of this prohibition is invalid. If a government agent violates this prohibition, the person whose rights are violated is authorized to bring a cause of action in state or federal court against both the government agent and the government entity that employs or contracts with the government agent, except that the state is not subject to a suit in federal court. AS PASSED SENATE

SB 1419 - Court opinions; searchable database

The Arizona Supreme Court is required to make available to the public and post on its website all published Supreme Court and court of appeals opinions. Each posted opinion is required to be searchable by word and contain a notation that provides the current status of the opinion, including whether the opinion is still valid or has been modified or overturned, in whole or in part, by a different opinion or by a federal court. All courts of record, justice courts, and municipal courts are required to include a link to the searchable database on each court's public website.

SB 1429 Civil action; preliminary hearing

In every civil action, the court is required to conduct a preliminary hearing within 30 days after all of the parties in the case are served with notice of the lawsuit and the complaint. The court

2023 END OF SESSION REPORT

is allowed to waive the preliminary hearing on the agreement of all parties in the case. At the preliminary hearing the court is required to determine if the plaintiff has alleged a valid claim and whether the claim is based on sufficient and relevant evidence for the case to proceed. If a party has filed a motion to dismiss, the court is also required to issue a ruling on the motion to dismiss no later than the date of the preliminary hearing. AS PASSED SENATE

SB 1431 Right to jury; parent-child relationship

A party has a right to a trial by jury and that right cannot be arbitrarily denied. The court is required to provide written notice of the right to a trial by jury, and if the court fails to provide the notice, any subsequent proceedings or rulings do not have the force of law. If a party believes that the party's rights have been substantially violated by the orders of the court and files a jury demand with the court within 20 days after the court's orders were filed, the court is required to set a new hearing before a jury within 20 days after the demand is filed. For all jury trials relating to child welfare, the state is required to "convince at least seven or eight jurors that there is clear and convincing evidence that sufficient danger exists and that the state is compelled to remove children from their families." The right to a jury trial is required to commence 30 days after the state has removed or seized the child. Applies to matters before the court for a preliminary protective hearing or any other hearing for the termination of the parent-child relationship. The remedies prescribed in this legislation are available only to the people and not to any state agency. Effective January 1, 2024. AS PASSED SENATE

SB 1435 Attorney licensing; supreme court

The Arizona Supreme Court is required to license attorneys for the practice of law in Arizona. The Arizona Supreme Court cannot require an attorney to be a member of any organization to become or remain licensed. AS PASSED HOUSE

SB 1455 Office vacancy; discharge of duties

A public office would have been deemed vacant if the person holding the office ceased to discharge the duties of office for a period of 45 consecutive days, instead of 3 consecutive months. Would not have applied to a legislative office. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that she does not believe these changes are needed at this time.

SB 1583 Internet sex offender website; offenses

Modifies the list of offenses that cause an offender to be placed on the internet sex offender website by increasing the maximum age of the victims of various offenses and requiring a level one offender to have been 18 years of age or older at the time of the offense. Applies to a person who is convicted of or adjudicated guilty except insane for an offense that requires registration as a sex offender that was committed before, on or after the effective date of this legislation. The Department of Public Safety is not required to include the name and information of an offender on the internet sex offender website until January 1, 2024 if the offender was convicted of an offense that requires registration as a sex offender before the effective date of this legislation. AS PASSED SENATE

SB 1588 Criminal justice data base collection; system

The Arizona Criminal Justice Commission is required to implement the state, county and municipal online data system. The Commission is required to publish the data system on the

2023 END OF SESSION REPORT

Commission's website in an electronic format that is accessible to the public. Unless prohibited by any other law, criminal justice agencies in Arizona approved by the Commission as ready to report are required to submit specified data into the system. The Commission is required to establish policies to protect confidential information. Appropriates \$4.7 million in FY2023-24, \$4.8 million in FY2024-25, and \$4.8 million in FY2025-26 from the general fund to the Commission to implement the data system

SB 1624 Child abuse; investigation protocols

Department of Child Safety protocols for the investigation of child abuse allegations involving criminal conduct must include procedures and recommendations for the use of a "children's advocacy center" (defined) for the investigation, prosecution, and treatment of child abuse.

SB 1632 Inmate telephone service contracts

The Arizona Department of Corrections (ADC) is prohibited from entering into a contract or agreement for inmate telephone system services that allows ADC to accept or receive revenue in excess of ADC's reasonable operating cost for establishing and administering the inmate telephone system services.

SB 1644 Landlord tenant; early termination; violence

The list of documents that a tenant may provide to a landlord along with written notice that the tenant is terminating a rental agreement without incurring early termination penalties or fees is expanded to include a copy of a written statement from a "qualified third party" (defined) that the tenant was a victim of domestic violence or sexual assault.

Transportation

New Laws

HB 2288 (Chapter 107) Roundabouts; right-of-way; large vehicles

The operator of a vehicle or combination of vehicles with a total length of a least 40 feet or a total width of at least 10 feet may deviate from the lane in which the operator is driving to the extent necessary to approach and drive through a roundabout. Other vehicles are required to yield the right of way to these vehicles driving through a roundabout at the same time or so closely in time as to present an immediate hazard. The Arizona Department of Transportation (ADOT) or local jurisdiction is required to post at least one of either a yield sign before a roundabout entrance or a standard sign designed by ADOT that conveys that large trucks have the right-of-way or that vehicles should yield to large trucks in a roundabout.

HB 2292 (Chapter 175) Transportation; vehicle sales; license providers (Motor vehicle dealers; sales; cancellation)

If a motor vehicle dealer and a purchaser elect to rescind or cancel the sale of a motor vehicle within 30 days after the date of the title application, the dealer is required to document the rescission or cancellation of the sale, and on receipt of specified documentation, return all fees, taxes, and other monies to the rightful parties as prescribed by the Arizona Department of Transportation (ADOT). Within 7 days after receiving documentation of a rescission or cancellation of sale, ADOT is required to rescind, cancel, or revoke an application for a certificate of title or any issued certificate of title, and refund any fees and taxes paid to the motor vehicle dealer. A rescission or cancellation does not negate that the motor vehicle has been the subject of a previous retail sale. Effective January 1, 2024.

HB 2298 (Chapter 84) Planned community authority; public roadways

If a planned community for which the declaration was recorded before January 1, 2015 regulates any roadway for which the ownership is held by a governmental entity, the existing regulations continue in effect until the planned community, by June 30, 2025, holds a vote of the membership on the question of whether to continue to regulate public roadways and a majority of a quorum of the membership of the community votes to continue regulating public roadways. If the vote fails or the planned community does not hold a vote by June 30, 2025, the planned community no longer has authority to regulate the public roadways in the planned community and any existing regulations expire. Does not apply to one-way streets or to any privately owned roadways.

SB 1097 (Chapter 30) Truck routes; designation

For ordinances or resolutions enacted on and after January 1, 2020, the Arizona Department of Transportation (ADOT) or a local authority may only restrict or prohibit a "vehicle of legal size" (defined) from operating on a highway that is a "major arterial street" (defined) and that connects two or more local jurisdictions if ADOT or the local authority conducts a test drive or applies a vehicle template on the highway that shows that a vehicle of a legal size may not safely operate on the highway. A highway that does not have a "truck restriction" (defined) before being annexed by a local authority cannot be incorporated into an existing truck restriction that is passed on or after January 1, 2020 unless the highway meets the criteria in this legislation. A local authority that passed an ordinance on or after January 1, 2020 that is

2023 END OF SESSION REPORT

inconsistent with these provisions is required to repeal or amend the ordinance to comply with this act within 90 days after the effective date or the ordinance is invalid.

SB 1098 (Chapter 189) Truck routes; signage

If the Arizona Department of Transportation (ADOT) or a local authority prohibits the operation of trucks or other commercial vehicles or imposes limitations as to the weight of vehicles on designated highways, the signs that ADOT or the local authority is required to place on the highway must be placed near every intersection or junction with a traffic control device along designated highways, must inform the public of the restrictions, and must either direct the public to the fastest route to leave a restricted route or inform the public of the distance that the route is restricted. Beginning January 1, 2024, the restrictions are unenforceable on restricted routes if ADOT or the local authority fails to erect or maintain the signs according to these requirements.

Bills that Failed

Tracking List: Transportation

H B2004 Vehicle accidents; financial responsibility

When the Arizona Department of Transportation (ADOT) verifies the financial responsibility of the owner of a motor vehicle involved in an accident in Arizona, ADOT cannot suspend the driver license or registration privilege of the person appearing as the registered owner of the vehicle in ADOT records if the person is able to provide proof the vehicle was sold before the accident "occurred," instead of before "the date of the accident."

HB 2013 Transportation tax; deposit; regional fund

Interest earned on net revenues collected from a county transportation excise tax that are not distributed or refunded pursuant to existing statute, including interest earned on those revenues, are required to be deposited in the same funds that the net revenues are required to be deposited in.

HB 2080 Emergency alert technology; vehicles; devices

Beginning January 1, 2025, all new motor vehicles and portable wireless communication devices sold in Arizona are required to contain "emergency alert technology" (defined).

HB 2107 Appropriation; SR 303; Route 60

Appropriates \$3 million from the general fund in FY2023-24 to the Arizona Department of Transportation for improvements to the interchange at State Route 303 and U.S. Route 60.

HB 2222 Driver license fees; homeless exemption

The fees for driver licenses and nonoperating identification licenses do not apply to any person who does not have a residence address or whose residence address is the address of a homeless shelter. The Arizona Department of Transportation (ADOT) is authorized to enter into an agreement with a charitable organization that works to end and prevent homelessness in Arizona to help persons acquire replacement personal identification documents at no cost to them, and enable persons to have secure personal identification document storage. Appropriates \$1 million from the State Highway Fund in FY2023-24 to the newly

2023 END OF SESSION REPORT

established Personal Identification Document Fund and is appropriated from the Fund to ADOT.

HB 2252 Motor vehicle manufacturers; TPT; exemption

Establishes a special 30-day nonresident registration permit (30-day Permit) as a type of required registration that a nonresident may obtain from a motor vehicle dealer for purchasing an unregistered vehicle in Arizona for removal to the purchaser's state of residence. Outlines requirements of motor vehicle dealers for the issuance of the 30-day Permit. Prescribes transaction privilege tax (TPT) requirements for the sale of a motor vehicle to a nonresident that secures a 30-day Permit. AS VETOED BY GOVERNOR. In her veto letter, the Governor stated that this bill has the protentional for unintended consequences form this legislation that would have significant fiscal impact on Arizona.

HB 2277 Appropriation; railway safety inspectors

Appropriates \$197,400 from the general fund in FY2023-24 to the Arizona Corporation Commission to fund two railway safety inspectors.

HB 2356 Railroads; annual safety inspections.

The Arizona Corporation Commission (ACC) is required to conduct annual safety inspections of all railroads and railroad tracks in Arizona. Appropriates \$196,000 and two FTE positions from the general fund in FY2023-24 to the ACC for railroad safety inspectors.

HB 2357 Broadband; internet protocol services; commission.

The Arizona Corporation Commission (ACC) is required to oversee broadband service and voice over internet protocol service. The ACC is required to adopt rules to implement this requirements, and requirements for the rules are listed.

HB 2417 HOV lane; pregnant drivers

For the purpose of using the high occupancy vehicle (HOV) lane, a pregnant woman qualifies as two persons and cannot be cited for a violation of driving in the HOV lane without carrying two or more passengers if the pregnant woman or her health care professional submits documentation to the Arizona Department of Transportation confirming the pregnancy.

HB 2419 Moving violations; injured pedestrians; penalties

Increases the penalty for causing serious physical injury or death by a moving traffic violation if the violation results in death to a pedestrian, motorcycle operator, or bicyclist to at least one year suspension of the person's driving privilege, instead of 180 days to one year, for a first violation, and to at least 18 months' suspension of the person's driving privilege, instead of one year, for a second violation. Increases the criminal classification for causing serious physical injury or death by a moving traffic violation if the violation results in serious physical injury to a pedestrian, motorcycle operator, or bicyclist, to a class 6 (lowest) felony, instead of a class 1 (highest) misdemeanor, subject to a fine of at least \$1,500 and at least 30 days of house arrest. Increases the criminal classification for causing serious physical injury or death by a moving traffic violation if the violation results in the death of a pedestrian, motorcycle operator, or bicyclist, to a class 5 (second-lowest) felony, instead of a class 1 (highest) misdemeanor, subject to a fine of at least \$5,000 and at least 180 days of house arrest.

HB 2447 TPT; exemption; motor vehicle manufacturers

A vehicle manufacturer or new vehicle dealer that is owned, operated or controlled by the manufacturer or one of its affiliates or subsidiaries is authorized to issue a special ten day nonresident registration permit in order to deliver a vehicle to a nonresident purchaser. The maximum number of these permits that a manufacturer or new dealer may issue in FY2023-24 is 500, and the maximum number will increase by 10 percent each fiscal year after. The list of exemptions from transaction privilege taxes is modified to include sales of motor vehicles to nonresidents if the motor vehicle is sold to a nonresident purchaser who has obtained a special ten day nonresident registration permit. Applies to taxable periods beginning on or after the first day of the month following the effective date of this legislation.

HB 2453 Appropriation; widening; I-10.

Appropriates \$360 million from the general fund in FY2023-24 to the Arizona Department of Transportation (ADOT) to widen Interstate 10 between Chandler and Casa Grande. ADOT is required to use the monies for construction-related activities, including drawing down federal matching monies for the project.

HB 2526 Railroads; annual safety inspections

The Arizona Corporation Commission is required to conduct annual safety inspections of all railroads and railroad tracks in Arizona. AS PASSED HOUSE

HB 2543 Appropriations; greater Arizona transportation projects

Appropriates a total of \$331.07 million from the general fund in FY2023-24 to the Arizona Department of Transportation for 93 specified highway and road projects designated as regional priorities by the Greater Arizona Councils of Government and Metropolitan Planning Organizations. AS PASSED HOUSE

HB 2602 Railroads; telecommunications corporations; wire-crossing agreements

A telecommunications corporation that intends to place a line, wire or cable across a railroad right-of-way is required to request the railroad's permission for the placement by applying for a binding wire-crossing agreement. The railroad is required to approve an application within 35 days unless the railroad provides notice to the telecommunications corporation that the proposed crossing is a serious threat to the safe operations of the railroad, or to the current or future use of the railroad right-of-way, or would violate any applicable federal law. If a telecommunications corporation places a line, wire or cable across a railroad right-of-way, the telecommunications corporation is required to pay the railroad a onetime standard crossing fee of \$1,250 for each applicable crossing and is required to reimburse the railroad for any actual flagging expenses associated with placing the line, wire or cable. Some exceptions.

HB 2633 Maricopa county transportation excise tax

If approved by the voters at a countywide election, a county with a population of 3 million or more persons (Maricopa) is required to levy a tax of up to ten percent of the transaction privilege tax rate as of January 1, 1990. The tax levied will be in effect for 20 years. Specifies the distribution of net revenues from the tax levy, with 45 percent of revenues distributed to the Regional Area Road Fund for freeways and other routes in the state highway system, 35 percent of revenues distributed to the Regional Area Road Fund for major arterial streets, and

2023 END OF SESSION REPORT

20 percent of revenues to the Public Transportation Fund for capital costs, maintenance and operation of public transportation mode classifications and capital costs and utility relocation costs associated with the light rail system. Beginning January 1, 2026, a regional public transportation authority is established in a county with a population of 3 million or more persons that approves a county transportation excise tax. Much more. Severability clause.

HB 2665 Railroad grade crossing; on-track equipment

Statute regulating railroad grade crossings during the approach of a railroad train are expanded to apply to the approach of on-track equipment.

SB 1003 Traffic violations; identification

A person other than the driver of a motor vehicle is required to provide their full name, date of birth, and residence address to a peace officer on request, if the officer has reasonable cause to believe the person has committed a traffic violation. Previously, a person other than the driver was required to provide "evidence of the person's identity" to a peace officer on request.

SB 1022 Pedestrians; selling goods; begging; medians

Pedestrians are prohibited from selling goods, soliciting donations, or begging on a painted or raised traffic island or median. The penalty for a first violation is a warning, the second violation is a civil traffic violation, and the third or subsequent violation is a class 1 (highest) misdemeanor.

SB 1024 Public rights-of-way; unlawful acts

A person would have been prohibited from erecting or maintaining in a public street, highway, alley, sidewalk, or other right-of-way any full or partial enclosure for habitation, including a tent, tarp, box, or similar object. Would not have applied to a commercial motor vehicle. AS VETOED BY GOVERNOR. In her veto letter, the Governor stated that this bill does not solve Arizona's housing and homelessness crisis in a meaningful way.

SB 1035 Sidewalks; scooters; bicycles; fifteen mph

A person is prohibited from operating an electric bicycle, electric miniature scooter, electric standup scooter, or a device moved by human power on a sidewalk at a speed exceeding 15 miles per hour.

SB 1099 Progressive design-build; ADOT

The Arizona Department of Transportation (ADOT) is authorized to use the "progressive design-build" (defined) method of project delivery on a project if ADOT determines that it is appropriate and in ADOT's best interests. ADOT is prohibited from commencing any progressive design-build project after December 31, 2025. Progressive design-build services and construction services are added to statutes governing contracts for construction-manager-at-risk construction services and job-order-contracting construction services.

SB 1100 All-terrain vehicles; definition

The maximum unladen weight of an all-terrain vehicle would have been increased to 3,500 pounds, from 2,500 pounds. AS VETOED BY GOVERNOR. In her veto message, the Governor encouraged the Legislature to work with her administration to explore current

2023 END OF SESSION REPORT

challenges with off-highway vehicles and recommend mitigation strategies before increasing weight limits.

SB 1101 Authorized third parties; ADOT (ADOT; authorized third parties; CDLs)

Third party driver license providers authorized by the Arizona Department of Transportation (ADOT) would have been allowed to perform administrative functions only or testing functions only, instead of only both administrative and testing functions. ADOT would have been disallowed from prohibiting an authorized third party from printing an electronic certificate of title or a registration tab or windshield sticker. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that allowing authorized third parties to print security-enhanced certificates of title and registration tab stocks outside of ADOT's central distribution model poses a significant public safety risk.

SB 1116 Political signs; public roadways; prohibition

A person is prohibited from placing a political sign in or on the right-of-way of a public road.

SB 1122 Transportation tax; election; Maricopa county

If approved by the voters at a countywide election, a county with a population of 3 million or more persons (Maricopa) is required to levy a tax of up to ten percent of the transaction privilege tax rate as of January 1, 1990. The tax levied will be in effect for 15 years. Specifies the distribution of net revenues from the tax levy, with 80 percent of revenues distributed to the Regional Area Road Fund for freeways and other routes in the state highway system, and 20 percent of revenues distributed to the Regional Area Road Fund for major arterial streets. Beginning January 1, 2026, a regional public transportation authority is established in a county with a population of 3 million or more persons that approves a county transportation excise tax.

SB 1123 Towing companies; abandoned vehicles; fee

Establishes fees for abandoned vehicles instead of allowing the Director of the Department of Transportation to prescribe fee amounts by rule. Repeals the Abandoned Vehicle Administration Fund and requires abandoned vehicle fees to be deposited in the State Highway Fund.

SB 1129 Median barriers; study committee

Establishes a 15-member Interstate Barrier Median Expansion Study Committee to examine the feasibility of installing median barriers and public safety alternatives throughout highways, interstates, and state routes in Arizona. The Committee is required to submit a report of its activities and recommendations to the Governor and the Legislature by December 15, 2023, and self-repeals October 1, 2024.

SB 1198 Restored salvage vehicle titles; inspections

If an applicant demonstrates to the satisfaction of the Arizona Department of Transportation (ADOT) that it is not practical for ADOT to perform a level three inspection of a salvage vehicle, ADOT may authorize an entity to conduct the inspection for a restored salvage certificate of title if the entity completes an application and meets statutory requirements. Any entity authorized by ADOT is prohibited from having a financial interest in the sale of any vehicle certified by the entity. AS PASSED SENATE

2023 END OF SESSION REPORT
SB 1245 VLT; cities and towns; counties

Counties and municipalities are required to use vehicle license tax monies for purposes related to transportation.

SB 1246 Election; transportation tax; Maricopa County (Electronic certificates of title)

If approved by the voters at a countywide election, beginning January 1, 2026, a county with a population of 3 million or more persons (Maricopa County) is required to levy a tax of up to 8.6 percent of the transaction privilege tax rate as of January 1, 1990. The tax levied will be in effect for 20 years. Specifies the distribution of net revenues from the tax levy, with 53.5 percent of revenues distributed to the Regional Area Road Fund for freeways and other routes in the state highway system, 18.5 percent of revenues distributed to the Regional Area Road Fund for major arterial streets and regional programs, and 28 percent to the Public Transportation Fund for capital costs, maintenance, and operation of public transportation mode classifications. Revenue collected from the tax is prohibited from being used for any light rail, commuter rail, street cars, or trolleys, and from being spent on any project that will result in a reduction in existing lane miles on a street or roadway, with some exceptions. If approved by the voters at a countywide election, beginning January 1, 2026, a county with a population of 3 million or more persons (Maricopa County) is required to levy a tax of up to 1.3 percent of the transaction privilege tax rate as of January 1, 1990. The tax levied will be in effect for 20 years. Net revenues from the tax levy are distributed to the Public Transportation Fund for capital costs, maintenance, and operation of public transportation modes and capital costs and utility relocation costs associated with light rail public transit systems. Revenue collected from the tax is prohibited from being used for any light rail extension or commuter rail, street cars, or trolleys, and from being spent on any project that will result in a reduction in existing land miles on a highway or state highway, with some exceptions. Public monies, including the transportation excise tax monies, are prohibited from being used to extend light rail between 7th Avenue and 19th Avenue and Adams Street and Jefferson Street in Phoenix. Session law outlines requirements for an election on the transportation excise taxes authorized by this legislation, including election dates, ballot format, and publicity pamphlet requirements. Beginning January 1, 2026, a regional public transportation authority is established in a county with a population of 3 million or more persons that approves a county transportation excise tax. Establishes requirements for the public transportation element of the regional transportation plan, including performance standards for bus routes. The state, counties, municipalities, and political subdivisions are prohibited from restricting the use or sale of a device based on the energy source used to power the device or that is consumed by the device. The speed limit for all types of motor vehicles is at least 65 miles per hour on the interstate system highways located in a county with a population of 3 million or more persons (Maricopa County). Modifies the membership of the Regional Planning Agency Transportation Policy Committee. Contains a legislative intent section. Severability clause. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this legislation fails to meet every day needs of Arizonans by having a minority of leaders unilaterally crafted a plan going against the public's desires and weaponized the very roads on which everyday Arizonans rely to get to work and improve their transits experience. Moreover, this regressive plan jeopardizes not only Maricopa County's economic vitality, but that of the entire state, setting Arizona back for decades.

SB 1286 Telecommunications fund; report; posting

2023 END OF SESSION REPORT

The Director of the Arizona Department of Administration (ADOA) is required to post the annual report on the Telecommunications Fund on the ADOA website.

SB 1312 Vehicle mileage; tracking; tax; prohibitions

This state, counties, municipalities, and political subdivisions are prohibited from establishing vehicle miles of travel reduction goals or targets in developing any transportation or land use planning or selecting transportation or transit projects. This state, counties, municipalities, and political subdivisions are prohibited from tracking or maintaining a record of a person's vehicle miles of travel. This state, counties, municipalities, and political subdivisions are prohibited from imposing or collecting any mileage fee or tax, a per-mile charge, fee or tax or any tax or fee based on vehicle miles traveled by an individual in a motor vehicle.

SB 1313 General plan; transportation; independent study

Municipal general plans are prohibited from including transportation or land use policies or projects that reduce overall system capacity of motor vehicle traffic. If a general plan includes a reduction in the level of service of any arterial street, the municipality is required to conduct an independent study on the impact on emergency vehicle response times. Municipal general plans for municipalities with a population of 50,000 persons or more are no longer required to include a bicycling element consisting of proposed bicycle facilities. AS PASSED SENATE

SB 1314 Transportation system performance; ADOT

The list of variables that the Arizona Department of Transportation (ADOT) Transportation Planning Division is required to include in the standard transportation system performance factors that the Division presents to the State Board of Transportation is expanded to include congestion reduction, safety improvements, and mobility. The Division is required to develop methods to measure each performance factor quantitatively. The Division is prohibited from adopting a motor vehicle travel mile reduction target or any other demand management policy or project.

SB 1388 Transportation funding; pilot program; appropriation

The Arizona Department of Education (ADE) is required to establish a Transportation Funding Pilot Program to provide per pupil weighted transportation funding to school districts that participate in the program. ADE is required to establish policies and procedures for school districts to apply to participate in the program. During any year in which a school district participates in the program, the school district is prohibited from including the transportation revenue control limit in its revenue control limit, and from including the transportation support level in its district support level. ADE is required to develop support level weights for transportation costs that exceed basic per pupil funding. Appropriates \$50 million from the general fund in FY2023-24 to ADE for the Program.

SB 1393 Off-highway vehicle user fees

Establishes the Off-Highway Vehicle Law Enforcement Safety Fund (OHVLES Fund), to be administered by the State Treasurer and distributed in specified percentages to each of the county sheriff's offices. Of the user fees collected from off-highway vehicle use indicia, 30 percent must be deposited in the OHVLES Fund, instead of in the Arizona Highway User Revenue Fund.

2023 END OF SESSION REPORT
SB 1412 Motorcycle lane splitting repeal

The operator of a motorcycle is no longer allowed to overtake and pass another vehicle that is stopped in the same direction of travel and in the same lane as the operator and is no longer allowed to operate the motorcycle between lanes of traffic in specified conditions.

SB 1468 Motor vehicles; headlights; prohibition

A motor vehicle, including a motorcycle, an all-terrain vehicle, and a motor driven cycle, is prohibited from being equipped with a xenon gas bulb or a high-intensity discharge light-emitting diode head lamp. Applies to a motor vehicle when it is manufactured and to aftermarket motor vehicle products.

SB 1505 Election; Maricopa transportation excise tax

If approved by the voters at a countywide election, beginning January 1, 2026, a county with a population of 3 million or more persons (Maricopa) is required to levy a tax of up to ten percent of the transaction privilege tax rate as of January 1, 1990. The tax levied will be in effect for 25 years. Specifies the distribution of net revenues from the tax levy, with 37.4 percent of revenues distributed to the Regional Area Road Fund for freeways and other routes in the state highway system, 22.2 percent of revenues distributed to the Regional Area Road Fund for major arterial streets, and 40.4 percent to the Public Transportation Fund for capital costs and utility relocation costs associated with light rail and other public transportation. Beginning January 1, 2026, a regional public transportation authority is established in a county with a population of 3 million or more persons that approves a county transportation excise tax. Much more. Severability clause.

SB 1580 State parks; heritage fund; lottery

Of the monies remaining in the State Lottery Fund each fiscal year after statutory appropriations and deposits and after the \$10 million deposit in the Game and Fish Commission Heritage Fund, \$10 million must be deposited in the Arizona State Parks Board Heritage Fund.

SB 1697 Highways; bicycle paths; walkways; prohibition

The Arizona Department of Transportation (ADOT) is prohibited from accepting federal monies to pay for the construction, maintenance or expansion of a highway or state route if the acceptance of the federal monies is conditioned on the design and construction of a bicycle path or pedestrian walkway as a component of the highway or state route. ADOT cannot plan, design or construct bicycle paths or pedestrian walkways that are parallel to and separate from a highway or state route. Applies to a highway or state route that exists before, on or after the effective date of this legislation.

New Laws

HB 2022 (Chapter 166) Water; report; fees; levee (Water resources; annual report)

The deadline for the Arizona Department of Water Resources (ADWR) to provide the Governor and the Legislature with an annual operations report is moved to August 15 of each year, from July 1. The report must be made available to the public on the ADWR website. Modifies the FY2023-24 general appropriations act to require the Water Infrastructure Finance Authority to distribute monies in the Little Colorado River levee line item to Navajo County, instead of the City of Winslow, to reconstruct the Little Colorado River levee. Requires the Arizona Department of Water Resources to reduce specified application fees to no more than \$100 per application. Emergency clause.

HB2215 (Chapter 59) Hazardous waste manifest resubmittals; fees

Repeals statute allowing the Arizona Department of Environmental Quality to return an improperly completed manifest for a shipment of hazardous waste to the person who prepared the manifest and require the person to complete and resubmit the manifest, and eliminates the fee of \$20 for resubmittal of the manifest

HB 2438 (Chapter 75) Board of supervisors; powers; water

County boards of supervisors are authorized to participate in water reuse and recycling programs and regional wastewater recharge projects and related infrastructure

HB 2439 (Chapter 78) Vehicle emissions inspections; enactment date

Modifies the conditional enactment for statute modifying vehicle emissions testing requirements to require the U.S. Environmental Protection Agency to approve the proposed modifications by July 1, 2027, instead of July 1, 2023. Emergency clause.

HB 2443 (Chapter 76) Navigable stream adjudication commission; extension

The statutory life of the Arizona Navigable Stream Adjudication Commission is extended four years to through June 30, 2028.

HB 2590 (Chapter 77) Seller disclosure; water; solar; batteries (Real estate disclosures; water; solar)

If property being sold is served by a water supply that requires the transportation of water to the property, the seller's affidavit of disclosure is required to disclose the contact information of the water hauling company providing those services and the name and location of the water supply from which the water is being transported. A seller's affidavit of disclosure is required to include whether or not the property has battery energy storage devices that are leased or owned, and if leased, the contact information of the leasing company. A seller's affidavit of disclosure is also required to include a statement that it is unlawful to attempt to avoid land division regulations by acting in concert to divide a parcel of land into six or more parcels. An applicant to split a parcel of land must include an affidavit or similar document signed under oath by the applicant acknowledging that the applicant is aware that it is unlawful to attempt to avoid land division regulations by acting in concert to divide a parcel of land into six or more parcels. The penalty for violating land division regulations is increased to \$2,000 for each infraction, from \$1,000 for each infraction.

HB 2669 (Chapter 167) Prohibition; biosolids; land application (Solid waste; sludge; water quality)

2023 END OF SESSION REPORT

The Director of the Arizona Department of Environmental Quality must require any land application of a substance that contains sewage or septage to comply with Sewage Sludge Program rules. A biosolid combined with a solid waste is required to be regulated as a solid waste.

HCM 2008 Air quality; ozone standards; opposing

The Legislature urges the Biden Administration and the U.S. Congress to stop the United States Environmental Protection Agency from imposing penalties on Arizona to comply with an ozone standard that is impossible to attain through any of the control measures being considered. The Secretary of State is directed to transmit copies of this memorial to the President of the U.S., the President of the U.S. Senate, the Speaker of the U.S. House, and each member of Congress from Arizona.

SB 1390 (Chapter 197) Water infrastructure finance authority; amendments

Various changes to statutes relating to the Water Infrastructure Finance Authority (WIFA). WIFA is not a public service corporation subject to regulation by the Arizona Corporation Commission. The WIFA Board is authorized to prescribe the terms and conditions of the Director's and staff's employment as necessary, and is required to adopt written policies and guidelines regarding employee compensation and leave. WIFA employees may participate in the Arizona State Retirement System. The definition of "eligible entity" for loans from the Water Supply Development Revolving Fund is modified to mean a water provider that distributes or sells water outside of the boundaries of an initial active management area in which part of the Central Arizona Project aqueduct is located, instead of outside of the boundaries of an active management area located in Maricopa, Pima, or Pinal County. More. Emergency clause.

Bills that Failed

Tracking List: Water/Environmental Resources

HB 2026 Appropriation; on-farm efficiency fund

Appropriates \$30 million from the general fund in FY2023-24 to the On-Farm Irrigation Efficiency Fund.

HB 2048 Assured water; small residential developments

A person seeking a building permit for six or more residences within an active management area in an unincorporated area of a county is required to obtain a certificate of assured water supply from the Department of Water Resources before presenting the permit application for approval to the county. Does not apply if the applicant has obtained a written commitment of water service for the residences from a municipal or private water company designated as having an assured water supply.

HB 2056 Dry washes; permit program exemption

For the purpose of water quality control statutes, a dry wash, arroyo, swale, gully or rill, or other similar erosional feature that is characterized by low volume, infrequent, or short duration flows would not be defined as a water of this state, WOTUS, or protected surface water and would have been exempt from the Dredge and Fill Permit Program. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill creates regulatory confusion by forcing an unnecessary conflict between state law and the federal determination of WOTUS.

HB 2164 Subsequent irrigation; non-expansion areas; procedures

The circumstances that must exist for the Director of the Department of Water Resources to designate an area that is not included in an active management area as a subsequent irrigation non-expansion area are modified to include that there is insufficient groundwater to provide a "reasonably safe supply for irrigation" (defined) of the cultivated lands in the area at the reasonable projected rates of withdrawal, instead of at the current rates of withdrawal. In making the determination, the Director is allowed to consider credible evidence that indicates likely future changes to rates of withdrawal. Also modifies the procedure for the designation of a subsequent irrigation non-expansion area initiated by petition.

HB 2165 Adequate water supply; statewide requirements

Counties and municipalities are authorized to approve a subdivision plat only if the subdivider has obtained a water report from the Arizona Department of Water Resources (ADWR) that there is an adequate water supply for the subdivision or the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply. The State Real Estate Commissioner is authorized to issue a public report authorizing the sale or lease of subdivided lands only if the Director of ADWR has issued a water report that there is an adequate water supply for the subdivision or the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply.

HB 2216 Hazardous air pollutants program

The Director of the Arizona Department of Environmental Quality is allowed, instead of required, to establish by rule a state program for the control of hazardous air pollutants.

HB 2217 Appropriation; brackish groundwater; studies; review (Water protection; technical correction)

Appropriates \$50,000 from the general fund in FY2023-24 to the Arizona Department of Water Resources to review and update information contained in studies on the availability of brackish groundwater in Arizona. AS PASSED HOUSE

HB 2218 Power authority; projects; energy storage (Technical correction; power authority; monies)

The Arizona Power Authority is authorized to acquire, construct, and operate facilities that store electric power. The Authority is allowed to acquire real property owned by the state or federal government, and is allowed to dispose of such property to persons engaged in projects feasible for the storage of electric power or energy from solar, nuclear, or geothermal energy. For the purpose of Arizona Power Authority statutes, the definition of "project" or "work" or "works" is expanded to include facilities for storing power and all rights-of-way and lands necessary for the maintenance and operation of such facilities. AS PASSED HOUSE

HB 2241 Electric vehicles; charging; pilot program

Counties and municipalities are prohibited from issuing a residential structure building permit for a single-family structure if the structure does not have a specified electrical circuit with a dedicated outlet to charge an electric vehicle in the garage or within 10 feet of a parking space

2023 END OF SESSION REPORT

on the outside of the structure. Some exceptions. The Arizona Department of Administration (ADOA) is required to conduct a two-year electric vehicle-ready homes pilot program. ADOA is required to reimburse the owner of a single-family or multifamily residential structure for the cost of installing a high voltage electrical outlet for the purpose of charging an electric vehicle, up to \$1,000, until the monies are exhausted. By December 31, 2025, ADOA is required to submit a report to the Governor and the Legislature with specified information relating to the pilot program. The pilot program self-repeals October 1, 2026.

HB 2244 Environmental permitting; burdened communities; requirements.

By 120 days after the effective date of this legislation, the Arizona Department of Environmental Quality (ADEQ) is required to adopt a list of "burdened communities" (defined as a census tract that is ranked in the bottom 33 percent of census tracts in Arizona for median annual household income). By 60 days after a burdened community is designated, the governing body of the municipality in which the community is located is required to designate a representative of the burdened community. Beginning 180 days after the effective date of this legislation, ADEQ is prohibited from granting a "permit" (defined) for a new "facility" (defined as an electric generating facility, sewage treatment plant, solid waste facility, landfill, or other similar facilities) or for the expansion of an existing facility that is located in whole or in part in a burdened community unless the permit applicant first prepares an environmental impact report and holds a public hearing on the report. ADEQ cannot issue a decision on the permit application until at least 60 days after the public hearing.

HB 2260 Wells; permits; spacing rules.

The Department of Water Resources (DWR) is required to adopt rules governing the location of new wells and replacement wells in new locations in groundwater basins that DWR determines to be experiencing declining groundwater levels, for wells having a pump with a maximum capacity of more than 35 gallons per minute. In lieu of adopting new rules, DWR is permitted to follow the criteria for proposed withdrawals in active management areas.

HB 2266 Reporting; groundwater pumping; measuring

A person who withdraws groundwater from a nonexempt well under any circumstances and in any location is required to use a water measuring device approved by the Arizona Department of Water Resources (ADWR) and to file an annual report to ADWR. Some exceptions. Information that must be included in the annual report to ADWR is specified.

HB 2323 Water augmentation fund; brackish groundwater

For the purpose of qualifying for monies in the Long-Term Water Augmentation Fund, a water supply development project for the desalination and distribution of brackish or saline groundwater is deemed to be a water supply development project that imports water from outside the boundaries of Arizona (and therefore qualifies), without regard to whether the monies for the project are expended inside Arizona or whether the project imports water from outside the boundaries of Arizona.

HB2350 State properties; grass lawns; prohibition

Beginning on the effective date of this legislation, the Arizona Department of Administration (ADOA) is prohibited from installing natural grass on the grounds of any state property except to replace existing natural grass for recreational use or install new natural grass for recreational

2023 END OF SESSION REPORT

use. ADOA is required to remove any natural grass on the grounds of all state property and replace it with artificial turf or xeriscape. Does not apply to state property that is the responsibility of Legislative Council, except for the lawns on Wesley Bolin Plaza. Contains a legislative intent section.

HB2372 Colorado River water transfers; limit

A contract holder with a contract right in effect on January 1, 2023 for fourth priority Colorado River water available to satisfy entitlements in Arizona that is not contracted for delivery through the Central Arizona Project is prohibited from transferring or otherwise conveying that claim for use of that water to any location or for use other than an agricultural, municipal, domestic, commercial or industrial use in a county in Arizona that is adjacent to the western border of Arizona before January 1, 2033 or until Lake Mead exceeds an elevation of 1,090 feet, whichever is later. Does not apply to the transfer of 2,033.01 acre feet of Colorado River water recommended for approval by the Director of the Arizona Department of Water Resources by letter to the United States Bureau of Reclamation on January 20, 2021.

HB 2406 Water treatment facilities; loan repayment

Counties and municipalities are no longer required to obtain voter approval to enter into a financial assistance loan repayment agreement with the Water Infrastructure Finance Authority to finance wastewater treatment and drinking water treatment facilities.

HB 2411 Grazing operations; energy projects; compensation (Water supply; elimination; reduction; damages)

A business is prohibited from contracting or subcontracting with an Arizona resident or a business in Arizona to construct a project that reduces the size of a grazing lessee's grazing operation unless the business compensates the "grazing lessee" (defined) at fair market value for a list of costs and losses. AS PASSED HOUSE

HB 2413 Teachers; water conservation instruction; appropriation

Establishes the Arizona Water Conservation Instruction Fund, to be administered by the Arizona Department of Education (ADE) to be used for grants for teachers to pay for the costs of attending a professional development training course on providing instruction in water conservation and drought management. The Fund self-repeals January 1, 2031. Appropriates \$100,000 from the general fund in FY2023-24 to the Fund.

HB2437 Transmission lines; applications; exceptions

Statute requiring a utility to apply for and receive a certificate of environmental compatibility from the Arizona Corporation Commission Power Plant and Transmission Line Siting Committee before constructing a power plant or transmission line in Arizona would not have applied if the transmission line and its associated right-of-way was to be located on land entirely owned in fee simple by one or more owners of the transmission line. AS VETOED BY GOVERNOR. In her veto message, the Governor expressed concern about the uncertain impact this bill would have on electric generation or Arizona's overall power grid.

HB2440 Electric energy; power companies; priorities

A public power entity or public service corporation responsible for its service territory would have been required to conduct infrastructure planning and investments to maintain reliable and

2023 END OF SESSION REPORT

affordable electric service. The governing body of a public power entity or a public service corporation would have been required to provide electric service at just and reasonable rates. When making decisions regarding the planning, investment, procurement and operation of electric generation, transmission and distribution resources, a public power entity or public service corporation would have been required to prioritize the reliability of the grid and affordability of the costs to retail electric customers. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that the Arizona Corporation Commission (ACC) has rate-making authority and that the ACC is already required to consider reliability and affordability.

HB 2442 Temporary non-expansion area

A process for irrigation users or registered voters to petition the Arizona Department of Water Resources (ADWR) for the designation of a temporary non-expansion area in any location not included in an active management area or an irrigation non-expansion area would have been established. The question of whether to designate a temporary non-expansion area would have been required to be approved by a majority of the voters who resided inside the boundaries of the proposed area. If a temporary non-expansion area was established, only acres of land that were irrigated at any time during the preceding five years would have been allowed to be irrigated with groundwater, and ADWR would have been prohibited from authorizing the drilling of a well in the area. AS VETOED BY GOVERNOR. In her veto message, the Governor pointed out several provisions she called troubling and said this bill falls short of protecting the water future of rural communities.

HB 2444 Natural resource conservation districts; revisions

Would have made various changes to statutes related to natural resource conservation districts. A Natural Resource Conservation District Fund and a 9-member Natural Resource Conservation District Fund Commission would have been established. Commission powers and duties would have been specified, including awarding grant monies from the Fund to natural resource conservation districts to finance conservation programs in Arizona. Natural resource conservation districts would have been authorized to apply for, receive, and spend monies from the Water Infrastructure Finance Authority of Arizona. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that the Commission would require substantial administration support from the State Land Department and this bill does not provide any funding the agency.

HB 2445 Real estate; water service; study (Groundwater permits; technical correction)

Leasehold offerings of one year or less are no longer excluded from the definition of “subdivision” or “subdivided lands.” Clarifies that six or more detached single family residences that are constructed for the purpose of sale or lease on one or more lots or parcels, without regard to the zoning classification of the lots or parcels, are included in the definition of “subdivision” or “subdivided lands.” Emergency clause. AS PASSED HOUSE

HB 2520 Home sales; water supply disclosure

Beginning January 1, 2024, a subdivider who sells one or more lots in a subdivision located outside of an active management area is required to record with the county recorder a document that contains a statement of water adequacy or inadequacy for that subdivision.

HB 2521 Native plants; salvage permit applications

2023 END OF SESSION REPORT

Allows an environmental manager or project manager employed by the company that is clearing land to execute a permit issued by the Arizona Department of Agriculture for the removal of protected native plants.

HB 2522 Watershed health; use; survey

A water right may be severed from the land to which it is appurtenant or from the site of its use if, with the consent and approval of the owner of such right, the right may be transferred for use for watershed health. The Director of the Arizona Department of Water Resources (ADWR) is required to establish a set of standard measures to define ecological water needs in Arizona, which must include specified criteria. By December 31, 2024, the Director is required to publish a preliminary survey of the status of the waters in Arizona, including specified information, and post the final survey and responses to all public comments received on the ADWR website for a period of at least six months. By December 31 every three years after the initial preliminary survey, the Director of ADWR is required to issue a report that includes an assessment of the overall health of each watershed in Arizona, based on an evaluation of specified attributes of the watershed.

HB 2535 Private property; wells; regulation; prohibition

A well drilled with the consent of the well owner on private property in an unincorporated area would have been exempt from municipal regulation if the unincorporated area where the well was located was annexed by a municipality after the well was drilled. With the consent of the building or structure owner, any buildings or structures that required water from a well drilled on private property in an unincorporated area would have been prohibited from being required to connect to a municipal water system. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that prohibiting a municipality from requiring even the most basic of safety standards and regulations for groundwater wells threatens the safety and quality of drinking water that public utilities provide throughout Arizona.

HB2561 City water provider; requirements; service

A municipality that provides water service is required to provide water service through an intergovernmental agreement with a standpipe district for a period of up to three years by use of a standpipe for water hauling to residences outside the municipality's water service area that do not have access to sufficient water if a list of specified conditions apply, including that the municipality previously provided water service to the residences and there is no other adequate source of water for those persons within 10 miles of their residences. Establishes a list of responsibilities of the standpipe district under the intergovernmental agreement. The agreement is contingent on a standpipe district obtaining a source of water from a third party absent a municipality's consent to use the municipality's own source of water. No more than 750 residences are allowed to receive water from any standpipe district. Municipalities are not liable to any person or entity for providing or failing to provide water under these provisions. Self-repeals January 1, 2026. Emergency clause. AS PASSED HOUSE

HB2598 Agricultural workforce program; apprentices; appropriation.

Appropriates \$500,000 from the general fund in each fiscal year to the University of Arizona Cooperative Extension Office to implement the Agricultural Workforce Development Program.

HB 2618 Decommissioning; solar and wind; standards

Establishes two new chapters in Title 30 (Power) regulating solar and wind energy power plants. Counties and municipalities are authorized to adopt zoning standards, site specific conditions, and permitting requirements or procedures for a solar or wind energy power plant located in the county or municipality. The transfer of a solar or wind energy power plant or special use permit or the sale of the entity owning the plant cannot occur without written acceptance by the transferee of the transferor's obligations under this legislation. Municipalities are authorized to establish a procedure for approving a sale and transfer of a solar or wind energy power plant. Before or in conjunction with approving a land use or zoning permit application for a solar or wind energy power plant, a county or municipality is authorized to adopt a procedure for waiving the financial assurance required by statute if a list of specified conditions is met. The owner or operator of a solar or wind energy power plant is required to maintain the plant in good condition and repair and to ensure that the plant remains functional and in continuous operation until decommissioning of the plant is initiated. Counties and municipalities are authorized to adopt reasonable timelines and requirements for the cure and repair of damage or defects to a component of a solar or wind energy power plant, and to adopt and enforce reasonable penalties for the violation of or noncompliance with timeline requirements, including initiating or completing decommissioning or site restoration at the owner or operator's expense. Solar or wind energy power plant owners or operators are prohibited from abandoning a plant for any reason, including bankruptcy or financial insolvency. Before a county or municipality may approve a land use or zoning permit application for a solar or wind energy power plant, the power plant owners or operators are required to provide a county or municipality with a decommissioning and site restoration plan, and items that must be included in the plan are listed. Counties and municipalities are authorized to adopt procedures for reviewing and approving a decommissioning and site restoration plan for a solar or wind energy power plant, and to adopt minimum standards for the decommissioning or restoration of a solar energy power plant. Solar and wind energy power plant owners or operators are required to continuously maintain financial assurance as determined by the county or municipality where the plant is located, which must be reasonably based on the estimated costs of decommissioning and site restoration. Solar and wind energy power plant owners or operators are required to maintain a commercial general liability insurance policy that results in coverage of any reasonable liability to third parties for specified injuries or damages. Provides for applicability of these provisions. AS PASSED SENATE

HB 2646 Water and energy; improvement district

Adds a new article to Title 48 (Special Taxing Districts) establishing and regulating water conservation, energy efficiency, renewable energy, and resiliency improvement districts. The governing body of a local government is authorized to adopt a resolution or ordinance establishing a "program" (defined). Local program authorities are authorized to enter into special assessment agreements with property owners to secure special assessment financing for improvements that will result in improvements to energy efficiency, water conservation, or renewable energy. Establishes requirements for financing agreements and special assessments.

HB 2702 Energy projects; grazing operations; compensation

A business is prohibited from contracting or subcontracting with a resident of Arizona or a business in Arizona to construct a solar or wind energy project that reduces the size of a grazing lessee's grazing operation unless the business compensates the grazing lessee for the

2023 END OF SESSION REPORT

grazing lessee's loss of profits, the loss in value of the grazing lessee's grazing operation, the cost to relocate the grazing lessee's grazing operation, and the cost to mitigate losses due to the reduction of the grazing lessee's grazing operation.

HB 2731 Local groundwater stewardship areas

County boards of supervisors in a county with lands that are outside of an Active Management Area (AMA) are authorized to designate by resolution one or more groundwater basins, subbasins, or portions of those basins as a Local Groundwater Stewardship Area (LGSA) if a list of specified conditions exist, including that the use of groundwater exceeds the estimated recharge rate. The Director of the Arizona Department of Water Resources (ADWR) is authorized to designate an area that is not included within an AMA as an LGSA if the same specified conditions exist, and the establishment of an AMA is not necessary. Establishes a process for the board of supervisors and a process for the ADWR Director to designate an LGSA. An LGSA is required to be administered by a 9-member LGSA Council. Powers and duties of an LGSA Council are specified, including adopting an LGSA Plan for groundwater programs and policies for the LGSA. The ADWR Director is required to adopt rules governing the location of new wells and replacement wells in new locations in an LGSA. A county board of supervisors is prohibited from approving a final plat for a subdivision composed of subdivided lands that is located within an LGSA unless the ADWR Director has determined that there is an adequate water supply for the subdivision, and the subdivider has obtained a written commitment of water service for the subdivision from a municipal or private water company that is designated as having an adequate water supply by the ADWR Director. Establishes the ADWR Local Groundwater Stewardship Fund, to be administered by ADWR. ADWR is required to spend monies in the Fund to implement and support LGSAs. Of the monies remaining in the State Lottery Fund each fiscal year after other statutory appropriations and deposits, \$50 million must be deposited in the Fund.

HB 2765 Appropriation; DEQ; water sources; treatment

Appropriates \$5 million from the general fund in FY2023-24 to the Arizona Department of Environmental Quality to identify, contain and treat Arizona water sources for perfluoroalkyl and polyfluoroalkyl substances.

SB 1079 Water infrastructure finance authority; cities

Municipalities are no longer required to obtain voter approval to enter into a financial assistance loan repayment agreement with the Water Infrastructure Finance Authority to finance wastewater treatment and drinking water treatment facilities.

SB 1090 Groundwater pumping; foreign ownership; prohibition

A corporation or other entity in which the government of another country has a "controlling interest" (defined) is not eligible to pump groundwater in Arizona.

SB 1093 City water provider; service; requirements

A municipality that provides water service is required to provide water service through a standpipe for water hauling to persons residing outside the city's or town's water service area who do not have access to sufficient water if a list of specified conditions apply, including that the municipality previously provided water service to those persons and there is no other

2023 END OF SESSION REPORT

source of water for those persons within 10 miles of their households. Conditionally repealed on the persons acquiring access to sufficient water supplies or on January 1, 2026.

SB 1223 Water infrastructure; commerce grant fund

Modifies eligibility for grants from the Water Infrastructure and Commerce Grant Fund to apply to projects that begin after January 1, 2023, instead of 2022, and to require the grants to be allocated and distributed by December 31, 2025, instead of 2024. Appropriates \$8 million from the general fund in FY2023-24 to the Fund.

SB 1247 Recycling fund; appropriation (Technical correction; waste; enforcement; venue)

Appropriates \$2.5 million from the Recycling Fund in FY2023-24 to the Arizona Department of Environmental Quality for grants to or contracts with political subdivisions, nonprofit organizations, or private enterprise for research, demonstration projects, new technologies, market development and source reduction studies and implementation of the recommendations or reports from those studies. AS PASSED SENATE

SB 1306 Local groundwater stewardship areas.

County boards of supervisors in a county with lands that are outside of an Active Management Area (AMA) are authorized to designate by resolution one or more groundwater basins, subbasins, or portions of those basins as a Local Groundwater Stewardship Area (LGSA) if a list of specified conditions exist, including that the use of groundwater exceeds the estimated recharge rate. The Director of the Arizona Department of Water Resources (ADWR) is authorized to designate an area that is not included within an AMA as an LGSA if the same specified conditions exist, and the establishment of an AMA is not necessary. Establishes a process for the board of supervisors and a process for the ADWR Director to designate an LGSA. An LGSA is required to be administered by a 9-member LGSA Council. Powers and duties of an LGSA Council are specified, including adopting an LGSA Plan for groundwater programs and policies for the LGSA. The ADWR Director is required to adopt rules governing the location of new wells and replacement wells in new locations in an LGSA. A county board of supervisors is prohibited from approving a final plat for a subdivision composed of subdivided lands that is located within an LGSA unless the ADWR Director has determined that there is an adequate water supply for the subdivision, and the subdivider has obtained a written commitment of water service for the subdivision from a municipal or private water company that is designated as having an adequate water supply by the ADWR Director. Establishes the ADWR Local Groundwater Stewardship Fund, to be administered by ADWR. ADWR is required to spend monies in the Fund to implement and support LGSAs. Of the monies remaining in the State Lottery Fund each fiscal year after other statutory appropriations and deposits, \$50 million must be deposited in the Fund.

SB 1354 Horizontal hydraulic fracturing; prohibition

It is the public policy of this state to prevent the contamination of groundwater during the production or distribution of oil and gas products. The Oil and Gas Conservation Commission is prohibited from allowing "horizontal hydraulic fracturing" (defined). Any person who causes horizontal hydraulic fracturing to occur in Arizona is subject to a civil penalty of at least \$10,000 for each day of operations, including explorations.

2023 END OF SESSION REPORT
SB 1355 Wells; permits; spacing rules

The Arizona Department of Water Resources (ADWR) is required to adopt rules governing the location of new wells and replacement wells in new locations in groundwater basins that ADWR determines to be experiencing declining groundwater levels, for wells having a pump with a maximum capacity of more than 35 gallons per minute. In lieu of adopting new rules, ADWR is permitted to follow the criteria for proposed withdrawals in active management areas.

SB1356 Monitoring program; fish contaminants

The Arizona Department of Environmental Quality (ADEQ) is required to develop a comprehensive water quality monitoring and assessment program for the evaluation of pesticides, metals and other contaminants of concern in sport fish as part of the fish contaminant monitoring program. The program is required to identify and monitor chemical contamination in sport fish and assess the health risks of consumption of sport fish caught by members of the public, and must include sampling and analyzing fish from all waters in Arizona that support recreational fisheries at least once every three years. ADEQ is required to contract with the Arizona Department of Health Services to prepare comprehensive health risk assessments for sport fish monitored in the program. ADEQ is required to issue health advisories when it determines that consuming certain fish presents a significant health risk, and to conspicuously post health advisory signs in areas where contaminated fish may be caught.

SB 1358 Homeowners' associations; solar, water devices

A homeowners' association cannot prohibit the installation of a water saving device or indoor or outdoor water conservation practice. A homeowners' association is authorized to adopt reasonable rules regarding placing a water saving device or using a water conservation practice if those rules do not prevent installing the device, impair the functioning of the device or practice, restrict using the device or practice, or adversely affect the cost of efficiency of the device or practice.

SB 1363 Energy measuring; reporting; prohibition; repeal

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

SB 1391 Department of environmental quality; counsel

The Arizona Department of Environmental Quality (ADEQ) is exempt from the prohibition on employing legal counsel or making an expenditure for legal services other than the Attorney General. ADEQ is authorized to employ attorneys to represent ADEQ.

SB 1397 Appropriation; flooding and water control

Appropriates \$8 million from the general fund in FY2023-24 to the Governor's Office on Tribal Relations to distribute to the San Carlos Apache Tribe to conduct a feasibility study and conduct environmental clearances to address flooding and water control impacting the tribe.

SB 1434 Businesses; masks; biohazard waste disposal

2023 END OF SESSION REPORT

Any business in Arizona that requires patrons of the business to wear a mask when on the business's premises is required to provide at each exit of the business a biohazard waste disposal receptacle for patrons to dispose of their masks.

SB 1439 State lands; leases; groundwater use

The State Land Department is required to establish by rule and collect an annual groundwater withdrawal fee from each lessee of state land that is agricultural land located outside of an active management area or an irrigation non-expansion area for the irrigation use of groundwater. Establishes reporting requirements for the lessees. Contains a legislative intent section.

SB 1440 - Drinking water standards; pollutants

The Arizona Department of Environmental Quality (ADEQ) is required to establish drinking water aquifer water quality standards for a list of specified pollutants. Information that ADEQ must review when developing the standards is listed. The standards are required to be protective of public health, including vulnerable subpopulations such as pregnant women, nursing mothers, infants and children.

SB 1441 Electric vehicles; pilot program; appropriation

Counties and municipalities are prohibited from issuing a residential structure building permit for a single-family structure if the residential structure does not have a 208/240-volt, 50-ampere, NEMA 14-50 branch circuit with a dedicated outlet to charge an electric vehicle in the residential structure's garage or within ten feet of a parking space on the outside of the residential structure. Some exceptions. The Arizona Department of Administration (ADOA) is required to conduct a two-year electric vehicle-ready homes pilot program to reimburse the owner of a single-family or multifamily residential structure the cost of installing a high voltage electrical outlet for the purpose of charging an electric vehicle, up to \$1,000, until the appropriation is exhausted. ADOA is required to submit a report with specified information relating to the pilot program to the Governor and the Legislature by December 31, 2025. Appropriates \$500,000 from the general fund in FY2023-24 to ADOA for the pilot program.

SB 1442 Transportation electrification study committee

Establishes an 11-member Transportation Electrification Study Committee to collaborate with local governments, electric utilities, environmental groups, the transportation industry and interested communities to identify the best ways to encourage an economy-wide transition from carbon-fueled vehicles to electric vehicles. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by July 1, 2024, and self-repeals October 1, 2025.

SB 1444 Zero emission vehicles; plans

In coordination with the Arizona Department of Environmental Quality and the Arizona Department of Administration, the Arizona Department of Transportation (ADOT) is required to develop a "zero emission vehicle" (defined) plan designed to increase the number of registered zero emission vehicles in this state, help establish interstate and intrastate zero emission vehicle corridors, and coordinate and increase the installation of zero emission vehicle infrastructure. Within six months after the effective date of this legislation, ADOT is required to submit a draft of the zero emission vehicle plan to the Governor and the Legislature.

2023 END OF SESSION REPORT
SB 1445 Charging station; pilot program

The Arizona Department of Administration (ADOA) is required to conduct a two-year electric vehicle charging station pilot program. All state agencies may apply to ADOA for funding to cover the cost of installing electric vehicle charging stations at their agency locations. By December 31, 2025, ADOA is required to submit a report to the Governor and the Legislature with specified information relating to the pilot program. ADOA is required to apply for and use applicable federal monies to fund the pilot program. The pilot program self-repeals October 1, 2026.

SB 1447 Well drilling; groundwater basins

Beginning on the effective date of this legislation, a person is prohibited from constructing and the Arizona Department of Water Resources is prohibited from issuing a permit or drilling card for a new well in the Upper San Pedro Groundwater Basin or the Verde Valley Groundwater Subbasin. Some exceptions.

SB 1448 Subsequent active management area; designation

The Director of the Arizona Department of Water Resources is required, instead of allowed, to designate an area that is not included within an initial active management area as a subsequent active management area if the Director determines that any of a list of specified circumstances exist.

SB 1449 Subsequent irrigation; non-expansion areas; procedures.

The circumstances that must exist for the Director of the Arizona Department of Water Resources to designate an area that is not included in an active management area as a subsequent irrigation non-expansion area are modified to include that there is insufficient groundwater to provide a "reasonably safe supply for irrigation" (defined) of the cultivated lands in the area at the reasonable projected rates of withdrawal, instead of at the current rates of withdrawal. In making the determination, the Director is allowed to consider credible evidence that indicates likely future changes to rates of withdrawal. Also modifies the procedure for the designation of a subsequent irrigation non-expansion area initiated by petition.

SB 1450 Adequate water supply; statewide requirements.

Counties and municipalities are authorized to approve a subdivision plat only if the subdivider has obtained a water report from the Arizona Department of Water Resources that there is an adequate water supply for the subdivision or the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply. The State Real Estate Commissioner is authorized to issue a public report authorizing the sale or lease of subdivided lands only if the Director has issued a water report that there is an adequate water supply for the subdivision or the subdivider has obtained a written commitment of water service for the subdivision from a city, town or private water company designated as having an adequate water supply.

SB 1469 Appropriation; Page; water infrastructure projects

Appropriates \$41.9 million from the general fund in FY2023-24 to the Arizona Department of Water Resources to distribute to the City of Page for specified water infrastructure projects.

2023 END OF SESSION REPORT
SB 1501 Electric vehicle charging stations

Charges, rates, tolls and rental fees that are received by a public service corporation or electricity supplier, including an electric cooperative, for any commodity or service are prohibited from being used to build or operate an electric vehicle charging station or a commercial charging facility, but may be used for "make-ready infrastructure" (defined as the electrical infrastructure that is required to service an electric vehicle charging station's electrical load on the electricity supplier's or customer's side of the electric meter). An affiliate of an electricity supplier that provides, owns, operates or maintains electric vehicle charging stations is required to do so on the same rates, terms and conditions that are offered to private providers of electric vehicle charging stations in the electricity supplier's service territory. Contains legislative findings.

SB 1502 Corporation commission; electric generation resources

Declare that it is the public policy of Arizona that public service corporations should pursue the use of "clean energy resources" (defined) and the reduction of carbon emissions resulting from the generation of energy for retail electric sales, provided the mix of critical electric generation resources used by each public service corporation to meet its customers' needs is the lowest cost method of providing safe and reliable electricity services while taking into consideration the system-wide costs associated with meeting customer demand for services at all times of each day and throughout all seasons of the year. Requires public service corporations to derive at least the following percentages of retail kilowatt sales from renewable energy resources by the following dates: 13 percent by December 31, 2023, 14 percent by December 31, 2024, 15 percent by December 31, 2025 and for each year thereafter. Contains legislative findings.

SB 1520 Wells; spacing; permits

The Arizona Department of Water Resources (ADWR) is required to adopt rules governing the location of new wells and replacement wells in new locations in groundwater basins that ADWR determines to be experiencing declining groundwater levels, for all wells without regard to pump capacity.

SB 1521 Exempt wells; metering; reporting

Wells with a maximum capacity of up to 35 gallons per minute are no longer exempt from the groundwater code beginning January 1, 2033 if the person who withdraws groundwater from the well installs a water measuring device that complies with rules adopted by the Arizona Department of Water Resources (ADWR), maintains current accurate records, and files annual reports with ADWR. The person who withdraws the groundwater must install the water measuring device, maintain the records and file the annual reports beginning not later than January 1, 2025. Wells with a maximum capacity of up to 35 gallons per minute that do not meet these requirements are no longer exempt from the groundwater code beginning January 1, 2028.

SB 1522 Community choice energy study committee.

Establishes a 17-member Community Choice Energy Study Committee to study current community choice energy organizational models in the ten states that have authorized community choice energy through state legislation, review best practices for community choice

2023 END OF SESSION REPORT

energy implementation and operations, ascertain the feasibility and the potential legal, regulatory, economic and environmental impacts of community choice energy in Arizona, and solicit input from related stakeholders. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by November 15, 2023, and self-repeals October 1, 2024.

SB 1537 Greenhouse gas programs; repeal prohibition.

Repeals statute prohibiting state agencies from adopting or enforcing a state or regional program to regulate the emission of greenhouse gas for the purposes of addressing changes in atmospheric temperature without express legislative authorization.

SB 1581 Environmental quality; task force

In consultation with the Arizona Department of Environmental Quality (ADEQ), the Department of Administration is required to ensure that all state agencies, boards, commissions and other public bodies that are involved in decisions that may affect environmental quality adopt and implement "environmental justice" (defined) policies that provide meaningful opportunities for involvement of all people, regardless of race, color, ethnicity, religion, income or education level. ADEQ is required to identify existing and proposed industrial and commercial facilities and areas in communities of color and in low-income communities for which compliance, enforcement, remediation, siting and permitting strategies will be targeted to address the disproportionate impacts from these facilities on those communities. The Director of ADEQ and the Director of the Department of Health Services are required to convene a Multiagency Environmental Justice Task Force to make recommendations to state agency heads regarding actions to be taken to address environmental justice issues that are consistent with each state agency's existing statutory and regulatory authority. Contains legislative findings.

SB 1651 Water; energy; financing program.

Counties and municipalities are authorized to provide for or allow the construction, installation or modification of critical capital expenditure improvements, energy efficiency improvements, renewable energy improvements or resiliency improvements on qualifying property by establishing a "C-PACE Program" (defined). Establishes a new chapter in Title 49 (Environment) establishing and regulating the Commercial Property Assessed Capital Expenditure Financing Program (C-PACE Program). To establish a C-PACE Program, a governing body is required to adopt a resolution or ordinance to do so, after a public hearing to consider establishing the Program. Local program authorities are authorized to enter into special assessment agreements with property owners to secure special assessment financing for C-PACE Program projects. Provides for the imposition and collection of special assessments. More.

SB1660 Water; storage; effluent; credits (Water; effluent; credits)

The Arizona Department of Water Resources is authorized to issue a water storage permit to store water that is not originally supplied by a municipal or private water company, that is used in an "industrial facility" (defined) located within the service area of a wastewater provider that holds a certificate of convenience and necessity and that is treated at the site of use to meet or exceed aquifer water quality standards, if the water will be stored at a constructed underground storage facility at the site where the water was used before treatment, and the application is received no later than December 31, 2025. This water may be used by the storer only for a

2023 END OF SESSION REPORT

nonirrigation use at the same site where the water was stored, and any long-term storage credits accrued may only be used at the site where the water was stored. AS PASSED SENATE

SB 1692 Citizen suits committee; solid waste

Establishes a 9-member Solid and Hazardous Waste Citizen Suit Study Committee to consider and collect information on the need for a citizen suit provision in Arizona's solid waste and hazardous waste statutes. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 31, 2023, and self-repeals July 1, 2024.

SCM 1002 Energy rules; urging adoption

The Legislature urges the Arizona Corporation Commission (ACC) to adopt, as soon as practicable, the proposed energy rules that were previously considered by the ACC and failed to pass in 2022. The Secretary of State is directed to transmit copies of this memorial to the members of the ACC.

Ballot Measures

*New Laws***HCR 2001 School district expenditures; authorization.**

The Legislature authorizes school districts to spend local revenues in the amount of \$1,385,809,642 in excess of the expenditure limitation prescribed pursuant to the state Constitution in FY2022-23. This authorization is effective only on the approval of this resolution by at least 2/3 of the membership of each house of the Legislature by roll call vote on or before March 1, 2023.

HCR 2012 Water management policies; support (Support; water management policies)

The members of the Legislature continue the tradition of leadership and support for appropriate water management practices and policies that protect property and water rights and that provide for the continued safety and prosperity of the State of Arizona.

HCR 2027 Russell Pearce; death resolution

The members of the Legislature sincerely regret the passing of the Honorable Russell Pearce, former member of the Arizona House of Representatives and former Arizona Senate President, and extend their most sincere sympathies and condolences to his wife, his surviving family members and his many friends and colleagues.

HCR 2033 Primary elections; eligible candidates

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to require the direct primary election for partisan offices to be conducted in a manner so that each political party that has qualified for representation on the ballot must be permitted to nominate for each office a number of candidates equal to the number of positions to be filled for that office in the ensuing general election, and all otherwise eligible candidates who are so nominated must be placed on the ballot in the next ensuing general election. The direct primary election law enacted by the Legislature supersedes any contrary or inconsistent provision of any charter, law, ordinance, rules, resolution, or policy of any city.

HCR 2037 Assyrian New Year; recognizing

The members of the Legislature recognize April 1, 2023 as Assyrian New Year and honor the many contributions of Assyrians, both past and present.

HCR 2044 Assyrian Genocide; recognition

The members of the Legislature affirm that it is the duty of the United States to: commemorate the Assyrian genocide through official recognition and remembrance; to reject efforts to associate the U.S. government with denial of the Assyrian genocide or any other genocide; to encourage education and public understanding of the facts and relevance of the Assyrian genocide; and to call on the government of Turkey to acknowledge the genocide, issue a formal apology, and take prompt and meaningful steps toward restitution. The members of the Legislature acknowledge that the Ottoman Empire's campaign against its Christian minorities that occurred between 1914 and 1923 constituted genocide against Assyrians, Armenians and Greeks.

2023 END OF SESSION REPORT
HCR 2045 Jack Jackson, Sr.; death resolution

The members of the Legislature express their regret at the passing of the Honorable Jack Jackson, Sr., former member of the Navajo Nation Council and former Arizona Legislator and extend their deepest condolences to the Navajo people and to his surviving family members.

HCR 2047 Twentieth anniversary; death; Lori Piestewa

The members of the Legislature honor United States Army Specialist Lori Ann Piestewa and the Piestewa Fallen Heroes Memorial and encourage the citizens of Arizona to commemorate the tremendous bravery and patriotism of individuals such as she who made the ultimate sacrifice for our country.

HCR 2048 Joe Hart; death resolution

The members of the Legislature sincerely regret the passing of Joe Hart, former Arizona State Mine Inspector and former Speaker Pro Tempore of the Arizona House of Representatives, and extend their most sincere sympathies and condolences to his surviving family and friends.

HCR 2049 Ann Nichols; death resolution

The members of the House of Representatives sincerely regret the passing of Dr. Ann Weaver Nichols, first Director of the ASU School of Social Work program, Tucson component, and extend their sincere thoughts and condolences to her children, grandchildren and other surviving relatives.

SCR 1006 - Death benefit; assault; first responders.

The 2024 general election ballot is to carry the question of whether to amend state statute to levy a surcharge of two percent on every fine, penalty and forfeiture imposed and collected by the courts for criminal offenses and on traffic-related civil penalties from July 1, 2025 through December 31, 2032, and to deposit the monies from the surcharge in the newly established State Supplemental Benefit Fund. Beginning July 1, 2025, the state is required to pay \$250,000 to the surviving spouse of a "first responder" who is "killed in the line of duty" (both defined), using monies from the Fund. Contains legislative findings. Severability clause.

SCR 1020 James Henderson; death resolution

The members of the Legislature express their sympathies at the passing of Senator James Henderson, Jr. and extend their condolences to his surviving family members.

SCR 1021 United States; Taiwan; trade partnership

The members of the Legislature support the negotiation of a United States-Taiwan bilateral trade agreement and Taiwan's meaningful participation in international organizations; acknowledge the achievements made by Arizona and Taiwan in the fields of economy, trade, technology, education and culture since the establishment of their sister-state relations on July 28, 1980; and encourage continued bilateral cooperation and exchanges between the two entities in the future. The members of the Legislature support a future official visit to Taiwan by the Governor of Arizona at her discretion.

SCR 1037 Elections; systems; equipment (Presidential electors; constitutional appointments)

2023 END OF SESSION REPORT

The Legislature resolves that no voting system or component of a voting system may be used or purchased as the primary method for casting, recording, and tabulating ballots used in any election held in Arizona for federal office unless all components have been designed, manufactured, integrated, and assembled in the U.S. from trusted suppliers, the source code is made available to the public, and the ballot images and system log files from each tabulator are recorded on a secure write-once, read-many media with clear chain of custody and posted on the Secretary of State's website free of charge to the public within 24 hours after the close of the polls.

SCR 1039 Ted Williams; death resolution.

The members of the Legislature express sincere regret at the passing of Ted Williams, a long-term public servant and community leader in the State of Arizona, and extend their deepest sympathies and condolences to his family and many friends.

SCR 1040 Reappointment; Lindsey Perry; auditor general

The members of the Legislature approve the reappointment of Lindsey Perry as Auditor General of the State of Arizona.

SCR 1041 School districts; expenditure limit; authorization.

The Legislature authorizes the expenditure of local revenues by school districts in excess of the expenditure limitation prescribed in the state Constitution in FY2023-24. This authorization is effective only on the approval of this resolution by at least 2/3 of the members of each house of the Legislature by roll call vote.

Tracking List: Ballot Measures

Bills that Failed

HCR 2002 School district expenditures; authorization

The Legislature authorizes school districts to spend local revenues in the amount of \$1,385,809,642 in excess of the expenditure limitation prescribed pursuant to the state Constitution in FY2022-23. This authorization is effective only on the approval of this resolution by at least 2/3 of the membership of each house of the Legislature by roll call vote on or before March 1, 2023.

HCR 2003 Elections; bonds; technical correction

Proposes a minor change in Article VII, Section 13, of the state Constitution related to bond elections. Apparent striker bus for a proposition to be referred to the ballot at the next general election.

HCR 2004 Legislators; minimum age of eighteen

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to lower the minimum age to qualify to be a member of the Legislature to 18, from 25, and to require the person to be a resident of Arizona for at least three consecutive years at the time of election and of the district from which s/he is elected for at least one consecutive year at the time of election. Previously the person was required to be a resident of Arizona for at least three years and a resident of the county from which s/he is elected for at least one year.

HCR 2005 School districts; expenditure limitation; repeal...

2023 END OF SESSION REPORT

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to repeal the expenditure limitation for school districts. Applies to FY2025-26 and after.

HCR 2006 Sessions of legislature; repeal sessions (Bonds; elections; technical correction)

Proposes a minor change in Article VII, Section 13, of the state Constitution related to bond elections. Apparent striker bus for a proposition to be referred to the ballot at the next general election.

HCR 2007 Slavery; indentured servitude; prohibition

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to declare that no slavery or involuntary servitude shall exist in Arizona or any place subject to Arizona's jurisdiction.

HCR 2008 Right to work; repeal

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to repeal the right to work or employment without membership in labor organizations.

HCR 2009 Constitutional right to vote

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to declare that the right to vote is a fundamental right. Any law or regulation that burdens that right must be narrowly tailored to further a compelling governmental interest.

HCR 2010 Expenditure limitation; school districts

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to change the "base limit" for the purpose of calculating the aggregate expenditure limitation for school districts to the total amount of expenditures of local revenues of all school districts in FY2022-23, instead of FY1979-80.

HCR 2011 Vacation rentals; short-term rentals

The 2024 general election ballot is to carry the question of whether to repeal statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and restricting the types of regulations that municipalities and counties may impose on vacation rentals or short-term rentals. Statute entitling a property owner to just compensation from the state or a political subdivision that enacts a land use law that reduces the existing rights to use private real property does not apply to land use laws that regulate a vacation rental or short-term rental.

HCR 2013 Clean and healthy environment

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to state that all people of Arizona have a right to a clean and healthy environment, including clean air and water, and to the preservation of the natural, scenic and aesthetic values of the environment. Declares that Arizona's public natural resources are the common property of all the people, including future generations. As trustee of these resources, the state is required to conserve and maintain them for the benefit of all the people.

2023 END OF SESSION REPORT

HCR 2014 Same-sex marriage; constitutional right

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to declare that marriage between two individuals cannot be prohibited or void on the basis of the sex, race, ethnicity, or national origin of those individuals.

HCR 2015 School districts; expenditure limitation; repeal..

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to repeal the expenditure limitation for school districts. Applies to FY2025-26 and after.

HCR 2016 Article V convention; term limits

Pursuant to Article V of the U.S. Constitution, the Arizona State Legislature formally applies to the U.S. Congress to call a convention for the purpose of proposing an amendment to the U.S. Constitution to limit the number of terms that a person may be elected as a member of the U.S. House of Representatives and as a member of the U.S. Senate. The Secretary of State is directed to transmit copies of this resolution to the President and Secretary of the U.S. Senate, the Speaker, Clerk and Judiciary Committee Chairman of the U.S. House, each member of Congress from Arizona, and the presiding officers of each house of the several state legislatures, requesting their cooperation.

HCR 2017 Property tax; exemption; primary residence

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to allow the Legislature to exempt from property taxes the primary residence of an Arizona resident that is not subject to a mortgage, deed of trust, or other similar encumbrance. Applies to tax years beginning with 2025.

HCR 2018 Maricopa county; division; new counties

The 2024 general election ballot is to carry the question of whether to amend state statute to divide Maricopa County into four counties by modifying the Maricopa County boundaries and adding three new counties: Hohokam County, Mogollon County, and O'odham County. Maricopa County operations will continue in their existing form through a transition period of up to three years after the effective date of this legislation. The boards of supervisors of Hohokam, Mogollon, and O'odham Counties will be elected at a special election held within 120 days after the effective date of this legislation. Currently elected Maricopa County Supervisors continue in their capacity for the remainder of their term in whichever county their supervisory district is located. The elected boards of supervisors in the three new counties will determine an application process for municipalities to apply to be the county seat, which will be determined at a special election to be held within 120 days from the election of the boards of supervisors. The four counties are authorized to enter into a ten-year shared use agreement for the use of existing shared capital assets. The four counties are required to enter into an intergovernmental agreement for the continued operation of community colleges for at least ten years after the effective date of this legislation.

HCR2019 Trial by jury; administrative proceedings

2023 END OF SESSION REPORT

The 2024 general election ballot is to carry the question of whether to amend state statute to require all persons to be allowed to exercise their fundamental right to trial by jury in any "administrative proceeding" (defined).

HCR 2020 Technical correction; bond elections

Proposes a minor change in Article VII, Section 13, of the state Constitution related to bond elections. Apparent striker bus for a proposition to be referred to the ballot at the next general election.

HCR 2021 Ratification; equal rights amendment.

Ratifies the Equal Rights Amendment to the U.S. Constitution. The Secretary of State is directed to transmit copies of this resolution to the President of the U.S. Senate and the Speaker of the U.S. House of Representatives.

HCR 2022 School districts; expenditure limitation; repeal.

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to repeal the expenditure limitation for school districts. Applies to FY2025-26 and after.

HCR 2023 Death penalty; prohibition.

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to prohibit the death penalty in Arizona.

HCR 2024 Bartlett Dam; height increase

The members of the Legislature recognize the importance of raising the height of Bartlett Dam and preventing sediment buildup in the Horseshoe Reservoir, and support the U.S. Congress providing funding to conduct a feasibility study for increasing the height of Bartlett Dam.

HCR 2025 Death benefit; assault; first responders

The 2024 general election ballot is to carry the question of whether to amend state statute to levy a surcharge of two percent on every fine, penalty and forfeiture imposed and collected by the courts for criminal offenses and on traffic-related civil penalties through December 31, 2032, and to deposit the monies from the surcharge in the newly established State Supplemental Benefit Fund. Beginning January 1, 2024, the state is required to pay \$250,000 to the surviving spouse of a "first responder" (defined) who is "killed in the line of duty" (defined), using monies from the Fund. Contains legislative findings. Severability clause.

HCR 2026 Schools; English language learners; requirements

The 2024 general election ballot is to carry the question of whether to amend state statute to repeal and replace provisions related to English language learners. Public schools are required to ensure that all English language learners receive the highest quality education, master the English language and access high quality, innovative research-based language programs. School districts and charter schools are authorized to establish dual-language immersion programs for both native and nonnative English speakers. Directs Legislative Council to prepare conforming legislation.

HCR 2028 Marijuana; unincorporated areas; reservations; prohibition.

2023 END OF SESSION REPORT

The 2024 general election ballot is to carry the question of whether to amend state statute to prohibit the Department of Health Services from issuing a nonprofit medical marijuana dispensary registration certificate, a marijuana establishment license, a marijuana testing facility license, or an independent third-party laboratory certification at a location in unincorporated territory that is surrounded on all sides by an Indian Reservation in Arizona.

HCR2029 Income tax; individuals; repeal

The 2024 general election ballot is to carry the question of whether to amend state statute to repeal the Arizona individual income tax. Applies to tax years beginning with 2025.

HCR2030 Ratification; equal rights amendment..

Ratifies the Equal Rights Amendment to the U.S. Constitution. The Secretary of State is directed to transmit copies of this resolution to the President of the U.S. Senate and the Speaker of the U.S. House of Representatives.

HCR 2031 Income tax; subtraction; law enforcement

The 2024 general election ballot is to carry the question of whether to amend state statute to exempt from Arizona income tax any compensation received for active service as a peace officer in Arizona or a federal law enforcement officer.

HCR 2032 International money transfer; requirements; tax

The 2024 general election ballot is to carry the question of whether to amend state statute to levy a tax on any entity that transmits wire transfers of money at a rate of 30 percent of each wire transfer of money transaction that is facilitated by a person who is not lawfully present in this country and that is transmitted to a location outside the U.S. The Arizona Department of Revenue is required to separately account for monies paid under the tax and transfer 50 percent of the net revenues to the Arizona Department of Public Safety and 50 percent to the Arizona Department of Emergency and Military Affairs.

HCR 2034 Supporting statehood; Washington D.C.

The members of the Legislature support admitting Washington, D.C. into the Union as a state of the United States of America and enacting federal legislation granting statehood to the people of Washington, D.C.

HCR2035 Death penalty; prohibition

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to prohibit the death penalty in Arizona.

HCR 2036 MS awareness week

The members of the Legislature proclaim March 12-18, 2023 as MS Awareness Week in Arizona and encourage all Arizonans to learn more about multiple sclerosis and how they can support individuals with MS and their families.

HCR 2038 Continuing appropriation budget; enactment; timeframe

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to require the Legislature to enact, by the 45th day of each regular legislative

2023 END OF SESSION REPORT

session, a general appropriation bill for the next fiscal year that appropriates at least the same amount for state departments and institutions, for public schools, and for interest on the public debt, as was appropriated in the general appropriation bill for the current fiscal year, adjusted for inflation and enrollment growth, and the removal of onetime expenditures.

HCR 2039 Governor; emergency powers (Governor; state of emergency)

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to terminate the emergency powers granted to the Governor during a state of emergency either 30 days after the date on which the state of emergency is proclaimed, unless the Legislature extends the emergency powers by concurrent resolution, or by proclamation of the Governor terminating the state of emergency, or by concurrent resolution of the Legislature declaring the emergency powers granted to the Governor to be at an end. Does not apply to a state of war emergency or an emergency arising from a flood or fire. If at least 1/3 of the members of each house of the Legislature sign a petition requesting a special session of the Legislature for the purpose of terminating or altering the emergency powers granted to the Governor during a state of emergency and designating the date of convening, the Governor is required to promptly call a special session to assemble on the date specified. The subjects that may be considered at such a special session are limited to emergency powers granted to the Governor during a state of emergency. AS PASSED SENATE

HCR 2040 In-person precinct voting; absentee voters

The 2024 general election ballot is to carry the question of whether to amend state statute to eliminate early voting and restrict absentee voting to voters in one of a list of specified circumstances, including being absent from the voter's precinct at the time of the election and being physically unable to go to the polls.

HCR 2041 Initiative; referendum; signatures; legislative districts...

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to require statewide initiative measures to obtain signatures from 10 percent of the voters from each legislative district, instead of from the entire state, for a statewide measure, and from 15 percent of the voters of each legislative district, instead of from the entire state, for an amendment to the state Constitution.

HCR 2042 English language education; requirements

The 2024 general election ballot is to carry the question of whether to amend state statute to repeal and replace provisions related to English language learners. Public schools are required to ensure that all English language learners receive the highest quality education, master the English language and access high quality, innovative research-based language programs. School districts and charter schools are authorized to establish dual-language immersion programs for both native and nonnative English speakers. Directs Legislative Council to prepare conforming legislation.

HCR 2043 Compensation; state preemption; limitation

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to declare that the regulation of employee benefits is of statewide concern and not subject to further regulation by a municipality or other political subdivision. Does not affect the authority of a county or municipality to set wages or benefits for county or municipal

2023 END OF SESSION REPORT

employees or limit a county's or municipality's authority to enter into contracts for personal services.

HCR2046 Peterson Zah; death resolution

The members of the Legislature express their regret at the passing of former Navajo Nation President Peterson Zah and extend their deepest condolences to the Navajo people and his surviving family members.

HCR 2050 School districts; expenditure limit; authorization

The Legislature authorizes the expenditure of local revenues by school districts in excess of the expenditure limitation prescribed in the state Constitution in FY2023-24. This authorization is effective only on the approval of this resolution by at least 2/3 of the members of each house of the Legislature by roll call vote.

HCR 2051 Ben Shelly; death resolution

The members of the Legislature express their regret at the passing of former Navajo Nation President Ben Shelly and extend their deepest sympathies to his surviving family members.

SCR 1001 Violent crime; evidence-based strategies

The members of the Legislature support strategies such as focused deterrence and blight reduction to effectively prevent and reduce violent crime; oppose calls to defund the police and instead support appropriating resources to law enforcement; oppose forcing law enforcement agencies to fund significant percentages of their budgets through fines, fees and forfeitures and instead support funding them through a consistent and transparent budgetary process; support providing law enforcement with more tools to manage individuals who are dealing with mental health and substance abuse issues; and support implementing evidence-based reforms that reduce prison populations, decrease recidivism, focus policework on high-risk offenders, and expand rehabilitative programming.

SCR 1002 Constitutional amendments; sixty percent approval

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to require approval by 60 percent of the votes cast on the measure for an initiative or referendum measure that amends the state Constitution to become law, instead of a majority of the votes cast.

SCR 1003 School districts; expenditure limitation; repeal

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to repeal the expenditure limitation for school districts. Applies to FY2025-26 and after.

SCR 1004 Aggregate expenditure limitation; school districts

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to change the aggregate expenditure limitation for all school districts by using FY2024-25 as the base year, instead of FY1979-80. Applies to FY2025-26 and after.

SCR 1005 School districts; expenditure limit; authorization

2023 END OF SESSION REPORT

The Legislature authorizes the expenditure of local revenues by school districts in excess of the expenditure limitation prescribed in the state Constitution in FY2022-23. This authorization is effective only on the approval of this resolution by at least 2/3 of the members of each house of the Legislature by roll call vote by March 1, 2023.

SCR 1007 Property tax exemption; virtual currency

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to exempt "virtual currency" (defined) from taxation as property.

SCR 1008 Assyrian New Year; recognizing.

The members of the Legislature recognize April 1, 2023 as Assyrian New Year and honor the many contributions of Assyrians, both past and present.

SCR 1009 School district expenditures; authorization..

The Legislature authorizes school districts to spend local revenues in the amount of \$1,385,809,642 in excess of the expenditure limitation prescribed pursuant to the state Constitution in FY2022-23. This authorization is effective only on the approval of this resolution by at least 2/3 of the membership of each house of the Legislature by roll call vote on or before March 1, 2023.

SCR 1010 School board members; term limits

The 2024 general election ballot is to carry the question of whether to amend state statute to prohibit a member of a school district governing board from serving more than three consecutive terms. Session law provides for applicability to current school board members.

SCR 1011 Homelessness; facilities; housing

The 2024 general election ballot is to carry the question of whether to amend state statute to allow monies in the Housing Trust Fund to be used for services for individuals experiencing homelessness. The Arizona Department of Housing (ADOH) is required to accept and allocate monies appropriated by the Legislature for services for individuals experiencing homelessness. Monies must be used for parking areas that have access to potable water, electric outlets, and bathrooms; camping facilities and individual shelters that meet specified requirements; and shelters that house at least four individuals and that provide programs to improve the employment and income of individuals leaving the shelter. ADOH is required to prioritize spending for all of these purposes before spending monies on permanent housing for individuals experiencing homelessness. ADOH is authorized to use monies appropriated to assist individuals experiencing homelessness with substance abuse treatment, mental health treatment, and other services. A person is prohibited from using state or local government owned lands for unauthorized sleeping, camping, or long-term shelter, and from allowing such land to be used for these purposes. Political subdivisions are prohibited from adopting or enforcing policies that discourage or prohibit the enforcement of any order or ordinance that prohibits public camping or sleeping or obstructing a public right-of-way. The Attorney General is authorized to bring a civil action against a political subdivision in violation. Severability clause.

SCR 1012 Employment First; disabilities

2023 END OF SESSION REPORT

The members of the Legislature affirm their support for Employment First, for the provision of services and support to persons who have disabilities, and for strengthening efforts to collaborate and increase employment opportunities for these individuals.

SCR 1013 Legislature; sixty house districts

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to require one member of the House of Representatives to be elected from each of 60 House districts, with two entire and separate House districts being contained completely within each of the 30 Senate districts. Applies for the redistricting of legislative districts that begins in 2031 and must be fully applicable for the legislative districts used in the 2032 primary and general election and all subsequent legislative elections.

SCR 1014 Article V; fiscal responsibility

Pursuant to article V of the U.S. Constitution, the Arizona State Legislature formally applies to the U.S. Congress to call a convention for the purpose of proposing an inflation-fighting federal fiscal responsibility amendment to the U.S. Constitution. The Secretary of State is directed to transmit copies of this resolution to the President of the U.S., the President and Secretary of the U.S. Senate, the Speaker and Clerk of the U.S. House, each member of Congress from Arizona, and the presiding officers of each house of the several state legislatures, requesting their cooperation.

SCR 1015 Initiative; referendum; signatures; legislative districts

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to require statewide initiative measures to obtain signatures from 10 percent of the voters from each legislative district, instead of from the entire state, for a statewide measure, and from 15 percent of the voters of each legislative district, instead of from the entire state, for an amendment to the state Constitution.

SCR 1016 Article V convention; term limits.

Pursuant to Article V of the U.S. Constitution, the Arizona State Legislature formally applies to the U.S. Congress to call a convention for the purpose of proposing an amendment to the U.S. Constitution to limit the number of terms that a person may be elected as a member of the U.S. House of Representatives and as a member of the U.S. Senate. The Secretary of State is directed to transmit copies of this resolution to the President and Secretary of the U.S. Senate, the Speaker, Clerk and Judiciary Committee Chairman of the U.S. House, each member of Congress from Arizona, and the presiding officers of each house of the several state legislatures, requesting their cooperation.

SCR 1017 Ratification; equal rights amendment

Ratifies the Equal Rights Amendment to the U.S. Constitution. The Secretary of State is directed to transmit copies of this resolution to the President of the U.S. Senate and the Speaker of the U.S. House of Representatives.

SCR 1018 Prohibit tax; monitoring; vehicle mileage

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to prohibit the state, counties, municipalities, or other political subdivisions from

2023 END OF SESSION REPORT

imposing a tax or fee on any person based on vehicle miles traveled or imposing any rule or law to monitor or limit the vehicle miles traveled of a person in a motor vehicle.

SCR 1019 Schools; English language learners; requirements.

The 2024 general election ballot is to carry the question of whether to amend state statute to repeal and replace provisions related to English language learners. Public schools are required to ensure that all English language learners receive the highest quality education, master the English language and access high quality, innovative research-based language programs. School districts and charter schools are authorized to establish dual-language immersion programs for both native and nonnative English speakers. Directs Legislative Council to prepare conforming legislation.

SCR 1022 Marijuana; unincorporated areas; reservations; prohibition

The 2024 general election ballot is to carry the question of whether to amend state statute to prohibit the Department of Health Services from issuing a nonprofit medical marijuana dispensary registration certificate, a marijuana establishment license, a marijuana testing facility license, or an independent third-party laboratory certification at a location in unincorporated territory that is surrounded on all sides by an Indian Reservation in Arizona.

SCR 1023 Charter cities; repeal

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to repeal charter cities in Arizona.

SCR 1024 Preferential treatment; discrimination; prohibited (Initiative; referendum; signatures; legislative districts..)

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to require statewide initiative measures to obtain signatures from 10 percent of the voters from each legislative district, instead of from the entire state, for a statewide measure, and from 15 percent of the voters of each legislative district, instead of from the entire state, for an amendment to the state Constitution.

SCR 1025 Parents' bill of rights

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to add the parents' bill of rights, which states that the liberty of parents to direct the upbringing, education, health care and mental health of their children is a fundamental right. Governmental entities are prohibited from infringing on these rights without demonstrating that the compelling governmental interest as applied to the child involved is of the highest order, is narrowly tailored and is not otherwise served by a less restrictive means.

SCR 1026 Appointment commissions; membership

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to remove the nomination by the board of governors of the state bar of Arizona of members of the Commission on Appellate Court Appointments and the Commission on Trial Court Appointments.

SCR 1027 Cities; towns; elections

2023 END OF SESSION REPORT

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to state that for any municipality that provides for election of municipal council members by district, ward, precinct or other geographic designation, only those voters who are qualified electors of the district, ward, precinct or other geographic designation, as applicable, are eligible to vote for that council member candidate in the municipality's primary, general, runoff or other election.

SCR 1028 Racism; public health crisis

The members of the Legislature proclaim racism to be a public health crisis affecting our entire society; commit to working to create equity and justice-oriented governance; commit to developing a work plan that includes educational efforts to address and dismantle racism, expand state personnel's understanding of racism and how racism affects individual and population health, and provide tools to assist personnel to engage actively and authentically with communities of color; and support policies that improve health in communities of color and local, state and federal initiatives that advance social justice.

SCR1029 Environment; constitutional amendment

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to state that a person, including a person in a future generation, has the right to a clean and healthy environment, including pure water, clean air, healthy ecosystems and a stable climate, and to the preservation of the natural, cultural, scenic and healthful qualities of the environment. Declares that Arizona's public natural resources are the common property of all the people, including present and future generations. The state and political subdivisions are required to serve as trustees of these resources, and to conserve, protect and maintain these resources for the benefit of all the people.

SCR 1030 Right to work; repeal.

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to repeal the right to work or employment without membership in labor organizations.

SCR 1031 World hearing day

The members of the Legislature proclaim March 3, 2023 as World Hearing Day in the State of Arizona and encourage the citizens of Arizona to protect their hearing and seek the services of licensed hearing health care professionals for regular hearing checks.

SCR 1032 Short-term rentals; vacation rentals.

The 2024 general election ballot is to carry the question of whether to repeal statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and restricting the types of regulations that municipalities and counties may impose on vacation rentals or short-term rentals. Statute entitling a property owner to just compensation from the state or a political subdivision that enacts a land use law that reduces the existing rights to use private real property does not apply to land use laws that regulate a vacation rental or short-term rental.

SCR 1033 State debt; limit; restrictions; prohibitions

2023 END OF SESSION REPORT

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to define "debt" as the following obligations of the state that are paid with state general fund monies: general obligation bonds, long-term notes and obligations, certificates of participation and other obligations of a lease-purchase agreement, revenue bonds, and obligations in one fiscal year that are deferred in whole or in part to another fiscal year.

SCR 1034 General appropriation bill; continuing appropriation

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to provide that if a new fiscal year begins and no general appropriation bill has been signed into law for that fiscal year, the general appropriation bill in effect for the immediately preceding fiscal year continues in effect as if enacted into law for the new fiscal year until a general appropriation bill has been signed into law for that fiscal year. Allows the Joint Legislative Budget Committee or its successor agency, by a majority vote of all members appointed to the committee, adjust the amounts that were in effect for the immediately preceding fiscal year to remove onetime expenditures and account for inflation and enrollment growth for programs administered by the Arizona Department of Education, the Arizona Health Care Cost Containment System (AHCCCS) and the Department of Economic Security, or their successor agencies, in the new fiscal year. Does not apply if after these adjustments, the general appropriation bill appropriates an amount that exceeds the projected general fund revenues for the new fiscal year. AS PASSED SENATE

SCR 1035 Surplus; income tax rate; reduction

The 2024 general election ballot is to carry the question of whether to amend state statute to require the Department of Revenue, for each tax year beginning with 2026, to reduce the individual income tax rate for the current tax year so that the amount of the rate reduction is equal to that tax year's "Arizona taxpayer return," defined as 50 percent of the "structural surplus" (defined) for the immediately following fiscal year.

SCR 1036 Primary elections; eligible candidates.

The 2024 general election ballot is to carry the question of whether to amend the state Constitution to require the direct primary election for partisan offices to be conducted in a manner so that each political party that has qualified for representation on the ballot may nominate for each office a number of candidates equal to the number of positions to be filled for that office in the ensuing general election, and all otherwise eligible candidates who are so nominated must be placed on the ballot in the next ensuing general election. The direct primary election law enacted by the Legislature supersedes any contrary or inconsistent provision of any charter, law, ordinance, rules, resolution, or policy of any city.

SCR 1038 Article V convention; delegates; election

Establishes a process for holding a statewide special election to elect delegates to an Article V convention to amend the U.S. Constitution. The number of delegates to be chosen is unspecified (blank in original). Candidates for the office of delegate to the convention must be qualified electors of Arizona and must collect at least 1,000 signatures of qualified voters on a nomination petition, and other nomination petition requirements are established. The election must be held by in-person ballot only. Establishes a form for a separate ballot where voters answer whether they are in favor or against ratifying the proposed amendment to the U.S. Constitution. Delegates elected on a platform statement as "for" or "against" ratification are

2023 END OF SESSION REPORT

required to vote at the convention in accordance with that platform, and penalties for failing to do so are listed. Establishes requirements for the convention.

SR 1001 Article V; recall and sanctions

Resolves that commissioners to an Article V convention for proposing an amendment to the U.S. Constitution be selected by a joint process as determined by the Arizona House of Representatives and Senate leadership with bipartisan involvement. Establishes an oath that every candidate for commissioner to Arizona's Article V conventions are required to take, which include solemnly swearing to not vote for any runaway amendment. Any commissioner violating the oath must be subject to penalties as provided for by Arizona law.

Elections/Public Notice

New Laws

SB 1006 (Chapter 183) Municipal notices and ordinances; posting

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

SB 1270 (Chapter 23) Open meetings; capacity

Schools, school boards, executive boards, and municipalities are required to provide for an amount of seating sufficient to accommodate the reasonably anticipated attendance of all persons desiring to attend the deliberations and proceedings, when feasible. Does not require a public body to relocate a meeting outside of the largest regular meeting room. Except for a meeting through technological devices, the agenda for a public meeting is required to include notice of the time that the public will have physical access to the meeting place.

SB 1273 (Chapter 119) Early ballot delivery; instruction requirements

The instructions for the guidance of voters and election officers at an election, and the instructions included in the envelope with an early ballot are required to include information that a person may only handle or return their own ballot or the ballot of family members, household members, or persons for whom they are caregivers, and that it is unlawful to handle or return the ballot of any other person.

Tracking List: Election/Public Notices

Bills that Failed

HB 2023 Judges; election; technical correction

Minor change in Title 16 (Elections and Electors) related to election of justices of the Supreme Court or judges of the Court of Appeals. Apparent striker bus.

HB 2073 Automatic voter registration

Every person who is applying for a driver license or renewal, including a nonoperating identification license or renewal, or who is making changes to drive license information and who is otherwise qualified to register to vote must be registered to vote automatically on completion of the license application unless the applicant declines to register. A person who is not qualified to register to vote and who unknowingly registers under this provision is not guilty of false registration or false swearing. Effective January 1, 2024.

HB 2078 Counties; elections; state audits

An "eligible person" (defined as a candidate in the election, a county political party chairperson, or the chairperson of a political committee that supports or opposes a ballot measure that was on the ballot in the election) is authorized to make a written request to the county recorder or other officer in charge of elections for an explanation and supporting documentation regarding an action taken by an election officer that appears to violate statute, irregularities in precinct or voting center results, and/or inadequacy of or irregularity in documentation

2023 END OF SESSION REPORT

required to be maintained by statute. The county recorder or other officer in charge of elections is required to provide the requested explanation and supporting documentation within 20 days after the request. If the eligible person is not satisfied, the person is authorized to request an additional explanation and supporting documentation, which the county recorder or other officer in charge of elections must provide within 10 days. If the eligible person is not satisfied with the additional explanation, the person is authorized to submit a written request to the Secretary of State regarding the requests. The Secretary of State is required to review the matters in question and may request additional information from the county recorder or other officer in charge of elections, which must be responded to within 30 days. If not satisfied with the response, the Secretary of State is authorized to conduct an audit of the claimed actions, irregularities, or inadequacies of the county recorder or other officer in charge of elections. The county recorder or other officer in charge of elections is required to remedy matters specified in the Secretary of State's findings within 30 days. The Secretary of State is authorized to assess a civil penalty of no more than \$500 for each unresolved finding against the county recorder or other officer in charge of elections.

H B2081 Ballot; presidential candidates; technical correction

Minor change in Title 16 (Elections and Electors) related to presentation of presidential candidate's on the ballot. Apparent striker bus.

HB 2096 Early ballots; Friday deadline

Early ballots are no longer allowed to be deposited at any polling place on election day, and instead are required to be delivered in person to the office of the county recorder or to a polling place or other voting location by 5:00 PM on the Friday before election day. Repeals statutes governing on-site tabulation of early ballots.

HB 2100 Elections; mail ballot; technical correction

Minor change in Title 16 (Elections and Electors) related to mail ballot elections. Apparent striker bus.

HB 2102 - Election of judges; technical correction

Minor change in Title 16 (Elections and Electors) related to election of judges. Apparent striker bus.

HB 2103 Special districts; elections; technical correction

Minor change in Title 16 (Elections and Electors) related to special district elections. Apparent striker bus.

HB 2104 Contest; state elections; technical correction

Minor change in Title 16 (Elections and Electors) related to contesting an election. Apparent striker bus.

HB 2105 Statement of contest; technical correction

Minor change in Title 16 (Elections and Electors) related to contesting a state election. Apparent striker bus.

HB 2116 Election laws; revisions; appropriation

2023 END OF SESSION REPORT

Numerous changes to statutes relating to election law. A conviction for a felony no longer suspends the person's right to vote. For an early ballot issued at an early voting location, if the voter presents proper identification, the county recorder is allowed to tabulate the voter's ballot without conducting signature verification on the ballot affidavit. The hours for on-site early voting are extended through 5:00PM on the Monday preceding the election, instead of 5:00PM on the Friday preceding the election, and emergency voting during that time period is eliminated. If a county recorder determines that a provisional ballot voter is not properly registered to vote, the county recorder is required to use the information from the provisional ballot to register the person to vote for subsequent elections. An electronic pollbook used in Arizona is required to comply with the requirements in the election instructions and procedures manual adopted by the Secretary of State. Appropriates \$100,000 from the general fund in each of FY2023-24 and FY2024-25 to the Secretary of State to provide risk-limiting audit grants to officers in charge of elections to conduct risk-limiting audits for the 2024 general election instead of a hand count audit. The Secretary of State is required to report any findings and recommendations related to the use of risk-limiting audits to the Legislature by March 31, 2025.

HB 2117 Ballot measures; descriptive title; summary

The summary of a ballot measure printed on the official ballot as part of the descriptive title is required to be impartial. At least 30 days before the earliest date that official ballots and publicity pamphlets are sent to be printed, the Secretary of State and the Attorney General are required to post the approved impartial summaries of ballot measures on their websites, and the Secretary of State is required to provide a copy of the impartial summary to the committee that filed each ballot measure, if any.

HB 2118 Early ballot collection; limitations; repeal

It is no longer a class 6 (lowest) felony to knowingly collect voted or unvoted early ballots from another person.

HB 2119 Voting centers; board of supervisors

Only on a specific resolution of the county board of supervisors, the board is permitted to authorize the use of additional types of voting locations by using voting centers and early voting drop-off centers. A voting center is deemed to be a polling place on election day, and may be used as an early voting location. When an election is ordered and voting centers are used, the county board of supervisors is required to appoint a voting center election board for each voting center consisting of at least one inspector, one marshal and as many judges or clerks as needed. Requires there to be an equal number of inspectors in the various voting centers in the county who are members of the two largest political parties. The board of supervisors is authorized to appoint a minor who is at least 16 years of age to serve as a clerk of elections if a list of specified circumstances apply. School districts and charter schools cannot be required to reduce average daily membership for any student who is absent as a result of service on a voting center election board, and cannot count the absence against any mandatory attendance requirements for the student. County recorders are authorized to make changes to the approved early voting locations and are required to notify the public as soon as practicable.

HB 2120 Early voting; weekend hours

2023 END OF SESSION REPORT

On-site early voting locations, including the locations at the county recorder's office, are required to be open until 7:00PM on the Saturday, Sunday and Monday immediately preceding election day.

HB 2121 Election procedures; registrations; campaign finance

Numerous changes to statutes relating to elections. For every person who provides proof of U.S. citizenship when applying for, renewing or replacing a driver license or nonoperating identification license, or updating the person's existing residence address or name on file with the Arizona Department of Transportation (ADOT), ADOT is required to electronically collect and transmit voter registration information to the Secretary of State for the purpose of registering the person to vote or updating an existing voter registration record. The Secretary of State and ADOT Director, after consulting with all county recorders, are required to adopt rules to implement a secure automatic electronic voter registration system that collects and transmits voter registration information. The Secretary of State is required to evaluate implementation of a secure automatic electronic voter registration system at other agencies, including the Arizona Health Care Cost Containment System (AHCCCS). By December 31, 2022, any agency that allows a person to affirmatively register to vote or to update the person's registration through the internet must allow the person to complete the registration without a driver license or nonoperating identification license and with any proof of citizenship that is valid under Arizona law. Eliminates the requirement for a voter to live in the boundaries of an election district for 29 days prior to an election to be eligible to vote in that election. By the 2024 primary election and for each election thereafter, each county recorder is required to designate at least one election official at each polling place, voting center or early voting location in the county to serve as a registration clerk to facilitate and enable eligible persons to register to vote on-site on election day or during early voting. A registration clerk must be present for all hours during which a polling place, voting center or early voting location is open. Every qualified voter in Arizona has the right, after registering to vote, to vote a secret ballot in all elections for which that voter is eligible to vote. By December 31, 2026, the Secretary of State, county recorders and other officers in charge of elections are required to evaluate incorporating "risk-limiting audit" (defined) protocols into ballot hand count procedures. Reduces individual and political action committee contributions limits to \$1,000 to candidates for legislative, county, municipal or district office, from \$6,250, and to \$2,500 for candidates for statewide office, from \$6,250. Much more. Due to voter protection, several sections of this legislation require the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

HB 2122 Campaign finance; corporate recipients; registration

A corporation, limited liability company (LLC) or labor organization that makes aggregate contributions of \$5,000 or more in statewide races, \$2,500 or more in legislative races, or \$1,000 or more in county, municipal, or other local races to a political action committee or to another corporation, LLC or labor organization in an attempt to influence the outcome of a candidate election is required to register and notify the appropriate filing officer no later than one business day after making that contribution. Information that must be included in the registration and notification is listed. Within five days after an initial threshold contribution, the corporation, LLC or labor organization is required to file a notarized sworn statement that the person, agent, or officer filing the registration and notice had authority to make that contribution on behalf of the corporation, LLC or labor organization. Failure to register, notify,

2023 END OF SESSION REPORT

or disclose according to these requirements is subject to a civil penalty of up to three times the total amount of contributions. Knowingly making a false filing is a class 1 (highest) misdemeanor.

HB 2123 Independent expenditures; corporations; funding disclosure

Any person other than an individual, including a corporation, limited liability company or labor organization that is not required to register as a committee and that makes an expenditure for an advertisement or fundraising solicitation is required to include in the advertisement or solicitation a disclosure of the person making the expenditure and whether the expenditure was authorized by any candidate, as well as the names of the four funding sources making the largest aggregate contributions to the person making the expenditure (instead of the three political action committees and only if the aggregate contributions exceeded \$20,000 during an election cycle). If an out-of-state contributor or group of contributors is a "major funding source" (defined) to a corporation, limited liability company or labor organization, the disclosure is also required to include that the contributor is an out-of-state contributor. A corporation, limited liability company or labor organization that makes an independent expenditure and that accepts donations or contributions is required to file campaign finance reports.

HB 2124 Ballot measure amendments

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

HB 2133 Candidates; missed filings; termination

If a candidate committee fails to file a timely and complete campaign finance report within five days after the filing deadline, the candidate's candidacy is terminated by operation of law, is prohibited from making any further expenditures, and the candidate is no longer eligible to be a candidate for the office for which the candidate committee is established.

HB 2134 Campaign finance; caregiving expenditures

Declares that a candidate committee's payment for direct care, protection and supervision of a child or other individual for whom the candidate has direct caregiving responsibilities is a lawful expenditure of candidate committee monies. A legislative intent section states that this change is clarifying and not substantive.

HB 2144 Open meetings; capacity; posting; violation

Schools, school boards, executive boards, and municipalities are required to provide for an amount of seating sufficient to accommodate the reasonably anticipated attendance of all persons desiring to attend the deliberations and proceedings, when feasible. Does not require a public body to relocate a meeting outside of the largest regular meeting room. Except for a meeting through technological devices, the agenda for a public meeting is required to include notice of the time that the public will have physical access to the meeting place. AS PASSED HOUSE

HB 2152 Initiative; referendum; signatures; electronic submittal

The Secretary of State is required to provide a system for qualified electors to sign initiative and referendum petitions by way of a secure internet portal. The system is required to verify the qualified elector's identity. The person or organization that files the application for initiative or referendum petition may choose to collect up to one-half of the number of signatures required by use of the online signature collection system.

HB 2153 Presidential preference election; independent voters

Voters registered without a political party designation may vote in the presidential preference election and may select the ballot of any political party at that election.

HB 2156 Governmental entities; proxy voting; prohibitions (Proxy voting; governmental entities; prohibition)

A governmental entity that establishes or maintains a "plan" (defined as any plan, fund, or program established or maintained by the state or a political subdivision to provide retirement income or benefits to employees, defer income by employees, or invest taxpayer monies for any purpose) is required to make all direct investment decisions based solely on pecuniary factors when evaluating an investment, and is required to vote all directly held shares, or have the directly held shares voted, based solely on pecuniary factors when voting proxies. Also, all state investments made by the State Treasurer are required to be made in the sole interest of the beneficiary taxpayer. AS PASSED HOUSE

HB 2220 State elections; contest; technical correction

Minor change in Title 16 (Elections and Electors) related to contest of a state election. Apparent striker bus.

HB 2229 Legislative intent; secrecy; mail voting

Voting by mail is banned in Arizona. Persons who are unable to go to the polls will be provided alternate means of voting that ensure secrecy in voting to the greatest extent possible. Does not apply to persons covered by the Uniformed and Overseas Citizens Absentee Voting Act and Arizona citizens who are temporarily residing out of state. The Legislature is required to put in place additional measures to ensure as much secrecy as possible for these voters, including confirming that the person is an Arizona resident and registered voter, ensuring that the mailed ballot is sent to the correct address, and having a certified witness attest that the voter voted in the absence of others and that the voter did not show any other person the voted ballot before placing it in the envelope. Contains a legislative intent section.

HB 2231 Early absentee voting; limitations; conflicts

2023 END OF SESSION REPORT

Early voting is renamed early absentee voting. Qualified electors are only allowed to vote by early absentee ballot if the elector is physically unable to go to the polls due to illness, hospitalization, incarceration, or other confinement, or the elector expects to be absent from the elector's precinct at the time of the election, including electors covered by the federal Uniformed and Overseas Citizens Absentee Voting Act, or the elector is blind or has a visual impairment. Severability clause. Directs legislative council staff to prepare conforming legislation.

HB 2232 Elections; identification; revisions; mail-in; tabulation.

For all primary and general elections, a voter is prohibited from receiving or voting a ballot unless the voter has presented valid state-issued identification. All voting is required to occur on election day only, except for absentee ballots. Voters are allowed to vote by absentee ballot only for one of a list of specified reasons. All ballots are required to be cast in person by the voter at the voter's election precinct polling place. All ballots are required to be paper ballots that include a hologram, an identifiable sequence marking or another similar system for preventing fraud, and must allow a voter to receive a uniquely marked or numbered ballot. All ballots must be counted by hand and canvassed and the returns made within 24 hours after the polls are closed. Repeals the active early voting list and all statutes relating to voting by mail. Deletes all references to electronic tabulation and prohibits the use of electronic voting systems other than for accessible voting technology. County boards of supervisors are prohibited from changing a polling place unless the voters in that precinct are notified by mail at least two years in advance. County boards of supervisors are prohibited from requiring a voter or any other person to wear a facial mask at a polling place or be vaccinated against or tested for a virus as a condition of entering a polling place. Much more.

HB 2233 Election contests; procedures

Any Arizona voter is allowed to contest the election of any person declared elected to a state office or the declared result of a ballot measure on the grounds of votes in which the chain of custody is broken or early votes that have inconsistent signatures or personal information. All appeals of the final judgment issued in an election contest must be filed directly in and heard by the Arizona Supreme Court, and must be filed within 10 days after issuance of the final judgment. A response must be filed within five days, and a reply must be filed within three days after the response is filed. The Arizona Supreme Court is required to schedule a hearing to be held within five days after the filing date of the reply and is required to render a decision within five days after the hearing. For the purpose of inspection of ballots before a trial, an organization or entity is deemed a person and may provide for a rotating series of individuals to inspect on behalf of the organization or entity. The parties have the right to physically examine all physical ballots and all physical ballot images, any early ballot envelopes, and the electors' registration records. The court is required to allow ample time to the parties for a thorough examination and cannot restrict the examination in any manner. The parties have the right to full discovery on any matter that could pertain to the election in any way, and the court is required to make every attempt not to limit discovery.

HB 2304 Voting locations; precinct-based

In all elections administered by a county, all voting is required to be conducted at precinct-based polling places. A county may not use any voting location that provides for countywide access to ballots for registered voters from any location in the county.

2023 END OF SESSION REPORT

HB 2305 Ballots; signature verification; observers

The county recorder and county officer in charge of elections would have been required to allow representatives of the two largest political parties entitled to continued representation on the ballot to observe each stage of the signature verification process for early, provisional and conditional provisional ballots. Observers would have been required to be allowed to observe from a distance of six feet so that they could reasonably and clearly view the contents of any screens or monitors used to display information related to signature verification, including observers who were in a separate area and who were viewing the signature verification process on a screen or other monitor. Observers would have been prohibited from noting, transcribing, or disclosing any voter's personal identifying information. The county recorder and county officer in charge of elections would have been required to maintain election board worker and employee documentation in the form of a log at each stage of the signature and affidavit verification process. Information that must be included on the log would have been specified. Violations would have been a class 5 (second lowest) felony. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill creates unnecessary burdens for election administrators and meaningful privacy concerns for Arizona voters.

HB 2306 Ballot custody; verification; observers

The county recorder and the county officer in charge of elections are required to maintain an accurate log of the chain of custody for unvoted and voted ballots. The chain of custody log must begin when unvoted ballots are received by the county recorder and county officer in charge of elections from the ballot printer and continue until completion of the canvass. Representatives of the two largest political parties entitled to continued representation on the ballot are required to observe and verify each transfer of custody.

HB 2307 Elections; hand counting; machines; prohibition

For all county and municipal elections, all votes are required to be tabulated by hand. Counties and municipalities are prohibited from using a tabulating machine to count votes.

HB 2308 Secretary of state; election; recusal

The Secretary of State would have been prohibited from personally performing any aspect of elections operations conducted by Elections Department staff in the Office of the Secretary of State for an election in which the Secretary of State was a candidate. The constitutional duty to certify the statewide canvass would have been exempt. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that the Secretary of State is elected by the people of Arizona to serve as the state's chief election officer.

HB 2319 Elections; rule of construction

The Legislature would have declared that the purpose of statutes regulating the conduct of elections was to provide the people of Arizona with a transparent system for conducting elections. If there were two competing interpretations of statutes regulating the conduct of elections, the provisions would have been required to be liberally construed in favor of the reading that provided greater transparency. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill does not solve any of the real challenges facing election administration.

HB 2322 Early ballots; signatures; guidelines; challenges

2023 END OF SESSION REPORT

The Secretary of State's July 2020 signature verification guide would have constituted the minimum requirements for comparison of signatures. Signatures that could not be verified would have been required to be rejected unless cured as provided in statute. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that these standards are old and are more appropriately included as part of the Election Procedures Manual.

HB 2325 Voting; procedures; electors in detention (Mail ballot elections; technical correction)

A qualified voter who is in pretrial detention in a "jail" (defined) must be allowed to make a signed written request to the county recorder or other officer in charge of elections to have a ballot personally delivered to the voter by a special election board. The jail is required to make provisions for a secured, restricted, and private area to be set aside to allow detained voters to vote. The county recorder or other officer in charge of elections is required to provide and send a full-time departmental employee to jails to facilitate voting. The person voting while in pretrial detention is required to present sufficient identification to the elections official, and the official is required to verify that the person is a duly qualified voter before providing the person with a ballot. The elections official is required to take the envelopes for all voted ballots directly to the elections office. A government employee or contractor who violates these requirements is guilty of a class 3 (upper mid-level) felony. No portion of this legislation is severable from any other portion. AS PASSED HOUSE

HB 2326 Certificate of election; technical correction

Minor change in Title 16 (Elections and Electors) related to certificate of election. Apparent striker bus.

HB 2334 Permanent early voting list

The active early voting list is renamed the permanent early voting list. The county recorder is no longer required to remove a voter from the list if the voter fails to vote using an early ballot in all elections for two consecutive election cycles.

HB 2377 Public officers; lobbying; prohibition

A "public officer" (defined) would have been prohibited from engaging in "lobbying" (defined elsewhere in statute), except when acting in the public officer's official capacity. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill creates meaningful first amendment concerns.

HB 2378 Officials; political action committee prohibition

The Secretary of State, a member of a county board of supervisors, a county recorder, and any other officer in charges of elections and their employees are prohibited from being a chairperson, treasurer or other member of a political action committee. Does not apply to an individual's membership in a candidate committee for that individual's own candidacy. AS PASSED HOUSE

HB 2380 Secretary of state; address confidentiality

Appropriates \$250,000 from the general fund in FY2023-24 to the Secretary of State for the support of the Address Confidentiality Program.

2023 END OF SESSION REPORT
HB 2415 Active early voting lists; removal

The county recorder would have been required to remove a voter from the active early voting list if the voter failed to vote an early ballot in all elections for one election cycle, instead of two consecutive election cycles. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that Arizona's active early voting list is secure and convenient for voters, and that this bill does not make voting more accessible, accurate, and secure.

HB 2425 Cities and towns; technical correction

Minor change in Title 9 (Cities and Towns) related to city and town officers. Apparent striker bus.

HB 2477 Electoral college; support

Would have stated that the Legislature affirms the importance of the electoral college for presidential elections in this country for a list of specified reasons. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that a bill solely expressing legislative opinion would be better as a House Resolution.

HB 2497 Elections; special districts; technical correction

Minor change in Title 16 (Elections and Electors) related to special district elections. Apparent striker bus.

HB 2552 Voting; elections; tally; prohibition

For every election held in Arizona, the person who received the highest number of legal votes would have been required to be declared elected. The state, counties, municipalities, or political subdivisions would have been prohibited from using a voting method in an election or nomination process for any state, city, town, county, or federal office that allowed voters to select or rank, designate, or otherwise indicate approval of or preference for more candidates than are eligible to be declared elected for any office; that allowed ballots cast to be tabulated in any manner that involved the elimination of candidates through multiple rounds of tabulation or the transfer or redistribution of votes between or among candidates; or that required the ranking of every candidate for an office as a condition of a voter's vote being counted in the final tally. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that ranked choice voting is used successfully elsewhere in the country, and that this bill is unnecessary.

HB 2560 Images; voter lists; records; contest.

No later than ten days before each election, the county recorder or other officer in charge of elections would have been required to publish and post online a list of all voters who are registered to vote in the election, including persons who are on the inactive voter list. After the primary and general election and no later than 48 hours after the delivery of the official county canvass, the county recorder or other officer in charge of elections would have been required to submit to the Secretary of State, who would have been required to immediately post online in a convenient downloadable format, a list of all persons who voted in the election, all ballot images used in the tabulation of the election, and the "cast vote record" (defined) in a sortable format. It would have been a class 1 (highest) misdemeanor to alter the contents of an image or a cast vote record from the database. The county recorder or other officer in charge of

2023 END OF SESSION REPORT

elections would have been required to ensure that paper ballots are stored in a manner that allows for convenient retrieval. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill threatens anonymity and privacy, opens the door to the spread of misinformation, and places a burdensome, unfunded mandate on election officials.

HB 2591 Elections; early ballot drop boxes

All ballot drop boxes used in Arizona to receive voted early ballots must be located inside a county building, except that a drop box may be located outside of a building if the ballot drop box is secured to a building or footing. Ballot drop boxes must be usable only on Monday through Friday from 8:00AM to 5:00PM and must include a functioning camera or video recorder that photographs or video records and stores the images of each person who deposits one or more early ballots. The camera or video recorder may be motion activated. Establishes a fine of \$1,000 for each ballot for a person who knowingly marks a voted or unvoted ballot or ballot envelope with the intent to fix an election and for possessing a voted or unvoted ballot with the intent to sell the voted or unvoted ballot of another person. Contains a legislative intent section. AS PASSED SENATE

HB 2613 Voting equipment; requirements; origin

Beginning January 1, 2028, the Secretary of State would have been prohibited from certifying a vote recording and vote tabulating machine or device used for elections for federal, state or county offices unless 100 percent of all the machine's or device's parts and components were sourced from the United States, and 100 percent of all the machine's or device's manufacturing and assembly was performed in the United States. Vote recording and vote tabulating machines and devices that were acquired before January 1, 2028 would have been exempt. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill could create a situation where Arizona's election administrators are unable to procure certifiable voting and tabulating equipment, which would be catastrophic for the successful administration of elections in Arizona.

HB 2691 Elections; ballot chain of custody

Ballot boxes would have been required to be locked with a tamper evident seal. The county board of supervisors would have been required to provide a chain of custody record that began at the ballot printing location and continued through delivery to the county recorder or other officer in charge of elections. The county recorder or other officer in charge of elections would have been required to prepare a chain of custody record for the transportation and delivery of all voted ballots. Chain of custody records would have been required to include the time and signature for each point of contact, including the signature of the voting location supervisor when the ballots were received for use in voting and when election board members left with the voted ballots, the signature of each election board member delivering the voted ballots, and the signature of the supervisor at the receiving site who received the voted ballots. Chain of custody records would have been required to include the date, time, location and name of any election official who handled or processed a ballot. The county recorder or other officer in charge of elections would have been required to maintain a record of all voting irregularities that occurred during early voting, emergency voting and election day voting, and information that would have been required to be included in the record was specified. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill does not advance the goal of strengthening our elections.

HB 2701 Secure ballot containers; pilot program

A county with a population of more than 230,000 persons and less than 400,000 persons (Yavapai County) is authorized to establish and implement a pilot program for the use of secure ballot deposit containers to receive voted early ballots. Each secure ballot deposit container is required to unlock for purposes of depositing ballots by use of a card or other similar means that is issued to the voter by the county recorder for that purpose and must provide for secure retention of the voted ballots until accessed by a person who is authorized by the county recorder to collect the ballots for verification and tabulation. Appropriates \$1.5 million from the general fund in FY2023-24 to the Secretary of State for disbursement to a county recorder for the pilot program.

HB 2722 Elections; option; full hand count

The county recorder or any person who is designated by the county board of supervisors is allowed to count by hand all or any portion of the ballots in an election. If the hand count is for less than one hundred percent of the ballots, the specific ballots to be counted must be randomly selected. Contains a legislative intent section. AS PASSED SENATE

HB 2728 Election worker harassment task force

Establishes a 10-member Election Worker Harassment Task Force in the Secretary of State's Office to coordinate, investigate, prosecute, or refer for prosecution violations of Chapter 16 (Elections and Electors). The Task Force is required to submit a report of its activities to the Governor and the Legislature by January 1, 2025 and each year after.

HB 2736 Accessible early voting

Absentee voting for uniformed services voters and overseas voters is expanded to include voters with visual impairments.

HB 2746 Appropriation; secretary of state; elections

Appropriates \$1.67 million from the general fund in FY2023-24 to the Secretary of State for election administration expenses, including enhancing the security and technological reliability of the voter registration database.

HB 2757 Court of appeals; retention election

Each judge of the court of appeals would have been required to be elected for retention on a statewide basis at the general election preceding the expiration of the judge's term in office. All otherwise eligible registered voters in Arizona would have been eligible to vote in these statewide races. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that allowing voters statewide to vote on the retention of court of appeals judges while retaining the division structure of the courts of appeals would unfairly dilute the votes of Arizonans most directly impacted by each division's judges.

HB 2785 Early voting; absentee; military

Eliminates early voting by mail in Arizona, all mail ballot elections, and the active early voting list. County boards of supervisors are required to authorize an on-site early voting location at the main office of the county recorder. The county recorder is prohibited from opening more than a single location for early voting, and only those voters who have signed an application,

2023 END OF SESSION REPORT

under penalty of perjury, that states that they expect to be absent from their precincts on election day are allowed to vote at an on-site early voting location. Only a voter who expects to be outside the state of Arizona on election day and the 15 days immediately preceding is eligible to receive a mail ballot. The county recorder is prohibited from mailing a ballot to an address in Arizona. All early votes are required to be counted on election day before 7PM. The voter's signature on an early ballot affidavit must be notarized and must contain the notary's statement that the voter voted the ballot without assistance and outside the view of any other person. Voters who are ill or have a disability and cannot go to the polls are required to vote with a special election board. A county political party, early election board, and party observers are authorized to challenge early ballots on the grounds of inconsistent signatures or unmatching last four digits of social security numbers or dates of birth. The county recorder or other officer in charge of elections is required to provide to the county political party a copy of all early ballot envelopes along with all reference signatures and information for all accepted ballots before removing those ballots from their privacy envelopes in sufficient time for the county political party to challenge any unmatched signatures or information.

HB 2799 Open primary election

Establishes open primary elections in Arizona, where a single ballot contains all candidates for all political parties. The name of the political party of each candidate must be printed next to the candidate's name on the ballot. The two persons having the largest and second largest number of votes advance to the general election.

SB 1011 Municipalities; partisan elections

Municipal elections would have been allowed to be held with the candidate's political party registration indicated on the ballot. Would have applied to municipal elections held on or after January 1, 2024. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that Arizona communities are not asking for local elections to be partisan affairs.

SB 1020 Open meetings; capacity; posting

All public bodies are required to provide for an amount of seating sufficient to accommodate the reasonably anticipated attendance of all persons desiring to attend the deliberations and proceedings, when feasible. The agenda for a public meeting is required to include notice of the time that the public will have physical access to the meeting place.

SB 1025 Political signs; tourism zones

The area of each commercial tourism political sign free zone designated by a municipality would have been limited to 10 percent of the total area of the municipality, and each zone would have been required to have a "rock score" (calculation specified) of 0.10 or more. Municipalities would have been allowed to establish one or more areas within its zones in which political signs were allowed but would have been required to include those areas in calculating the area of the zone to determine compliance with these requirements. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that it is unclear what problem this bill aims to solve and that Arizonans are not asking for more campaign signs in their communities.

SB 1066 Election mailings; third-party disclosures

2023 END OF SESSION REPORT

Any nongovernmental person or entity that mails an official election-related document or a document that resembles an official election-related document from the county recorder, county officer in charge of elections, or the Secretary of State, including a voter registration application or an early ballot request, would have been required to include the words "not from a government agency" in boldfaced, clearly legible print on the outside of the envelope. For delivery by mail or by hand, the disclosure would have been required to be displayed in a height that is at least ten percent of the vertical height of the document. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that she is generally supportive of disclosure in this context, but believes that the specific text size requirements in this bill create an unreasonable burden on those who are trying to improve voting access in Arizona.

SB 1073 Precinct committeeman; vacancy; technical correction

Minor change in Title 16 (Elections and Electors) related to precinct committeeman. Apparent striker bus.

SB 1074 Tabulating equipment; standards; source codes (Election; contest; technical correction)

Electronic equipment would have been prohibited from being used as the primary method for tabulating votes in any municipal, county, state, or federal election unless the electronic equipment met or exceeded the standards set by the U.S. Department of Defense regarding cybersecurity, all parts of the electronic equipment were manufactured in the U.S., and all source codes for the electronic equipment were submitted to and maintained on file by the Auditor General. On request by the Legislature, a county board of supervisors, a county recorder, or other officer in charge of elections, the Auditor General would have been required to release to that party the source codes for the electronic equipment for the purpose of verifying compliance with contract requirements. For any superior court action in which the tabulation of votes was at issue, the court would have been authorized to appoint a special master to review the source codes for any electronic tabulating equipment, and the Auditor General would have been required to provide the source codes to the special master. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that the election equipment required by this bill, as well as the problem it purports to solve, does not exist.

SB 1095 Early ballot envelope; notice

The envelope accompanying an early ballot is required to state: "Dropping off an early ballot after the Friday before the election may result in delayed results as each ballot requires verification." AS PASSED HOUSE

SB 1105 Early ballots; election day tabulation

County recorders or other officers in charge of elections would have been required, instead of allowed, to provide for a qualified voter who appears at their designated polling place or at a voting center on elected day with their voted early ballot to have their ballot tabulated. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that these requirements would be very difficult for election officials to implement.

SB 1106 Social media platforms; standards; notification

Establishes a new chapter in Title 18 (Information Technology) regulating "social media platforms" (defined). Social media platforms are authorized to "deplatform" (defined) a

2023 END OF SESSION REPORT

candidate who is known by the platform to be a candidate, beginning on the date of the candidate's qualification and ending on the date of the election or the date the candidate ceases to be a candidate. Violations are subject to specified civil penalties. Social media platforms are required to publish the standards used to determine how it will deplatform the social media platform's users. An employee who violates these requirements is subject to removal from state service, reduction in grade, debarment from state employment for up to five years, suspension, reprimand, or a civil penalty of up to \$1,000. AS PASSED HOUSE

SB 1116 Political signs; public roadways; prohibition

A person is prohibited from placing a political sign in or on the right-of-way of a public road.

SB 1132 Registrations; counting procedures; observers; verification

Various changes relating to election observers. If the county party chairperson fails to appoint a party representative for a location, the state party chairperson may make those appointments, and if the state party chairperson fails to appoint a party representative, the legislative district chairperson in the area in which the polling place, voting center or other location is located may make those appointments for a location. Establishes a process to select persons to perform the hand count at audited precincts. Proceedings at hand count locations may be observed in the same manner as proceedings at a counting center. The county chairman of each party is authorized to designate a party representative to observe the proceedings at a third-party vendor that processes returned affidavit envelopes on behalf of a county.

SB 1135 Spoiled early ballots; election day

An early voter would have been allowed to deposit their early ballot at any polling place in the county by 7PM on election day or exchange it for a regular ballot at their polling place or a voting center in the county by 7PM on election day. The state, counties, municipalities, and political subdivisions would have been prohibited from being a member of any multistate voter registration or voter registration list maintenance organization that requires that the state provide information derived from voter registration records that is otherwise required to be confidential, and would have been prohibited from entering into any agreement with any organization that imposes any duty on the state that is not expressly required by state law. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this would prevent Arizona from remaining a part of the Electronic Registration Information Center, which helps improve election integrity.

SB 1140 Elections; voting centers; polling places (Elections; voting centers prohibited)

On every regular primary and general election day, public schools must be closed, except that teachers and staff must receive or conduct training or development activities on those days. Teachers and staff are prohibited from using leave time on election days and must receive compensation. Does not prohibit school districts from providing an employee time off to vote. A state, county, municipal, or school district office, and a public school with a "gymnasium" (defined) are required to provide sufficient space for use as a polling place for any state, county, or municipal election when requested by the officer in charge of elections. The public school is exempt from any requirements that would prevent or limit the use of the school and its gymnasium as a polling place. School principals are no longer allowed to deny a request to provide space for use as a polling place. AS PASSED SENATE

2023 END OF SESSION REPORT
SB 1141 Early ballot drop off; identification

For any voter or voter's agent who delivers one or more voted early ballots in affidavit envelopes at any polling place or voting center, the election board must require the person to present valid identification that meets statutory requirements for his/her own early ballot or for another person's ballot, and to attest in writing that he/she is the voter's family member, household member or caregiver for another person's early ballot. Knowing violations are a class 5 (second-lowest) felony. AS PASSED SENATE

SB 1142 Voter registration events; posting

The Secretary of State and each county recorder is required to post on their public websites a list of each event that the Office of the Secretary of State or the county recorder attends and provides voter registration services. [Capitol Reports Note: These provisions were originally signed into law as Laws 2021, chapter 405 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]

SB 1143 Voting registrations; ballot requests; source

Only a political party, county recorder, or election official is authorized to distribute early ballot request forms or active early voting list request forms to voters. Does not apply to an election held by a special taxing district formed for the purpose of protecting or providing services to agricultural lands or crops. For any signed preprinted request to amend a voter's registration information or request for an early ballot, the county recorder is prohibited from using that signature of the voter as the sole exemplar for subsequent comparison if the submittal is on a printed document, card or other form that is not an official form printed by the county recorder or other officer in charge of elections. AS PASSED SENATE

SB 1165 Legislative vacancies; precinct committeemen; voting

If a vacancy occurs in the Legislature and the vacant seat was represented by an organized political party that has at least 30 elected committeemen who are from precincts that are in the legislative district and that are in the county in which the vacancy occurred, those elected precinct committee are required to elect a qualified voter to fill the vacancy, instead of being required to nominate three qualified voters for the county board of supervisors to appoint one to the vacancy.

SB 1170 Ballot drop boxes; requirements; appropriation (Ballot drop boxes; prohibition)

A county recorder or other officer in charge of elections is authorized to use an unmonitored drop box for receipt of voted early ballots if the drop box is located inside a polling place, voting center, county recorder's office, or other location at which election staff is present and monitoring the drop box. A county recorder or other officer in charge of elections is authorized to use an outdoor drop box for receipt of voted early ballots if two or more election workers with equal representation of the two largest political parties in the state monitor the drop box from 8AM to 5PM, and an election worker monitors the drop box via a live video recording system from 5PM to 8AM. Appropriates \$1 million from the general fund in FY2023-24 to the State Treasurer for disbursement to counties for reimbursement of the costs of relocating ballot drop boxes, providing for personnel to monitor the overnight video feed of

2023 END OF SESSION REPORT

drop boxes, and developing or acquiring appropriate infrastructure for live video and audio recording of drop boxes in rural areas. AS PASSED SENATE

SB 1175 Registrations; observers; counting procedures; verification

Various changes relating to election observers and counting procedures. The county chairperson of each political party may designate a party representative for a polling place, a voting center, or a location at which electronic processing of ballots occurs. If the county party chairperson fails to appoint a party representative for a location, the state party chairperson may make those appointments, and if the state party chairperson fails to appoint a party representative, the legislative district chairperson in the area in which the polling place, voting center or other location is located may make those appointments for a location. The county officer in charge of elections is required to publish the procedures for a hand count, including the times and locations, on the county's website no later than the Tuesday before Election Day. If the county party chairperson fails to designate a sufficient number of board workers to assist with a hand count, the state party chairperson is required to designate qualified electors to be board workers. If the state party chairperson fails to designate a sufficient number of board workers, the legislative district chairperson of the district in which the hand count is to occur is required to designate qualified electors to be board workers. Establishes a process to select persons to perform the hand count at audited precincts. The county chairman of each party is authorized to designate a party representative to observe the proceedings at a third-party vendor that processes returned affidavit envelopes on behalf of a county. Beginning on the effective date of this legislation, any new signature images submitted for comparison of the signature on an early ballot envelope to the voter's registration record are prohibited from containing any indicator of the voter's designated political party. Some of these changes become effective January 1, 2024. AS PASSED SENATE

SB 1178 Early voting; identification; signature

If a voter is issued an early ballot at any voting location during the period of early voting after presenting and confirming the required identification, the voter's early ballot is deemed ready for tabulating, and additional signature verification of the completed affidavit envelope is not required.

SB 1180 Voter registrations; payment prohibited

A person would have been prohibited from paying or receiving money or any other thing of value based on the number of voter registrations or voter registration forms collected, completed or submitted. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that she does not believe this is the right solution to the challenges facing our elections.

SB 1201 Early ballots; signatures; electronic pollbooks

Signatures on polling place or voting center electronic pollbooks would have been prohibited from being used for signature comparisons to verify the signature on an early ballot. AS VETOED BY THE GOVERNOR. In her veto message, the Governor stated that limiting which signatures may be reviewed without a legitimate security or accuracy concern harms Arizona's voters.

SB 1213 Legislative audit committee; procedures manual (Legislative council; procedures manual)

2023 END OF SESSION REPORT

The Joint Legislative Audit Committee would have been required to approve the official elections instructions and procedures manual before its issuance. AS VETOED BY THE GOVERNOR. In her veto message, the Governor stated that this bill is an example of legislative interference in elections.

SB 1217 Election procedures manual; submittals

The Secretary of State is required to post the draft Election Instructions and Procedures Manual (Manual) on the Secretary of State's website, provide an opportunity for submitting public comment on the draft manual and post those comments on the Secretary of State's website. If the Governor and/or the Attorney General fail to approve the draft Manual by December 31 of the year before the general election or the Secretary of State does not submit a draft Manual for approval, the most recently approved Manual remains in effect. Beginning in January of the even-numbered year, if a new Manual is not issued and approved, the Secretary of State is required to provide an annotated version of the previous official Manual that reflects any new or revised laws and applicable court decisions. The Secretary of State shall continue to provide an annotated version of the previous official Manual each year until a new Manual is approved.

SB 1219 Municipal real property; sale; valuation

The circumstances under which real property of a municipality cannot be sold without authorization from the voters is changed to apply to real property of a municipality that has a total assessed value for the current year net assessed value subject to taxation in prior year, the value of which exceeds 2.5 percent of the locally assessed real property value of a municipality, instead of the value of which exceeds \$1.5 million.

SB 1256 Resign to run; nomination paper

The requirement for an incumbent of a salaried elective office to resign to run for nomination or election to a salaried local, state, or federal office applies even during the final year of the term being served. The incumbent is required to resign within 30 days after filing a nomination paper.

SB 1258 Public officers; announcements; report

For any publication, resource or public service announcement that is issued by a public officer, that contains the public officer's name or likeness, and that is distributed free of charge or through the use of taxpayer resources, the public officer is required to publish a quarterly report describing the amount of money that was spent on the publication, resource, or public service announcement.

SB 1259 Public officials; home addresses; confidentiality.

A "public official" (defined as a person who is duly elected or appointed to Congress, the Legislature, or a statewide office) is added to the list of persons who may request that the general public be prohibited from accessing public records containing that person's identifying information that are maintained by the county or the Department of Transportation. It is a class 5 (second lowest) felony to knowingly make available on the internet the personal information of a public official.

SB 1265 Voting; elections; tally; prohibition.

2023 END OF SESSION REPORT

For every election held in Arizona, the person who received the highest number of legal votes would have been required to be declared elected. The state, counties, municipalities, or political subdivisions would have been prohibited from using a voting method in an election or nomination process for any state, city, town, county, or federal office that allowed voters to select or rank, designate or otherwise indicate approval of or preference for more candidates than were eligible to be declared elected for any office; that allowed ballots cast to be tabulated in any manner that involved the elimination of candidates through multiple rounds of tabulation or the transfer or redistribution of votes between or among candidates; or that required the ranking of every candidate for an office as a condition of a voter's vote being counted in the final tally. **AS VETOED BY THE GOVERNOR.** In her veto message, the Governor stated that this bill contains the same provisions as HB2552, which she previously vetoed.

SB 1275 Elected officials; office; reporting

A state elected official other than the Governor is required to publicly post a quarterly report on the official's website listing the number of days the official was physically present in the office each month.

SB 1287 Election returns; canvass; review

If returns from any polling place in the election district where polls were opened and an election held are found to be "in question," the canvass of the election is required to be postponed from day to day until the governing body holding the election has to its satisfaction examined all the returns and ascertained the facts which the returns disclose or until six postponements have been had.

SB 1296 Voter registration; same day.

A person who is otherwise qualified to register to vote may register during the 28 days immediately preceding an election and is eligible to vote in that election if the person has been a resident of the county and the precinct in which the person resides for at least 29 days immediately preceding the election. A person who is otherwise qualified to register to vote may register on election day by appearing at the polling place, completing a registration form, and providing proof of residence. Registration under these circumstances does not qualify a person to vote in a partisan primary election.

SB 1297 Automatic voter registration.

Every person who is applying for a driver license or renewal, including a nonoperating identification license or renewal, or who is making changes to drive license information and who is otherwise qualified to register to vote must be registered to vote automatically on completion of the license application unless the applicant declines to register. A person who is not qualified to register to vote and who unknowingly registers under this provision is not guilty of false registration or false swearing. Effective January 1, 2024.

SB 1327 Appropriation; secretary of state; security

Appropriates \$1.04 million from the general fund in FY2023-24 to the Secretary of State for security personnel, office security infrastructure, and the creation of the full-time equivalent position of chief information security officer.

2023 END OF SESSION REPORT
SB 1330 Voting; absence from employment

Employers are required to allow a person who is entitled to vote to be absent for five consecutive hours at the beginning or end of the person's work shift for the purpose of voting either on the day of the election or for in-person early voting.

SB 1332 Cast vote record; public records

For every election held in Arizona and after completion of the official canvass, the "cast vote record" (defined) for that election is a public record. AS PASSED HOUSE

SB 1341 Voters; false communication; enterprises; enforcement

It is a class 5 (second lowest) felony for an enterprise to knowingly communicate to a registered voter by any means false information that is intended to impede the voter in exercising the voter's right to vote. A registered voter to whom false information is communicated is authorized to file a civil action for relief, including an application for a permanent or temporary injunction, restraining order or other order against the person communicating the false information.

SB 1370 Municipal ordinances and notices; posting

Notices of election, invitations for bids, notices of letting contracts, laws and ordinances, and other notices of a public character issued by authority of the governing body of any municipality may be posted on the municipality's website in lieu of being published in a newspaper if the municipality is located within a county with a population of 4 million persons or more (Maricopa County). A municipality that posts notices on the website is required to provide a link to a listing of all current notices and ordinances on the website's home page.

SB 1372 Elections; certificate; technical correction

Minor change in Title 16 (Elections and Electors) related to certificate of election. Apparent striker bus.

SB 1389 Ballots; pollbooks; instructions; tabulating; storage

Various changes to statutes relating to elections. Early ballots that are returned at voting locations on election day may be removed by two authorized election workers who must be members of different political parties and who deliver the ballots to a designated receiving site. After the canvass is completed, the county recorder is required to deposit all rejected provisional and early ballots in a secure facility that is managed by the county treasurer.

SB 1422 Voting; elections; tally; prohibition..

For every election held in Arizona, the person who receives the highest number of legal votes is required to be declared elected. The state, counties, municipalities, or political subdivisions are prohibited from using a voting method in an election or nomination process for any state, city, town, county, or federal office that allows voters to select or rank, designate or otherwise indicate approval of or preference for more candidates than are eligible to be declared elected for any office; that allows ballots cast to be tabulated in any manner that involves the elimination of candidates through multiple rounds of tabulation or the transfer or redistribution of votes between or among candidates; or that requires the ranking of every candidate for an office as a condition of a voter's vote being counted in the final tally.

SB 1436 Permanent early voting list.

The active early voting list is renamed the permanent early voting list. The county recorder is no longer required to remove a voter from the list if the voter fails to vote using an early ballot in all elections for two consecutive election cycles.

SB 1437 Ballot delivery; collection

A voter is authorized to give the voter's voted early ballot to another person to deliver to a polling place, a ballot drop box, an election official, the U.S. Postal Service, or any other entity allowed by law to transmit post. It is no longer a class 6 (lowest) felony for a person to collect voted early ballots from another person.

SB 1451 Early voting; preceding weekend

If the county recorder or other officer in charge of elections is able to revise precinct registers and other elections materials in a timely manner for use on election day to indicate which voters have requested an early ballot, which voters have already voted, and which voters are on the inactive voter list, the county recorder or other office in charge of elections is allowed to operate the on-site early voting locations during the Saturday, Sunday and Monday immediately preceding election day.

SB 1452 Primary election date; May

Beginning in 2024, the primary election is moved to the last Tuesday before the last Monday in May in any year in which a general election or special election is held, instead of the first Tuesday in August in those years.

SB 1467 On-site tabulation; emergency; multiple days

During the Saturday, Sunday and Monday immediately preceding the election and until 5:00PM on the Monday preceding the election, the board of supervisors may provide for qualified electors to vote in the manner prescribed by the board of supervisors of their respective county for election day voting, in which qualified electors are issued ballots that are tabulated on-site or that are tabulated at a counting center. County boards of supervisors are no longer allowed to authorize the use of emergency voting centers.

SB 1471 Ballot tabulation; hand count comparison

By September 1, 2023, the officer in charge of elections in a county with a population of more than 2 million persons (Maricopa County) is required, and a county with a population of more than 400,000 persons (Pima County and Pinal County) is allowed, to randomly select 400 ballots from the ballot test decks randomized by precincts used for logic and accuracy testing for the 2022 general election and is required to recount all races using 100 of those ballots from each precinct. The recounting is required to include the use of duplication boards, adjudications boards and other functions generally used or required in ballot tabulations. The hand count boards are required to consist of volunteers who are members of the three largest political parties in the state and must include on each team a member of at least two different political parties. The actual ballots must be counted through a county ballot tabulator, and photocopies of the actual ballots must be hand counted. The officer in charge of elections is required to compare the totals, and if there is any difference in the totals, the ballots and photocopies must be retabulated and recounted. After determining the average number of ballots counted for

2023 END OF SESSION REPORT

each hand counting team, the officer in charge of elections is required to estimate how many persons working 16 hours each day would be required to hand count the entire number of ballots cast in the November 2022 election. The officer in charge of elections is required to report on the results of the tabulations and calculations to the Governor and the Legislature. Self-repeals March 1, 2024. The Legislature intends that the retabulation and hand count may be conducted as early as July 1, 2023. AS PASSED HOUSE

SB 1518 Ballots; election day; identification

During the period of early voting or on election day, if a voter is issued an early ballot at any voting location or presents at any voting location the voter's mailed early ballot and the voter presents and confirms the required voter identification, and the election official confirms that the name and address on the identification reasonably appear to match the early ballot affidavit, the voter's early ballot is deemed ready for tabulating, and additional signature verification of the completed affidavit envelope is not required. The elections official is required to stamp the envelope with a stamp that reads "ID verified" and place the early ballot in the secured ballot box labeled for verified early ballots. AS PASSED HOUSE

SB 1565 Ballot processing; electronic adjudication; limitation

Machines, devices, firmware, or software used in Arizona elections would have been prohibited from including any artificial intelligence or learning hardware, firmware, or software. Artificial intelligence or learning software or firmware would have been prohibited from being used in the processing of early ballots or by the election board in verifying the voter's affidavit. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this bill attempts to solve challenges that do not currently face our state.

SB 1566 Voter registration; reregistration; ten years

The county recorder is required to cancel all voter registrations on the effective date of this legislation, and on April 2 in every year thereafter that ends in 1. Before doing so, the county record is required to notify each person who was on the voter registration rolls on that date that the person's voter registration is canceled and that the person must reregister to vote. The county recorder is required to provide information and instructions on how to reregister to vote and is required to archive the voter registration rolls for each date on which all voter registrations are canceled.

SB 1589 Voter registration databases; designation

The Secretary of State is required to designate a list of voter registration databases and voter registration database services to be used monthly by each county recorder to determine possible registrations in multiple jurisdictions and possible changes of address.

SB 1593 Recall; requirements; petitions

A special recall election must be held on the next following consolidated election date that is 120 days or more, increased from 90 days or more, after the order calling the election. A candidate for office in a special recall election is required to file a nomination petition between 90 and 120 days before the date of the recall election, instead of between 60 and 90 days before.

SB 1595 Early ballots; identification; tabulation

2023 END OF SESSION REPORT

Beginning after 7:00PM on the Friday preceding election day, if a voter deposits an early ballot at a polling place, the voter is required to present the required voter identification and sign the signature roster or electronic pollbook before depositing the ballot. If a "voter's agent" (defined elsewhere in statute) delivers a voter's ballot to any polling place, the ballot will be counted and valid only if the voter presents the required voter identification to the county recorder or other officer in charge of elections no later than the 5th business day after election day for a primary, general, or special election that includes a federal office, and no later than the 3rd business day after election day for any other election. If a voter presents their mailed early ballot at any voting location and presents and confirms identification that complies with statutory requirements, the election official that confirms the identification is required to stamp the signed envelope with a stamp that reads "ID verified" and placed that early ballot in a secured ballot box labeled for verified early ballots. An early ballot received after a voter's identification is confirmed is exempt from signature verification requirements. Chain of custody requirements for these ballots are established. AS PASSED HOUSE

SB 1598 Federal candidates; observers; elections (Elections; observers; federal candidates)

During the general election, one representative for each candidate for U.S. President, U.S. Senate, and U.S. House of Representatives who have been designated by the candidate are allowed to observe at the counting center. If more than one candidate from each political party represented on the ballot designates an observer, a draw by lot must determine which candidate from each political party may send an observer. Observers, political party representatives, and political party challengers are prohibited from approaching an election official's table or equipment any closer than is reasonably necessary to properly perform his/her functions, and are required to pose any questions regarding procedures directly to the supervisor of the election board or counting center, or the voting location inspector for resolution. A political party representative and a political party challenger cannot be a candidate who appears on the ballot. AS PASSED HOUSE

SB 1604 Mail ballot elections; technical correction.

Minor change in Title 16 (Elections and Electors) related to mail ballot elections. Apparent striker bus.

SB 1610 Voter registration system fund; committee

Establishes the Voter Registration System Committee within the Secretary of State's Office, consisting of the 15 county recorders or the recorders' designees and the Secretary of State or the Secretary of State's designee. By January 1, 2024, the committee is required to oversee the administration of the State Contributions to the Voter Registration System Fund and contract negotiations for and the maintenance and operations of the statewide voter registration database.

SB 1636 Voting rights; restoration

A person's right to vote is automatically restored on the person's completion of probation or the receipt of an absolute discharge from imprisonment.

SB 1652 State elections; contest; technical correction.

2023 END OF SESSION REPORT

Minor change in Title 16 (Elections and Electors) related to contests of state elections. Apparent striker bus.

SB 1653 Certificate of election; technical correction.

Minor change in Title 16 (Elections and Electors) related to certificate of election. Apparent striker bus.

SB 1655 Elections; special districts; technical correction.

Minor change in Title 16 (Elections and Electors) related to special district elections. Apparent striker bus.

SB 1695 Election violations; disenfranchisement; new election

For the primary and general election in a county with a population of more than one million persons (Maricopa and Pima), the county board of supervisors, county recorder and county officer in charge of elections are prohibited from canvassing the results of an election in which election laws were violated and the violations resulted in the disenfranchisement of at least one percent of the eligible voters in the county. The county board of supervisors, county recorder and county officer in charge of elections are required to hold a new primary or general election. Any member of the board of supervisors who violates these requirements must forfeit that office.

Insurance Benefits/Risk Management

New Laws

HB 2005 (Chapter 44) Foreign captive insurers; definition

A "foreign captive insurer" (defined as a captive insurer that is domiciled in and licensed under the laws of another state that imposes regulatory standards that are acceptable to the Director of the Department of Insurance and Financial Institutions) is considered a "branch captive insurer" (defined) for the purpose of captive insurer regulations. A domestic captive insurer is authorized to merge or consolidate with any other domestic captive insurer, foreign captive insurer, or alien captive insurer, including those formed as a limited liability company or stock corporation.

HB 2006 (Chapter 45) Insurance; liquidity; financial assessment

The ultimate controlling person of each insurance holding company system is required to file an annual group capital calculation report with the lead state director or commissioner in accordance with the procedures in the National Association of Insurance Commissioners' Financial Analysis Handbook (NAICFA Handbook). Some exceptions. The ultimate controlling person of each insurance holding company system and that is selected into the National Association of Insurance Commissioners Liquidity Stress Test Framework is required to file the results of a specific year's liquidity stress test with the lead state director or commissioner in accordance with the procedures in the NAICFA Handbook. If the Director of the Department of Insurance and Financial Institutions (DIFI) deems that an insurance holding company system is in a hazardous financial condition, the Director is authorized to require the insurer to submit a deposit or a bond to protect the insurer for the duration of any outstanding contract or agreement. All premiums or other funds, records, and data of an insurer that are collected or held by an affiliate are the property of the insurer and are subject to the insurer's control. Requires specified insurance calculations reported to DIFI to be kept confidential.

HB 2007 (Chapter 81) Insurance; group excess liability (Group excess liability insurance)

Establishes a new article in Title 20 (Insurance) allowing an authorized insurer or unauthorized insurer to offer "group excess liability insurance" (defined) coverage in Arizona, and to issue a group excess liability insurance policy under the provisions of the article only. Establishes regulations for group excess liability insurance policies, including premiums, limits of coverage, renewals, and cancellations.

HB 2198 (Chapter 57) Claimant; guardian ad litem; procedure

When a claimant for workers' compensation or death benefits is a minor or incapacitated person, the Industrial Commission may appoint a guardian ad litem to represent the best interests of the minor or incapacitated person. Deletes authorization for the Commission to appoint a trustee to appear for the minor or incapacitated person.

HB 2251 (Chapter 174) Condominiums; insurance coverage; claims

Condominium associations are required to maintain property insurance on the units if required by the condominium documents. Each unit owner has the right to report a loss under the

2023 END OF SESSION REPORT

association's property insurance policy. Prior to reporting a loss under the association's property insurance policy, a unit owner is required to report the loss to the association and give the association ten business days to decide whether the association will report a claim to the master policy.

HB 2431 (Chapter 149) Workers' compensation; firefighters; rate deviation (Insurance; existing actions; technical correction)

Commercial workers' compensation insurers that cover firefighters and fire investigators are authorized to charge and collect additional premiums from fire districts to offset and recover COVID-19-related claims costs paid by the insurer before July 1, 2023 to the extent the fire district is able to obtain reimbursement for such additional premium charges from the federal American Rescue Plan Act of 2021. The maximum amount of the additional premium each commercial workers' compensation insurer may charge and collect is \$800,000.

HB 2432 (Chapter 113) Supplemental appropriations; AHCCCS; adjustments (Technical correction; payment method)

Makes a supplemental appropriation of \$58.49 million from the Children's Health Insurance Program Fund and \$3.3 billion from expenditure authority in FY2022-23 to the Arizona Health Care Cost Containment System Administration for adjustments in formula requirements.

SB 1052 (Chapter 29) Insurance coverage; biomarker testing (Biomarker testing; insurance coverage; definitions)

A policy that provides "limited benefit coverage" (defined elsewhere in statute) is excluded from the requirement for a disability insurer and a group or blanket disability insurer to provide coverage for biomarker testing.

SB 1221 (Chapter 163) Hospitals; fingerprints; private investigators; identification (Health information organizations)

A licensed hospital is authorized to request assistance from a criminal justice agency to determine the identity of an unidentified patient who is either incapacitated or deceased through fingerprints or biometric identification techniques. A registered private investigator is authorized to obtain the biometric information from the unidentified patient and provide it to the criminal justice agency without the patient's consent.

SB 1382 (Chapter 74) Pharmacy benefit managers; certificate requirements

Pharmacy benefit managers are required to obtain a valid certificate of authority to operate as a pharmacy benefit manager in Arizona from the Department of Insurance and Financial Institutions (DIFI). Information that must be included in an application for a certificate of authority is specified. DIFI is authorized to issue a cease and desist order if a pharmacy benefit manager does not hold a valid certificate, and is authorized to suspend or revoke a certificate in specified circumstances. Establishes civil penalties for violations. DIFI is required to establish a record retention schedule for all data related to enforcement of these requirements. Effective January 1, 2025.

SB 1601 (Chapter 122) Breast examinations; cancer screenings; age

Health and disability insurers that provide coverage for surgical services for a mastectomy are required to cover a mammogram, and to cover digital breast tomosynthesis, magnetic

2023 END OF SESSION REPORT

resonance imaging, or ultrasound at such age and intervals as recommended by the National Comprehensive Cancer Network, instead of only a mammogram every two years for a woman who is 40 to 49 and every year for a woman who is 50 years of age and over.

SB 1602 (Chapter 200) Dental anesthesia; requirements

The Arizona Medical Board, the Arizona Board of Osteopathic Examiners, and the Arizona State Board of Nursing are authorized to register licensees who meet specified requirements to administer anesthesia in dental offices and dental clinics. Persons who are registered under these provisions are defined as “qualified anesthesia providers” and requirements for these providers are established. A State Board of Dental Examiners licensee who has obtained a permit for applying general anesthesia is authorized to perform dental procedures on a patient who receives an anesthetic administered by a qualified anesthesia provider who is exclusively responsible for the preoperative, intraoperative and postoperative anesthetic management of the patient. A dental office or dental clinic at which general anesthesia or deep sedation is administered is required to contain properly operating equipment and supplies and to have proper emergency response protocols in place. If a death or an incident requiring emergency medical response occurs in a dental office or dental clinic during the administration of or recovery from general anesthesia or sedation by a licensed physician or certified registered nurse anesthetist, the treating dentist is required to report the incident to the State Board of Dental Examiners and the physician or nurse anesthetist is required to report the incident to the applicable regulatory board within seven business days after the occurrence. By September 1, 2023, the State Board of Dental Examiners Anesthesia and Sedation Committee is required to submit final recommendations to improve the general anesthesia and sedation permit requirements. Requirements for the final recommendations are specified. The Board is required to approve, modify, or reject the recommendations within 60 days after receipt. Emergency clause.

SB1603 (Chapter 39) Hospital; price transparency

Each hospital is required to comply with specified federal code related to hospital price transparency requirements. The Arizona Department of Health Services (ADHS) is required to annually verify each hospital's compliance. By January 1, 2025 and each January 1 after, ADHS is required to post a report on the ADHS public website containing the name of any hospital that has been found to be noncompliant with the federal code and that has been assessed a civil penalty by the federal Centers for Medicare and Medicaid Services.

SB 1609 (Chapter 71) Transitional housing; DOC; contracts

For one year following the effective date of this legislation and on the expiration of any contract to provide transitional housing services for inmates that was entered into before the effective date and that expires after the effective date, the Arizona Department of Corrections is authorized to enter into a contract to provide transitional housing services for inmates only with a state licensed facility.

2023 END OF SESSION REPORT

The Administrative Procedures Act does not apply to rules made by the Department of Health Services to regulate an accredited hospital if the rules reduce a regulatory burden without jeopardizing health and safety, do not increase costs to regulated persons, and the public is given at least 15 days to comment on the rules prior to their adoption. Emergency clause. AS PASSED HOUSE

HB 2004 Vehicle accidents; financial responsibility

When the Arizona Department of Transportation (ADOT) verifies the financial responsibility of the owner of a motor vehicle involved in an accident in Arizona, ADOT cannot suspend the driver license or registration privilege of the person appearing as the registered owner of the vehicle in ADOT records if the person is able to provide proof the vehicle was sold before the accident "occurred," instead of before "the date of the accident."

HB 2108 Unemployment; requirements; disqualifications; shared work (Unemployment benefits; requirements; disqualifications)

In determining the validity of claims for unemployment insurance benefits, the Arizona Department of Economic Security (ADES) would have been prohibited from paying benefits for an initial or ongoing claim until the initial claim was cross-checked, or an ongoing claim was cross-checked on a weekly basis, against a list of data sets, including new hire reporting systems and death records databases. If a cross-check resulted in information indicating that a claim was ineligible or fraudulent, that claim would have been prohibited from being paid, and the claimant would have been disqualified from receiving benefits and referred for prosecution. To qualify for benefits, an individual would have been required to conduct at least five work search actions each week and to provide a weekly report to ADES that detailed the work search actions. Employers would have been required to report to ADES when an individual who was previously employed with that employer refused to return to work or accept an offer of suitable work, failed to appear for a scheduled interview, or failed to respond to an offer of employment. AS VETOED BY GOVERNOR. In her veto message, the Governor stated that this legislation undermines ADES efforts to modernize the unemployment insurance claims system.

HB 2130 Family and medical leave; coverage

Beginning January 1, 2026, family and medical leave insurance benefits are payable to a "covered individual" (defined) who meets one of the following requirements: is caring for a new child during the first year after the birth, adoption or foster care placement of that child; is caring for a family member with a "serious health condition" (defined); has a serious health condition that makes the covered individual unable to perform the functions of their position; qualifies for "qualifying exigency leave" (defined) due to being on active duty or having been notified of an impending call or order to active duty in the armed forces; or is in need of "safe leave" (defined) due to domestic violence or abuse. Family and medical leave insurance benefits are payable for up to 24 weeks, except that benefits for the employee's own serious health condition are payable for up to 26 weeks. Establishes a formula for determining the amount of benefits and a formula for payroll contributions to finance the payment of benefits. Any covered individual who exercises the right to family and medical leave insurance benefits is entitled, on the expiration of that leave, to be restored by the employer to the position held by the covered individual when the leave commenced, or to a position with equivalent terms and

2023 END OF SESSION REPORT

conditions. Prohibits retaliatory personnel actions for exercising specified rights. Establishes civil penalties for violations. More. Severability clause. Emergency clause.

HB 2137 Children's health insurance program; eligibility

Beginning October 1, 2023, a person under 19 years of age whose gross household income is at or below 250 percent, increased from 200 percent, of the federal poverty level, is eligible for the Children's Health Insurance Program (KidsCare).

HB 2138 Abortion regulation; benefits

A pregnant woman who is barred from seeking an abortion and who is compelled by the state to carry the pregnancy to term and give birth to a child is entitled to a list of benefits from the state, including compensation for reasonable expenses directly related to prenatal, intrapartal, and postpartal periods of the woman's pregnancy and birth, automatic eligibility for public assistance including Temporary Assistance for Needy Families and the Supplemental Nutrition Assistance Program until the child reaches 18 years of age, compensation for costs of health, dental, and vision insurance for the child until the age of 18, child support in specified circumstances, and a fully funded college savings plan for the benefit of the child. To obtain these benefits, a woman is required to file an affidavit with the Department of Economic Security indicating that, but for state law, the woman would have chosen to terminate the pregnancy and not give birth to the child.

HB 2141 AHCCCS; dental care; pregnant women

The list of covered services under the Arizona Health Care Cost Containment System (AHCCCS) is expanded to include comprehensive dental care for women who are at least 21 years of age and in any stage of pregnancy. Appropriates an unspecified amount (blank in original) from the general fund and an unspecified amount (blank in original) from federal Medicaid authority in FY2023-24 to the AHCCCS Administration for dental services to pregnant women. Appropriates an unspecified amount (blank in original) from the Prescription Drug Rebate Fund in FY2023-24 to the AHCCCS Administration to cover costs incurred due to eligibility changes directly related to the introduction of a dental benefit for pregnant women. By October 1, 2024, the AHCCCS Administration is required to report to the Governor and the Legislature the actual costs incurred to provide dental services to pregnant women and the actual costs incurred due to eligibility changes directly related to the introduction of a dental benefit for pregnant women during FY2023-24.

HB 2175 AHCCCS; complex rehabilitation technology

The Arizona Health Care Cost Containment System is required to establish focused rules and policies for "complex rehabilitation technology" (defined) products and services that consider the customized nature of complex rehabilitation technology and the broad range of services necessary to meet the unique medical and functional needs of people with complex medical needs. Provisions that must be included in the rules and policies are listed.

HB 2176 AHCCCS; outpatient services

Outpatient speech therapy for eligible persons who are at least 21 years of age is no longer excluded from the list of medically necessary health and medical services that Arizona Health Care Cost Containment System contractors is required to provide.

HB 2207 Insurance; reimbursement rates; pharmacists

Health and disability insurers that issue, amend, deliver, or renew a subscription contract, policy, or evidence of coverage after the effective date of this legislation are required to provide reimbursement coverage to a pharmacist at a rate not less than the rate provide to a licensed physician, nurse practitioner, or physician assistant. In order for the service or procedure to be covered, the pharmacist is required to act within the scope of practice and the service or procedure must otherwise be covered under the policy.

HB 2243 Insulin; health insurance coverage

Health and disability insurers are required to limit the total amount that a subscriber or enrollee must pay for a covered "prescription insulin drug" (defined) to \$25 per 30-day supply of insulin, regardless of the amount or type of insulin required to fill the prescription. Drug manufacturers or distributors of insulin operating in Arizona are required to make insulin available through local pharmacies to person who are uninsured or underinsured for a cost of no more than \$30 for a 30-day supply.

HB 2246 AHCCCS; eligibility; immigration status

The definition of "eligible person" for the Arizona Health Care Cost Containment System (AHCCCS) is expanded to include a person who is otherwise eligible but for the person's immigration status. Repeals statute requiring a person applying for AHCCCS to provide verification of U.S. citizenship or qualified alien status.

HB 2290 Insurance; claims; appeals; provider credentialing

If a health care insurer denies a health care services claim, in whole or in part, the insurer is required to provide the health care provider with contact information for an individual who is able to respond to questions about the denial. Upon request, the insurer is required to provide a detailed reason why the health care service was not medically necessary and the provider's right to appeal a denial based on lack of medical necessity, if applicable, and the provider's right to dispute a decision using the insurer's internal grievance process. Establishes timeless for the insurer to respond to the provider. A health care provider is authorized to submit a written request for a hearing to the Arizona Department of Insurance and Financial Institutions if the provider's grievance is unresolved after the specified process and timeframes. Also requires a health insurer to conclude the process of credentialing and loading the applicant's information in the insurer's billing system within 45 calendar days, reduced from 100 calendar days, after the date to insurer receives a complete credentialing application. AS PASSED HOUSE

HB 2338 AHCCCS; preventive dental care

The list of covered services under the Arizona Health Care Cost Containment System (AHCCCS) is expanded to include preventive dental care. Monies from the Hospital Assessment Fund are prohibited from being used to provide preventive dental care. AS PASSED HOUSE

HB 2342 AHCCCS; infant male circumcision

The list of covered services under the Arizona Health Care Cost Containment System (AHCCCS) is expanded to include circumcision of newborn males in a health care institution or outpatient setting.

2023 END OF SESSION REPORT
HB 2347 AHCCCS; continuation.

The statutory life of the Arizona Health Care Cost Containment System (AHCCCS) is extended eight years to July 1, 2031. Retroactive to July 1, 2023.

HB 2426 Technical correction; prior authorization; timelines

Minor change in Title 20 (Insurance) related to prior authorization. Apparent striker bus.

HB 2430 EORP; appropriations; repayment

For FY2023-24 and each fiscal year after, monies collected from contributions of members of the Elected Officials' Retirement Plan (EORP) must be distributed directly to the qualified governmental excess benefit arrangement in an amount as determined by the Board of Trustees. After that transfer, the Board is required to transfer any remaining monies collected to the general fund. Beginning July 1, 2023 through June 30, 2033, a specified list of counties and municipalities are required to annually repay the state specified amounts for the amounts paid in FY2022-23 on the local governments' behalf to EORP for unfunded accrued liability. Counties and municipalities may pay the annual repayment amount from any source of revenue. Makes a supplemental appropriation of \$609 million from the general fund in FY2022-23 to EORP to pay the unfunded accrued liability for EORP. Numerous appropriations made from the general fund in FY2023-24 for required employer contributions to EORP are reduced. Emergency clause. AS PASSED HOUSE

HB 2467 International medical graduates; licensure

The Arizona Medical Board is required to grant a license to practice medicine in Arizona to an international medical graduate who is a resident of and is licensed to practice in any of a list of ten countries if the person meets other specified requirements. AMB is required to issue a provisional license to practice medicine in Arizona to any international medical graduate who has an offer for employment at any health care provider that operates in Arizona, whose federal immigration status allows him/her to practice as a physician in the U.S., and who meets the requirements for licensure. A provisional license under these circumstances is automatically converted into a full license after three years unless AMB disciplines the licensee in that period. Effective January 1, 2024.

HB 2470 AHCCCS; rapid genome sequencing

Subject to any required approval of the federal Centers for Medicare and Medicaid Services, the Arizona Health Care Cost Containment System (AHCCCS) Administration and its contractors are required to provide coverage of "rapid whole genome sequencing" (defined) as a separately payable service for members that are under one year of age, have a complex or acute illness of unknown etiology that is not confirmed to be caused by an environmental exposure, toxic ingestion, infection with normal response to therapy, or trauma, and are receiving inpatient hospital services in an intensive care unit or a high acuity pediatric care unit. The coverage may be subject to applicable evidence-based medical necessity criteria that are based on a list of specified factors. The AHCCCS Director is required to submit any new waiver application or amendment necessary for approval for this coverage.

HB 2476 Health care institutions; provider; liability

2023 END OF SESSION REPORT

Repeals statute protecting a health professional or health care institution that acts in good faith to provide health care services in support of the state's response to a state of emergency for a public health pandemic from liability for civil damages, with some exceptions.

HB 249 Technical correction; health services; fees

Minor change in Title 36 (Public Health and Safety) related to Arizona Department of Health Services fees. Apparent striker bus.

HB 2601 Teen mental health; grant program

Establishes the Teen Mental Health Grant Program in the Arizona Department of Health Services to provide funding to school districts or nonprofit organizations for mental health first aid training, youth resiliency training, substance misuse awareness training, or peer-to-peer education for youth, staff and parents; support school districts to develop or obtain an application for students to report safety issues and receive clinical support that is anonymous and available to students 7 days per week, 24 hours per day; provide supplemental funding to school districts in rural areas of Arizona to retain a primary prevention specialist; provide funding for children's mental health service providers; and support digital wellness marketing campaigns.

HB 2622 Cost sharing; health coverage; report

An organization or individual advocating a legislative proposal that would place a restriction on the form or amount of cost sharing applied to a health plan benefit issued by an insurer is required to submit a written report to the Joint Legislative Audit Committee (JLAC) by September 1 before the start of the legislative session for which the legislation is proposed, and JLAC must assign the report to the appropriate legislative committee of reference for review. The information that must be included in the mandated health coverage or cost sharing restriction reports submitted to JLAC is expanded to include the impact on other policyholders that do not use the treatment or service subject to the mandated coverage or cost sharing restriction, and an analysis of whether the state will be required to defray the costs that a treatment or service may add to the federal marketplace subsidies under specified federal code.

HB 2693 Medical liens; insurance coverage

If an injured person is covered as an insured or dependent under a health insurance or similar medical benefit plan and the health care provider has a valid and binding contract with that insurer or plan as an in-network provider, the health care provider is prohibited from asserting a lien or assignment, and any purported lien or assignment is invalid and cannot be enforced by a cause of action.

HB 2720 Contraception; coinsurance

Beginning January 1, 2025, health and disability insurers that issue subscription contracts or insurance policies are prohibited from imposing copayment or coinsurance requirements for emergency contraception that is prescribed by a health care provider or that is issued through a standing prescription drug order authorizing the dispensing of emergency contraception.

HB 2775 Workers' rights; public health emergency

Employers are prohibited from discriminating or retaliating against any worker based on the worker raising any reasonable concern about workplace violations of government health and

2023 END OF SESSION REPORT

safety rules, from requiring a worker to sign a contract or other agreement that would limit or prevent the worker from disclosing information about workplace health and safety practices related to a public health emergency, and from discriminating or retaliating against any worker based on the worker voluntarily wearing at the workplace the worker's own personal protective equipment. Some exceptions. Establishes penalties for violations. Appropriates an unspecified amount (blank in original) from the general fund in FY2023-24 to the Employment Support Fund. Applies to conduct occurring from and after the effective date of this legislation. Emergency clause.

HB 2783 Cancer screening; coverage; gene mutation

Health and disability insurers that issue, deliver, or renew a subscription contract or insurance policy in Arizona on or after January 1, 2024 are required to provide coverage for genetic counseling, genetic testing, single-gene germline mutation testing, or multigene germline mutation testing based on nationally recognized clinical standards, if the subscriber has a personal history or family history of cancer or gene mutation. A primary care provider is required to attempt to determine whether each adult patient has either a personal or family history of specified types of cancer or meets criteria for hereditary cancer genetic testing, and provide or refer those patients for genetic counseling or germline mutation testing. The Arizona Health Care Cost Containment System (AHCCCS) Administration and its contractors, to the extent authorized by federal law, are required to provide screening, genetic counseling, genetic testing, and germline mutation testing for harmful inherited genetic mutations in the BRCA genes or other genes that cause an increased cancer risk for AHCCCS members.

HCR 2025 Death benefit; assault; first responders

The 2024 general election ballot is to carry the question of whether to amend state statute to levy a surcharge of two percent on every fine, penalty and forfeiture imposed and collected by the courts for criminal offenses and on traffic-related civil penalties through December 31, 2032, and to deposit the monies from the surcharge in the newly established State Supplemental Benefit Fund. Beginning January 1, 2024, the state is required to pay \$250,000 to the surviving spouse of a "first responder" (defined) who is "killed in the line of duty" (defined), using monies from the Fund. Contains legislative findings. Severability clause.

SB 1016 AHCCCS; speech therapy

Outpatient speech therapy for eligible persons who are at least 21 years of age is no longer excluded from the list of medically necessary health and medical services that Arizona Health Care Cost Containment System is required to provide. Monies from the Hospital Assessment Fund are prohibited from being used to provide outpatient speech therapy to persons who are at least 21 years of age.

SB 1017 AHCCCS; cochlear implants

Cochlear implants for eligible persons who are at least 21 years of age is no longer excluded from the list of medically necessary health and medical services that Arizona Health Care Cost Containment System is required to provide. Monies from the Hospital Assessment Fund are prohibited from being used to provide cochlear implants for eligible persons who are at least 21 years of age.

SB 1033 TPT; diapers; feminine hygiene; exemption.

2023 END OF SESSION REPORT

The list of exemptions from the retail classification of transaction privilege and use taxes is expanded to include disposable diapers, other similar disposable items commonly used for incontinence, and a list of feminine hygiene products. Applies to tax periods beginning on or after the first day of the month following the general effective date.

SB 1081 AHCCCS; continuation

The statutory life of the Arizona Health Care Cost Containment System (AHCCCS) is extended six years to July 1, 2029. Retroactive to July 1, 2023.

SB 1131 Residential leases; municipal tax exemption (Technical correction; prepaid legal insurance)

Beginning January 1, 2025, municipalities and other taxing jurisdictions are prohibited from levying a transaction privilege, sales, use or other similar tax or fee (TPT) on the business of renting or leasing real property for residential purposes. Does not apply to health care facilities, long-term care facilities, hotels, motels, or other transient lodging businesses. By January 1, 2025, the landlord of real property that is rented or leased for residential purposes and that is located in a municipality or other taxing jurisdiction that levies such a tax is required to no longer charge the tenant the amount of the repealed TPT on residential rentals. In any civil action challenging the lawfulness of a charge, the landlord has the burden of proving by a preponderance of the evidence that the challenged charge is not attributable to TPT on residential rentals. Repeals statute governing municipal TPT rates on residential rentals on January 1, 2025. Contains a legislative intent section. Effective January 1, 2025. AS PASSED HOUSE

SB 1167 Unemployment insurance; benefit amounts; definition

Reduces the maximum amount of unemployment insurance benefits during a benefit year to between 12 and 20 times the individual's weekly benefit amount, based on the unemployment rate in the prior calendar quarter, as follows: 12 times for an unemployment rate of 5 percent or less; 13 times for an unemployment rate of 5 to 5.5 percent; 14 times for an unemployment rate of 5.5 to 6 percent; 15 times for an unemployment rate of 6 to 6.5 percent; 16 times for an unemployment rate of 6.5 to 7 percent; 17 times for an unemployment rate of 7 to 7.5 percent; 18 times for an unemployment rate of 7.5 to 8 percent; 19 times for an unemployment rate of 8 to 8.5 percent; and 20 times for an unemployment rate of more than 8.5 percent. Previously, the maximum was 26 times the weekly benefit amount if the unemployment rate was 5 percent or more, and 24 times the weekly benefit amount if the unemployment rate was less than 5 percent.

SB 1216 Health insurance coverage; insulin

Health and disability insurers are required to limit the total amount that a subscriber or enrollee must pay for a covered "prescription insulin drug" (defined) to \$35 per 30-day supply of insulin, regardless of the amount or type of insulin required to fill the prescription.

SB 1225 Appropriations; developmental disabilities programs

Appropriates \$60 million from the general fund and \$120 million from expenditure authority in FY2023-24 to the Arizona Department of Economic Security (ADES) for provider rate increases for services to individuals with intellectual and developmental disabilities. Appropriates \$18 million from the general fund and \$36 million from expenditure

2023 END OF SESSION REPORT

authority in FY2023-24 to ADES for home and community based services for habilitation services for adults and children and habilitation services at vendor supported developmental homes, room and board at vendor supported developmental homes, and habilitation services and room and board at group homes. Appropriates \$5 million from the general fund in FY2023-24 to ADES for the Arizona Early Intervention Program.

SB 1282 Nurse anesthetist; appropriation (Technical correction; midwives)

Minor change in Title 36 (Public Health and Safety) related to regulation of midwives. Apparent striker bus.

SB 1292 Health insurance; essential benefits; requirements

Every health care insurer that offers an individual health care plan, short-term limited duration insurance or small employer group health plan in Arizona is required to provide coverage for at least the following ten essential benefits: ambulatory services, emergency services, hospitalization, maternity and newborn care, mental health and substance abuse disorder services, prescription drugs, rehabilitative and habilitative services and devices, laboratory services, preventive and wellness services, and pediatric services, including oral and vision care. Health care insurers are required to limit cost sharing for the coverage of essential health care benefits. Health care insurers cannot decline to offer coverage to, or deny enrollment in, a health care plan based solely on the individual's health status, including imposing preexisting condition exclusions or limitations in any health plan, canceling or refusing to renew a health plan based solely on an individual's health status, impose any preexisting condition exclusion or limitation, impose annual or lifetime dollar limits on the essential benefits listed, or unfairly discriminate against an individual or employee in establishing or adjusting premium rates based on the individual's age or sex.

SB 1458 Insurance; provider rating; notice

"Health care insurers" (defined) are prohibited from ranking or classifying health care providers based on performance or publishing provider-specific information that includes rankings or ratings of a health care provider's performance against standards or other providers unless a list of specified conditions applies, including that the standards are disclosed to each provider before any evaluation period, and that providers are given an opportunity to dispute a ranking or classification through a process that meets specified requirements.

SB 1459 Mental illness; medication; authorization

For the purpose of behavioral health services and the Arizona Health Care Cost Containment System, medications that are prescribed to address a mental disorder are not subject to prior authorization for persons who are at least 18 years of age if a list of specified conditions apply, including that the medication is prescribed to prevent or treat any of a list of qualifying mental disorders, the medication is a covered benefit, and the prescription does not exceed labeled dosages approved by the U.S. Food and Drug Administration.

SB 1460 Pharmacists; independent testing; treatment; requirements

Pharmacists are authorized to independently order testing and initiate and perform treatment for eligible persons who test positive for influenza, a respiratory infection, or a condition related to an emerging or existing public health threat identified by the Arizona Department of Health Services (ADHS) for which a statewide standing order, rule or executive order is issued.

2023 END OF SESSION REPORT

Establishes requirements for a pharmacist who conducts tests or provides patient treatment in these circumstances.

SB 1494 Health insurance; coverage; medical marijuana

Beginning January 1, 2025, health and disability insurers are required to provide coverage for medical marijuana that includes the cost of the marijuana and the registry identification card.

SB 1568 Family and medical leave; coverage.

Beginning January 1, 2026, family and medical leave insurance benefits are payable to a "covered individual" (defined) who meets one of the following requirements: is caring for a new child during the first year after the birth, adoption or foster care placement of that child; is caring for a family member with a "serious health condition" (defined); has a physical or mental condition that involves continuing treatment and makes the covered individual unable to perform the functions of their position; qualifies for "qualifying exigency leave" (defined) due to being on active duty or having been notified of an impending call or order to active duty in the armed forces; or is in need of "safe leave" (defined) due to domestic violence or abuse. Family and medical leave insurance benefits are payable for up to 24 weeks, except that benefits for the employee's own serious health condition are payable for up to 26 weeks. Establishes a formula for determining the amount of benefits and a formula for payroll contributions to finance the payment of benefits. Any covered individual who exercises the right to family and medical leave insurance benefits is entitled, on the expiration of that leave, to be restored by the employer to the position held by the covered individual when the leave commenced, or to a position with equivalent terms and conditions. Prohibits retaliatory personnel actions for exercising specified rights. Establishes civil penalties for violations. More. Severability clause. Emergency clause.

SB 1606 AHCCCS; acupuncture services

The list of medically necessary health and medical services that Arizona Health Care Cost Containment System (AHCCCS) contractors are required to provide is expanded to include medically necessary acupuncture services that are performed by a licensed acupuncturist and that are ordered by a primary care physician or primary care practitioner. The AHCCCS Administration is required to determine the number of medically necessary acupuncture service visits a physician may order. Subject to approval by the federal Centers for Medicare and Medicaid Services.

SB 1608 Transition program fund; living expenses

Monies from the Transition Program Fund may be used to pay up to \$500 for a person who completed the transition program to secure housing, including the cost to live in a sober living home, the first and last month's rent, or any other payment or deposit required to secure housing. AS PASSED SENATE

SB 1633 Adult immunizations; reporting system

The Child Immunization Reporting System is renamed the Immunization Reporting System, and health care professionals licensed to provide immunizations are required to report information on adult patients receiving a vaccine.

SB 1648 Breast examinations; cancer screenings; definition

2023 END OF SESSION REPORT

Health and disability insurers that provide coverage for surgical services for a mastectomy are required to cover a mammogram every year for a woman who is 40 years of age and over, instead of a mammogram every two years for a woman who is 40 to 49 and every year for a woman who is 50 years of age and over, and to cover a mammogram at any age and interval as deemed medically necessary by the woman's health care provider, and to cover a mammogram or ultrasound if a screening mammogram reveals any abnormality or the patient presents with symptoms, and to cover a magnetic resonance imaging or ultrasound if the patient is deemed to be at an increased lifetime risk for breast cancer as defined by medically established risk models or has a history of breast cancer.

SB 1701 Type 1 diabetes; drugs; devices

The Arizona Health Care Cost Containment System (AHCCCS) Administration is required to establish a diabetes treatment program to provide medically necessary drugs and devices to treat type 1 diabetes, including insulin and insulin pumps, for Arizona residents who are younger than 24 years of age, have been diagnosed with type 1 diabetes, are uninsured or underinsured, and are not eligible under title XIX or XXI of the federal Social Security Act. The AHCCCS Administration is prohibited from imposing cost sharing requirements for the drugs and devices, and from considering the family income of a person when determining eligibility. The AHCCCS Administration is required to act as payor of last resort for persons who are eligible under these provisions. Appropriates an unspecified amount (blank in original) from the general fund in FY2023-24 to the AHCCCS Administration for the diabetes treatment program.