



ARIZONA STATE SENATE REPUBLICAN CAUCUS



2019 LEGISLATIVE HIGHLIGHTS

**54th LEGISLATURE
FIRST REGULAR SESSION**

TABLE OF CONTENTS

Senators.....3

Budget4

Finance15

Education.....19

Higher Education.....21

Health & Human Services.....23

Natural Resources.....31

Government.....34

Transportation and Public Safety.....38

Commerce.....41

Judiciary.....44

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BUDGET

With a strong, growing economy and years of conservative budgeting, Arizona was well-positioned to provide additional money to key funding areas, while at the same time paying off debt and greatly increasing the Rainy-Day Fund. In the FY 2020 budget, Republican legislators delivered on their ongoing commitment to increase pay for teachers. New money is getting to the classrooms in an accelerated manner, and schools that are getting results will tap into new funding. Public safety is improved at our schools and on our roads, with funding for dozens of new troopers. Legislators lifted the freeze on Kids Care and provided new funding for elderly care assistance. Many state employees will receive generous pay raises. The state's three universities will see millions in new operating funds. Drivers will notice a difference, with tens of millions for road improvements and expansion across the state. In addition to new funding, lawmakers paid off a significant amount of state debt, offset a federal tax increase and returned the money to state taxpayers, and developed a plan to eliminate the unpopular Highway Safety Fee.

K-12 Education Funding

A robust K-12 education system is the foundation for a state's economic and social prosperity. In 2018, the Legislature made significant investments in K-12, committing to funding a 20% teacher pay raise by 2020, aligning Arizona near the national average once fully implemented, and restoring funding for additional assistance at schools.

In 2019, Senate Republicans have again prioritized their longstanding commitment to education. Not only does the FY 2020 budget deliver on promised investments in K-12 education, but the budget adds additional resources above and beyond what was promised. The FY 2020 budget funds a 5% teacher pay increase for a total of 15% of the promised 20%, with the last 5% being funded in the FY 2021 budget. The FY 2020 budget also accelerates the restoration of K-12 additional assistance funding, increases funding for school safety, and increases funding to incentivize high performing schools.

FY 2020 New K-12 Spending in JLBC Baseline	
5% Teacher Pay	\$165 M
Additional Assistance	\$68 M
All Other Formula Funding	\$159 M
Total Baseline Investments	\$392 M
FY 2020 New K-12 Spending Above JLBC Baseline	
New School Construction and Repairs	\$155 M
Additional Assistance Acceleration	\$68 M
Increase to Results-Based Funding (\$40 M in Base)	\$30 M
School Resource Officer/Counselor Grants	\$20 M
CTE Incentive Bonuses (Beginning FY 21)	\$5 M
Foster Youth Education	\$1.5 M
Gifted Education Funding	\$1 M
Yuma Elementary School Construction	\$800,000
Juvenile Detention Education Programs	\$700,000
High Quality Teacher Scholarships (Thru FY 22)	\$400,000
State Board for Charter Schools Employees (Thru 21)	\$400,000
Mingus Unified Consolidation Costs (\$50k)	\$100,000
Total Investments above Baseline	\$283 M
Grand Total	\$675 M

Teacher Pay Raises

The FY 2020 budget fulfills the promise of the 20% by 2020 pay raise by including the second year of funding to increase teacher pay by 5%. This is on top of the 9% increase in the FY 2019 budget and the 1% teacher pay increase in the FY 2018 budget. The 20% by 2020 pay raise consists of enough funding to raise the statewide average teacher salary amount of \$48,372, as reported by the Arizona Auditor General, to \$58,130 by increasing appropriations for teacher pay each of the next two fiscal years.

When factoring in all monies dedicated to teacher pay, the result is an additional **\$645 million** by FY 2021. To guarantee that this funding is permanent, ongoing and inflated, monies allocated for teacher pay raises were included via the statutory per-student “Base Level” amount, which is voter protected and inflated each year. Dollars allocated through the Base Level are delivered to school districts and charter schools based on their weighted student count. This assures schools with teachers on the lower end of the pay scale will receive a slightly higher share of the funding,

LEGISLATIVE HIGHLIGHTS 2019

since appropriating dollars solely based on percentages of actual salaries would produce larger dollar amounts for teachers with higher salaries.

20x2020 Teacher Pay Investment by Fiscal Year			
Fiscal Year	FY 2019	FY 2020	FY 2021
Total Investment	\$306 M	\$471 M	\$645 M

Additional Assistance

Senate Republicans not only made a multi-year commitment to boost teacher pay in 2018, but also made a commitment to a full restoration of the recession-era suspension of District Additional Assistance and Charter Additional Assistance. Arizona public schools are already experiencing much needed relief due to the restoration of this funding formula, as Additional Assistance dollars provide schools with flexible funding for local priorities, including infrastructure, technology, school buses and updated textbooks.

The FY 2020 budget adds **\$136 million** for Additional Assistance, including \$68 million for the second-year phase-in of Additional Assistance and an additional \$68 million to accelerate next year funding. This new funding builds on top of the \$100 million added in FY 2019 for Additional Assistance.

Additional Assistance Restoration (Adds \$68M per year)				
FY 2019	FY 2020	FY 2021	FY 2022	FY 2023
\$100 M	\$236 M	\$236 M	\$303 M	\$371 M

School Safety

The safety of our students and classrooms continues to be a top priority. Students deserve to feel safe while they are away from home at school and parents deserve to know that their children are being protected. Arizona's long-standing school safety program promotes safe learning environments for students by supporting the costs of placing trained school resource officers and juvenile detention officers on school campuses. This year's budget expands this critical program to include school counselors and social workers and allows schools the flexibility to modify their spending plans based on current needs. The infusion of an additional \$20 million in this program brings its total funding support to \$32 million annually.

Higher Education Funding

Having a well-trained workforce is essential to a strong and growing economy. Higher education, whether at the state's world-class public universities or at its robust community colleges, helps develop skills for the next generation to enter the workforce.

Senate Republicans also made higher education a priority, adding \$98 million in FY 2020 to the universities and community colleges.

Universities

The FY 2020 budget funds an additional **\$61 million** in FY 2020 for Arizona State University (ASU), Northern Arizona University (NAU) and the University of Arizona (UA) on top of the \$712 million the state already contributes to universities, addressing both targeted issues such as the state's teacher and doctor shortage, while also giving flexible operating funding for resident student tuition. Below is a list of all additional university investments in FY 2020.

Universities	
University Operating Funding	\$35 M
Teachers Academy	\$15 M
UA Health Sciences Center	\$8 M
NAU Ongoing Freedom School Funding	\$500,000
Washington D.C. Internships	\$300,000
Adaptive Athletics Programs	\$160,000
Health Insurance Trust Fund	\$2 M
University Total	\$61 M

Teachers Academy

In 2017, lawmakers implemented the Arizona Teachers Academy to begin tackling the growing teacher shortage in the state. Universities were tasked with incentivizing their students to enter the teaching profession and then committing to teach in Arizona public schools by receiving an annual waiver of all tuition and fees. Given the success of the Academy to date, this year's budget provides \$15 million to expand the Teachers Academy to include post baccalaureate coursework at community colleges, graduate programs at universities and fees associated with national board

certification for teachers currently teaching in a public school seeking the certification.

Community Colleges

Recognizing the important role our community colleges play in preparing the state's workforce and achieving the goal of ensuring 60% of Arizonans obtain a certificate or college degree by 2030, Senate Republicans prioritized community colleges in the FY 2020 budget. Overall **\$37 million** is invested in STEM, targeted workforce programs and flexibility for rural colleges to expand workforce programs. Below is a list of all community college funding in FY 2020 above the \$59 million that the state currently contributes to community colleges.

Community Colleges	
Pima Community College Aviation Program	\$15 M
One-Time Rural College Funding	\$14 M
Maricopa Community Colleges Healthcare Specialty Expansion	\$6 M
Maricopa/Pima STEM Funding (Thru FY 22)	\$2 M
Community College Total	\$37 M

Infrastructure

Senate Republicans believe that infrastructure is a core function of government. Investing in infrastructure, whether it is roads, airports, or bridges, contributes to a thriving economy. Businesses and people are continuing to move to the state, favoring Arizona for its economic opportunities. Arizona ranked fourth in percentage population growth in 2018, while Maricopa County ranked first, gaining the most people out of all counties in 2018.

While Arizona currently spends more than \$1.8 billion in highway construction and maintenance, and generally ranks favorably in infrastructure health as compared to other states, Senate Republicans believe that investments are still needed to continue to promote growth and economic activity. In 2018, the Caucus supported reversing a recession-era policy by restoring funding to the Highway User Revenue Fund, which is used by both the state and local governments for road projects.

In 2019, Senate Republicans built on continued investments in state roads by adding an additional **\$215 million** for highway and road projects throughout the state. These new investments include:

- \$130 million for lane expansion on I-17 between Anthem and Black Canyon City
- \$28 million to widen State Route 95 near Yuma from 9E Avenue to Fortuna Road
- \$20 million for constructing two new traffic interchanges in east Kingman on I-40
- \$18 million in funding for infrastructure needs, equally distributed to all 91 cities and towns
- \$10 million for ADOT to finish its environmental study and start its design concept report for the widening of the I-10 from Phoenix to Casa Grande through the Gila River Indian Community
- \$6.5 million for a second traffic interchange bridge overpass on State Route 24, and Ellsworth Road
- \$2.8 million to repair Jesse Hayes Road bridge in Globe

While roads are an important part of infrastructure, Senate Republicans recognize that other infrastructure investments are needed throughout Arizona to facilitate economic activity. In addition to funding more road construction for a growing state, the FY 2020 budget includes funding for the following infrastructure projects:

- \$20 million for drilling wells in Pinal County to access additional water in advance of federal funding
- \$10 million for aviation project grants for local public airport facilities
- \$4 million for a new emergency readiness center in Maricopa County's West Valley
- \$3 million to expand broadband in rural areas

- \$1 million for a new fire training center in northern Arizona
- \$750,000 for the Mount Lemmon Fire District to construct a new water line for fighting future fires
- \$700,000 for a cold inspection facility at the Mariposa Port of Entry to facilitate the inspection and import of temperature-sensitive commodities

Developmental and Elderly Physical Disability Funding

Providers who serve the Developmentally Disabled (DD) and the Elderly and Physically Disabled (EPD) have been under fiscal strain since the passage of Proposition 206, the state's minimum wage initiative that annually results in a higher minimum wage and continues to hurt the most sensitive long-term care providers. Republicans recognize that these providers, who serve the state's most vulnerable populations, need relief to counteract the pernicious effects of uncontrolled increases in the minimum wage.

This year, the budget addresses the unfunded budgetary impact of Proposition 206 by providing **\$44 million** in ongoing resources to the long-term care system. Of this amount, DD providers will see \$30 million in ongoing funding and EPD providers will see \$14 million in ongoing funding. Combined, these new resources will result in higher reimbursement to providers in the long-term system and help these providers maintain their competitiveness.

Housing

Like many revenue sources during the Great Recession the Housing Trust Fund was significantly reduced to keep the state solvent and maintain a balanced budget in subsequent years. Access to affordable housing during the economic recovery has given rise to at risk populations in need of rental assistance and services to avoid eviction. In addition, the spike in homelessness in the state prompted Republican legislative initiatives to restore funding to the Housing Trust fund to target assistance to the most vulnerable individuals. With an overall distribution of **\$15 million** to the Housing Department, \$3.5 million was earmarked for construction or renovation of a licensed and secure facility that is part of a court ordered treatment plan. The remainder of funds will be awarded through a grant process for eligible projects.

Public Safety Budget

Public safety is a core function of government. While in any given year new money can be spent in many ways to enhance public safety, the FY 2020 budget invests in the most important part – the men and women who serve in these roles.

The FY 2020 budget includes **\$76 million** to fund between five and fifteen percent pay increases for public safety workers across thirteen state agencies. For many positions, these are the first raises in more than a decade and will address both the attraction and retention of state workers in critical public safety positions throughout Arizona.

The budget also includes \$11 million for new Department of Public Safety (DPS) troopers and support staff throughout the state. These men and women will be placed on the soon-to-open South Mountain Freeway, in Southern Arizona to bolster enforcement in that region, and in Maricopa County on the night patrol.

The budget also includes investments of \$4 million in state funding, combined with federal funding, to construct a new emergency readiness center in the West Valley in Maricopa County and \$4 million to replace vehicles at the DPS.

Responsible Budgeting

While individuals are the best stewards of their money, government still needs funding to operate. For the money that does go to government, Senate Republicans prioritize being responsible with taxpayer's money, which means paying off state debt when there is money to do so and saving money to help cushion the effects of economic downturns.

The FY 2020 budget plan meets both objectives, saving **\$542 million** over two years in the state's Rainy-Day Fund and paying off **\$220 million** in state debt. The deposit into the Rainy Day Fund, the first since FY 2013, will increase the balance of the fund from 4.5% to 9% of ongoing General Fund revenues. The monies going to pay off debt reverse two recession-era policies, by funding \$190 million to buy back the state buildings that were sold during the recession and reversing the K-12 rollover, a budget gimmick, by \$30 million, eliminating the rollover for school districts with fewer than 1,350 students.

Taxes and Fees

Senate Republicans believe that peoples' money is best used by individuals and not government. The FY 2020 budget prioritizes this belief by returning **\$1.2 billion** to Arizona taxpayers over the next three years. The budget accomplishes this with a \$302 million reduction beginning in FY 2020 due to tax reform, \$185 million for the repeal of the highway safety fee on June 30, 2021, and \$44 million in other tax policy changes, growing to \$51 million in FY 2021.

Conform and Reform

In 2017, the federal government made some of the most significant revisions to the Internal Revenue Code in more than thirty years. While there were over one-hundred individual and business provisions affected by the federal tax reform, the main reforms for individual taxpayers broadened the tax base, lowered tax rates, and made tax filing simpler for taxpayers.

To make filing simpler, Arizona generally conforms to the same tax base as the federal government but has its own tax rates that are different from the federal tax rates. However, conforming to the federal tax code is not automatic, and must be done each year through an act of the Legislature.

Federal tax reform in 2017 presented a problem for the Legislature. Conforming to the federal tax code would make tax filing simpler for Arizonans, but conforming would also expand the definition of income and not result in any changes on Arizona tax rates, meaning Arizonans would have to pay an average of 4.4% more in taxes.

From the passage of federal tax reform, Senate Republicans supported returning any windfall from conformity to taxpayers and not pocketing the money. While there were attempts to return money to taxpayers in 2018, not all branches of government could agree on what to do with the new money that would come from conforming.

This year, Republicans passed a plan that returns \$302 million annually to taxpayers beginning in FY 2020 (\$906 million by FY 2022). While the Caucus preferred to also return the \$155 million gained in FY 2019 to taxpayers, it became administratively difficult to make any changes, as the tax filing season was already over by the time a plan was agreed to by the Governor, House, and Senate. In lieu of returning the money, Senate Republicans supported the next best thing – paying off state debt from the recession, which benefits the taxpayer by freeing up existing dollars in the state budget.

The tax reform plan that passed does the following:

- Results in an average tax reduction of 6.2% across all filers
- More than doubles the Arizona standard deduction to match the federal standard deduction, resulting in an estimated 90% of Arizona taxpayers taking the standard deduction and making tax filing simpler
- Reduces the number of tax brackets from five to four, the first change to the number of tax brackets since 1990
- Reduces tax rates by between 0.02% and 0.29%
- Creates a new credit of \$100 for dependents under age 17 and \$25 for those over age 17

Repeal of the Highway Safety Fee

In 2018, the Legislature voted to give the Director of the Arizona Department of Transportation (ADOT) the authority to charge a highway safety fee, which legislators thought would result in a new \$18 charge. Instead, the ADOT Director set the fee at \$32 in the fall of 2018, well above what was originally intended. Many constituents reached out to Members, demanding that the fee be lowered or repealed.

Senate Republicans heard this complaint, and in response, passed a budget that responsibly repeals the fee by June 30, 2021, while also allowing for the funding of other priorities in state government. When repealed, this fee means that \$185 million will be returned to Arizona taxpayers.

Other Tax Changes

The budget included \$44 million in other tax reforms beginning in FY 2020, growing to \$51 million at full implementation in FY 2021. These changes include:

- Incentivizing charitable giving by creating a new tax deduction for those individuals who take the standard deduction and give to charities (\$24 million annually)
- Increasing the threshold from \$1 million to \$4.1 million for businesses that have to pre-pay their June transaction privilege tax liability, making it easier for small businesses to manage their cash (shifts \$10 million a year into the next fiscal year)
- Exempting crop inputs such as fertilizer from transaction privilege tax beginning January 1, 2020, which will treat crop inputs like all other business inputs (\$7.4 million in FY 2020, growing to \$15 million per year in FY 2021)
- Allowing organizations that serve adults with chronic illnesses to qualify for the existing tax credit for charitable organizations (\$1.2 million annually)
- Standardizing the threshold that triggers the reevaluation of real property among county assessors (\$800,000 annually)



Finance

Senate Republicans advanced many insurance related bills this year that further the goals of protecting consumers, offering choices to consumers, and streamlining regulations in the insurance industry. **SB 1004 (insurance; surplus lines; reports; payments)** allows surplus lines insurers to submit their reports and payments electronically to the Department of Insurance (DOI) instead of on paper documents, reducing time and money when filing these reports. **SB 1113 (insurance; information practices)** reduces the amount of unnecessary mail a consumer receives from insurance companies by only requiring updated notices of insurance practices if an insurer has changed its practices.

To standardize regulation of the insurance industry, the National Association of Insurance Commissioners (NAIC) periodically writes model acts that states must adopt to maintain their accreditation. Accreditation is important because it allows for reciprocity for licensees between states. **SB 1006 (internationally active insurance groups; supervision)** and **SB 1007 (insurance; corporate governance; disclosure)**, which are both model acts, clarify what government agency is the primary regulator for internationally active insurance groups in Arizona and require new disclosures that insurers must file to the DOI, allowing the agency to better understand an insurer's operations.

Consumers need options to choose what is best for them when purchasing insurance. To give more options to reduce the risk of fire or theft, **SB 1008 (insurance; prohibited inducements; exceptions)** allows insurers to offer products or services, such as fire alarms. To expand options for health insurance, **SB 1109 (short-term limited duration insurance; notice)** increases the maximum length of short-term limited duration insurance from 180 days to 12 months and allows these policies to be extended for up to 36 months. This change provides a low-cost option for those individuals who are starting a business or are between jobs.

As new innovative businesses continue to enter Arizona, regulations must be updated so that new ways of delivering products and services can flourish. **HB 2175 (insurance; third-party administrators; exemptions)** exempts companies operating a marketplace platform, such as a website or smartphone application, and collecting insurance payments on behalf of their contractors from being defined as insurance administrators, freeing these emerging companies from stifling regulation.

Transparency in health care costs, even if only between insurers and health care providers, can help bring down the cost of health care. **HB 2494 (health insurers; notice; providers)** creates more transparency in pricing between insurers and health care providers, requiring insurers to disclose if any fee is associated with payments from insurers to health care providers.

Taxes

At the beginning of the year, Senate Republicans voted on **SB 1143 (conformity; internal revenue code; rates)**, which would have reduced revenues by \$157 million in FY 2019 and offset \$155 million in new revenues from changes in federal tax law that impacted Arizona. However, even though the bill received overwhelming support from Senate and House Republicans, the Governor vetoed the bill in early February. This veto led to four months of negotiations on what to do with these new revenues in FY 2019 and additional revenues in FY 2020 and beyond.

Ultimately, Senate Republicans supported **HB 2757 (tax provisions; omnibus)**, a plan that both used the money to pay off debt in FY 2019 and then reformed the tax code beginning in FY 2020, making one of the largest tax offsets in 30 years. In FY 2019, the plan directs \$155 million of new revenues toward paying off debt. In FY 2020 and beyond, the plan uses the \$217 million in FY 2020 from tax conformity and \$85 million in revenues from changes following the *Wayfair* decision issued last summer by the United States Supreme Court to generate a \$302 million tax offset (please see Budget "Conform and Reform" section for more details on the tax plan).

The implementation of the *Wayfair* legislation in **HB 2757 (tax provisions; omnibus)** will bring parity to in-state and out-of-state retailers selling into Arizona. Last summer, the Supreme Court ruled in the *Wayfair* decision that states can collect tax from out-of-state retailers if those retailers are selling products into a state. Prior to this decision, the Supreme Court had ruled that a business needed a physical presence for a state to collect a tax on the goods sold. Over the last 25 years, many consumers have shifted to buying more products online than in stores, resulting in reduced revenues for the state, counties, and cities that could go towards schools, public safety, or infrastructure. With this bill, out-of-state retailers will have to collect and pay a tax on transactions, just like in-state Arizona businesses. Senate Republicans decided that the \$85 million revenue gain to the State was best left in the hands of taxpayers but allowed cities to keep \$52 million and counties \$27 million in estimated revenues.

In addition to tax reform and the *Wayfair* changes, Senate Republicans also supported other tax reforms throughout the session, allowing people to better use their money as they see fit as opposed to government. **SB 1027 (tax credit; charitable organizations; eligibility)** allows individuals to claim the charitable tax credit for donating to organizations that serve adults with a chronic illness, as currently the tax credit only applies to organizations that serve children with chronic illnesses. **SB 1248 (property taxes; valuation; property modifications)** brings consistency to taxpayers when county assessors revalue property, as county assessors can only reassess a taxpayer's property if the full cash value of a property increases by more than 15%.

SB 1485 (school tuition organization; inflator) provides for a responsible phasedown in the corporate student tuition organization tax credit inflator, decreasing the inflator from 20% to 2% (or inflation) by FY 2024. This phasedown in the inflator will guarantee that Arizona can continue to be a leader in school choice without creating a large short-fall in future state budgets.

Expanding the tax credit for public schools, **HB 2425 (school tax credit; contributions)** allows individuals to donate and take the tax credit for school equipment, community school meal programs, and student health care supplies.

HB 2275 (TPT exemptions; propagative materials) exempts products used to grow crops, such as fertilizer, from transaction privilege tax (TPT) beginning January 1, 2020, treating these products like all other business inputs, and preventing double-taxation. **HB 2360 (TPT; estimated payments; liability threshold)** increases the threshold for businesses that have to pre-pay their June estimated TPT payments, reversing a long-standing budget gimmick that helped balance the state's budget in the early 1990s. Currently, if a business has over \$1 million in annual TPT liability, the business makes both the May TPT payment and an estimated June TPT payment, which can create cash-flow issues for businesses. This bill will increase the threshold to \$4.1 million by 2023, which will cover most businesses in Arizona.

SB 1024 (medical marijuana; sales data; enforcement) allows the Department of Revenue (DOR) to disclose medical marijuana dispensary tax data to the Department of Health Services (DHS), enabling DHS to determine if medical marijuana dispensaries are paying the appropriate amount of TPT. **SB 1180 (department of revenue; applicants; fingerprinting)** allows DOR to obtain fingerprints and a consumer report for specified positions that disburse tax revenues, thereby helping DOR avoid hiring employees with histories of financial fraud.

SB 1469 (agency consolidation; department of insurance) makes another great stride in reducing the size of government, consolidating the Department of Financial Institutions into the Department of Insurance, bringing more efficient regulation of the financial services industry.

Providing certainty to taxpayers, **HB 2042 (income tax; statute of limitations)** limits DOR's ability to assess a tax for up to seven years after a tax is due, rather than in perpetuity as is allowed under current law.

HB 2095 (agricultural property classification; water reduction) allows farmers to keep their land classified as agricultural land if there is a partial reduction in water supply, keeping them from paying more for their land due to events out of their control.

HB 2097 (personal property; reporting; exemption) clarifies that county assessors cannot force a taxpayer to report on personal property that is constitutionally exempt.



Education

Arizona continues to lead the nation in school choice by providing a variety of educational options for families and students. **SB 1395 (empowerment scholarship accounts; program revisions)** would have provided families with more clarity around the use of Empowerment Scholarship Account (ESA) monies and increased efficiency and transparency of the ESA program. Although the bill never received a vote on the Senate floor, one critical ESA provision was included in the K-12 budget reconciliation bill, **SB 2749 (K-12 education; budget reconciliation; 2019-2020)**. The bill requires the Arizona Department of Education (ADE) to contract with a third-party administrator to assist ADE with financial administration of ESAs providing reassurance that the Superintendent of Public Instruction and ADE employees are not unilaterally in control of ESA finances.

Despite public accusations that Republicans do not care about the burdensome impact some legislation can have on schools, the Caucus quickly responded to multiple concerns voiced by the education community. Parents and school administrators throughout Arizona have been asking why statute requires 7th and 8th grade students to attend a higher number of instructional hours per year than any other K-12 grades. **SB 1022 (hours; seventh and eighth grades)** eliminates the added burden on our schools to plan their transportation routes and school day schedules around the long hours for these two grades, by decreasing the mandatory 7th and 8th grade hours to align with the requirement for grades four through six. **SB 1256 (school districts; procurement practices; auditors)** tackles further concerns from the community by repealing a newly-enacted requirement that school procurement contracts be awarded to the lowest qualified bidder.

Our school children face many challenges in their lives and it is incumbent upon everyone to look out for their best interest and work hard at keeping them safe and successful. The devastating rise of suicides in our schools necessitates new actions and awareness to protect our students. **SB 1468 (schools; suicide prevention training)** requires counselors, teachers, principals and other school personnel who work with students in sixth through twelfth grade to complete suicide awareness and prevention training every three years. Training our school professionals to notice and respond to learning barriers is another crucial responsibility owed to students to promote success. **SB 1318 (schools; training; screening; dyslexia)** requires school districts and charter schools to ensure that at least one kindergarten through 3rd grade teacher in each school has received dyslexia related training as outlined by the ADE.

To be successful today, high school graduates need a core understanding of personal financial literacy. **SB 1184 (schools; economics; personal financial management)** directs the State Board of Education to include financial literacy and personal financial management in the required course credit in economics for a student to graduate from high school.

The public's investment in district school facilities will no longer sit wasted and vacant, thanks to **SB 1161 (school facilities; revisions)**. The bill enacted many important changes, including:

- Requiring the School Facilities Board to annually publish a list of vacant and partially used buildings owned by the state or the district that may be suitable for school operations.
- Prohibiting a district from accepting an offer for the sale or lease of a vacant or partially used building that is less than an offer from a charter or private school.
- Allowing the school district governing board more flexibility in entering into leases and lease-purchase agreements for up to 20 years, subject to voter approval.

The Caucus also found a few programs in need of additional resources. **SB 1051 (high-quality teacher pilot program)** infuses more funding into the highly successful grant program that allows Arizona teachers to receive up to \$2,000 to obtain additional certification to teach in a STEM or CTE field. Additionally, **SB 1104 (educational programs; juvenile detention centers)** provides a much-needed increase to education programs in counties operating juvenile detention centers, all of which have been functioning at the statutorily set funding amount since 1995. House Rules Committee refused to hear the bills, but fortunately they were rolled into the K-12 budget reconciliation bill **SB 2749 (K-12 education; budget reconciliation; 2019-2020)**.



Higher Education

Today's skyrocketing higher-education costs worry many families and any savings tools available to parents should be secured; the Family College Savings Plan or Arizona 529 Plan is no exception. These plans have long provided families with a tax deduction for contributions made to their child's or beneficiary's plan, with the benefit of using the monies on qualified higher education expenses down the road. In 2017, the federal government expanded the use of these monies to include K-12 tuition expenses and Senate Republicans quickly moved to mirror the federal changes in our statutes with **SB 1349 (family college savings program)**. The success of the Family College Savings Plan is credited to the Arizona Commission for Postsecondary Education (ACPE) who administers more than \$1.2 billion in assets, representing more than 82,000 accounts with these plans. ACPE is essential to our higher education system and is tasked with expanding access and increasing successes in postsecondary education. For those reasons, the Caucus sees it important to continue ACPE for an additional eight years with **SB 1021 (commission for postsecondary education; continuation)**.

Providing students with financial assistance is critical for our state's economic development, especially for those students faced with disadvantages out of their control. Assisting foster care children has long been a priority of the Caucus. The foster care tuition waiver program provides children who were in foster care during certain ages with a waiver covering full tuition and mandatory fees at Arizona community colleges and public universities. **HB 2061 (foster tuition waiver scholarship; age)** lowers the minimum qualifying age for a person to qualify from 16 years old to 14 years old.

Internships provide students with real world work experience as they prepare to transition from their education program into the workforce. **SB 1526 (appropriation; universities; student internships)** appropriates money to the three state universities for student internships in Washington DC. Although the House chose not to hear the bill in committee, it was part of the budget in **HB 2747 (general appropriations act; 2019-2020)**.

Arizona's community colleges play a critical role in the state's higher education system. One of the many valuable options available to students is the ability to enroll

prior to turning 18 years old if course prerequisites are completed and the student has attained a certain score on a college entrance exam.

Over time, the scoring metrics for these exams are updated and our statutes become out of date. **SB 1048 (community colleges; admissions criteria)** conforms statute to the updated metrics ensuring that young students can seamlessly begin their higher education journey when they are ready.



Health & Human Services

Access to Care

Patients rely on "co-pay cards" to cover the out-of-pocket costs of drugs they need for chronic conditions. This assistance is helpful particularly during the first few months of the year, when patients are required to meet their entire annual deductible amount. Applying rebate coupons toward a deductible makes medications more affordable. Some health insurers have placed restrictions on the use of these cards, leaving patients with a difficult choice on whether to take their medication or ration dosing amounts. **HB 2166 (insurance; cost sharing; calculation)** requires health plans to apply rebate coupons toward a deductible only if a drug does not have a generic equivalent or the patient has obtained access to the drug through prior authorization, step therapy or through appeal.

The Patient Protection and Affordable Care Act (PPACA) emphasized the medical home model and promoted direct primary care as a means to reduce healthcare costs. As a result, physicians nationwide have established practices that allow for a monthly enrollment fee on a prepaid basis, outside of traditional insurance. The Legislature previously exempted direct care plans from regulation and established disclosure requirements on which services are covered. Since then, more health care providers are establishing direct care plans and legislation was needed to facilitate that growth. **SB 1105 (direct primary care agreements)** adds nurses, physicians' assistants and dentists as practitioners who can offer direct care plans. Consumer protections are better delineated through enhanced disclosure outlining the terms of coverage, termination policies and fee payment structure. The measure prohibits a provider from discriminating against a patient based on health status. The expansion of this model demonstrates the demand for alternatives to health care insurance and provides affordable solutions for Arizonans, particularly where access to care can be limited.

Arizona has a long history of promoting the use of telemedicine to provide access to care and improved outcomes for patients. Technological gains have increased the number of specialists who can provide care in rural and urban settings. However, insurance coverage either does not provide for telemedicine or reimburses services at a lower level. All current services are listed in statute and any new coverage requires legislation – and a battle between the providers and insurance industry.

SB 1089 (insurance; telemedicine) prevents insurers from limiting or denying telemedicine coverage but allows them to apply the same limits or exclusions applicable to in-person consultation for the same service. This reform provides open access for all services and repeals the statute that restricts coverage.

The shortcomings and constraints of the Affordable Care Act (ACA) left many Arizonans without affordable insurance, particularly in the individual market. Individuals and small business owners are simply priced out of the market. The Trump Administration issued new federal guidelines that relaxed restrictions imposed under Obamacare relating to association health plans and short term limited duration policies. The Legislature codified the new rules this session. **SB 1085 (association health plans; definition; requirements)** allows businesses to band together on the basis of geography and industry for greater purchase power (the former rule strictly limited the association by trade and profession commonality). In addition, sole proprietors were excluded from joining an association plan. With the growing tech industry and use of freelance contractors, a business of one was relegated to the costly individual market. Now businesses of one or more are eligible to pool for insurance. The bill mirrored the federal rule and requires preexisting conditions be covered. This measure was supported by a wide array of business and industry representatives. Federal rules also allowed short term health insurance policies to last from 12 months with an option to renew up to 36 months (from six months under the ACA). While the coverage is not comprehensive, short term policies are good alternatives for individuals between jobs, waiting for group coverage or in need of an affordable solution to traditional insurance. **HB 2375 (short term limited duration insurance; notice)** codified the time frames allowed under federal guidelines and mirrored the disclosure notice which highlights that the insurance may not cover all essential benefits or mandates provided by the ACA or state law.

Protecting Vulnerable Populations

Ensuring the safety and well-being of vulnerable children and adults is a key priority for the Majority. This session the Legislature approved several measures protecting at risk populations. Most notable was the enactment of **SB 1211 (intermediate care facilities; licensure)**. The horrific discovery of an incapacitated patient giving birth at a Hacienda care facility prompted this emergency measure which strips licensure exemption and requires regulation at the state level through the Department of Health Services (DHS). Background checks of all existing and new employees through the Department of Child Services (DCS) and Adult Protective Services (APS) registries will occur. DHS will verify that intermediate care facilities comply

with background check requirements, conduct site inspections intermittently and investigate complaints. In addition, the Department of Economic Security (DES) is to conduct an APS registry background check for anyone employed in a community residential setting, home and community-based settings, and at day care for individuals with developmental disabilities. In the interim, stakeholders will look at ways to protect developmentally disabled individuals in the group home setting as well.

Similarly, residential care facilities that temporarily house unaccompanied minors have come under fire for substandard care and reports of abuse. **SB1247 (residential care institutions; children)** adds a state layer of protection by requiring licensees that do not contract with Arizona, that are federally regulated and provide direct services to children to conduct central registry background checks through DCS. DHS must ensure compliance and will establish protocol for mandatory reporting of abuse and neglect at these facilities. As such, these facilities must report to DHS within 24 hours of an actual or alleged event. Law enforcement, DCS and the U.S. Department of Homeland Security must also be notified. DHS must be notified of any corrective action plan imposed at the federal level.

The Arizona Pioneers Home was established in 1909 and opened in 1911. It is a continuing care retirement home, providing care and services to individuals living independently or who require assisted living, intermediate or skilled care services. The Home is exempt from state licensure. While it is state-owned and operated, the licensure exemption fails to ensure the safety of its residents nor holds its administrators accountable for the maintenance and upkeep of the facility. **SB 1038 (Arizona pioneer home; regulation)** subjects the Home to DHS licensure, regulation and supervision requirements. As it is an historic building, the bill exempts the Home from architectural plan and physical plant standards currently prescribed by DHS.

Oftentimes family members with loved ones placed in group home settings request electronic monitoring to ensure that DD residents receive quality care. Not all operators provide this service and no uniform procedures for installation and operation of cameras exist. As such, **HB 2117 (developmental homes; monitoring)** is a safeguard measure that allows service providers that operate a group home or an intermediate care facility to install and oversee electronic monitoring devices in common areas. DES will adopt rules to establish protocol for use of cameras in homes. The rules will address consent requirements for residents (and family members) in group homes that use monitoring services. The retention of electronic records, public disclosure regarding use of cameras, who may access

recordings and confidentiality and privacy issues all must be promulgated by the Department. Finally, the bill prohibits DES from prohibiting access to electronic records from family members (exceptions apply where a criminal offense is suspected).

Family members in the disability community shared compelling testimony regarding the lack of dignified public accommodations for their adult developmentally disabled loved ones. **HB 2113 (public restrooms; changing stations)** requires new construction and renovation in state public buildings to include at least one diaper changing station that can serve babies and adults and that is accessible to both men and women. This consensus measure will provide access to changing stations in locations that are commonly used by the public.

The number of homeless individuals in the state has grown significantly within the last few years. The vulnerable populations in need of supportive housing and services have also risen. This session there were various initiatives to address housing and target certain individuals who are prone to cycle in and out of the Arizona Health Care Cost Containment System (AHCCCS), Corrections or county jail into homelessness. **SB 1336 (housing fund; seriously mentally ill)** provided the flexibility for SMI Housing Trust Fund dollars to be used for rental subsidies and not just capital construction. **SB 1098 (housing assistance pilot program; appropriation)** created an advisory council to award grant dollars to certain populations and move them off public assistance. **SB 1471 (homeless youth; families; funding sources)** created a revenue source via the recapture of capital gains from out-of-state real estate transactions for homeless youth and families. All measures contained a directive for housing funds to be used for community living homes with 24-hour support and supervision as well as a secure behavioral residential facility with 24-hour on-site support treatment and supervision by staff for SMI individuals who are chronically resistant to treatment. A court ordered treatment plan would establish the duration of time in the least restrictive setting to better meet the needs of these individuals.

Although none of these measures were enacted, key provisions were incorporated in the budget process (general appropriations; revenue and health and human services budget reconciliations bills). Any revenue derived from out of state real estate capital gains will be reported to Joint Legislative Budget Committee and Office of the Strategic Planning and Budgeting to identify what revenues could be available for homeless populations in the future.

Financial exploitation has become a rampant form of abuse among aging adults. Those with cognitive impairments such as Alzheimer's disease or dementia are especially susceptible. According to the National Adult Protective Services Association (NAPSA) one in nine seniors has reported being abused, neglected or exploited within the last year, and one in twenty seniors has experienced some form of financial mistreatment. These figures are considered underreported as most abusers are friends, family or other trusted individuals. **SB 1483 (vulnerable adults; financial exploitation)** is model legislation designed to give financial planners and industry participants a mechanism to detect, prevent and report financial exploitation. The bill authorizes a person who suspects financial exploitation to notify Adult Protective Services (APS), the Corporation Commission or a third party of the abuse, and grants immunity from administrative or civil liability that may arise from reporting financial abuse. A broker-dealer or investment adviser may delay a disbursement or transaction within a given time frame if they reasonably believe a transaction will result in financial exploitation (proper documentation and written notice must be provided to APS and the Corporation Commission).

Child Safety

Young people leaving foster care are often at different levels of development in their transition to adulthood. Many kids aging out of the child welfare system are not fully prepared for self-sufficiency. **SB 1539 (extended foster care program)** establishes an Extended Foster Care Program for qualified young adults up to 20 years of age. The Juvenile Court must determine whether the voluntary participation is in the young adult's best interest. Participants in the program must either complete secondary education, postsecondary or vocational instruction, work at least 80 hours a month, or attend a program that promotes employment or removes barriers to employment. Arizona will receive additional federal funds for the continued subsidy. This will provide youth with stability, opportunity and meaningful supportive connections with adults to help them succeed. Finally, the bill prohibits an interested party from filing a dependency under the jurisdiction of the Juvenile Court unless DCS is contacted within 14 days of the filing petition to allow for proper consideration and response. Placement of delinquent juveniles can compromise the safety of other kids in foster care and group home settings.

Foster families are often in legal limbo when trying to make decisions in the best interests of a child in care. Most children in custody have a behavioral health or educational need for services. There is frustration with the lag time in getting the necessary evaluations and approval for special needs services, due in large part

because biological parents retain education decision-making rights, even when they are unable, unwilling or cannot be located to provide consent. The coordination between DCS and school systems does not readily acknowledge the role of a foster parent. **HB 2378 (adoption; child welfare; dependency)** removes this barrier for foster parents by codifying the protocol in the Individuals with Disabilities Education Act (IDEA) which includes foster parents in the definition of 'parent'. **HB 2378** contains two additional important provisions. First, beginning 2020, DCS will begin tracking the number of substantiated reports of substance exposed newborns and how many were placed in out-of-home care. Secondly, the measure imposes a six-month time frame (from 12 months) for adoptions to occur with older placements. Now children at least 16 years of age can move towards permanency and stability in a forever home.

Health Care Industry & Professions

Since the establishment of the Health E Connections over a decade ago, health systems have evolved in the use and collection of electronic health records. The communication among providers, hospitals and insurers is intended to improve patient outcomes and efficiencies in the delivery of services. The volume of the health information has grown exponentially. **SB 1321 (health information organizations)** updates our electronic record laws to allow for a Health Information Organization (HIO) to share health information among providers if they are compliant with federal privacy standards. The bill also recognizes the sharing of physical and behavioral health information and rewrites the opt-out provisions for those who do not wish to have their individually identifiable health information accessible through an HIO.

Arizona's health care directives registry is currently housed within the Secretary of State's office. The ability for emergency responders, health care institutions and providers to check the registry to follow a patient's wishes needed improvements. **SB 1352 (health care directives registry; transfer)** moves the health care directives registry to the Department of Health Services, who will designate a qualified HIO to warehouse the information. The HIO will authenticate documents submitted to the registry and establish processes for access to the database. This new system will be more reliable for health care providers and patients that establish pre-hospital medical care directives.

The Legislature has taken great strides in getting health care professionals to work sooner through the creation of licensure compacts, provisional licenses and aggressive reciprocity laws. While boards and commissions can issue provisional

licenses, the approval process can be lengthy. **SB 1086 (health professions; temporary licensure)** allows a board to issue a temporary license for an applicant who holds a license in another state and fulfills the equivalent training and certification requirements. The individual must be in good standing and not subject to a disciplinary action. The temporary license will expire 30 days after it is granted or upon approval or denial of the permanent license, whichever occurs first. This measure will help meet the healthcare workforce needs of the state.

Recent media reports have exposed people who have been providing health care without a license. An "impostor doctor" who was operating a medical clinic, a nurse using another individual's license administering medication and dentists who had revoked licenses with false credentials still rendering services are just a few examples. While this is unlawful, not all regulatory boards took appropriate action due to the unlicensed status. **HB 2118 (unauthorized practice; health professions)** requires health profession regulatory boards to regulate the unauthorized practice of the health profession. The bill directs health boards to refer verified complaints to a county attorney or the Attorney General for prosecution.

The Arizona Medical Marijuana Act is a voter-protected law which requires a super majority vote to modify. While that hurdle is often too high to overcome, industry and safety advocates did reach consensus on tightening up the process for issuing new dispensary permits and establishing testing protocol. **SB 1494 (marijuana; testing advisory council; library)** requires dispensaries to test medical marijuana and medical marijuana products to determine unsafe levels of microbial contamination, heavy metals, pesticides, herbicides, fungicides, growth regulators and residual solvents and to confirm the potency of dispensed medical marijuana. This measure will take effect in November 2020, and patients and the public are entitled to the lab results. An additional key component of the bill creates a priority-based system for issuing new dispensary registration permits. Prospective locations must be at least 25 miles apart from another dispensary, which will avoid clustering for this burgeoning industry.

More women die in the U.S. from pregnancy-related complications than in any other developed country. Between 2000 and 2014, there was a 26% increase in the maternal mortality rate. This alarming statistic warrants a critical analysis of how many near fatal or fatal incidents occur in Arizona and how to prevent them from happening. There is currently no reporting or data of this nature. **SB 1040 (maternal morbidity; mortality; report)** creates an Advisory Committee on Maternal Fatalities and Morbidity to recommend improvements to information

collection concerning the incidence and causes of maternal fatalities and severe maternal morbidity.

The Arizona opioid crisis continues, with many individuals working toward successful recovery. Medication Assisted Treatment (MAT) is a corrective but not a curative treatment for opiate dependence. Methadone and Suboxone are drugs commonly used in a MAT regimen. Opioid Treatment Programs (OTP) have clinics throughout the Valley available for patients to receive a daily dose of Methadone or Suboxone. Federal law requires that these clinics have a current and valid accreditation status through the Substance Abuse and Mental Health Services Administration's (SAMHSA). While some operators providing MAT are not disruptive to their community, others have taken a high volume of patients creating major traffic and public safety issues. **SB 1535 (AHCCCS; opioid treatment programs; requirements)** permits AHCCCS and AHCCCS contractors to reimburse OTP providers for enrolled members *only if* the OTP provider demonstrates enforcement of the SAMHSA guidelines. AHCCCS will compile an annual report on which providers meet the requirements, the efficacy and duration of MAT necessary to combat addiction. Consideration of other forms of treatment is to be included in the report as well as how the agency designates and OTP a Center for Excellence.

It is very common for family, especially spouses and adult children, as well as close friends to serve as informal (unpaid) caregivers for loved ones who are frail and elderly, disabled, or suffer from dementia, such as Alzheimer's disease. The Arizona Long Term Care System (ALTCS) home and community-based services provide a cost-effective way to keep enrollees from institutional settings. **HB 2706 (ALTCS; licensed nursing assistants)** is an innovative way for the state to partner with family caregivers. The bill requires AHCCCS to implement a program for DD members under age 18 to be able to receive skilled home health aide services. Parents, guardians and family members licensed as skilled home health aides and employed by a Medicare certified agency can be reimbursed for their services.



Natural Resources

Responsible Water Policy

Recognizing the immediate realities of a historic drought, the Legislature acted responsibly this year to approve the Drought Contingency Plan (DCP). The DCP establishes voluntary water reductions, shared collectively among the seven Colorado River states, to protect this valuable resource in a potentially drier future. Prior to authorizing Arizona's entrance into the interstate DCP agreement, the Legislature crafted a state-specific plan to thoughtfully spread reductions voluntarily across many water users. **SB 1227 (Colorado River drought contingency amendments)** provides the statutory authority needed to effectuate this intrastate plan.

If Lake Mead water levels continue to drop as predicted, Arizona will lose allocations of Colorado River water currently dedicated to Pinal County farming. To lessen the immediate effects on agriculture, certain priority water users agreed to divert a portion of their water entitlements to Pinal over the next three years. Enabling this water transfer while holding priority users harmless, SB 1227 narrowly modifies calculation of effluent water credits to preserve aquifer health long-term. After three years, Pinal agriculture will exclusively depend on groundwater for its irrigation demands. SB 1227 includes a \$5 million appropriation to jumpstart infrastructure upgrades needed for efficient groundwater withdrawal. The legislation also diverts \$1.2 million annually, from a pump tax paid by Pinal water users, to their own infrastructure efforts. Coupled with a \$20 million bridge loan included in the 2020 budget, to be repaid through anticipate federal funds, the Legislature has provided the resources needed for Pinal's agriculture's successful transition to groundwater in 2023.

Preserving Arizona's autonomy to set its own water policy, SB 1227 proactively offsets Lake Mead withdrawals to negate the need for future cuts. In collaboration with Native American communities, water utilities and municipalities, the interstate plan leaves significant volumes of water in Lake Mead to protect water levels in the coming years.

With a cooperative, responsible intrastate plan in place, the Legislature enabled Arizona's signage of the interstate DCP with passage of **SJR 1001 (Colorado river**

drought contingency plan). This legislation provided the statutory authority needed by the Director of Water Resources to effectuate Arizona's role in the agreement. The seven Colorado River states officially signed the DCP on May 20, 2019, formalizing our collaborative commitment to protect and enhance the sustainability of the river system on behalf of the estimated 40 million people who rely on it.

Emphasizing water conservation in the long-term, the Legislature proactively targeted invasive species that deplete water supplies without adding value. **SB 1450 (invasive vegetation eradication; grants)** provides resources for eradication of salt cedars, a non-native species that consumes water at alarming rates. The provisions of SB 1450, ultimately included as an ongoing expenditure in the 2020 budget, represent the Legislature's forward-thinking approach to water conservation.

Promoting Agriculture

Easing government burdens on agriculture was a primary theme of the 2019 legislative session. In lieu of annual compliance, **SB 1185 (weights and measures; licensing periods)** allows operators of commercial devices, used to weigh, measure or count goods, to receive multi-year licensure from the Weights and Measures Services Division. In follow-up to legislation last year authorizing industrial hemp cultivation, **SB 1003 (industrial hemp; licensing; effective date)** expedites time frames for hemp production. Acknowledging seasonal farming conditions, this emergency measure allowed industrial hemp applications to be submitted in June of this year, rather than August. Enabling the sale of frozen desserts and milk-based products manufactured on-site, **HB 2178 (milk manufacturing license; exemption)** exempts enterprising entrepreneurs from milk processing license requirements under the Department of Agriculture (AZDA). In the egg production industry, **SB 1498 (egg promotion program)** establishes a promotion program within AZDA to fulfill national egg certification, inspection and grading services at the state level.

The Legislature also facilitated new commercial growth within the agricultural sector. **HB 2556 (agricultural property; uses; rural activities)** enables agritourism activities, a burgeoning revenue stream for the farming community. In building additional facilities to accommodate members of the public for educational purposes, HB 2556 allows livestock and commodity producers to preserve the status of their land as agricultural property. In addition to supplementing farming income, agritourism offers a valuable learning opportunity for urban schools and communities. For those preferring activity of a faster pace, **HB 2547 (racing commission; simulcasting; wagering facilities)** facilitates the year-round,

statewide expansion of the horseracing industry. Leveling the playing field for all racetracks, the legislation ensures racing regulations and access are applied uniformly across the state. **SB 1144 (racetracks; ejection; exclusion; process)**, encouraging the Arizona horse breeding community, devotes a percentage of the in-state horseracing handle to winning Arizona-bred horses and the adoption of retired racehorses. The legislation ensures all industry participants receive due process before profession exclusion.

Wise Land Stewardship

Environmental quality remained a key priority at the Legislature. **HB 2452 (vehicle emissions program; remote inspections)** embraces innovation, allowing remote vehicle emissions inspections to satisfy quality requirements. The bill requires the Department of Environmental Quality to establish a pilot program for emission detection technologies and report on its performance to the Joint Legislative Budget Committee. Below ground, **HB 2704 (underground storage tanks; process)** expedites the preapproval process for the cleanup of petroleum leaked by faulty underground tanks or pipes. Self-funded by industry, the Underground Storage Tank Fund will remain accessible for immediate corrective action when necessary. In the information-based management of resources, **HB 2453 (land use plans; contents; aggregates)** requires the Geological Survey to keep an annually updated database of existing Arizona mines. This information allows municipalities and counties to identify areas with mineral and aggregate mines for statutorily required planned purposes.

Connecting young people to the great outdoors, **HB 2272 (G&F; resident; definition)** allows youth residing with and under the guardianship of an Arizona resident to obtain a resident game and fish license, permit, tag or stamp. **HB 2433 (G&F; trophy definition; repeal)** removes outdated and arbitrary terminology in Arizona law. Rather than specifically enumerating characteristics of a "trophy" in state statute, the bill authorizes the Game & Fish Commission to independently evaluate the status of wildlife.



Government

The Arizona Legislature prioritized government transparency and accountability this session. Under direction of the Joint Legislative Audit Committee (JLAC), the Office of the Auditor General serves as an independent source of impartial information concerning state and local governmental entities, providing specific recommendations to improve their operations. **HB 2241 (JLAC; political subdivisions; investigation)** empowers the Auditor General to notify JLAC and the Attorney General if any political subdivision fails to comply with expenditure limitation reporting requirements. To compel compliance, the legislation enables the Attorney General to request injunctive relief in any court to enjoin a political subdivision from violating expenditure limitation reporting requirements.

The Legislature also passed **HB 2677 (JLAC; auditor general)** to facilitate expedited performance of the Auditor General's statutory functions. Among several sensible reforms, the legislation would have modernized sunset factors needed for legislative evaluation of agency operations, bolstered review of taxing authority expenditures and provided reasonable access to state and local records. While acknowledging the need to identify fraud, waste, and improper use of public monies, the Governor vetoed the bill, broadly citing concerns over unintended consequences. The Governor did sign **SB 1482 (state agencies; fee increase; limit)**, however, exercising legislative oversight of agency fee setting. Before increasing a fee beyond inflation, an agency must now submit the increase to the Joint Legislative Budget Committee for review.

Established by the Legislature in 1995, the Office of Administrative Hearings (OAH) provides fair and impartial hearings to resolve citizen disputes arising from state regulation. Highly rated by Arizonans utilizing their independent services, OAH has efficiently performed its legislative mandate while proving to be a responsible steward of taxpayer dollars. **SB 1233 (office of administrative hearings; continuation)** provides OAH statutory authority to continue performance of its duties for eight additional years. The Arizona Senate also unanimously passed **SB 1232 (administrative hearings; review; anticompetitive actions)** to provide a valuable check on state boards and commissions. In instances where an agency modifies or rejects an OAH decision, this legislation would have required OAH to confirm that the licensing authority's decision is not unreasonably anticompetitive and furthers a clearly articulated state policy to displace competition. Although the

bill ultimately languished in the House of Representatives this year, it will be revisited next session as a needed response to the Supreme Court's ruling in North Carolina Board of Dental Examiners v. Federal Trade Commission.

Similar in function to OAH, the Arizona Ombudsman-Citizens' Aide is an independent agency of the Legislature established to make government more responsive to Arizonans. Any Arizonan can turn to the Ombudsman when they feel they have been treated unfairly by a state administrator, agency, department, board or commission. In response to a citizen complaint, the Ombudsman investigates alleged unlawful actions, misconduct or unfair practices by public bodies. In furtherance of this purpose, the Legislature passed **SB 1164 (ombudsman-citizens aide; executive sessions; access)** to provide the Ombudsman access to executive session records. Referencing the existing authority of the Attorney General and county attorneys to review open meeting law violations, the Governor vetoed the bill, citing a lack of necessity.

The Legislature passed several measures designed to increase confidentiality. **SB 1441 (county officers; confidentiality; e-mail)** requires the county assessor and county treasurer to keep e-mail addresses of county residents confidential. For public servants, **HB 2676 (public officers; records; confidentiality)** allows a person to request confidentiality of certain information obtained by county or state offices. Similarly, **HB 2552 (state lottery; prizewinner confidentiality)** allows a person to request confidentiality upon winning a lottery prize of \$100,000 or more.

Consolidation, streamlined processes and outright repeals reigned as major themes in the Legislature's effort to limit the scope of government this session. At the state level, **HB 2432 (state treasurer's office; funds; consolidation)** removes duplicative fund management at the Treasurer's Office through consolidation of the Management Fund and Operating Fund. **SB 1142 (trust land fund monies; distributions)** also modernizes the Treasurer's timelines for distributions to land beneficiaries. In the statewide Arizona Landlord Tenant Act, **HB 2358 (landlord tenant; partial payment; assistance)** uniformly defines conditions for a landlord's acceptance of a housing assistance payment to encourage affordable housing options through public housing assistance programs. Importantly, the legislation does not disrupt rent assistance provided by faith-based organizations, community action agency programs and non-profit agencies. Also preserving uniformity, **SB 1139 (redistricting; legislative district one)** protects Prescott's inclusion in Legislative District One in acknowledgement of its historical status as Arizona's original capital.

In county real estate transactions, **HB 2114 (county real estate; appraisals)** adopts sensible requirements for appraisals of real property, land or buildings sold or leased by the county. For properties under certain market value thresholds, the legislation enables sales to be justified by a market analysis of comparables, rather than a costly appraisal.

At the municipal level, the Legislature adopted uniform standards for local regulation of short-term rentals. Carefully balancing safety concerns with private property rights, **HB2672 (vacation rentals; short-term rentals; regulation)** establishes a narrowly tailored mechanism for residents to mitigate the proliferation of "party houses" in their communities. Providing a limited mechanism for local governments to track and contact repeat violators of existing laws or ordinances, this legislation targets bad actors while allowing the short-term rental industry to grow responsibly. In additional furtherance of statewide consistency, the Legislature established uniform standards for interested parties questioning the validity of a municipal annexation. **HB 2662 (zoning hearing; annexation; petition; testimony)** limits aggrieved parties with standing at a public hearing to persons within the territory proposed for annexation.

When select local governments overreach, the Legislature preemptively responds as a matter of statewide concern. **SB 1231 (public safety; residency requirements; prohibition)** prohibits cities, towns and fire districts from placing any residency requirements on firefighters or peace officers as a condition of employment. Public safety personnel are valued community servants that should not be arbitrarily precluded from living in a place that best suits their family needs. When public service employment requires a person to have a vehicle available at their residence, **HB 2107 (municipalities; parking; public vehicles)** prohibits a city or town from restricting the resident from parking their vehicle on a street or driveway. **HB 2454 (municipal band tax; authorization; repeal)** repeals the ability of cities and towns to levy a tax for maintaining or employing a municipal band. Finally, **HB 2721 (town elected officials; term limits)** enforces council or mayor term limits passed by voter initiative in a town election.

In the operation of political subdivisions, the Legislature prioritized government efficiency to the benefit of constituents. **HB 2469 (fire district consolidation; merger)** streamlines mergers and consolidations of multiple fire districts. In lieu of requiring officials in cities and town to endorse the creation of a newly consolidated district, the legislation encourages citizen comments at a public hearing. In homeowners' associations, **SB 1531 (HOAs; costs; assessments)** mitigates foreclosures through required account statements and delinquency notices to

homeowners. The legislation also affords homeowners additional time to resolve delinquencies before foreclosure action by an association. **SB 1094 (planned communities; applicability; recreational center)** preserves the intent of residents opting to live in a planned community with a recreation center. Rather than subjecting these residents to the heightened standards of homeowners' association statutes, the legislation exempts nonprofit corporations organized for the sole purpose of providing recreation center benefits to their community members.



Transportation and Public Safety

Texting and driving have proven to be a deadly combination. **HB 2318 (texting while driving; prohibition; enforcement)** makes it unlawful for a person to physically hold onto and engage with their cellphone while they are operating their vehicle. Distracted driving in general is hazardous on roadways. **SB 1141 (distracted driving)**, which was vetoed by the Governor, prohibited a driver from engaging in activities that are not related to driving, are unsafe and are hazardous.

Aggressive drivers, drivers who seriously injure others, or cause the death of another may be required to attend traffic survival school by the court. If a person is non-compliant, the Arizona Department of Transportation (ADOT) may suspend or revoke that person's driver license. **HB 2005 (traffic survival school; required completion)** requires ADOT to revoke or suspend a driver license for this group of non-compliant persons, so they are safer drivers when they return to the road.

Law enforcement officers have competing interests for their time. An officer's time on the street is best spent protecting the public from harm. **SB 1223 (written vehicle accident reports; threshold)** increases the monetary damage threshold in which an officer is required to write a motor vehicle accident report, so they may spend more time on public safety duties and less time writing reports.

SB 1093 (prisoner accounts; use; ADOT credentialing) makes the transition from prison back into society easier by giving an incarcerated person the opportunity to acquire a driver license or nonoperating identification license.

One of the requirements to become an Arizona correctional officer is to be at least 21 years of age. There is currently a shortage of persons willing to train to become correctional officers. **SB 1092 (rulemaking; exemption; AZPOST)** attempts to increase the ranks by permitting the Arizona Peace Officer Standards and Training Board (AZPOST) to adopt by rule an exception to the minimum age requirement so that younger recruits would be able to train to become a correctional officer. The Arizona Peace Officer Standards and Training Board, like any organization, benefits by a diversity of viewpoints. **HB 2189 (membership; AZPOST)** modifies the membership of AZPOST to include police officers from federally-recognized Native American tribes.

The opioid crisis significantly impacts first responders because they often assist people who are suffering from an overdose. First responders in these cases are frequently exposed to bodily fluids. **SB 1317 (bodily fluids exposure; testing)** permits a public safety employee or volunteer who is exposed to blood or other bodily fluids from another person because of rendering aid, to petition a court to order a test of the other person's blood for certain communicable diseases.

HB 2634 (peace officers; discipline; hearings; discovery) modifies the requirements for an administrative investigation involving a law enforcement officer so that disciplinary actions move forward with clarity and precision. **SB 1351 (peace officers' memorial board; continuation)** ensures that members of the law enforcement community who have made the ultimate sacrifice in the line of duty continue to have a dedication ceremony that commemorates the addition of their names to the Arizona Peace Officers Memorial.

Technology and innovation move quickly. **HB 2132 (personal mobile cargo carrying devices)** addresses innovation related to a wagon-like mobile device designed to follow a person around while carrying cargo. The bill ensures that the mobile cargo carriers can operate on sidewalks. Electric miniature scooters and electric standup scooters have garnered a patchwork of municipal code attention. **SB 1398 (miniature scooters; electric standup scooters)** defines these devices statutorily to provide consistency and grants operators of electric standup scooters the same rights, privileges and duties as bicycle operators. **SB 1258 (class M driver licenses; applicability)** excludes from motorcycle licensing requirements three-wheeled electric motorcycles to create opportunity in this innovatively designed vehicle. Electric vehicles reduce fleet maintenance and transportation costs, and they are environmentally friendly. **SB 1442 (state fleet; neighborhood electric vehicles)** requires the Arizona Department of Administration (ADOA), before each new vehicle purchase, to consider purchasing a low-speed neighborhood electric vehicle, which can be used for short trips and to carry light loads.

More technology and data are added to every new model car that comes off the assembly line. **HB 2418 (protected data; motor vehicle dealers)** protects consumer financial information and other private data by preventing a manufacturer or third party from requiring a dealer to grant them access to the dealer's data system. Rental car companies generate increased revenue when newly purchased vehicles are available to rent as quickly as possible. **SB 1052 (certificates of title; applications)** modifies the documentation required to be submitted to ADOT when applying for a motor vehicle title, so that rental cars can enter the stream of commerce quickly and efficiently.

Maintaining the state's public rest areas is a costly endeavor. **HB 2439 (highway rest area programs; continuation)** continues the Rest Area Sponsorship Sign program, which allows ADOT to transfer some of the maintenance costs to private sponsors.

The ability to exercise property rights by protecting a commercial property with a low-voltage electric fence should not be thwarted by a patchwork of municipal regulation. **SB 1448 (alarm systems; low-voltage electric fences)** includes these fences in the alarm system definition, which creates consistency and clarity so that businesses can protect their commercial property under a uniform regulatory scheme.

Placing a person's mugshot on a website and demanding payment from the person to remove it is not sound business practice. **HB 2191 (prohibited uses; criminal justice records)** prohibits publishing criminal justice records on a website for a commercial purpose and outlines liabilities for violations.

The Legislature continues to support veterans and appreciates their service. **HB 2487 (state veterans' homes)** permits the Arizona Department of Veterans' Services to acquire property for the construction and operation of multiple veterans' home facilities throughout the state of Arizona.



Commerce

Reducing Regulation

The Legislature established Arizona as a national leader in occupational licensing reform during the 2019 session. Across the country, individuals trained and licensed in an occupation face new government-imposed hurdles when moving across state lines. As the fourth-fastest growing state in the country, Arizona welcomes thousands of these highly skilled new residents each year. **HB 2569 (occupational licensing; reciprocity)** establishes Arizona as the first state in the nation to universally recognize occupational licenses granted to individuals in other states. Upon relocation, new Arizonans are immediately authorized to resume their licensed profession after satisfying basic public safety requirements.

For current Arizonans, the Legislature removed specific barriers to workforce entry by targeting unnecessary government oversight across various professions. **HB 2181 (licensing; exemption; registrar of contractors)** removes licensure requirements for certain television and telecommunication technicians. Responding to a workforce shortage, **HB 2188 (funeral director interns)** lifts outdated experience requirements for funeral director licensure. **SB 1401 (cosmetology; licensing exceptions)** repeals occupational licensing burdens for basic cosmetology services, including styling, blow-drying and curling hair. Upon completion of a sanitation class, entry-level salon workers are now able to provide an expanded scope of services to supplement wages or save for cosmetology school.

Building on the successful barbering apprenticeship program enacted last year, **SB 1328 (barbers; cosmetologists; licensure; reciprocity; apprenticeships)** provides an alternative, paid pathway to licensure by the Board of Cosmetology. The high cost of cosmetology school precludes many interested individuals from entering the profession. The new cosmetology apprenticeship program, administered by the Department of Economic Security, pairs eligible individuals with local salons to learn the trade. Apprentices earn a living wage, rather than accruing school debt, while satisfying requirements for licensure.

Since passage of the Right to Earn a Living Act in 2017, the Legislature has limited regulations across all occupations to those satisfying a clear government function and public safety purpose. This year, **HB 2463 (occupational regulations; licenses; communications; notice)** requires prominent notice by boards and commissions

that their regulations must be limited to those necessary to fulfill a specific health, safety or welfare concern.

Patchwork regulations cause unpredictability in the marketplace. This session, the Legislature adopted several measures to establish uniformity across various transactions. **SB 1216 (uniform receivership act; commercial property)** adopts the Uniform Commercial Real Estate Receivership Act in Arizona. Providing certainty when a receiver is appointed to protect property rights, the Receivership Act streamlines transactions and preempts the need to resolve disputes in court. In a similar furtherance of contract law predictability, **SB 1218 (beneficiary deeds; separate property; nonlapse)** establishes the status of real property conveyed by a beneficiary deed. Unless otherwise specified, the legislation vests the property in the named grantee beneficiary rather than community property. Removing the need for costly litigation, this default status adds predictability to deed proceedings and expedites property conveyance. **SB 1333 (real estate appraisal)** provides needed security to the appraisal industry by bringing Arizona into compliance with the Federal Financial Institutions Examination Council.

Compliance with burdensome regulations delays development and shifts unnecessary costs to consumers. This session, the Legislature passed **SB 1397 (registrar of contractors' omnibus)** in acknowledgement of modernized construction practices that negate the need for additional government oversight. Among various reforms, this legislation eliminates a mandatory 20-day waiting period for license applications, reduces duplicative financial statement reporting and removes redundancy in the license renewal process. The Legislature also eased reporting requirements for subcontractors with **SB 1304 (mechanics liens; notice; applicability)**. Under existing law, subcontractors with a lien must provide a 20-day notice whenever labor, services or materials exceed 20 percent over estimated costs. By increasing this threshold to 30 percent, this legislation allows subcontractor focus to remain with construction project performance rather than additional reporting.

Innovation

Arizona remains a national leader in attracting innovative technologies and venture capital investment. Following the successful implementation of the financial technology sandbox in 2018, the Legislature this year established the property technology sandbox program through **HB 2673 (property; products; services; sandbox)**. In coordination with the Arizona Commerce Authority, approved companies obtain limited market access to test residential real estate innovations. By

temporarily alleviating regulatory burdens in a controlled setting, Arizona will be a "proving ground" for scalable property technologies.

Keeping pace with the evolving delivery of in-home technologies, the Legislature last year established uniform local regulations of video service providers. This year, **HB 2179 (video service providers)** extends this model of consistency to cable operators. The predictability of government treatment across Arizona allows innovators to deploy new services without delay from a patchwork of unique local requirements. Working closely with municipalities and counties, the Legislature passed **SB1528 (video service providers; license)** to ease license issuance timeframes.

The Legislature also embraced new technology in notarial services. Locating and physically visiting a notary adds delay to certain transactions. Aided by webcams and digital documents, **SB 1030 (remote online notarization; registration)** removes this delay by allowing a person to appear before a notary over the internet rather than being physically present in the same room. Online notary providers must satisfy specific protections to ensure the integrity, security and authenticity of remote notarizations.

Arizona's robust restaurant, bar and festival scene generates a substantial economic impact from both locals and tourists alike. In recent years, however, the market has demanded a more communal entertainment experience with greater options for patrons. Unfortunately, outdated liquor premise license requirements often prohibited local establishments from delivering this experience. **HB 2281 (liquor omnibus)** responsibly lifts certain regulations to allow cooperation among multiple businesses in a jointly-controlled common area. In furtherance of this new market trend, the legislation also establishes a pilot program allowing liquor sales on retail space at regional shopping centers. All pilot program applicants must satisfy safety requirements to the satisfaction of the local governing body and the Department of Liquor License and Control. Embracing multicultural celebrations as well, the Legislature adjusted government restrictions on firework sales. In the state's urban counties, **SB1348 (fireworks; retail sales; enforcement)** allows the sale of certain fireworks in the days surrounding Diwali and Cinco de Mayo.



Judiciary

Consistency and transparency are paramount in how county election officials administer emergency voting, to ensure an equitable and efficient voting experience for those people who need to use an emergency voting center to cast a ballot. **SB 1090 (emergency voting procedures; board action)** provides consistency by requiring an emergency voter to show identification when requesting a ballot. It provides transparency by allowing the County Board of Supervisors in a public hearing to authorize the location of emergency voting centers. **SB 1072 (early voting centers; identification required)** consistently applies the same polling place identification requirements to on-site early voting centers, so that a voter must show identification irrespective of the time and manner in which they vote.

Gathering and studying data related to the administration of elections is important and ensures transparency. **HB 2039 (elections; federal form; emergency voting)** requires county recorders to post online how many people are registered to vote using a federal or state registration form, the number of voters who did not provide proof of citizenship, and the number of ballots cast by eligible persons who voted a ballot solely for federal offices. **SB 1054 (early ballots; deficiencies; cure period)** creates much needed uniformity across all counties by allowing a voter to correct an inconsistent early ballot signature within five business days after an election, rather than arbitrary times set by county recorders. The bill also increases by a week the time counties can begin tallying early ballots before election day, which increases efficiency in election results.

Updating voting-related information is made more convenient when the ability to do so includes an internet option. **HB 2133 (voter registration; updates; internet address)** facilitates this process by allowing county recorders to include an internet address for revising voter registration information in certain notices sent to voters.

Election statutes should be clear and create a level playing field regarding which candidates advance to a general election. **HB 2134 (municipal elections; write-in candidates)** requires a write-in candidate in a municipal election to receive at least the same number of votes as the number of signatures required for nominating petitions for the same office, to advance to a general or runoff election. **SB 1154 (primary date; first August Tuesday)** moves the primary election date, beginning in 2020, from the end of August to the first Tuesday in August. This expanded

timeframe between the primary election and the general election allows general election candidates more time to campaign and coincides with the early ballot mail-out schedule.

Seeking to modify the Arizona Constitution should be procedurally done with the utmost integrity. **SB 1451 (procedures; nomination petitions; registered circulators)** strengthens the process when registering as a circulator for statewide initiative and referendum petitions by requiring more information on registration forms. It also prohibits persons with certain criminal penalties from gathering signatures. The bill contains a transparency provision that requires a candidate to file a statement of interest before gathering nomination petition signatures, so that the public is informed about who is running for office. Petition signature verification is a vital function and responsibility of the county recorder. **HB 2236 (county recorder; candidate petition)** provides consistency in this area of responsibility by requiring a county recorder to perform signature verification and to provide testimony and additional evidence, if warranted, on request of any of the parties to a petition signature challenge.

The Secretary of State is responsible for issuing rules on voting procedures to ensure a maximum degree of correctness, impartiality, uniformity and efficiency. **HB 2238 (election procedures; manual)** makes certain that the official elections and procedures manual is updated and approved for each election cycle in a timely and efficient manner.

All political signs should be protected. **HB 2023 (political signs; ballot measures; tampering)** penalizes a person who removes, tampers or defaces a political sign in support of or in opposition to a ballot measure, which parallels the penalties for tampering with a political candidate sign.

Buying a home is the most significant purchase a person makes. When a homeowner discovers defects in the craftsmanship, reasonable remedies should be available, so the defects are repaired in a timely manner. If dwelling action litigation ensues, costs and fees should be kept to a prudent level. **SB 1271 (purchaser dwelling actions; notice; complaints)** outlines procedures for liability allocation among parties and for awarding attorney fees. The bill also gives a construction professional the right to repair alleged defects before the start of a dwelling action.

In the event a judgment is satisfied, the opposing party should have that filed in a reasonable amount of time. If the prevailing party fails to file that satisfaction, **HB**

2151 (satisfaction of judgment; justice courts) permits the opposing party to file a motion to compel satisfaction of judgment in the court of jurisdiction.

Modern banking centers on efficiency. **HB 2230 (writ of garnishment; certified mail)** allows for service by certified mail, rather than in-person, which makes the service of process on a financial institution more efficient.

Under certain limited circumstances, county government may bear the burden of responsibility for the funeral and disposition of the body of a person who dies in that county. **SB 1084 (funeral; last illness; expenses; lien)** permits a county to record a lien on the decedent's estate to recover the associated burial costs.

A person who suffers sexual abuse as a child has an opportunity to confront their abuser in court and to hold accountable an entity or organization that knew of the abuser's behavior and did not prevent it, subject to a statute of limitations. **HB 2466 (civil action; assault; limitation; applicability)** increases the statute of limitations by twelve years so that a person now has until they are 30 years old to file a civil action. The bill also allows, until December 31, 2020, a person, regardless of their age, to file a civil action, subject to certain heightened evidentiary and due process requirements.

HB 2008 (duty to report; supervisor; administrator) adds another layer of accountability to ensure the safety of children to include immediate or higher-level supervisors of a person with a duty to report physical injury, abuse or neglect of a child to the proper authorities.

SB 1076 (abducting child from state agency) imposes stringent criminal penalties for intentionally kidnapping a child in state custody. If a parent or individual takes or entices a child from state care or intentionally fails or refuses to return a child, they could be subject to a range of felony offenses based on the severity of the case. Criminal charges ranging from class 3 to class 6 felony charges are prescribed in the legislation (a 2 to 8.75 prison term). A child in a dependency case must be safe from harm and reunified with family when parents comply with their case plan and approved by the courts.

Ample research reveals a predictive correlation between cruelty towards companion animals and subsequent domestic violence in the home. Because offenders of the former are often convicted of a misdemeanor, prosecutors are limited in requiring preemptive treatment to prevent the latter. By classifying the cruel mistreatment or killing of a domestic animal as a class 5 felony, **HB 2671 (animal cruelty; domestic**

animals; classification) affords prosecutors greater opportunities to require domestic violence counseling as a condition of sentencing. This reformatory treatment, provided early to wrongdoers with a higher likelihood of re-offense, emphasizes the corrective priorities of the Arizona criminal justice system.

Pornography has been described by its opponents as a pervasive social toxin that perpetuates violence against women. As such, **HCR 2009 (pornography; public health crisis)** declares that the Arizona Legislature denounces pornography as a public health crisis.

The administration of the criminal justice system has several components. One of them is balancing a prisoner's right to petition for parole and a victim's family's right to not have to frequently revisit the crime. **SB 1037 (prisoners; parole hearings; recertification procedures)** permits the Board of Executive Clemency to adopt rules to extend the parole hearing recertification process beyond a year for certain offenses so that families of murdered loved ones do not have to appear annually at parole hearings.

Several aggravating factors exist in the sentencing phase of death penalty cases. **SB 1314 (death penalty; aggravating circumstances)** reforms statute to remove factors that do not stand on persuasively solid constitutional ground when considering whether to impose the death penalty.

A driver who seriously injures or causes the death of another person because of a moving violation should suffer consequences. **HB 2366 (motor vehicle accidents; restricted license)** requires a court to suspend or otherwise restrict a person's driver license in this instance.

People who have made poor decisions and subsequently found themselves involved in the criminal justice system may deserve a chance at redemption and increased opportunities to earn a living. As such, **HB 2480 (setting aside judgment; felony offense)** permits a person convicted of a non-felony offense against a victim who is under 15 years of age to apply to the court to have the judgment of guilt set aside.

Employment reduces recidivism and obtaining an occupational license increases economic opportunity. **HB 2660 (occupational regulation; prior conviction; applicability)** prohibits a state agency from determining that a person's conviction of specific offenses automatically disqualifies the person from obtaining a license, with certain exemptions.

Nunchaku are a viable training tool in the martial arts. Prohibitions against their possession prevent their use in martial arts weapons training, which limits training opportunities. **SB 1291 (prohibited weapons; nunchaku; repeal)** rectifies this by eliminating nunchaku from the prohibited weapons definition.

Incremental steps towards sentencing reform may reduce the amount of time an offender serves in prison, which reduces the financial impact to the state. **SB 1334 (sentencing; repetitive offenders)** requires, with exceptions, a historical prior felony conviction to have occurred before the date the present offense was committed for a defendant to be sentenced as a repetitive offender. SB 1334 was vetoed by the governor. **HB 2602 (multiple sentences for imprisonment)** eliminates the presumption that multiple sentences imposed at the same time run consecutively. The bill also mandates that the court state its reasoning when deciding if the sentences run consecutively or concurrently. A felony conviction suspends certain civil rights. Unless a felony offender automatically gets their civil rights restored under statute, applying for civil rights restoration can be a procedurally challenging task. **HB 2080 (civil rights restoration; application; procedures)** eases the task by modifying the application requirements and procedures, as well as reorganizing statute, for the restoration of civil rights. Fair and efficient administration of juvenile justice often requires procedural modification and updating. **HB 2055 (juvenile court; jurisdiction; undesignated felony)** restructures procedures and requirements for setting aside adjudications and for the destruction of juvenile records. The bill also expands the jurisdiction of the juvenile court to efficiently designate undesignated felonies.

Finally, material witnesses are presumed to have critical information important to the outcome of a case or trial. Oftentimes these witnesses are not available or refuse to appear before a court proceeding. **SB 1311 (material witnesses; contempt; bond)** provides a clear legal remedy if a material witness willfully fails to provide testimony. One key provision of the bill allows the courts to order a secured or unsecured bond, impose electronic monitoring or order continued detention of a witness so they will appear in court.

The opportunity to engage in innovation and entrepreneurship is one reason businesses thrive in Arizona. **HB 2423 (space flight activities; release agreement)** permits a space flight entity to enter into a liability release agreement with crew members, so that this niche that includes space flight and launching satellites continues to grow. Innovation in the marketplace oftentimes needs room to experiment and to try out novel ideas. **HB 2146 (contracts; licensure**

requirements; exemption) ensures that onerous licensure requirements don't initially prevent entrepreneurs from testing their ideas in the marketplace. The bill exempts private parties who engage contractually from specified state laws relating to licensure if certain conditions are met and monetary thresholds do not exceed specified amounts.



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