



Thursday, March 17, 2022

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Equity and Affordability - Status of City Services Bill Delinquencies, Outreach and Assistance Programs

This report provides information regarding delinquencies for City Services bills (water, sewer, solid waste and miscellaneous taxes and fees), outreach efforts made to date, as well as the various customer assistance programs that have been implemented by the City of Phoenix. This work is one element of a multi-faceted strategy to balance water affordability for residents and the need for stable revenues to assure funding for water quality and system reliability, the foundation of public health and economic vitality.

THIS ITEM IS FOR INFORMATION ONLY.

Summary

An update on the delinquencies for City Services bills (water, sewer, solid waste and miscellaneous taxes and fees) and the status of the customer assistance programs is provided in **Attachment A**.

The Water Services Department (WSD) ran several social media campaigns from Jan. 2022 through March 14, 2022 to promote the American Rescue Plan Act (ARPA) Financial Assistance program. This outreach assisted the staff to expend over \$1 million dollars in ARPA assistance to City of Phoenix water customers. The campaigns were presented in both English and Spanish.

Responsible Department

This item is submitted by Deputy City Manager Karen Peters and the Water Services Department.

Attachment A



City of Phoenix

3/14/2022 Weekly Update – Part I: City Services Bill Delinquencies & Customer Assistance Programs by the Numbers

Total Dollars in Delinquency



**\$10,252,031
Across 17,264
All Accounts**

Average Deferred Payment Arrangement (DPA) Balance: \$725



Average Residential without DPA Outstanding Balance: \$414

Total Customer Assistance Provided



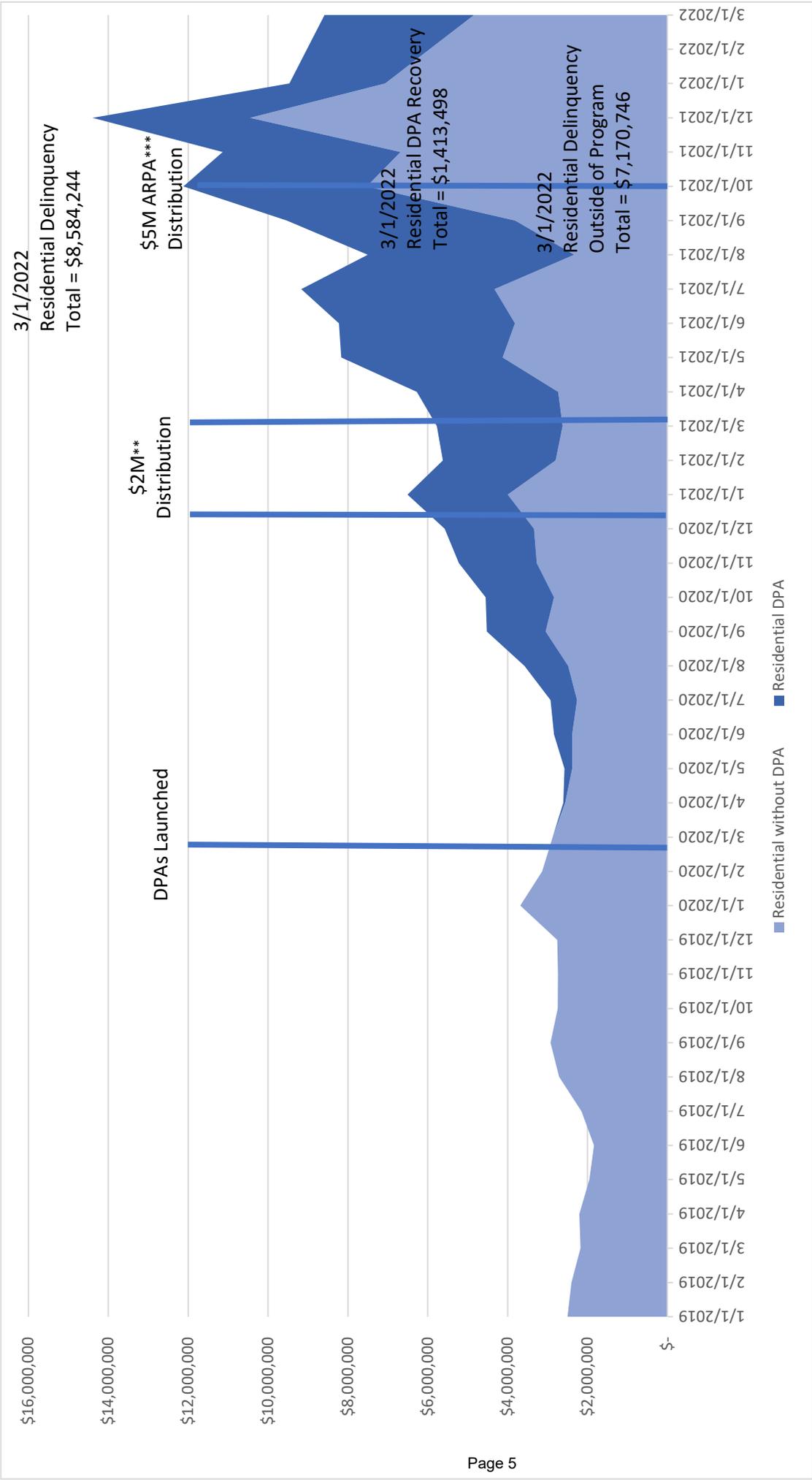
**\$7,395,474
Disbursed to
18,219 Accounts**

Date Ending	Customer Type	Residential with DPAs	Residential without DPAs	Commercial	Total
3/14/2022 (Current)	# of Accounts (% Change from Previous Report)	5,161 (-33%)	11,704 (-1%)	398 (-1%)	17,264 (-11%)
	Total Delinquency (% Change from Previous Report)	\$3,741,748 (-39%)	\$4,842,496 (24%)	\$1,650,524 (84%)	\$10,252,031 (-9%)
1/10/2022 (Previous Report)	# of Accounts	7,695	11,765	404	19,864
	Total Delinquency	\$6,166,300	\$3,890,722	\$897,216	\$11,915,864

Customer Assistance Program Data	# of Accounts	% Change	Funding Distributed	% Change
Emergency Rental Assistance	1,273	23%	\$1,177,325	25%
Low Income Household Water Assistance Program	573	252%	\$153,533	209%
ARPA Deferred Payment Arrangement Recovery	1,910	306%	\$1,134,592	280%
FY 2021-22 (Traditional) Project Assist - \$700,000	1,307	24%	\$468,888	22%
Other Non-City Funded Assistance	4,922	43%	\$914,386	43%
State Homeowner Assistance Fund (HAF) Program (NEW)	41	N/A	\$44,305	N/A
FY 2020-21 (Traditional) Project Assist*	2,338	0%	\$700,000	0%
C.A.R.E.S. Act Funded Residential Grants*	1,921	0%	\$576,300	0%
C.A.R.E.S. Act Funded Commercial Grants*	277	0%	\$226,145	0%
Council Funded Project Assist COVID-19 Credits*	3,657	0%	\$2,000,000	0%
Total Customers Assisted	18,219	27%	\$7,395,474	27%

**At this time, no additional funding is anticipated.*

3/14/2022 Update – Part II: City Services Bill Delinquencies by the Numbers



Notes:
 **\$2 million in Council Funded Project Assist COVID-19 Credits began distribution on 12/17/2020 to residential customers. Funding was exhausted on 3/2/2021.
 ***\$5 million in ARPA funding began distribution in October 2021 to residential customers.

Data is subject to change as customers make payments or are billed.



Emergency Rental Assistance Program Weekly Update

This report provides information on the current status of the Emergency Rental Assistance Program.

Summary

The attached memo (**Attachment A**) provides current updates of the Emergency Rental Assistance Program.

Responsible Department

This item is submitted by Deputy City Manager Gina Montes and the Human Services Department.

Attachment A



City of Phoenix

To: Jeff Barton
City Manager

Date: March 17, 2022

Through: Gina Montes
Deputy City Manager

From: Marchelle Franklin
Human Services Director

Subject: WEEKLY EMERGENCY RENTAL ASSISTANCE PROGRAM REPORT

This memo outlines current updates of the Emergency Rental Assistance (ERA) Program. Cumulative program expenditures total \$75,948,321 which includes ERA 1.0 and ERA 2.0 expenditures.

ERA Program Data

The table below shows ERA 2.0 Program data.

Time Period	Households Served	Residents Served	Ineligible Applications	Total Expenditures
<i>Oct. 4 – Feb. 19</i>	<i>3,769</i>	<i>10,264</i>	<i>50</i>	<i>\$25,873,524</i>
Feb. 21 – Feb. 26	163	418	0	\$1,090,011
Feb. 28 – March 4	195	578	4	\$1,529,478
March 7 – March 12	216	524	1	\$1,569,425
Total	4,343	11,784	55	\$30,062,438



Weekly Community Spread Benchmark Report

This report provides City Council with an update regarding the status of the current community spread benchmark indicators tracked by the City of Phoenix related to COVID-19 as requested at the Dec. 2, 2020 Formal Meeting. This information represents the latest data released by the Maricopa County Department of Health Services on March 17, 2022.

Summary

On March 3, 2021 the Arizona Department of Health Services (ADHS) revised the Community Transmission indicators and Community Risk Levels based on CDC guidance, establishing a new Current Overall Risk level to their reporting charts. ADHS and Maricopa County are now only reporting on two benchmarks to reflect community spread, past reports included three benchmarks.

The attached memo (**Attachment A**) provides an indicator dashboard as well as a comparison between the two benchmark statistics tracked by ADHS, Maricopa County and the City: percent positivity rate of COVID-19 cases each week, and new cases per 100,000 individuals. Both the positivity rate and new cases per 100,000 categories remain in the moderate transmission category. Over the past week, the positivity rate has decreased and new cases per 100,000 has decreased.

Responsible Department

This item is submitted by Assistant City Manager Lori Bays.

Attachment A



City of Phoenix

To: Jeffrey Barton
City Manager

Date: March 17, 2022

From: Lori Bays
Assistant City Manager

Subject: WEEKLY COMMUNITY SPREAD BENCHMARK REPORT

This memo communicates the community spread benchmarks within the City of Phoenix.

Indicator	Low Transmission	Moderate Transmission	Substantial Transmission	High Transmission
	Blue	Yellow	Orange	Red
Total new cases per 100,000 persons in the past 7 days	0-9	10-49	50-99	≥100
Percentage of NAATs (PCR) that are positive during the past 7 days	<5.0%	5.0%-7.9%	8.0%-9.9%	≥10.0%

City staff has evaluated key metrics comparing the current weekly benchmarks to that of the previous week, as well as the benchmark status as reported on Sept. 6, 2020. The chart below provides metrics as reported by Arizona Department of Health Services and Maricopa County:

Current Overall Risk Level:		Moderate Transmission
Week of	Positivity Rate	New Cases/ 100,000
6-Sept-20	4.81%	29.27
10-Mar-22	7.56%	45.51
17-Mar-22	6.52%	34.80

The positivity rate and the new cases per 100,000 category, tracked by the Arizona Department of Health Services, are in the moderate transmission category. Over the past week, the positivity rate decreased and new cases per 100,000 has decreased.



2022 State Legislative Report

This report provides information regarding the status of current state legislative issues.

Summary

March 16, 2022 is the 64th day of the Second Regular Session of the 55th Legislature.

Attachment A provides current status of legislation as of March 15, 2022. To date, 1,757 bills have been introduced and staff continues to review these measures to identify potential impacts.

Responsible Department

This item is submitted by City Manager Jeffrey Barton and the Office of Government Relations.

Attachment A
City Council Information
March 15, 2022



The Office of Government Relations is guided by the principles endorsed by the Mayor and Council. Our highest priorities are maintaining and preserving **shared revenues**, opposing **unfunded mandates**, protecting **local authority**, and involvement in **water resource** matters.

This Legislative Report provides information about bills that could impact the City. March 16, 2022 is the 64th day of the Second Regular Session of the 55th Legislature. The information provided in this report regarding status of legislation is current as of March 15, 2022. To date, 1,757 bills have been introduced and staff continues to review these measures to identify potential impacts.

Please note the highlighted sections represent bills newly added to this report.

Bills that staff has identified as negatively impacting the City's core principles:

- **HB 2001: Strike Everything Amendment (Rep. Cobb; Kingman)** The bill preempts a municipality's ability to regulate an employee's labor productivity during working hours. A municipality may not waive or exclude any requirement of a local regulation based on a collective bargaining agreement. Cities are preempted in regulating businesses that enter into collective bargaining agreements.

HB 2001 failed to pass the House on February 23, 2022.

- **HB 2081: Law Enforcement; Video Recordings; Redactions (Rep. Kavanagh; Fountain Hills)** The bill requires that before a law enforcement agency releases a copy of a video recording from a law enforcement officer's body-worn camera to the public, the law enforcement agency must redact any portion of the video recording that shows the face or an identifiable body part of any person who appears in the video recording if the person is not the subject of a police investigation or enforcement action and the person was located in a private location or in a public location with an expectation of privacy, the person is a victim of or witness to a crime, or the person was in a state of undress and specified areas of the person's body were not covered. Does not apply to a person who provides the law enforcement agency with a written waiver to release the video recording without any

redactions or to any law enforcement officers who are on duty.

Staff is expressing opposition as it constitutes an unfunded mandate that would overburden the City's limited resources for this type of review.

HB 2081 was referred to the Senate Judiciary Committee on February 21, 2022.

- **HB 2099: Municipalities; Membership Dues; Limit (Rep. Cobb; Kingman)** The bill prohibits municipalities from paying dues to a membership organization in an amount that is greater than the municipality's total population multiplied by the "per capita membership" amount paid by the most populous municipality that is also a member of the membership organization.

Staff is expressing opposition as it would jeopardize the City's membership in numerous organizations of which it is a member.

HB 2099 was approved by the House Committee of the Whole on February 3, 2022.

- **HB 2107: Emergency Powers; Business Closure; Repeal (Rep. Biasiucci; Lake Havasu City)** The list of emergency powers of mayors of incorporated municipalities and chairmen of county boards of supervisors is modified to remove the authority to order the closing of any business.

Staff is expressing opposition as it would usurp local authority.

HB 2107 passed the Senate Rules Committee on March 8, 2022.

- **HB 2166: TPT; Use Tax; Exemption; Firearms (Rep. Kaiser; Phoenix)** The list of exemptions from transaction privilege and use taxes is expanded to include sales of firearms and firearm safety equipment.

Staff is expressing opposition as it would usurp local authority and negatively impact shared revenue.

HB 2166 was held in the Senate Finance Committee on March 9, 2022.

- **HB 2237: Same Day Voter Registration; Prohibition (Rep. Hoffman; Queen Creek)** An agency, department or division of Arizona or any person acting on its behalf, and any political subdivision or any person acting on its behalf are prohibited from registering a person to vote on an election day and deeming that person eligible to vote in that election. Any person who violates this section is guilty of a class 6 (lowest) felony. Does not apply to a person who properly registers to vote while temporarily absent from Arizona as provided for in statute.

Staff is expressing opposition as it would usurp local authority.

HB 2237 passed the Senate Government Committee March 8, 2022.

- **HB 2241: Early Ballot Drop Off; Identification (Rep. Hoffman; Queen Creek)** For any voter or voter's agent who delivers one or more voted early ballots in affidavit envelopes at any polling place or voting center, the election board must require the person to present identification for his/her own early ballot, and to attest in writing that he/she is the voter's family member, household member or caregiver for another person's early ballot. Knowing violations are a class 6 felony.

Staff is expressing opposition as it would usurp local authority.

HB 2241 passed the House Rules Committee on February 8, 2022.

- **HB 2282: Prohibition; Photo Radar (Rep. Fillmore; Apache Junction)** The bill prohibits state agencies and local authorities from using a photo enforcement system to identify violators of traffic control devices and speed regulations and repeals statutes authorizing and regulating photo enforcement.

Staff is expressing opposition as it would usurp local authority.

HB 2282 was referred to the House Transportation and Technology Committee on January 18, 2022.

- **HB 2316: Misconduct Involving Weapons; Public Places (Rep. Kavanagh; Fountain Hills)** The bill dictates that a person who possesses a valid concealed weapons permit is exempt from the prohibition on carrying a concealed weapon in a public establishment or at a public event. Some exceptions, including for public establishments or events that are a "secured facility" (defined), that are the licensed premises of a liquor licensee, that are a judicial department or law enforcement agency, that are an educational institution, and that are a vehicle or craft.

Staff is expressing opposition as it would complicate police response to certain scenarios.

HB 2316 passed the Senate Rules Committee on March 8, 2022.

- **HB 2331: Area of Impact; Stored Water (Rep. Cook; Yuma)** For the purpose of statute governing underground water storage, the definition of "area of impact" means the area within one mile of an existing or proposed underground storage facility where the water is or will be stored, the area within one mile of the groundwater replenishment district boundaries that has a permit for a groundwater savings facility where the water is or will be stored, or any other area shown to have been positively impacted by the storage of the water to be recovered.

Staff is expressing opposition as it would lessen the assured water supply.

HB 2331 was referred to the House Natural Resources, Energy and Water Committee on January 24, 2022.

- **HB 2337: Deferred Retirement Optional Plan; Reinstatement (Rep. Payne; Peoria)** The bill dictates that members of the Public Safety Personnel Retirement System are no longer required to become members of PSPRS before January 1, 2012 in order to participate in the deferred retirement option plan (DROP). For a member who became a PSPRS member before January 1, 2012, the maximum period of participation in DROP is increased to 84 consecutive months, from 60 consecutive months. For a member who became a PSPRS member on or after January 1, 2012, the maximum period of participation in DROP is 60 consecutive months.

Staff is expressing opposition as it would usurp local authority and would amount to an unfunded mandate.

HB 2337 was referred to the Senate Finance Committee on February 21, 2022.

- **HB 2348: Disciplinary Appeal; Law Enforcement Officers (Rep. Payne; Peoria)** The bill dictates that any appeal of a disciplinary action by a law enforcement officer, after a hearing where the law enforcement officer and the employer have been equally allowed to fully participate in the hearing, the decision made by a hearing officer, administrative law judge or appeals board is the final administrative determination, subject to judicial review on whether such determination was clearly erroneous.

Staff is expressing opposition as it would usurp local authority.

HB 2348 was referred to the House Military Affairs and Public Safety Committee on January 20, 2022.

- **HB 2375: Urban Revenue Sharing; Public Safety (Rep. Cobb; Kingman)** Beginning in FY2023-24, monies distributed to cities and towns from the Urban Revenue Sharing Fund must be used only for "public safety services" (defined as police, fire and emergency medical services). If a municipality uses any monies from the Urban Revenue Sharing Fund for a purpose other than public safety services in any fiscal year, the State Treasurer is required to withhold an amount equal to those expenditures for the following fiscal year.

Staff is expressing opposition as it would usurp local authority.

HB 2375 was withdrawn from the House Ways and Means Committee and further referred to the House Education Committee on February 7, 2022.

- **HB 2453: Governmental Entities; Mask Requirement; Prohibition (Rep. Carter; San Tan Valley)** A "governmental entity" (defined) is prohibited from imposing any requirement to wear a mask or face covering anywhere on the governmental entity's premises, except where long-standing workplace safety and infection control measures that are unrelated to COVID-19 may be required.

Staff is expressing opposition as it would usurp local authority.

HB 2453 passed the Senate Rules Committee on March 8, 2022.

- **HB 2455: Incorporation; Urban Areas (Rep. Carter; San Tan Valley)** All territory within one mile of an incorporated city or town is declared to be an urbanized area (which triggers requirements for approval from the incorporated city or town), instead of within six miles of an incorporated city or town with a population of 5,000 or more persons or within three miles of any incorporated city or town. Also, uninhabited, rural or farm lands may be included in an area to be incorporated if the lands have been platted and approved by the county board of supervisors for housing or commercial development before filing an incorporation petition, or if the current owner of the lands agrees to include the property and provides a written, notarized statement supporting the inclusion.

Staff is expressing opposition as it would negatively impact shared revenue.

HB 2455 passed the Senate Government Committee on March 8, 2022.

- **HB 2469: Early Ballots; Polling Place; Tabulation (Rep. Carroll; Sun City West)** A voter who has the envelope containing the completed early ballot and completed affidavit, who appears at that voter's designated polling location on election day and whose identification is verified and confirmed is allowed to remove the completed ballot from the envelope and deposit the ballot in the ballot tabulation equipment in that polling place and to discard the envelope and completed affidavit.

Staff is expressing opposition as it would usurp local authority.

HB 2469 was referred to the House Rules Committee on February 8, 2022.

- **HB 2473: Firearms; Contracts; Prohibited Practices (Rep. Carroll; Sun City West)** A public entity is prohibited from entering into a contract with a value of \$100,000 or more with a company to acquire or dispose of services, supplies, information technology, or construction unless the contract includes a written certification that the company does not currently, and agrees for the duration of the contract that it will not, discriminate against a firearm entity.

Staff is expressing opposition as it would usurp local authority

HB 2473 was referred to the Senate Finance Committee on February 28, 2022.

- **HB 2478: Illegally Paid Public Monies; Recovery (Rep. Carroll; Sun City West)** The Attorney General is authorized to bring an action to recover illegally paid public monies against a public official, employee or agent of the state, a political subdivision, or a budget unit who knowingly uses public monies or other public resources to organize, plan or execute any activity that impedes or prevents a public school from operating for any period of time, unless the public official, employee or

agent is acting in good faith and in furtherance of the official's, employee's or agent's official duties.

Staff is expressing opposition as it would usurp local authority.

HB 2478 was referred to the House Judiciary Committee on January 24, 2022.

- **HB 2498: COVID-19; Vaccination Requirements; Prohibition (Rep. Hoffman; Queen Creek)** The bill dictates that any government entity is prohibited from requiring a resident of Arizona to receive a vaccination for COVID-19 or any variant of COVID-19.

Staff is expressing opposition as it would usurp local authority.

HB 2498 was referred to the Senate Government Committee on March 3, 2022.

- **HB 2549: Stored Water; Certificates; Impact; Accounting (Rep. Griffin; Hereford)** Various changes to statutes relating to groundwater and assured water supply. For an application for a certificate of assured water supply that proposes to use a water supply other than groundwater withdrawn from within the active management area in which the proposed development is located, the proposed source must be deemed consistent with the goal of the active management area. If the proposed source is stored water recovered within the area of impact, the proposed source must be deemed physically available and the Department of Water Resources is prohibited from reviewing the physical availability of other sources of water. If a municipal provider proposes to use a source of water in the same water system with Central Arizona Project water, surface water, effluent or groundwater, the proposed source does not affect the continuous, legal and physical availability of the proposed source, without regard to the continuous, legal and physical availability of other supplies within the same municipal provider's water system.

Staff is expressing opposition as it would usurp local authority.

HB 2549 was retained on the House Committee of the Whole Calendar on February 24, 2022.

- **HB 2579: Stored Water; Certificates; Impact; Accounting (Rep. Cook; Globe)** Counties and municipalities are prohibited from adopting any regulation that prohibits or restricts the use of a "park model trailer" (defined) on a residential lot as a primary single-family residence if all other statutory requirements have been met.

Staff is expressing opposition as it would usurp local authority.

HB 2579 was referred to the Senate Government Committee on February 28, 2022.

- **HB 2674: Municipal Zoning; By Right Housing (Rep. Kaiser; Phoenix)** The bill dictates that by January 1, 2023, municipalities are required to allow a list of single-family dwelling unit construction in specified existing zoning districts. Municipalities cannot require a general plan amendment, use permit, or review by a board or commission for an applicant to construct these types of housing. If an applicant proposes any amendment to a zoning ordinance that changes a land use designation to residential or changes allowed density for the purpose of constructing single-family or multi-family housing units, the municipality is required to determine whether the application is "administratively complete" (defined) within 30 days, and approve a complete application within 90 days, with some exceptions. Municipalities are prohibited from adopting or enforcing any ordinance or legal requirement related to residential housing "design elements" (defined). Some exceptions. Repeals the building code moratorium on residential and commercial buildings and allows municipalities to adopt residential building codes for the sole purpose of providing a reasonable level of safety and health. Declares that housing supply and affordability are matters of statewide concerns and prohibits municipalities from adopting residential construction and development standards that are more restrictive than state law. Appropriates \$89 million from the general fund in FY2022-23 to the Housing Trust Fund for low-income housing needs in Arizona. Severability clause.

Staff is expressing opposition as it would usurp local authority.

HB 2674 was referred to the Senate Commerce Committee on March 9, 2022.

- **HB 2701: TPT; Prime Contracting; Tax Base (Rep. Biasiucci; Lake Havasu City)** Reduces the tax base for the prime contracting classification of transaction privilege taxes to 60 percent of the gross proceeds of sales or gross income derived from the business for contracts entered into July 1, 2023 through June 30, 2024, and to 55 percent of the gross proceeds of sales or gross income derived from the business for contracts entered into July 1, 2024 and after, from 65 percent.

Staff is expressing opposition as it would reduce shared revenue.

HB 2701 was referred to the Senate Finance and Appropriations Committees on February 28, 2022.

- **HB 2721: Law Enforcement Officers: AZPOST (Rep. Kavanagh; Fountain Hills)** Any government entity must require a majority vote to investigate law enforcement officer misconduct, influence the conduct of or certify law enforcement officer misconduct investigations, recommend disciplinary actions for law enforcement misconduct, or impose discipline for law enforcement misconduct. The requirement for 2/3 of the voting members of a government entity that takes any of those actions relating to law enforcement officer misconduct to be Arizona Peace Officer Standards and Training Board certified law enforcement officers is expanded to apply to 2/3 of the "members, staff, employees, or seats" (defined) or any government committee, board, agency, department, office, or entity that takes those actions. [Capitol Reports Note: Some of the provisions in this legislation were originally signed into law as Laws 2021, chapter 403 (part of the FY2021-22 budget),

but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]

Staff is expressing opposition as it would usurp local authority and chill participation in boards fostering accountability in policing.

HB 2721 was referred to the Senate Judiciary Committee on March 8, 2022.

- **HB 2724: Assisted Living; Distance Requirement; Prohibition (Rep. Toma; Peoria)** Counties and municipalities are prohibited from adopting a land use regulation, or general or specific plan provision, or impose as a condition for approving a building or use permit any requirement that restricts the distance between an existing assisted living home and a new assisted living home if all other standards and requirements established in statute have been met.

HB 2724 was referred to the Senate Health and Human Services Committee on March 8, 2022.

- **HB 2748: Distribution; Safe and Smart Fund (Rep. Payne; Peoria)** Modifies the distributions from the Smart and Safe Fund by adding the Department of Public Safety to the list of entities that receive 31.4 percent of Fund monies in proportion to the number of enrolled members in the Public Safety Personnel Retirement System. Due to voter protection, this legislation requires the affirmative vote of at least 3/4 of the members of each house of the Legislature for passage.

Staff is expressing opposition as it would reduce City revenue.

HB 2748 failed to pass the House on reconsideration on March 2, 2022.

- **HB 2749: TPT; Prime Contracting; Exemption; Alterations (Rep. Cobb; Kingman)** The definitions of "modification" and "alteration" for the purpose of computing the tax base for the prime contracting classification of transaction privilege taxes are modified. Effective January 1, 2023.

Staff is expressing opposition as it would reduce shared revenue.

HB 2749 passed the House on February 24, 2022. Ready for Senate.

- **HCR 2031: Employee Benefits; Compensation; State Preemption (Rep. Cobb; Kingman)** The 2022 general election ballot is to carry the question of whether to amend the state Constitution to declare that the regulation of employee benefits is of statewide concern and not subject to further regulation by a political subdivision.

Staff is expressing opposition as it would usurp local authority.

HCR 2031 was held in the Senate Commerce Committee on March 9, 2022.

- **SB 1008: Elections; Recount Margin (Sen. Ugenti-Rita; Scottsdale)** The bill modifies the criteria that triggers an automatic election recount to require a recount

when the margin between the two candidates receiving the greatest number of votes for a particular office, or between the number of votes cast for and against a measure or proposition, is less than or equal to 0.5 percent of the number of votes cast for both candidates or on the measure or proposition. Previously, the difference in votes that triggered an automatic recount was the lesser of 0.1 percent or either a specified number of votes based on the office to be filled or 200 votes for a measure or proposition.

Staff is expressing opposition to the bill as it places an undue burden on cities conducting an election by significantly increasing the number of automatic recounts required and constitutes an unfunded mandate by substantially increasing election costs.

SB 1008 passed the Senate on February 9, 2022. Ready for House.

- **SB 1035: Political Subdivisions; Lobbying; Prohibition (Sen. Rogers; Flagstaff)** "Political subdivisions" (defined as counties, municipalities, school districts, and special districts) and any person acting on behalf of a political subdivision are prohibited from entering into a contract with a person or entity for lobbying services and from spending monies for any person or entity to lobby on behalf of that political subdivision unless that person is directly employed by the political subdivision.

Staff is expressing opposition as it usurps local authority.

- **SB 1048: Emergency Powers; Business Closure; Repeal (Rep. Petersen; Gilbert)** The list of emergency powers of mayors of incorporated municipalities and chairmen of county boards of supervisors is modified to remove the authority to order the closing of any business.

Staff is expressing opposition as it would usurp local authority.

SB 1048 was held in the House Military and Public Safety Committee on February 28, 2022.

- **SB 1054: Election Equipment; Security; Legislative Review (Sen. Borrelli; Lake Havasu City)** The bill requires that beginning in 2022 and every two years thereafter, the committee appointed by the Secretary of State to investigate and test the various types of vote recording or tabulating machines or devices is required to provide for a detailed review of election equipment security for counties with a population of more than 500,000 persons that focuses on the actual equipment, software and other systems used in the most recent general election. An additional person who is an expert in election equipment security must conduct or assist with the review. On completion, the review must be presented to the standing committees of the Legislature with jurisdiction over election issues at a public meeting that is held by August 1 following the general election.

Staff is expressing opposition as it would cause uncertainty in City-administered elections.

SB 1054 passed the Senate Rules Committee on February 8, 2022.

- **SB 1056: Misplaced Ballots; Invalidity; Misdemeanor; Damages (Sen. Townsend; Apache Junction)** Any ballots that are misplaced and not included in the initial tally at a polling place or counting center are invalid ballots and are prohibited from being counted. A person who misplaces a ballot is guilty of a class 2 (mid-level) misdemeanor. If a provisional or early ballot that identifies the voter on the face of the affidavit or envelope is misplaced and cannot be counted, the voter of that misplaced ballot is authorized to file an action for damages against the governmental body administering the election for the loss of the right to vote.

Staff is expressing opposition as it would place an undue burden on local jurisdictions who administer elections.

SB 1056 was approved by the Senate Committee of the Whole on March 10, 2022.

- **SB 1119: Electronic Ballot Images; Public Record (Sen. Borrelli; Lake Havasu City)** The bill requires that after the polls are closed, the officer in charge of elections is required to make available to the public an online copy of any digital images of ballots in a manner that allows the images to be searchable by precinct but that precludes any alteration of the images. States that the digital images of the ballots are public records.

Staff is expressing opposition as it would usurp local authority and constitutes an unfunded mandate.

SB 1119 failed to pass the Senate on March 9, 2022.

- **SB 1120: Ballot Fraud Countermeasures; Paper; Ink (Sen. Borrelli; Lake Havasu City)** The bill requires that any vendor that provides fraud countermeasures that are contained in and on the paper used for ballots is required to be ISO 27001 certified, ISO 17025 certified, or ISO 9001:2015 certified. Ballot fraud countermeasures are required to include all of a list of 19 specified features, including watermarking, secure holographic foil, security inks, invisible ultraviolet microtext, a serialized black QR code, and a paper receipt for the voter. The Legislature is required to appropriate sufficient monies to the State Treasurer to provide counties with the ballot paper prescribed by this legislation. Applies to the regular general election in 2022 and all elections held in 2024 and later. Appropriates an unspecified amount (blank in original) from the general fund in FY2022-23 to the State Treasurer for the purchase of antifraud ballot paper meeting these requirements.

Staff is expressing opposition as it would place an undue burden and excessive additional, unfunded costs on local jurisdictions that conduct elections.

SB 1120 was retained on the Senate Committee of the Whole Calendar on March 9, 2022.

- **SB 1132: Municipal Bonds; Environmental Sustainability; (Sen. Rogers; Flagstaff)** Municipalities are prohibited from issuing a "green bond" (defined) to finance or refinance a "green project" (defined as a project that contributes to environmental objectives, excluding pollution prevention and control).

Staff is expressing opposition as it would usurp local authority.

SB 1132 was referred to the Senate Natural Resources, Energy and Water Committee on January 11, 2022.

- **SB 1133: Schools; Cities; All Mail Prohibited (Sen. Rogers; Flagstaff)** The bill prohibits municipalities and school districts from conducting a mail ballot election.

Staff is expressing opposition as it would usurp local authority.

SB 1133 passed the Senate Government Committee on January 25, 2022.

- **SB 1134: Prohibition; Photo Radar (Sen. Rogers; Flagstaff)** The bill prohibits state agencies and local authorities from using a photo enforcement system to identify violators of traffic control devices and speed regulations and repeals statutes authorizing and regulating photo enforcement.

Staff is expressing opposition as it would usurp local authority.

SB 1134 failed to pass the Senate Transportation and Technology Committee on February 14, 2022.

- **SB 1135: Procurement; Information Content Provider; Prohibition (Sen. Roger; Flagstaff)** Beginning on the effective date of this legislation, the Director of the Department of Administration is required to terminate, and direct any state government unit or political subdivision to terminate, any existing contract with a contractor that is an information content provider or a qualified marketplace platform that has engaged in "targeted censorship" (defined as deleting or placing a disclaimer on any form of free speech that is unequally applied based on a particular belief that is expressed in any form). State government units and political subdivisions are prohibited from contracting with an information content provider or a qualified marketplace platform that has engaged in targeted censorship.

Staff is expressing opposition as it would usurp local authority.

SB 1135 was referred to the Senate Transportation and Technology Committee on January 11, 2022.

- **SB 1150: Electric Vehicles; Pilot Program; Appropriation (Sen. Steele; Tucson)** The bill prohibits counties and municipalities from issuing a residential structure building permit for a single-family structure if the residential structure does not have a 208/240-volt, 50-ampere, NEMA 14-50 branch circuit with a dedicated outlet to charge an electric vehicle in the residential structure's garage or within ten feet of a parking space on the outside of the residential structure. Some exceptions. The

Department of Administration (DOA) is required to conduct a two-year electric vehicle-ready homes pilot program to reimburse the owner of a single-family or multifamily residential structure the cost of installing a high voltage electrical outlet for the purpose of charging an electric vehicle, up to \$1,000, until the appropriation is exhausted. DOA is required to submit a report with specified information relating to the pilot program to the Governor and the Legislature by December 31, 2024. Appropriates \$500,000 from the general fund in FY2022-23 to DOA for the pilot program.

Staff is expressing opposition as it would usurp local authority.

SB 1150 passed the Senate Transportation and Technology Committee on January 25, 2022.

- **SB 1191: Strike Everything Amendment (Sen. Petersen; Gilbert)** The bill prohibits municipalities from requiring the use of or the preference for union labor as a condition for approving any land use requirement. It prohibits municipalities from providing a wage that is different than the amount required for other contracts of industries.

Staff is expressing opposition as it would usurp local authority.

SB 1191 passed the Senate on reconsideration on March 9, 2022. Ready for House.

- **SB 1198: Local Governments; Lobbying; Prohibition (Sen. Petersen; Gilbert)** The bill prohibits counties, municipalities, school districts, and other political subdivisions and any person acting on behalf of a political subdivision from entering into a contract with a person or entity for lobbying services and from spending monies for any person or entity to lobby on behalf of that political subdivision unless that person is directly employed by the political subdivision. If a county, municipality, school district or other political subdivision is a member of an organization of which the majority of the members are composed of political subdivisions or other public bodies, no portion of membership dues may be authorized for lobbying activities.

Staff is expressing opposition as it would usurp local authority.

SB 1198 failed to pass the Senate on March 7, 2022.

- **SB 1208: Income Tax; Credit; Labor Costs (Sen. Rogers; Flagstaff)** The bill dictates that in tax years beginning with 2023, establishes an individual and corporate income tax credit for a portion of a taxpayer's increased hourly labor costs that results from paying a local minimum wage that is more than the state minimum wage. The amount of the credit is ten percent of the difference between the amount of hourly labor costs the employer actually paid to employees and the amount of hourly labor costs that the employer would have paid to employees if the local minimum wage was the same as the state minimum wage. Requirements to qualify for the credit are specified. If the allowable credit exceeds taxes due, the unused amount may be carried forward for up to five consecutive tax years. Each month the

State Treasurer is required to withhold from a municipality an amount equal to 1/12 of the total amount of credits claimed for the prior taxable year by taxpayer's located in that municipality from the municipality's distribution of state shared revenues.

Staff is expressing opposition as it would usurp local authority.

SB 1208 was referred to the Senate Finance Committee on January 18, 2022.

- **SB 1268: PSPRS; Deferred Retirement Optional Plan (Sen. Livingston; Peoria)**
The bill dictates that for members of the Public Safety Personnel Retirement System in the deferred retirement option plan (DROP), the maximum period of participation in DROP is increased to 84 consecutive months, from 60 consecutive months.

Staff is expressing opposition as it would usurp local authority and would amount to an unfunded mandate.

SB 1268 passed the Senate on March 2, 2022. Ready for House.

- **SB 1274: Property Tax Levy; Calculation; Federal Monies (Sen. Leach; Tucson)**
The bill dictates that for tax years 2022 and 2023, if a county's or municipality's proposed primary property tax levy is greater than the amount levied in the previous tax year and the county or municipality received monies from the American Rescue Plan Act of 2021, the county or municipality is required to use the monies to reduce the proposed primary property tax levy so that the does not exceed the previous year's amount, except for amounts attributable to new construction.

Staff is expressing opposition as it would reduce City General Fund revenue.

SB 1274 was assigned to the Senate Finance Committee on January 24, 2022.

- **SB 1278: Labor Organization; Fiduciary Guidelines; Definition (Sen. Mesnard; Chandler)**
The bill changes the definition of labor organization to include any Taft-Hartley Act trust benefit plan that is jointly operated by a labor organization.

Staff is expressing opposition as it would usurp local authority.

SB 1278 was held in the House Commerce Committee on March 8, 2022.

- **SB 1298: Government Mask Mandate; Prohibition (Sen. Rogers; Flagstaff)**
The bill dictates that a governmental entity is prohibited from imposing any requirement to wear a mask or face covering, except where long-standing workplace safety and infection control measures that are unrelated to COVID-19 may be required.

Staff is expressing opposition as it would usurp local authority.

SB 1298 passed the Senate on February 23, 2022. Ready for House.

- **SB 1333: Neighborhood Occupantless Electric Vehicles (Sen. Pace; Mesa)** The bill dictates that a "neighborhood occupantless electric vehicle" is authorized to be operated on a highway that has a posted speed limit of 45 miles per hour or less. Establishes restrictions for a neighborhood occupantless electric vehicle operating on a highway with a posted speed limit of more than 35 miles per hour but not exceeding 45 miles per hour, including travelling in the right-hand lane, allowing faster moving vehicles to pass, and displaying a slow-moving vehicle sign with a reflective surface.

Staff is expressing opposition as it would create roadway safety challenges.

SB 1333 was approved by the Senate Committee of the Whole on March 9, 2022.

- **SB 1349: Budget Reduction; Law Enforcement; Hearing (Sen. Rogers; Flagstaff)** The bill dictates that if the proposed budget of a county or municipality reduces funding to the operating budget of a law enforcement agency, the Attorney General or a member of the governing body who objects to the funding reduction is authorized to file a petition with the Governor's Regulator Review Council (GRRC). GRRC is required to schedule a hearing to consider the petition and may approved, amend, or modify the proposed law enforcement agency budget. The budget approved by GRRC is final. If the budget approved by GRRC decreases the law enforcement agency's budget by 10 percent or more over the previous year's budget, the county or municipality is required to notify the State Treasurer of the reduction, and the State Treasurer is required to withhold state shared revenues from the county or municipality in an amount equal to the reduction until notification that the reduction in the law enforcement agency's budget has been restored.

Staff is expressing opposition as it would usurp local authority.

SB 1349 was referred to the Senate Judiciary Committee on January 25, 2022.

- **SB 1354: Law Enforcement Budget; Reduction; Prohibition (Sen. Rogers; Flagstaff)** Counties and municipalities are prohibited from reducing the annual operating budget for a law enforcement agency by any amount below the previous year's budget.

Staff is expressing opposition as it would usurp local authority.

SB 1354 was referred to the Senate Judiciary Committee on January 25, 2022.

- **SB 1446: Municipalities; Housing Developments; Repeal (Sen. Rogers; Flagstaff)** The bill repeals statute declaring that it is a valid public purpose of municipalities to assist in providing for the acquisition, construction or rehabilitation of housing and related facilities in areas that are declared by the municipality to be housing development areas, and authorizing public monies to be spent for that

purpose

Staff is expressing opposition as it would usurp local authority.

SB 1446 was held in the Senate Government Committee on February 17, 2022.

Bills that staff has identified as beneficial to the City:

• **HB 2035: Appropriations; PSPRS; Corp; Unfunded Liability (Rep. Cook; Globe)**

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

HB 2035 passed the Senate Appropriations Committee on March 9, 2022.

• **HB 2051: Commission on the Arts; Continuation (Rep. Wilmeth; Scottsdale)**

The states that the statutory life of the Arizona Commission on the Arts is extended eight years to July 1, 2030.

HB 2051 passed the Senate Appropriations Committee on March 9, 2022.

• **HB 2129: Tech Correction; Health Services; Monitoring (Rep. Griffin; Hereford)**

Minor change in Title 36 (Public Health and Safety) related to alcohol and drug abuse. Apparent striker bus.

HB 2129 passed the Senate Natural Resources, Energy and Water Committee on March 10, 2022.

• **HB 2193: State Law; Local Violations; Repeal (Rep. Powers Hannley; Tuscon)**

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

is a violation and if the county or municipality fails to resolve the violation within 30 days.

- **HB 2226: Fireworks; Use; Overnight Hours; Prohibition (Rep. Shah; Phoenix)**
The bill authorizes counties and municipalities to prohibit the use of permissible consumer fireworks between the hours of 11PM and 8AM, except for between 11PM of December 31 and 1AM on January 1 each year, and between 11PM of July 4 and 1AM on July 5 each year.

HB 2226 passed the Senate Rules Committee on March 8, 2022.

- **HB 2248: Failure to Return Vehicle; Repeal (Rep. Finchem; Oro Valley)** The bill repeals the crime of unlawful failure to return a motor vehicle subject to a security interest, a class 6 felony.

HB 2248 was referred to the Senate Transportation and Technology Committee on February 17, 2022.

- **HB 2251: Lasers; Assault; Peace Officers; Penalty (Rep. Finchem; Oro Valley)**
The list of circumstances that cause an assault to be classified as aggravated assault is expanded to include if the person commits the assault against a peace officer using a laser pointer or laser emitting device. Aggravated assault under this provision is a class 5 felony.

HB 2251 was referred to the Senate Judiciary Committee on February 17, 2022.

- **HB 2318: Adopted Local Budgets; Amendments (Rep. Kavanagh; Fountain Hills)** The bill dictates that County or municipal budget amendments do not have to be adopted by the third Monday in July each year.

HB 2318 was referred to the House Government and Elections Committee on January 19, 2022.

- **HB 2358: Sexual Assault Survivor Rights (Rep. Biasiucci; Lake Havasu City)**
Establishes a list of rights that a survivor of a sexual assault has, including the right to consult with a sexual assault victim advocate, the right to not be charged for a medical evidentiary examination, the right to a prompt analysis of sexual assault kit evidence, the right to be reasonably protected from the defendant, and the right to not be required to submit to a polygraph examination.

HB 2358 was held in the House Judiciary Committee on February 2, 2022.

- **HB 2482: Municipality; General Plan; Adoption; Amendment (Rep. Martinez; Fountain Hills)** The bill dictates that all major amendments to a municipality's general plan proposed for adoption by the governing body of a municipality must be presented at a public hearing within 12 months of when the proposal is made, instead of during the calendar year the proposal is made.

HB 2482 passed the Senate Rules Committee on March 8, 2022.

- **HB 2539: Nonnative Species Eradication; Projects; Appropriation (Rep. John; Buckeye)** The bill establishes a 7-member Gila River Nonnative Species Eradication Project Advisory Committee to review the progress of "nonnative vegetation invasive species eradication projects" (defined). The Committee is required to submit a report of its recommendations to the Governor and the Legislature by September 1 of each year, and self-repeals October 1, 2025. The Nonnative Vegetation Species Eradication Fund is renamed the Jackie Meck Nonnative Vegetation Species Eradication Fund. Appropriates \$15 million from the general fund in FY2022-23 to the Fund for nonnative vegetation invasive species eradication projects.

HB 2539 was referred to the Senate Appropriations and Natural Resources, Energy and Water Committees on March 3, 2022.

- **HB 2598: Transportation Tax; Election; Maricopa County (Rep. Carroll; Sun City West)** The bill dictates that, if approved by the voters at a countywide election and beginning January 1, 2026, a county with a population of 3 million or more persons (Maricopa) is required to levy a tax of up to ten percent of the transaction privilege tax rate. The tax levied will be in effect for 25 years. The regional planning agency in the county is required to develop and adopt a multimodal transportation plan. The plan must specify the distribution of net revenues from the tax levy, with at least 52.5 percent of revenues distributed to the Regional Area Road Fund and at least 32.5 percent of revenues to the Public Transportation Fund. No more than 14 percent of the revenues may be spent on light rail systems. Before November 8, 2022, the Maricopa County board of supervisors is required to call a countywide election for the extension and levy of a county transportation excise tax as authorized by this legislation. Establishes requirements for the ballot and publicity pamphlet for the election. Emergency clause.

HB 2598 passed the House Transportation Committee on February 10, 2022.

- **HB 2652: Used Catalytic Converters; Sales; Acquisitions (Rep. Espinoza; Tolleson)** It is unlawful for a person to solicit or advertise a used catalytic converter, and for a person to purchase, solicit, advertise, or sell any nonferrous parts of a catalytic converter except in connection with selling or installing a new catalytic converter. A person that purchases a used catalytic converter is required to electronically submit to the Department of Transportation a record of each used catalytic converter transaction.

HB 2652 was referred to the Senate Transportation and Technology Committee on March 7, 2022.

- **HB 2688: Appropriation; Aviation Fund; Matching Monies (Rep. Carroll; Sun City West)** Appropriates \$20 million from the general fund in FY2022-23 to the State Aviation Fund for the Department of Transportation to use as matching monies to draw down federal infrastructure monies.

HB 2688 was referred to the Senate Appropriations Committee on March 8, 2022.

- **SB 1192: Appropriation; Interstate 10; Vehicle Lanes (Sen. Livingston; Peoria)**
The bill makes a supplemental appropriation in FY2021-22 of \$59.6 million from the general fund in FY2022-23 to the Department of Transportation to design and construct one additional eastbound and one additional westbound vehicle lane, separated by a lighted median, on Interstate 10 between State Route 85 and Citrus Road.

SB 1192 passed the House Transportation and Appropriations Committees on March 10, 2022.

- **SB 1193: Appropriation; Loop 101; Screen Wall (Sen. Boyer; Phoenix)** The bill appropriates \$7.25 million from the general fund in FY2022-23 to the Department of Transportation to design and construct a screen wall on the eastbound portion of Loop 101 in the vicinity of Sixteenth Street.

SB 1193 was referred to the House Transportation and Appropriations Committees on February 28, 2022.

- **SB 1210: Mentally Ill; Transportation; Evaluation; Treatment (Sen. Barto; Phoenix)** The bill states that if the court, an admitting officer of an evaluation agency, or an evaluation agency is allowed to authorize or issue an order for the apprehension and transportation of a proposed patient by a peace officer, then the court, officer, or agency is allowed to authorize the apprehension and transportation by an "authorized transporter" (defined as an ambulance company or transportation provider authorized to provide safe behavioral health transportation). Establishes limits on civil liability for the apprehension or transportation, which do not apply to a person who acts with gross negligence. Establishes a 13-member Study Committee on Alternative Behavioral Health Transportation to research and make recommendations for the implementation of and the use of alternative behavioral health transportation providers for individuals involved in mental health treatment or evaluation processes, as an alternative to transportation by peace officers. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by December 31, 2023, and self-repeals July 1, 2024.

SB 1210 was approved by the Senate Committee of the Whole on March 9, 2022.

- **SB 1238: State Lands; Appraisals; Leases; Rights-of-Way (Sen. Kerr; Buckeye)**
The bill dictates that the State Land Department is required to reappraise property if the Board of Appeals' approval of the lease or sale occurred more than 240 days, increased from 180 days, before an auction. Approval of a lease for commercial purposes from the Board of Appeals is required only if the lease is for a term longer than ten years.

SB 1238 passed the House on March 10, 2022. Ready for Governor.

- **SB 1270: State Parks; Lottery; Heritage Fund (Sen. Shope; Coolidge)** The bill states that beginning in FY2023-24, of the monies remaining in the State Lottery Fund each fiscal year after a list of statutory appropriations and deposits, \$3 million must be deposited in the Arizona State Parks Heritage Fund. As session law, of the monies remaining in the State Lottery Fund after the statutory appropriations and deposits, \$1 million in FY2022-23 and \$2 million in FY2023-24 are appropriated from the State Lottery Fund to the Arizona State Parks Heritage Fund.

SB 1270 was referred to the House Land Agriculture and Rural Affairs and Appropriations Committees on March 1, 2022.

- **SB 1356: Transportation Tax; Election; Maricopa County (Rep. Carroll; Sun City West)** The bill dictates that, if approved by the voters at a countywide election and beginning January 1, 2026, a county with a population of 3 million or more persons (Maricopa) is required to levy a tax of up to ten percent of the transaction privilege tax rate. The tax levied will be in effect for 25 years. The regional planning agency in the county is required to develop and adopt a multimodal transportation plan. The plan must specify the distribution of net revenues from the tax levy, with at least 52.5 percent of revenues distributed to the Regional Area Road Fund and at least 32.5 percent of revenues to the Public Transportation Fund. No more than 14 percent of the revenues may be spent on light rail systems. Before November 8, 2022, the Maricopa County board of supervisors is required to call a countywide election for the extension and levy of a county transportation excise tax as authorized by this legislation. Establishes requirements for the ballot and publicity pamphlet for the election. Emergency clause.

SB 1356 passed the Senate Rules Committee on February 15, 2022.

- **SB 1592: Governor's Declaration; Fiscal Impact Analysis (Sen. Gray; Sun City)** In any year in which the Governor has declared a state of war emergency or state of emergency for a public health emergency, the State Treasurer is prohibited from withholding any amount from the Arizona Convention Center Development Fund from an eligible city for that year. In conducting the analysis or estimate of the economic impact of any project eligible for monies from the Fund in subsequent years following the emergency declaration, the Auditor General is required to assume that the eligible city satisfied the minimum required attendance in the year of the emergency declaration and the year following that declaration, and that the incremental revenues to the general fund in any year of an emergency declaration and the year following that declaration at least equaled the amount of distributions by the state. Retroactive to January 1, 2020.

SB 1592 was referred to the House Government and Elections Committee on March 8, 2022.

- **SB 1708: Motion Picture Production; Tax Credits (Sen Gowan; Sierra Vista)** For tax years beginning with 2023, establishes an individual and corporate income tax credit against production costs paid by a motion picture production company in Arizona that are subject to Arizona taxes and that are directly attributable to a motion picture production. The amount of the credit is a percentage of the qualified

production costs as approved by the Arizona Commerce Authority, based on the total amount spent by the production company. Establishes requirements for a motion picture production company to qualify for the credit. The maximum aggregate amount of tax credits in any calendar year is \$150 million. The Authority is required to implement an Arizona Motion Picture Production Program and certify motion picture production companies that produce one or more motion pictures in Arizona for the purpose of the tax credits. Establishes requirements for a production company to qualify for the Program.

SB 1708 was referred to the House Appropriations Committee on March 9, 2022.

Bills staff are monitoring:

- **HB 2020: Vaccination Mandates; Exemptions (Rep. Kaiser; Phoenix)** The bill dictates that a person is eligible for an exemption from any vaccination requirement for COVID-19 or any variant of COVID-19 that is being enforced in the state of Arizona if the person can produce documented test results that demonstrate the person has antibodies to COVID-19 or any variant of COVID-19, a positive test for COVID-19 or any variant of COVID-19, or a positive T-cell immune response to COVID-19 or any variant of COVID-19. Also repeals statute prohibiting vaccine passports or vaccine requirements, which was deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.
- **HB 2021: Drug Offenses; Homicide; Sentencing (Rep. Nguyen; Prescott Valley)** The bill establishes the crime of drug trafficking homicide, a class 1 (highest) felony, for transferring a dangerous drug or narcotic drug and the injection, inhalation, absorption or ingestion of the drug causes another person's death or was a contributing cause of the other person's death. A person convicted of drug trafficking homicide must be sentenced to a minimum sentence of 10 calendar years, with a presumptive sentence of 16 calendar years and a maximum sentence of 25 calendar years. A person with a previous conviction of drug trafficking homicide or a class 2 (second highest) or class 3 (upper mid-level) felony involving a dangerous offense must be sentenced to a minimum sentence of 15 calendar years, with a presumptive sentence of 20 calendar years and a maximum sentence of 29 calendar years. Drug trafficking homicide is added to the definition of "serious offense" and "violent or aggravated felony" for sentencing purposes, and to the definition of "dangerous crime against children" if committed against a minor who is under 15 years of age.

HB 2021 was retained on the House Committee of the Whole Calendar on February 17, 2022.

- **HB 2029: Vaccinations; Evidence of Immunity; Prohibitions (Rep. Blackman; Snowflake)** The bill dictates that the state, its "governmental entities," and its "business affiliations" (both defined) are prohibited from requiring any person to receive a vaccination for COVID-19 or any variant of COVID-19 or to possess a COVID-19 immunity passport or other evidence certifying vaccination or immunity status, and are prohibited from discriminating against any person based on not receiving a vaccination for COVID-19 or any variant of COVID-19 or to possess a

COVID-19 immunity passport or other evidence certifying vaccination or immunity status. The state and its governmental entities are prohibited from entering into a contract or giving a loan or grant of taxpayer monies to a business affiliation that requires a person to receive a vaccination for COVID-19 or any variant of COVID-19 or to possess a COVID-19 immunity passport or other evidence certifying vaccination or immunity status. A business affiliation that violates these requirements materially breaches its contract with the state or a governmental entity, rendering the contract voidable. Does not apply to health care institutions that are treating patients with COVID-19 or any variant of COVID-19 and that determine that a "direct threat" (defined) exists that cannot be eliminated or reduced by reasonable accommodation. Factors that must be considered to determine a direct threat are listed.

- **HB 2037: Expenditures; Authority; Water; Wastewater (Rep. Cook; Globe)** The bill dictates that County boards of supervisors are authorized to appropriate and spend public monies for and in connection with participating in water reuse and recycling programs or regional water recharge projects, and purchasing water rights to demonstrate an assured water supply. County flood control district boards of directors are authorized to cooperate and join with private water and wastewater utilities that engage in underground water storage and recovery projects.

HB 2037 was referred to the Senate Natural Resources, Energy and Water Committee on March 1, 2022.

- **HB 2043: Employer Liability; COVID-19 Vaccination Requirement (Rep. Nguyen; Prescott Valley)** The bill dictates that if an employer denies a religious exemption and requires a person to receive a COVID-19 vaccination as a prerequisite to or requirement for maintaining employment, the employer is liable to the person for damages that result from a significant injury that is caused by receiving the COVID-19 vaccination. A claimant who prevails under this provision must be awarded actual damages, court costs, and reasonable attorney fees or statutory damages of \$500,000, whichever is greater, and may also recover exemplary damages. These rights supplement any other rights and remedies provided by law.

HB 2043 was retained on the House Committee of the Whole Calendar on February 24, 2022.

- **HB 2045: TPT; Additional Rate; Online Lodging (Rep. Salman; Tempe)** The bill Levies an additional transaction privilege tax on every person engaging or continuing in the online lodging marketplace classification of 16.5 percent of the tax base. The Department of Revenue is required to separately account for the revenues collected from the additional tax rate and the monies must be deposited in the Housing Trust Fund. Due to a potential increase in state revenue, this legislation requires the affirmative vote of at least 2/3 of the members of each house of the Legislature for passage, and becomes effective on signature of the Governor.
- **HB 2055: Harquahala Non-Expansion Area; Groundwater Transportation (Rep. Griffin; Hereford)** A public service corporation that is regulated by the Corporation

Commission, that holds a certificate of convenience and necessity for water service in an initial active management area, and that owns land eligible to be irrigated in the Harquahala irrigation non-expansion area is added to the list of entities that are authorized to withdraw groundwater from the land for transportation to an initial active management area for its own use or use by the Arizona Water Banking Authority if a list of specified conditions are met.

HB 2055 passed the Senate Natural Resources, Energy and Water Committee on March 10, 2022.

- **HB 2056: Fifth Management Period; Extension (Rep. Griffin; Hereford)** The bill dictates that the end of the fifth management period for active management areas is extended ten years to 2035. The deadline for all persons notified pursuant to statute to comply with the applicable irrigation water duty or conservation requirements for the fifth management period is also extended ten years to January 1, 2035.

HB 2056 was referred to the House Natural Resources, Energy and Water Committee on January 12, 2022.

- **HB 2057: Water Supply Development Fund; Revisions (Rep. Griffin; Hereford)** The bill dictates monies in the Water Supply Development Revolving Fund may be used for providing technical assistance to water providers for water supply development projects. Increases the maximum amount of a single Water Infrastructure Finance Authority grant to water providers for water supply development projects to \$250,000, from \$100,000.

HB 2057 passed the Senate Rules Committee on March 8, 2022.

- **HB 2069: Vacation Rentals; Short-Term Rentals; Repeal (Rep. Blackman; Snowflake)** The bill repeals statute that prohibits municipalities and counties from prohibiting vacation rentals or short-term rentals and that restricts the types of regulations that municipalities and counties may impose on vacation rentals or short-term rentals.
- **HB 2070: Open Meetings; Capacity; Posting; Violation (Rep. Kavanagh; Fountain Hills)** All public bodies are required to provide for an amount of seating sufficient to accommodate the reasonably anticipated attendance of all persons desiring to attend the deliberations and proceedings, when feasible. The agenda for a public meeting is required to include notice of the time that the public will have physical access to the meeting place. A head of a public body that violates this requirement is liable for a civil penalty as provided in statute for open meeting law violations.

HB 2070 passed the Senate Government Committee on March 8, 2022.

- **HB 2125: Electronic Smoking Devices; Retail Licensing (Rep. Udall; Mesa)** The bill makes it unlawful for a person to sell, give or furnish a tobacco product to a person who is under the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act, instead of for a person to sell or furnish

tobacco products to minors. For the purposes this prohibition and statutes regulating tobacco sales, the definition of "tobacco products" is expanded to include any product containing, made of or derived from tobacco or nicotine and that is intended for human consumption, and to include an "electronic smoking device" (defined) and any substance that may be aerosolized or vaporized by the device, whether or not it contains nicotine, and any component, part, or accessory that is used in the consumption of these products. Before distributing any tobacco product, a retail tobacco vendor or the vendor's representative or employee is required to verify that the purchaser is at least the minimum age of sale for tobacco products as set by the Federal Food, Drug, and Cosmetic Act. Establishes civil penalties for violations. The Department of Health Services (DHS) is required to conduct at least two unannounced compliance checks on a retail tobacco vendor annually. Beginning January 1, 2024, a retail tobacco vendor is prohibited from distributing tobacco products in Arizona without a valid tobacco retail sales license from DHS.

HB 2125 failed to pass the House on March 3, 2022.

- **HB 2126: Hazardous Waste Program Fees (Rep. Griffin; Hereford)** The bill dictates that Department of Environmental Quality rules establishing various fees for the hazardous waste program are no longer required to be reviewed by the Joint Legislative Budget Committee. Deletes the prohibition on those fees increasing without specific statutory authority for the increase.

HB 2126 passed the Senate Natural Resources, Energy and Water committee on March 10, 2022.

- **HB 2160: Wrongful Arrest; Record Clearance (Rep. Chavez; Phoenix)** If a law enforcement agency determines that a person has been wrongfully arrested or charged with a crime, the agency is required to notify the person of the right to file a petition in the superior court for entry on all records of a notation that the person has been cleared. The clerk of the court is prohibited from imposing a fee for filing the petition. A person whose record is cleared is authorized to deny that the arrest or charge ever occurred.

HB 2160 was referred to the Senate Judiciary Committee on February 28, 2022.

- **HB 2162: Open Meeting Law; Violations; Penalty (Rep. Kaiser; Phoenix)** The bill increases the civil penalties the court is authorized to impose for violations of open meeting law to up to \$500 for a first offense and up to \$10,000 for a second or subsequent offense, instead of up to \$500 for a second offense and up to \$2,500 for a third or subsequent offense. In addition to or in lieu of the civil penalties, the court is authorized to require a member of the public body to attend training on public meetings as directed by the Attorney General or the Ombudsman-Citizens Aide. Open meeting law violations may be committed recklessly in addition to knowingly.

HB 2162 was referred to the House Government and Elections Committee on January 18, 2022.

- **HB 2198: Employee Termination; COVID-19 Vaccine; Compensation (Rep. Kaiser; Phoenix)** The bill dictates that an employee who is terminated for not receiving a COVID-19 vaccine as a condition of employment must receive either severance compensation paid by an employer in the amount of the employee's annual salary in one lump sum or installment payments over 12 months, or reemployment with the employer at the same or similar position held on the date the employee was terminated and a reasonable accommodation provided by the employer to the employee. Retroactive to December 1, 2021.

HB 2198 was approved by the House Committee of the Whole on February 28, 2022.

- **HB 2207: Online Home Sharing; Repeal (Rep. Butler; Phoenix)** The bill repeals statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and limiting the restrictions that municipalities and counties may place on those rentals to a list of specified purposes. Repeals the online lodging marketplace transaction privilege tax classification, and the requirement for online lodging marketplaces to register with the Department of Revenue for payment of transaction privilege taxes on online lodging transactions. Repeals the requirement for online lodging operators to have a current transaction privilege tax license and related civil penalties for noncompliance. Repeals the Joint Legislative Study Committee on Transient Lodging.
- **HB 2231: Universities; Water Rights Adjudication (Rep. Griffin; Hereford)** A university under the jurisdiction of the Arizona Board of Regents is authorized to offer pro bono assistance to claimants who are small landowners in the general stream adjudication of water rights who are not represented by counsel. Any university that offers such assistance is required to cooperate and coordinate with the faculty of a cooperative extension in Arizona that has a program to support the economic vitality of rural communities and the use of natural resources in those communities. By November 15 of each year, a university that offers such assistance is required to submit a written report of assistance activities to the Governor and the Legislature.

HB 2231 passed the Senate Natural Resources, Energy and Water Committee on March 10, 2022.

- **HB 2234: Vacation Rentals; Short-Term Rentals; Enforcement (Rep. Kaiser; Phoenix)** The bill modifies the list of regulations that counties and municipalities are authorized to impose on vacation rentals or short-term rentals to include requiring the owner of a vacation rental or short-term rental to maintain liability insurance appropriate to cover the rental in the aggregate of at least \$500,000 or to advertise and offer each vacation rental or short-term rental through a hosting platform that provides equal or greater coverage. Counties and municipalities are authorized to impose civil penalties against an owner of a vacation rental or short-term rental for "verified violations" (defined) of specified provisions. Modifies civil penalties for online lodging operators that fail to comply with applicable transaction privilege tax requirements. After notice and a hearing, the Department of Revenue is authorized to suspend for a period of 12 months the transaction privilege tax license of the

owner of a vacation rental or short-term rental that has three verified violations within the same 12-month period.

HB 2234 passed the House Commerce Committee on February 16, 2022.

- **HB 2253: Asbestos Claims; Required Information; Liability (Rep. Grantham; Gilbert)** In any action involving a personal injury claim arising from exposure to asbestos, a plaintiff is required to file a sworn statement within 30 days after any asbestos action is filed. The sworn statement is required to specify the evidence that provides the basis for each claim against each defendant and must include a list of specific information. On motion by a defendant, the court is required to dismiss a plaintiff's claim without prejudice if the plaintiff fails to comply with these requirements or dismiss the claim as to any defendant whose product or premises is not identified in the required disclosures. A defendant in any product liability action arising from exposure to asbestos is not liable for exposures from a later-added asbestos-containing product that was manufactured, distributed or sold by a third party. Applies to personal injury claims arising from exposure to asbestos that are filed on or after the effective date of this legislation.

HB 2253 passed the Senate Judiciary Committee on March 10, 2022.

- **HB 2254: Officers Bill of Rights; Preemption (Rep. Grantham; Gilbert)** The peace officers bill of rights does not preempt agreements that supplement or enhance its provisions. Previously, it did not preempt agreements that supplant, revise, or otherwise deviate from its provisions.

HB 2254 passed the Senate Rules Committee on March 8, 2022.

- **HB 2255: Fireworks; Permissible Use; Diwali (Rep. Biasiucci; Lake Havasu City)** The bill dictates that the dates that counties with a population of more than 500,000 persons and municipalities within those counties cannot prohibit the sale of permissible consumer fireworks is expanded to include two days before the first day of Diwali through the third day of Diwali, and the dates that those counties and municipalities cannot prohibit the use of permissible consumer fireworks is expanded to include the second and third days of Diwali.

HB 2255 was referred to the Senate Commerce Committee on February 21, 2022.

- **HB 2256: Assured Water Supply; Service Area (Rep. Cook; Globe)** The bill dictates that for the purposes of determining the physical availability of groundwater to be withdrawn through future wells for all assured water supply determinations, the Director of the Department of Water Resources is required to assume that the service area of a water provider that is a municipality is coterminous with the municipality boundaries, the service area of a water provider that is an improvement district is coterminous with its district boundaries, and that the service area of a water provider that is a private water company regulated by the Corporation Commission is coterminous with its certificate of convenience and necessity boundaries.

HB 2256 was withdrawn from the House Natural Resources, Energy and Water Committee and further referred to the House Military and Public Safety Committee on February 3, 2022.

- **HB 2258: Assured Water Supply; Nonlocal Water (Rep. Cook; Globe)** The bill dictates that for an application for a certificate of assured water supply that proposes to use a water supply other than groundwater withdrawn from within the active management area in which the proposed development is located, the proposed source must be deemed consistent with the goal of the active management area. If the proposed source is stored water recovered within the area of impact, the proposed source must be deemed physically available and the Department of Water Resources is prohibited from reviewing the physical availability of other sources of water. If a municipal provider proposes to use a source of water in the same water system with Central Arizona Project water, surface water, effluent or groundwater, the proposed source does not affect the continuous, legal and physical availability of the proposed source, without regard to the continuous, legal and physical availability of other supplies within the same municipal provider's water system.

HB 2258 was referred to the House Natural Resources, Energy and Water Committee on January 24, 2022.

- **HB 2276: State Law; Violation; Schools; Universities (Rep. Fillmore; Apache Junction)** At the request of a member of the Legislature, the Attorney General is required to investigate any official action taken by the Arizona Board of Regents (ABOR), a community college district governing board, school district or charter school governing board, university, community college, charter school, or school district school that the member alleges violates state law or the state Constitution. If the Attorney General concludes that there is a violation by ABOR, a university, a community college district, or a community college, the Attorney General is required to impose a civil penalty of an unspecified amount (blank in original) for each month the violation occurs. If the Attorney General concludes that there is a violation by a charter school, school district, or school district school, the Attorney General is required to notify the Arizona Department of Education (ADE), and ADE is required to withhold an unspecified percent (blank in original) of the monthly Classroom Site Fund monies the district or charter school is eligible to receive. [Capitol Reports Note: Some of these provisions were originally signed into law as Laws 2021, chapter 403 (part of the FY2021-22 budget), but were deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.]

HB 2276 passed the House Rules Committee on February 22, 2022.

- **HB 2321: Short-Term Property Classification (Rep. Kavanagh; Fountain Hills)** The bill dictates that real and personal property and improvements that are rented to lodgers for periods of less than thirty days for a total of more than 120 days in a calendar year and that are valued at full cash value are classified as class one property, instead of class four property, for property tax purposes. Some exceptions. Applies to tax years beginning with 2023.

HB 2321 was referred to the House Ways and Means Committee on January 20, 2022.

- **HB 2327: Drought Mitigation Revolving Fund; Appropriation (Rep. Bowers; Superior)** The bill appropriates an unspecified number (blank in original) of billion dollars from the general fund in FY2022-23 to the Drought Mitigation Revolving Fund.

HB 2327 was referred to the House Natural Resources, Energy and Water Committee on January 20, 2022.

- **HB 2390: Water Resources Annual Report (Rep. Dunn; Yuma)** The bill dictates that the deadline for the Department of Water Resources (DWR) to provide the Governor and the Legislature with an annual operations report is moved to August 15 of each year, from July 1. The report must be made available to the public on the DWR website.
- **HB 2409: Multi-County Water Districts; Storage Tax (Rep. Griffin; Hereford)** The bill dictates that the maximum tax levy for water storage of \$0.04 per \$100 of assessed valuation in a multi-county water conservation district is extended through December 31, 2029, after which the maximum tax levy is reduced to \$0.03 per \$100 of assess valuation. The delayed repeal of statute authorizing the tax levy is extended five years to January 2, 2035.

HB 2409 passed the Senate Natural Resources, Energy and Water Committee on March 3, 2022.

- **HB 2411: Coal Combustion Residuals Program (Rep. Griffin; Hereford)** Adds a new article to Title 49 (The Environment) allowing the Director of the Department of Environmental Quality to adopt rules to establish and operate a Coal Combustion Residuals (CCR) Program equivalent to or at least as protective as the federal CCR Program for the purpose of obtaining approval to operate the federal CCR Program. Federal CCR regulations may be adopted by reference. The rules are required to provide requirements for issuing, denying, suspending, or modifying individual CCR permits, and must include a list of specified provisions.

HB 2411 passed the Senate Natural Resources, Energy and Water Committee on March 10, 2022.

- **HB 2412: Open Meetings; Digital Recordings (Rep. Parker; Mesa)** All public bodies subject to open meeting law are required to provide for written minutes and an audio or audiovisual recording of all of their meetings, instead of either written minutes or a digital recording. **AS PASSED HOUSE**

HB 2412 passed the Senate Government Committee on March 8, 2022.

- **HB 2431: Emergency Medical Services; Patient Transport (Rep. Shah; Phoenix)** The bill dictates that an emergency medical care technician is required to

contact the physician who is providing administrative medical direction or a physician in the base hospital's emergency department if emergency medical services transportation is not provided to a patient. An emergency medical care technician is prohibited from counseling a patient to decline emergency medical services transportation.

HB 2431 was referred to the Senate Health and Human Services Committee on March 3, 2022.

- **HB 2455: Incorporation; Urban Areas (Rep. Carter; San Tan Valley)** Various changes to statutes relating to incorporation. At least six months before publishing a copy of a petition for incorporation of a community, the petitioners are required to provide to the county board of supervisors written notice of their intention to publish a copy of the petition for incorporation, and to publish the written notice for two consecutive weeks in a newspaper of general circulation in the area to be affected. If a planned community association notifies the county board of supervisors of its request to be excluded from a petition to incorporate, the board is required to exclude the area covered by the planned community association from the petition. Uninhabited, rural or farm lands may be included in an area to be incorporated if the lands have been platted and approved by the county board of supervisors for housing or commercial development before filing an incorporation petition, or if the current owner of the lands agrees to include the property and provides a written, notarized statement supporting the inclusion. AS PASSED HOUSE

HB 2455 passed the Senate Government Committee on March 8, 2022.

- **HB 2510: Rural Management Areas (Rep. Biasiucci; Lake Havasu City)** The bill dictates that a county board of supervisors in a county outside of an active management area and that contains or is bordered by the Colorado River may designate by resolution one or more groundwater basins or subbasins in the county as a rural management area if the board finds that one or more of a list of specified conditions exist. A process for the board to adopt the resolution is established, including public notice, public meetings and a majority vote. The resolution is required to provide for the formation of a 5-member rural management area advisory council to establish management goals for the rural management area and identify best management practices to achieve the goals. The advisory council is required to submit a proposed management plan to the Department of Water Resources (DWR), and DWR is required to take action on the plan within 30 days after receipt. On approval by DWR, the plan applies in the rural management area. Of the monies remaining in the State Lottery Fund each fiscal year after appropriations and other statutory deposits, \$50 million is deposited in the newly established DWR Heritage Fund and spent to implement and support rural management areas.
- **HB 2528: Area Agencies on Aging; Appropriation (Rep. A. Hernandez; Tucson)** The bill appropriates \$1.5 million from the general fund in FY2022-23 to the Department of Economic Security to distribute to area agencies on aging for home and community-based services. The Legislature intends that this appropriation be considered ongoing funding in future years.

HB 2528 was referred to the Senate Appropriations Committee on March 3, 2022.

- **HB 2556: Water Infrastructure Finance; Sunset Repeal (Rep. Griffin; Hereford)**
The bill repeals the statutory termination date of July 1, 2022 for the Water Infrastructure Finance Authority. Retroactive to July 1, 2022.

HB 2556 passed the Senate Rules Committee on March 8, 2022.

- **HB 2560: Appropriation; DWR; Water Efficiency Projects (Rep. Dunn; Yuma)**
The bill appropriates \$1 million from the general fund in FY2022-23 to the Department of Water Resources (DWR) to identify water efficiency projects that have significant potential for water savings but that also have legal impediments hindering implementation. DWR is required to identify possible solutions to overcome the legal impediments that hinder implementation of the water efficiency projects, and is required to submit a report of its findings to the Governor and the Legislature by March 1, 2023.

HB 2560 passed the Senate Health and Human Services and Appropriations Committees on March 9, 2022.

- **HB 2587: Public Records; Point of Contact (Rep. Grantham; Gilbert)** Any entity that is subject to a public records request is required to provide the name and contact information of the employee who is authorized and able to provide the information requested. An employee who is authorized and able to provide public records information is required to reply within five business days acknowledging receipt of the request.

HB 2587 was referred to the Senate Government Committee on February 28, 2022.

- **HB 2606: School Districts; Housing Facilities; Teachers (Rep. John; Buckeye)**
School district governing boards are authorized to construct or provide housing facilities for teachers and other school employees that the board determines are necessary to operate the school. Previously, only districts in rural areas were authorized to do so.

HB 2606 was referred to the House Ways and Means Committee on January 27, 2022.

- **HB 2624: Local Government; Law Enforcement Expenditure Amount (Tech Correction; State Facilities)(Rep. Blackman; Snowflake)** Minor change in Title 41 (State Government) related to management of state properties. Apparent striker bus.

HB 2624 was retained on the House Committee of the Whole Calendar on February 28, 2022.

- **HB 2625: Vacation Rentals; Short-Term Rentals; Regulations (Rep. Biasiucci; Lake Havasu City)** The list of purposes for which counties and municipalities are permitted to regulate vacation rentals and short-term rentals is expanded to include requiring the owner to provide contact information for the owner or the owner's designee to all property owners within 300 feet of the vacation rental or short-term rental property, requiring the owner to display a sign attached to the property near the front door that contains a local 24-hour emergency contact number, and requiring the owner to obtain and maintain a local regulatory permit or license before offering the property for rent.

HB 2625 passed the House Appropriations Committee on February 17, 2022.

- **HB 2660: Liquor; Licensing; Processes; Procedures (Rep. Weninger; Chandler)** Various changes to statutes relating to liquor licenses. The owner or management of a regional shopping center that encompasses at least 400,000 square feet of retail space is authorized, on behalf of retail licensees located at the shopping center, to apply for an extension of premises to allow on-sale retail liquor licensees to sell spirituous liquor and to allow patrons to consume spirituous liquor throughout a designated pedestrian area of the regional shopping center. The application process is specified, including review by the local governing body and submission of plans or diagrams designating the specific extension of premises requested. Establishes conditions for an extension of premises. Bar or liquor store licensees are allowed to decline to lease the licensee's privilege of selling mixed cocktails for consumption off the licensed premises, and a process for a licensee to decline is specified. A bar or liquor store licensee declining a lease is final and cannot be reversed. On a bar or liquor store licensee declining a lease and surrendering its privilege to lease, the Department of Liquor Licenses and Control (DLLC) is required to convey the privilege of selling mixed cocktails for off-premises consumption to the restaurant licensee that is approved for the lease. If a restaurant licensee's application for a lease is approved but the bar or liquor store licensee declines the lease, the lease payment received by DLLC accumulates during the calendar year and must be paid on a fractional basis to all bar and liquor store licensees that have leases. An on-sale spirituous liquor licensee is authorized to apply to DLLC to extend the licensed premises on an individual day or hour basis or on a regular recurring basis. Application requirements are specified, including requirements for a security plan for the extended premises. The Governor is authorized to issue an executive order that extends the closing time of liquor licensees until 3AM for spirituous liquor sales in connection with a professional or collegiate national sporting championship event held in Arizona. AS PASSED HOUSE

HB 2660 passed the Senate Commerce Committee on March 10, 2022.

- **HB 2663: Short-Term Rentals; Vacation Rentals; Licensing (Rep. Kavanagh; Fountain Hills)** Counties and municipalities are authorized to require the owner of a vacation rental or short-term rental to obtain and maintain a local regulatory permit or license issued by the county or municipality before offering a vacation rental or short-term rental for rent. Counties and municipalities are authorized to require the owner of a vacation rental or short-term rental to provide proof of a valid transaction privilege tax license. Counties and municipalities are authorized to require the owner

of a vacation rental or short-term rental to offer the rental for a minimum two-night rental period. Counties and municipalities are authorized to limit the percentage of vacation rentals or short-term rentals based on the total housing stock in that county or municipality. Vacation rentals and short-term rentals are not residential rental dwelling units and are subject to the health and safety regulations prescribed for the transient lodging classification.

HB 2663 passed the House Government and Elections Committee on February 17, 2022.

- **HB 2671: Appropriation; WQARF; Treated Recycled Wastewater (Rep. Osborne; Goodyear)** The bill dictates that by June 30, 2024, the Department of Environmental Quality is required to adopt all necessary rules, including permitting standards and the application process, for the direct potable use of treated recycled wastewater. Appropriates \$250,000 from the general fund in each of FY2022-23 and FY2023-24 to the Water Quality Assurance Revolving Fund.

HB 2671 was referred to the House Natural Resources, Energy and Water Committee on February 3, 2022.

- **HB 2725: Arizona Water Authority (Rep. Griffin; Hereford)** Establishes an Arizona Water Authority, to be governed by a nine-member Board of Directors. Appropriates an unspecified amount (blank in original) from the general fund in FY2022-23 to the Water Supply Development Revolving Fund.

HB 2725 was referred to the House Natural Resources, Energy and Water Committee on February 9, 2022.

- **HB 2746: Tobacco Use; Minimum Age; Sale (Rep. Blackman; Snowflake)** Increases the minimum legal age to purchase or possess a tobacco product, vapor product, and related paraphernalia to 21 years of age, from 18 years of age.

HB 2746 passed the House on February 24, 2022. Ready for Senate.

- **HB 2787: Maricopa County; Division; New Counties (Rep. Hoffman; Queen Creek)** The bill divides Maricopa County into four counties by modifying the Maricopa County boundaries and adding three new counties: Hohokam County, Mogollon County, and O'odham County. Maricopa County continues full jurisdictional operation for all four counties until a special election held within 120 days after the effective date of this legislation to elect new county boards of supervisors. Currently elected Maricopa County Supervisors continue in their capacity for the remainder of their term in whichever county their supervisory district is located. The elected boards of supervisors in the three new counties will determine an application process for municipalities to apply to be the county seat, which will be determined at a special election to be held within 120 days from the election of the boards of supervisors. The four counties are authorized to enter into a ten-year shared use agreement for the use of existing shared capital assets. Effective January 1, 2023.

HB 2787 passed the House Rules Committee on February 21, 2022.

- **HCR 2006: Short-Term Rentals; Vacation Rentals (Rep. Butler; Phoenix)** The bill dictates that the 2022 general election ballot is to carry the question of whether to amend the state Constitution to repeal statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and limiting the restrictions that municipalities and counties may place on those rentals to a list of specified purposes. Land use laws that regulate a vacation rental or short-term rental are excluded from statute entitling a property owner to just compensation if existing rights to use private real property are reduced by the enactment of any land use law enacted after the date the property is transferred to the owner and the action reduces the fair market value of the property.
- **HCR 2028: Minimum Law Enforcement Expenditure Amount (Rep. Blackman; Flagstaff)** The bill dictates that the 2022 general election ballot is to carry the question of whether to amend the state Constitution to require the Economic Estimates Commission to determine a minimum law enforcement expenditure amount by adjusting the amount of local law enforcement services spending for each county and municipality for FY2019-20 to reflect the changes in the population and the cost of providing local law enforcement services. County and municipal governing bodies are prohibited from authorizing total law enforcement expenditures that are less than the minimum law enforcement expenditure amount for the county or municipality.

HCR 2028 passed the House Rules Committee on February 21, 2022.

- **SB 1026: Vacation Rentals; Short-Term Rentals; Repeal (Sen. Rogers; Flagstaff)** The bill repeals statute that prohibits municipalities and counties from prohibiting vacation rentals or short-term rentals and that restricts the types of regulations that municipalities and counties may impose on vacation rentals or short-term rentals.

SB 1026 was referred to the Senate Commerce Committee on January 10, 2022.

- **SB 1033: Riot; Unlawful Assembly; Classification; Liability (Sen. Rogers; Flagstaff)** The bill establishes the crime of mob intimidation, a class 1 (highest) misdemeanor, if a person, assembled with two or more other persons and acting with common intent, uses force or threatens to use imminent force to compel or attempt to compel another person to do or refrain from doing any act or to assume, abandon or maintain a particular viewpoint against the person's will. The list of circumstances under which assault is classified as aggravated assault, a class 6 (lowest) felony, is expanded to include if the person commits the assault on a peace officer in the furtherance of a riot or unlawful assembly. A person convicted of aggravated assault on a peace officer in these circumstances must be sentenced to serve no less than the minimum sentence and is not eligible for probation or suspension of execution of sentence until the entire sentence is served. Burglary committed during a riot where the perpetration of the burglary is facilitated by "conditions arising from the riot" (defined) is classified as burglary in the first degree. The criminal classification of abuse of venerated objects by desecrating any public

monument, memorial, or property of a public park is increased to a class 6 (lowest) felony, from a class 2 (mid-level) misdemeanor. A person who is convicted of any offense that is committed in furtherance of a riot or an unlawful assembly must be sentenced to the next higher class of offense than that for which the person is convicted. A municipality has a duty to allow a municipality law enforcement agency to respond appropriately to protect persons and property during a riot or unlawful assembly based on the availability of adequate equipment to its city and town law enforcement officers and relevant state and federal laws. If a municipal governing body or a person who is authorized by the municipal governing body breaches that duty, the municipality is liable in a civil action for any damages, including damages arising from personal injury, wrongful death or property damages proximately caused by the breach of duty.

SB 1033 was referred to the Senate Judiciary Committee on January 10, 2022.

- **SB 1052: Medical Procedures; Prohibitions (Sen. Townsend; Apache Junction)**
The bill dictates that the state, any political subdivision of the state that receives and uses tax revenues, and any person doing business in Arizona are prohibited from requiring any Arizona resident to submit to a medical procedure, including a vaccination, if a potential complication from or adverse reaction to the medical procedure may cause the person's death. Also repeals statute prohibiting state and local governments from establishing a COVID-19 vaccine passport, from requiring any person to be vaccinated for COVID-19, and from requiring a business to obtain proof of the COVID-19 vaccination status of any patron entering the business establishment, which was originally signed into law as Laws 2021, chapter 409 (part of the FY2021-22 budget), but was deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.

SB 1052 was referred to the Senate Health and Human Services Committee on January 10, 2022.

- **SB 1053: Religious Exemption; Vaccine; Violation; Classification (Sen. Townsend; Apache Junction)**
The bill dictates that the state, any political subdivision of the state that receives and uses tax revenues, and any person doing business in Arizona are prohibited from requiring any Arizona resident to submit to a medical procedure, including a vaccination, if a potential complication from or adverse reaction to the medical procedure may cause the person's death. Also repeals statute prohibiting state and local governments from establishing a COVID-19 vaccine passport, from requiring any person to be vaccinated for COVID-19, and from requiring a business to obtain proof of the COVID-19 vaccination status of any patron entering the business establishment, which was originally signed into law as Laws 2021, chapter 409 (part of the FY2021-22 budget), but was deemed unconstitutional by the Arizona Supreme Court in Arizona School Boards Association et al v. State of Arizona.

SB 1053 passed the Senate on February 23, 2022. Ready for House.

- **SB 1067: Water Infrastructure Finance Authority; Cities (Sen. Shope; Coolidge)**
The bill dictates that municipalities with a population of more than 150,000 persons are no longer required to get voter approval before entering into a financial assistance loan repayment agreement with the Water Infrastructure Finance Authority. Emergency clause.

SB 1067 was referred to the House Natural Resources, Energy and Water Committee on March 9, 2022.

- **SB 1108: Online Lodging; Regulation; Property Classification (Sen. Mendez; Tempe)** The bill repeals statutes prohibiting municipalities and counties from prohibiting vacation rentals or short-term rentals and limiting the restrictions that municipalities and counties may place on those rentals to a list of specified purposes. Real and personal property and improvements that are used for residential purposes, that are solely leased or rented to lodgers for periods of less than thirty days and that are valued at full cash value are classified as class one property, instead of class four property, for property tax purposes. Some exceptions.

SB 1108 was referred to the Senate Finance Committee on January 10, 2022.

- **SB 1117: Insurance Fees; Disclosure (Sen. Livingston; Peoria)** An insured is no longer required to agree in writing to a fee or service charge for an insurance transaction for an insurance producer to be allowed to charge the fee or service charge.

SB 1117 was referred to the House Ways and Means Committee on March 8, 2022.

- **SB 1129: Housing Trust Fund Transitional Housing (Sen. Rogers; Flagstaff)**
The bill dictates that the Department of Housing is required to annually distribute up to \$1 million from the Housing Trust Fund to organizations that operate or seek to operate transitional housing that meets a list of specified requirements. Fund monies may be spent on purchasing housing facilities, in addition to constructing or renovating facilities.

SB 1129 passed the Senate on February 23, 2022. Ready for House.

- **SB 1147: Harquahala Non-Expansion Area; Groundwater Transportation (Sen. Kerr; Buckeye)** A public service corporation that is regulated by the Corporation Commission, that holds a certificate of convenience and necessity for water service in an initial active management area, and that owns land eligible to be irrigated in the Harquahala irrigation non-expansion area is added to the list of entities that are authorized to withdraw groundwater from the land for transportation to an initial active management area for its own use or use by the Arizona Water Banking Authority if a list of specified conditions are met.

SB 1147 passed the House Land, Agricultural and Rural Affairs Committees on March 8, 2022.

- **SB 1152: Zero Emission Vehicles (Sen. Steele; Tucson)** In coordination with the Department of Environmental Quality and the Department of Administration, the Arizona Department of Transportation (ADOT) is required to develop a "zero emission vehicle" (defined) plan designed to increase the number of registered zero emission vehicles in this state to at least 100,000 by 2028, and coordinate and increase the installation of zero emission vehicle infrastructure. Within six months after the effective date of this legislation, ADOT is required to submit a draft of the zero emission vehicle plan to the Governor and the Legislature.

SB 1152 was referred to the House Natural Resources, Energy and Water Committee on March 9, 2022.

- **SB 1154: Transportation Electrification Study Committee (Sen. Steele; Tucson)** Establishes an 11-member Transportation Electrification Study Committee to collaborate with local governments, electric utilities, environmental groups, the transportation industry and interested communities to identify the best ways to encourage an economy-wide transition from carbon-fueled vehicles to electric vehicles. The Committee is required to submit a report of its findings and recommendations to the Governor and the Legislature by July 1, 2023, and self-repeals October 1, 2024.

SB 1154 passed the Senate on February 23, 2022. Ready for House.

- **SB 1158: Attorney Fees; Costs; Recovery (Sen. Leach; Tucson)** A court is required to award fees and other expenses to a party that prevails in a civil action brought by that party seeking declaratory or injunctive relief against the state, a county, or municipality for an action that violates the U.S. Constitution, the state Constitution, or a state law.

SB 1158 failed to pass the Senate on February 9, 2022.

- **SB 1166: Public Employers; Union Contracts (Sen. Leach; Tucson)** The bill dictates that public employers are prohibited from spending public monies for "union activities" (defined). A public employer is prohibited from entering into an employment contract with a public employee to engage in union activities or provide paid leave or any form of compensation to engage in union activities. An employment contract that violates this prohibition is void and unenforceable. Any Arizona resident and the Attorney General have standing in any court of record to bring suit against any public employer of Arizona to remedy any violation. If a court finds that a public employer has violated this prohibition, the court is required to award reasonable attorney fees and costs to the party who brought the action. Does not apply to any existing employment contract that is in effect before the effective date of this legislation, but any existing employment contract that conflicts with this legislation cannot be renewed or extended. Severability clause. Contains a legislative intent section.

SB 1166 was referred to the House Commerce Committee on March 8, 2022.

- **SB 1168: Vacation Rentals; Short-Term Rentals; Enforcement (Sen. Mesnard; Chandler)** The bill modifies the list of regulations that counties and municipalities are authorized to impose on vacation rentals or short-term rentals to include requiring the owner of a vacation rental or short-term rental to maintain liability insurance appropriate to cover the rental in the aggregate of at least \$500,000 or to advertise and offer each vacation rental or short-term rental through a hosting platform that provides equal or greater coverage. Counties and municipalities are authorized to impose civil penalties against an owner of a vacation rental or short-term rental for "verified violations" (defined) of specified provisions. Modifies civil penalties for online lodging operators that fail to comply with applicable transaction privilege tax requirements. After notice and a hearing, the Department of Revenue is authorized to suspend for a period of 12 months the transaction privilege tax license of the owner of a vacation rental or short-term rental that has three verified violations within the same 12-month period.

SB 1168 was referred to the House Commerce Committee on March 1, 2022.

- **SB 1209: Tobacco Use; Sale; Minimum Age (Sen Pace; Mesa)** Increases the minimum legal age to purchase or possess a tobacco product, vapor product, and related paraphernalia to 21 years of age, from 18 years of age.

SB 1209 was referred to the Senate Commerce Committee on January 18, 2022.

- **SB 1241: Gift Clause; Violation; Statute; Limitation (Sen. Pace; Mesa)** The bill dictates that an action against a public entity or public employee that alleges a violation of the state Constitutional ban on public gifts or loans of credit is required to be brought within 30 days after the cause of action accrues.

SB 1241 was referred to the Senate Commerce Committee on January 20, 2022.

- **SB 1245: Tobacco; Vapor; Alternative Nicotine; Regulation (Sen. Leach; Tucson)** The bill would make it unlawful for a retail tobacco vendor or their representative to sell or provide an "alternative nicotine products," "tobacco products," or "vapor products" (all defined) to persons under 21 years of age. The powers and duties of the Department of Liquor Licenses and Control (DLLC) are expanded to include enforcing statute regulating alternative nicotine products, tobacco products, or vapor products. Beginning January 1, 2024, a retail tobacco vendor is prohibited from distributing alternative nicotine products, tobacco products or vapor products in Arizona without a valid tobacco retail sales license issued by DLLC. DLLC is authorized to determine the fee for an application for an initial license or renewal license. A license is valid for one year and is not transferable. Establishes requirements for licensees to obtain identification from a person ordering or purchasing these products in order to determine that the person is not under the legal use age. Establishes civil penalties for violations and conditions under which a license may be suspended or revoked. Establishes appeal rights and procedures. Various regulations of tobacco products are expanded to include alternative nicotine products and vapor products. Declares that the regulation of the sale and marketing

of alternative nicotine products, tobacco products, and vapor products is a matter of statewide concern and is not subject to the authority of counties and municipalities.

SB 1245 was retained on the Senate Committee of the Whole calendar on February 24, 2022.

- **SB 1258: Government Membership Organizations; Transparency (Sen. Mesnard; Chandler)** The bill dictates that a paid membership organization composed of the state, counties, municipalities, school districts, or other political subdivisions is added to the definition of "public body" for the purpose of public records laws.

SB 1258 failed to pass the Senate on March 7, 2022.

- **SB 1263: Housing Trust Fund; Shelter Services (Sen. Livingston; Peoria)** At least 50 percent of the monies transferred to the Housing Trust Fund from the Arizona Industrial Development Authority must be used to support emergency and transitional homeless shelter services.

SB 1263 was referred to the House Health and Human Services and Appropriations Committees on March 8, 2022.

- **SB 1267: Property; Classification; Primary Residence (Sen. Livingston; Peoria)** For the purpose of property tax classification, class 3 property must be used for residential purposes. When determining if a property has had a change of use, a change in the occupant or classification of a single-family residence is not a change in use, in and of itself.

SB 1267 passed the House Rules Committee on March 8, 2022.

- **SB 1372: TPT; Exemptions; Motor Vehicles; Nonresidents (Sen. Pace; Mesa)** The Department of Transportation is authorized to establish a special five day nonresident registration permit, and to establish by rule a fee for the permit. The list of exemptions from the retail classification of transaction privilege taxes is expanded to include sales of commercial motor vehicles to nonresidents of Arizona if the commercial vehicle has a gross vehicle weight rating of more than 10,000 pounds and is used to maintained to transport passengers or property in the furtherance of a commercial enterprise, and to include sales of automobiles of trucks to nonresidents when the nonresident purchaser has obtained a special five day nonresident registration permit.

SB 1372 passed the House Ways and Means Committee on March 9, 2022.

- **SB 1382: Municipal Employee Assistance; Notice (Sen. Mesnard; Chandler)** On all applications for a permit, license, or other authorization issued by a municipality, the municipality is required to print a notice of the requirement for the municipality to provide the name and contact information of the employee who is authorized to provide specified information in any written communication.

SB 1382 was referred to the House Government and Elections Committee on March 1, 2022.

- **SB 1443: Solid Waste; Long-Term Care Facilities (Sen. Pace; Mesa)** Municipalities cannot prohibit or unreasonably restrain a private enterprise from delivering recycling or solid waste management services to "long-term care facility properties" (defined) in the municipality.

SB 1443 was referred to the Senate Natural Resources, Energy and Water Committee on January 26, 2022.

- **SB 1496: Remote Sellers; TPT; Administration (Sen. Leach; Tucson)** The bill dictates that if another state tax agency extends comity to Arizona in the tax administration for remote sellers, the Department of Revenue (DOR) is required to allow a remote seller to communicate exclusively through the state tax agency of the state in which the remote seller is located, including allowing the remote seller to report and remit the tax owed to Arizona to the state tax agency of that state and for that state tax agency to remit it to Arizona on behalf of the remote seller. DOR is required to cooperate with other state tax agencies to develop a "central clearinghouse" (defined). If a central clearinghouse is established, DOR is required to use the central clearinghouse to accept all tax returns and remittances for remote sellers. Beginning in calendar year 2023, a remote seller may elect to pay a single municipal tax rate instead of the municipal tax rates for retail sales in effect for each municipality or special district. The single municipal tax rate is equal to the average rate of municipal taxes imposed in Arizona during the previous fiscal year. For calendar year 2023 and after, any person that conducts business in an activity classified under transaction privilege tax (TPT) classifications with purchasers in Arizona is required to pay TPT if the person is a remote seller and the taxable sales, instead of the gross proceeds of sales or gross income, derived from the remote seller's business with customers in Arizona that is not facilitated by a marketplace facilitator is more than \$100,000. Contains legislative findings.

SB 1496 was assigned to the Senate Finance Committee on January 27, 2022.

- **SB 1531: Housing Trust Fund; Unclaimed Property (Sen. Alston; Phoenix)** The amount of proceeds from the sale of abandoned property that are deposited in the Housing Trust Fund each fiscal year is changed to 55 percent of the proceeds, instead of \$2.5 million.

SB 1531 was referred to the Health and Human Services Committee on March 8, 2022.

- **SB 1581: Strike Everything Amendment (Sen. Livingston; Peoria)** The bill provides grants to establish sanctioned camping sites for homeless individuals if a municipality prohibits sleeping and camping in public places that are not designated as sanctioned camping sites.

SB 1581 was referred to the Health and Human Services Committee on March 8, 2022.

- **SB 1595: Irrigation Districts; Uses; Drainage Permit (Sen. Kerr; Buckeye)** An industrial user or a municipal water provider are allowed to obtain groundwater delivery service from an irrigation district that qualifies for an exemption from irrigation water duties if the irrigation district holds a drainage water withdrawal permit and meets all of a list of specified conditions. If the industrial use for which service from the irrigation district is sought is located within a municipality, the industrial user must first request service from that municipality or a private water company servicing the location of the proposed use.

SB 1595 was referred to the Senate Natural Resources, Energy and Water Committee on February 1, 2022.

- **SB 1600: Water Recharge; Direct Use (Sen. Shope; Coolidge)** For the purpose of statute governing underground water storage, the definition of "water that cannot reasonably be used directly" is expanded to include the amount of Central Arizona Project water stored underground during the calendar year by a municipal provider in an active management area that does not have a management goal of achieving or maintaining a safe yield condition, in the active management area in which the municipal provider's service area is located.

SB 1600 was referred to the Senate Natural Resources, Energy and Water Committee on February 1, 2022.

- **SB 1611: Arizona Water Authority (Sen Kerr; Buckeye)** Establishes an Arizona Water Authority, to be governed by a nine-member Board of Directors. Appropriates an unspecified amount (blank in original) from the general fund in FY2022-23 to the Water Supply Development Revolving Fund.

SB 1611 was referred to the Senate Natural Resources, Energy and Water Committee on February 1, 2022.

- **SB 1625: Public Officers; Announcements; Restrictions (Sen. Mesnard; Chandler)** For any publication, resource or public service announcement that is issued by a public officer and that is distributed free of charge or through the use of taxpayer resources, the public officer is prohibited from including in the announcement the public officer's name or likeness but may use the name of the public officer's office.

SB 1625 passed the Senate Rules Committee on February 23, 2022.

- **SB 1634: Municipal Real Property; Sale; Valuation (Sen. Shope; Coolidge)** The circumstances under which real property of a municipality cannot be sold without authorization from the voters is changed to apply to real property of a municipality that has a total assessed value for the current year net assessed value subject to taxation in prior year, the value of which exceeds 2.5 percent of the locally assessed real property value of a municipality.

SB 1634 was withdrawn from the Senate Finance Committee and further referred to the Senate Appropriations Committee on February 17, 2022.

- **SB 1702: Impounds; Release; Owners; Spouse; Notice (Sen. Gonzales; Tucson)** The written notice of immobilization or storage that an immobilizing or impounding agency is required to mail or personally deliver to a vehicle owner after immobilization or impoundment is required to include a statement as to how the owner, the owner's spouse, the owner's agent, or a person identified in Department of Transportation record as having an interest in the vehicle may retrieve the vehicle.
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SB 1702 was referred to the House Transportation Committee on March 2, 2022.