

ARIZONA HOUSE OF REPRESENTATIVES
Fifty-seventh Legislature - First Regular Session

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ARIZONA HOUSE OF REPRESENTATIVES
Fifty-seventh Legislature - First Regular Session

CAUCUS AGENDA

April 17, 2025

Bill Number	Short Title	Committee	Date	Action
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[Blue Sheet # 5](#)

[Blue Sheet # 6](#)

Committee on Appropriations

Chairman: David Livingston, LD 28

Analyst: Jeremy Bassham

Vice Chairman: Matt Gress, LD 4

Intern: Grey Gartin

[HB 2945](#)^(BSI) developmental disabilities; appropriations; waivers
SPONSOR: LIVINGSTON, LD 28 HOUSE
APPROP 4/15/2025 DPA (11-10-0-0)
(No: GUTIERREZ, SANDOVAL, STAHL HAMILTON, TRAVERS,
AUSTIN, WILLOUGHBY, CREWS, OLSON, WENINGER, VOLK)

Committee on Commerce

Chairman: Jeff Weninger, LD 13

Analyst: Paul Benny

Vice Chairman: Michael Way, LD 15

Intern: Aaryan Dravid

[SB 1057](#)^(BSI) ~~working animal; harm; classification~~
~~—(Now: commerce; trade; passport identification)~~
(COM S/E: marijuana; rural opportunity initiative)
SPONSOR: GOWAN, LD 19
COM 3/25/2025 DPA/SE (6-2-1-1)
(No: HENDRIX, CONNOLLY Abs: CAVERO Present: VILLEGAS)

Committee on Government

Chairman: Walt Blackman, LD 7

Analyst: Joel Hobbins

Vice Chairman: Lisa Fink, LD 27

Intern: Sam Robinson

[SB 1658](#)^(BSI) veterinary technicians; certification; education alternative
(GOV S/E: failure to treat; animal cruelty)
SPONSOR: BOLICK, LD 2

GOV 3/26/2025 DPA/SE (6-1-0-0)
(No: KESHEL)

Committee on Judiciary

Chairman: Quang H. Nguyen, LD 1

Analyst: Nathan Mcrae

Vice Chairman: Khyl Powell, LD 14

Intern: Deborah Costea

[SB 1542](#)^(BSI)

personal property exemption; money proceeds

(JUD S/E: litigation; financing; foreign adversaries; enforcement)

SPONSOR: CARROLL, LD 28

JUD

3/26/2025

DPA/SE

(7-2-0-0)

(No: BLISS, CONTRERAS L)



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature

First Regular Session

House: APPROP DPA 11-10-0-0

HB 2945: developmental disabilities; appropriations; waivers

**Sponsor: Representative Livingston (with permission of committee on Rules), LD 28
Caucus & COW**

Overview

An emergency measure that appropriates a total of \$109,200,300 from various sources and \$403,000,000 in developmental disabilities (DD) Medicaid expenditure authority in FY 2025 to the Arizona Department of Economic Security (DES) for DD Medicaid Program expenses. Appropriates \$13,100,000 from the Prescription Drug Rebate Fund in FY 2025 to DES for Cost-Effectiveness Study – Client Services. Outlines requirements relating to waiver amendment requests, capitation rates and reporting requirements for the use of federal funds.

History

AHCCCS

[Laws 1981, Fourth Special Session, Chapter 1](#), effective 1982, established AHCCCS to administer Arizona's Medicaid program. It is a federal health care program jointly funded by the federal and state government that oversees contracted health plans for the delivery of health care services to individuals and families who qualify for Medicaid and other medical assistance programs. AHCCCS statutory authority is outlined in Arizona Revised Statutes [Title 36, Chapter 29 \(AHCCCS Administration\)](#) and [Chapter 34 \(Behavioral Health Services\)](#).

AHCCCS operates under an integrated managed care model, through a Research and Demonstration 1115 Waiver. The 1115 Waiver refers to [Section 1115](#) of the Social Security Act (SSA). The 1115 Waiver grants the U.S. Secretary of Health and Human Services the authority to approve experimental, pilot or demonstration projects that promote the objectives of the Medicaid program. States must comply with Title XIX (Medicaid) and Title XXI (Children's Health Insurance Program) of the SSA. AHCCCS has been exempt from specific provisions of the SSA, pursuant to an 1115 Research and Demonstration Waiver.

AHCCCS Parent as Paid Caregivers 1115 Waiver Amendment Request

During the federal COVID-19 Public Health Emergency, AHCCCS received temporary authority from the Centers for Medicare and Medicaid Services (CMS) to allow parents of minor children with disabilities to be paid caregivers. The temporary authority ensured children received services during the Public Health Emergency and continued when direct care workers became ill or left the workforce. AHCCCS sent an 1115 Waiver amendment to CMS requesting to make this authority permanent on September 27, 2023 ([1115 Waiver Amendment Request](#)).

AHCCCS received approval from CMS to permanently allow parents of minor children to get paid to provide attendant care and habilitation when it meets an *extraordinary care* definition. *Extraordinary care* is described as: 1) care for the Medicaid member that exceeds the range of activities a parent would ordinarily perform in the household on the member's behalf if they did not have a disability or chronic illness; and 2) care which is necessary to assist the Medicaid member's health and welfare to avoid institutionalization.

DES and AHCCCS work collaboratively to implement the Parents as Paid Caregivers (PPCG) Program ([AHCCCS/DES PPCG letter](#)).

Cost-Effectiveness Study – Client Services

The [FY 2025 Enacted Budget](#) included \$8,420,000 for Cost-Effectiveness Study (CES) – Client Services. Of that amount, \$7,200,000 came from the state General Fund and \$1,220,000 from the Special Administration Fund. The DD program's Federal Waiver requires a client's home and community-based services to be at or below the cost of an institutional setting to ensure home and community-based services are cost-neutral for the federal government. The CES – Client Services line-item funds the costs of clients above the CES rate of an institutional setting, allowing them to remain in a home and community-based setting.

Federal Grants-In-Aid Reporting Requirements

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input checked="" type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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The Director of the Governor's Office of Strategic Planning and Budgeting (OSPB) is required to report to the Legislature each regular session findings and recommendations relating to federal grants-in-aid. The report on federal grants-in-aid is required to specify findings and recommendations on: 1) the total amount received by state agencies during the prior fiscal year; 2) the total amount available to state agencies during the prior fiscal year; 3) the adequacy of grant-in-aid programs in this state; 4) the federal grant-in-aid programs this state does not participate in; 5) legislation necessary for the activation of federal programs the state does not participate in; 6) legislation necessary for the improved operation of federal-in-grant programs in progress in this state; and 7) the advisability of accepting new grant-in-aid programs or discontinuing existing programs (A.R.S. § [41-723](#)).

Provisions

Division of Developmental Disabilities

1. Appropriates the following amounts in FY 2025 to DES for DD Medicaid Program expenses:
 - a) \$10,000,000 from the Arizona Competes Fund;
 - b) \$38,000,000 from the Housing Trust Fund;
 - c) \$61,200,300 from the Prescription Drug Rebate Fund; and
 - d) \$403,000,000 in DD Medicaid expenditure authority. (Sec. 4)
2. Appropriates \$13,100,000 from the Prescription Drug Rebate Fund in FY 2025 to DES for DD CES - Client Services. (Sec. 4)

Waivers

3. Requires capitation rate adjustments for the following fiscal year for DES for persons with developmental disabilities and AHCCCS to be specified in the General Appropriations Act. (Sec. 1)
4. Prohibits AHCCCS from submitting to CMS or its successor agency any new, renewal or termination request for any waiver or waiver amendments without first obtaining legislative approval in the form of an authorizing statute. (Sec. 2)
5. Directs DES and AHCCCS to implement the weekly cap of 40 hours of care services per child for the PPCG Program by July 1, 2025. (Sec. 2)
6. Requires AHCCCS to submit a waiver amendment request to CMS to lower the PPCG Program weekly care services cap to 20 hours per child. (Sec. 2)
7. Clarifies that the waiver amendment request does not limit the total direct care services hours available to an eligible member. (Sec. 2)

Federal Monies Reporting Requirements

8. Requires the Director of OSPB annually on September 1 or with the submission of agency budget requests to report to the staff of the Joint Legislative Budget Committee (JLBC):
 - a) a report on the use of federal monies by any state agency that receives or expects to receive federal monies or administers a program supported by federal monies; and
 - b) if any state agency received notice of a reduction in federal monies from a specific grant of 50% or more from the previous fiscal year and the plan to either reduce or eliminate the services provided through the grant or to continue services without increases to any state resources. (Sec. 3)
9. Directs the report on the use of federal monies by a state agency to:
 - a) delineate the federal monies received for the prior fiscal year;
 - b) delineate the federal monies to be used by the agency for the current and upcoming fiscal year, including any programs supported by federal monies in which a loss of those monies may impact the continuity or delivery of services;
 - c) identify the date, if known, when federal monies are set to expire;
 - d) identify any obligations, agreements or memoranda of understanding that may be impacted by federal or state decisions regarding federal receipts, including state matching requirements; and
 - e) calculate the percentage of federal monies from the total monies available for the state agency for the fiscal year. (Sec. 3)
10. Exempts universities under the jurisdiction of the Arizona Board of Regents from the usage of federal monies reporting requirements for state agencies. (Sec. 3)
11. Requires universities to submit an audited schedule of federal award spending for the prior fiscal year to JLBC staff. (Sec. 3)

12. Eliminates reporting requirements for the Director of OSBP relating to:
 - a) the total amount of federal grants-in-aid received by state agencies during the prior fiscal year;
 - b) the total amount of federal grants-in-aid available to state agencies during the prior fiscal year and the reasons for any differences between the amount of money available to the amount accepted by state agencies; and
 - c) the adequacy of grant-in-aid programs in this state. (Sec. 3)

Miscellaneous

13. Contains an emergency clause. (Sec. 5)
14. Defines terms. (Sec. 2)
15. Makes technical and conforming changes. (Sec. 1, 3)

Amendments

Committee on Appropriations

1. Establishes a delayed effective date of July 1, 2026, for the weekly cap of 20 hours of care services per child for the PPCG Program.



ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature

First Regular Session

Senate: PS DPA/SE 7-0-0-0 | 3rd Read 22-7-1-0

House: COM DPA/SE 6-2-1-1

SB 1057: NOW: commerce; trade; passport identification
S/E: marijuana; rural opportunity initiative
Sponsor: Senator Gowan, LD 19
Caucus & COW

Summary of the Strike-Everything Amendment to SB 1057

Overview

Provides requirements for the Department of Health Services (DHS) in establishing a rural opportunity initiative.

History

In 2010, Arizona voters approved the Arizona Medical Marijuana Act to establish a regulatory system, overseen by DHS, that allows a dispensary to dispense a permissible amount of medical marijuana to a qualifying patient or the qualifying patient's designated caregiver ([Title 36, Chapter 28.1, A.R.S.](#)). In 2020, Arizona voters approved the Smart and Safe Arizona Act which legalized the sale and use of recreational marijuana to Arizonans who are at least 21 years of age ([Title 36, Chapter 28.2, A.R.S.](#)).

Current statute requires DHS to adopt rules to implement, enforce and regulate marijuana, marijuana products, marijuana establishments and marijuana testing facilities that include requirements for licensing marijuana establishments. DHS may only issue one marijuana establishment license for every 10 registered pharmacies that have obtained a pharmacy permit from the Arizona Board of Pharmacy and that operate within Arizona. DHS may also only issue a marijuana establishment license to two marijuana establishments per county that have no registered nonprofit medical marijuana dispensaries, or one marijuana establishment license per county that has one registered nonprofit medical marijuana dispensary. Licenses issued by DHS to marijuana establishments and marijuana testing facilities are valid for two years ([A.R.S. § 36-2854](#)).

Provisions

1. Instructs DHS, by July 1, 2026, to establish and implement a rural opportunity initiative to create a tax revenue and economic opportunities for rural communities. (Sec. 2, 3)
2. Requires DHS, by August 1, 2026, to post a form on its website that allows an unserved rural community to inform DHS its intention to opt out of participation in the rural opportunity initiative. (Sec. 3)
3. Allows a county to opt out of participation on behalf of census-designated areas and to withdraw its opt-out form at any time. (Sec. 3)
4. Requires DHS, by October 1, 2026, to post a current list of unserved rural communities that have opted out of the rural opportunity initiative. (Sec. 3)
5. Instructs DHS, beginning October 1, 2026, to accept applications from qualified applicants and issue a marijuana establishment license and a nonprofit medical marijuana dispensary registration certificate to the qualified applicant that first applies to serve the unserved rural community. (Sec. 3)
6. Provides qualification requirements for licensure in accordance with the rural opportunity initiative. (Sec. 3)
7. Stipulates entities that are issued a marijuana establishment license and a nonprofit medical marijuana dispensary registration certificate in accordance with the rural opportunity initiative:
 - a) must be licensed by DHS to operate only one retail location and one off-site location at which the entity may cultivate marijuana and manufacture marijuana products;

☒ Prop 105 (45 votes) ☐ Prop 108 (40 votes) ☐ Emergency (40 votes) ☐ Fiscal Note

- b) may operate an off-site location only at a property where cultivation operations were conducted with approval for at least one day during the 18 months immediately preceding the entity's date of application to operate at the off-site cultivation location;
 - c) is not required to operate the entity's retail site for more than 24 hours each week; and
 - d) must open the entity's retail site within 18 months after being issued a marijuana establishment license or the marijuana establishment license becomes invalid. (Sec. 3)
- 8. Allows entities that are issued a marijuana establishment license and a nonprofit medical marijuana dispensary registration certificate in accordance with the rural opportunity initiative to move its retail site only to another unserved rural community that has not opted out of the rural opportunity initiative. (Sec. 3)
 - 9. Defines *unserved rural community*. (Sec. 3)
 - 10. Instructs DHS to issue a nonprofit medical marijuana dispensary registration certificate to each entity that qualifies for a marijuana establishment license in accordance with a rural opportunity initiative. (Sec. 1)
 - 11. Allows such registration certificate holders to relocate their retail site only to another unserved rural community. (Sec. 1)
 - 12. Requires DHS to issue a marijuana establishment license to each qualified entity in accordance with the rural opportunity initiative. (Sec. 1)
 - 13. Specifies the marijuana establishment license issued in accordance with the rural opportunity initiative is for a fixed community that has not opted out of the rural opportunity initiative. (Sec. 2)
 - 14. Limits the number of marijuana establishment licenses that may be issued in accordance with the rural opportunity initiative to no more than 18. (Sec. 2)
 - 15. Contains a Prop 105 clause. (Sec. 4)



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Fifty-seventh Legislature

First Regular Session

Senate: RAGE DPA 4-2-1-0 | 3rd Read 17-10-3-0

House: GOV DPA/SE 6-1-0-0

SB 1658: ~~veterinary technicians; certification; education alternative~~
S/E: failure to treat; animal cruelty
Sponsor: Senator Bolick, LD 2
Caucus & COW

Summary of the Strike-Everything Amendment to SB 1658

Overview

Expands the definition of *animal cruelty* to include failing to provide medical attention and broadens the definition of *cruel neglect*.

History

The Criminal Code outlines actions that constitute animal cruelty including intentionally, knowingly or recklessly subjecting an animal to:

- 1) cruel neglect or abandonment;
- 2) infliction of unnecessary physical injury;
- 3) cruel mistreatment;
- 4) death or harm without legal privilege;
- 5) confinement in a motor vehicle;
- 6) failing to provide necessary medical attention to prevent protracted suffering; or
- 7) interfering with a service or working animal ([A.R.S. § 13-2910](#)).

A person who violates Arizona's animal cruelty laws is guilty of either a:

- 1) class 5 felony for intentionally or knowingly subjecting a domestic animal to cruel mistreatment or death without legal privilege;
- 2) class 6 felony for intentionally or knowingly subjecting an animal under the person's custody to cruel neglect resulting in serious physical injury or interfering with a service or working animal; or
- 3) class 1 misdemeanor for intentionally, knowingly or recklessly subjecting an animal under the person's custody to cruel neglect or interfering with a service or working animal ([A.R.S. § 13-2910](#)).

Animal means a mammal, bird, reptile or amphibian. *Domestic animal* means a mammal that is kept primarily as a pet or companion or that is bred to be a pet or companion ([A.R.S. § 13-2910](#)).

Provisions

1. Adds that a person commits animal cruelty by intentionally, knowingly or recklessly failing to provide medical attention necessary to prevent unreasonable suffering to any domestic animal under their custody or control. (Sec. 1)
2. Classifies this new form of animal cruelty as a class 1 misdemeanor. (Sec. 1)
3. Expands the definition of *cruel neglect* to include the failure to provide a domestic animal with:
 - a) food fit for consumption, as appropriate for the species;
 - b) water suitable for drinking, as appropriate for the species;
 - c) access to shelter, except for a dog that primarily resides outdoors; and
 - d) access to shelter that meets specified requirements, for a dog that primarily resides outdoors. (Sec. 1)
4. Modifies the definition of *domestic animal* to include birds, reptiles and amphibians. (Sec. 1)
5. Makes conforming changes. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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ARIZONA HOUSE OF REPRESENTATIVES

Fifty-seventh Legislature

First Regular Session

Senate: FIN DP 7-0-0-0 | 3rd Read 29-0-0-1

House: JUD DPA/SE 7-2-0-0

SB 1542: ~~personal property exemption; money proceeds~~
S/E: litigation; financing; foreign adversaries; enforcement
Sponsor: Senator Carroll, LD 28
Caucus & COW

Summary of the Strike-Everything Amendment to SB 1542

Overview

Requires third-party litigation funders to disclose any financial involvement from foreign adversaries in civil litigation and prohibits such foreign entities from influencing litigation strategy.

History

According to the [American Bar Association](#), *litigation finance* is the practice of an unrelated third party providing capital to a plaintiff to fund litigation in return for a portion of any monetary recovery.

Under [15 Code of Federal Regulations § 791.4](#), the US Secretary of Commerce has formally identified specific foreign governments and entities as *foreign adversaries* for the purposes of implementing certain Executive Order-based regulations. The countries and entities currently listed are China, Cuba, Iran, North Korea, Russia and the Maduro Regime in Venezuela. This designation is based on conduct deemed significantly adverse to US national security and is informed by various national security strategies and intelligence assessments. The list may be amended at the Secretary's discretion without prior notice, and any changes take effect immediately upon publication.

Provisions

1. Requires a third-party litigation funder in a civil action against Arizona or one of its political subdivisions to, when it knows that its funding includes monies from a foreign entity, disclose in writing to the Attorney General the following:
 - a) names and details of foreign entities with a financial stake in the litigation;
 - b) entities receiving proprietary or national security-related information through funding agreements; and
 - c) copies of the relevant funding agreements. (Sec. 1)
2. Specifies that said disclosure must occur within 30 days of executing the agreement, filing the action or learning of the foreign funding — whichever is latest. (Sec. 1)
3. Instructs the third-party litigation funder to make the disclosure by declaration under penalty of perjury; the declaration must be based on actual knowledge formed after reasonable inquiry. (Sec. 1)
4. Specifies that the disclosure must be updated no later than 30 days after the third-party litigation funder knows that a correction or supplement is needed. (Sec. 1)
5. Prohibits foreign third-party litigation funders from:
 - a) creating agreements where non-parties have contingent financial interests funded by foreign entities; and
 - b) influencing litigation strategy, including attorney selection or settlement decisions. (Sec. 1)
6. Asserts that the right to make decisions with respect to the course of any civil action remains solely with the party and the party's attorney. (Sec. 1)
7. Asserts that the existence of a litigation funding contract is subject to discovery in all civil actions. (Sec. 1)
8. Specifies that this Act does not apply to nonprofit legal organizations. (Sec. 1)
9. Makes agreements in violation of this Act voidable. (Sec. 1)

<input type="checkbox"/> Prop 105 (45 votes)	<input type="checkbox"/> Prop 108 (40 votes)	<input type="checkbox"/> Emergency (40 votes)	<input type="checkbox"/> Fiscal Note
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10. Authorizes the Attorney General to:
 - a) enforce compliance;
 - b) impose civil penalties;
 - c) prohibit foreign third-party litigation funders from operating in Arizona; and
 - d) impose any other appropriate sanctions. (Sec. 1)
11. Directs the Attorney General to submit a report with specified information to designated members of the legislative branch at least once each year. (Sec. 1)
12. Defines *foreign entity* to mean an entity that is controlled or based in a country designated as a *foreign adversary* by the US Secretary of Commerce in [15 CFR § 791.4](#). (Sec. 1)
13. Defines additional pertinent terms. (Sec. 1)
14. Designates this legislation with the short title *Arizona Transparency and Limitations on Foreign Third-party Litigation Funding Act*. (Sec. 2)

Amendments

Committee on Judiciary

1. Applies this Act to a third-party litigation funder in a civil action against any party *other than* Arizona or its subdivisions, rather than a third-party litigation funder in a civil action against Arizona or its subdivisions.