## 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

February 25, 2025

Bill Number	Short Title	Committee	Date	Action	
Chairman: Da	<b>Appropriations</b> vid Livingston, LD 2 remy Bassham		ce Chairman: tern:	Matt Gress, LD 4 Grey Gartin	
HB 2014 <sub>(BSI)</sub> SPONSOR:	public libraries; an LIVINGSTON, LD	28 APPROP	HOUSE 2/24/2025 , AUSTIN Abs:	DP TRAVERS Preser	(14-2-1-1) nt: GUTIERREZ)
HB 2184 <sub>(BSI)</sub> SPONSOR:	appropriations; he BLISS, LD 1	HOUSE APPROP	2/24/2025	DPA resent: SANDOVA	(14-1-2-1) L, AUSTIN)
HB 2220(BSI) SPONSOR:	appropriation; Woo MARSHALL, LD 7	HOUSE APPROP	2/24/2025	DP , STAHL HAMILTC	(13-3-1-1) N Abs: BLATTMAN
Present: AUSTIN	N)				
HB 2268(BSI) SPONSOR:	fire districts; home (APPROP S/E: w LIVINGSTON, LD	vildfire prevention a	authority; fund) HOUSE 2/24/2025	DPA/SE	(16-2-0-0)
HB 2323 <sub>(BSI)</sub> SPONSOR:	technical correctio (APPROP S/E: b WENINGER, LD 1	usiness one stop;	nonlapsing) HOUSE 2/24/2025	DPA/SE	(17-0-0-1)
	technical correctio (APPROP S/E: A WENINGER, LD 1 MAN, AUSTIN, VOL	rizona blockchain 3 APPROP (No: GUTIERREZ	budget initiativ HOUSE 2/24/2025	e; appropriation) DPA/SE	(11-3-3-1) N Abs: TRAVERS
HB 2332 <sub>(BSI)</sub> SPONSOR:	postpartum depres WILLOUGHBY, LI		surers HOUSE 2/24/2025	DPA	(18-0-0-0)

HB 2557 <sub>(BSI)</sub> SPONSOR:	appropriation; Sta LOPEZ, LD 16	te Route 347; wide HOUSE APPROP (Abs: TRAVERS	2/24/2025		(12-0-5-1) EZ SANDOVAL
STAHL HAMILT	ON, AUSTIN)			AN, COTERN	LZ, SANDOVAL,
HB 2562 <sub>(BSI)</sub> SPONSOR:	appropriation; Sor PEÑA, LD 23	nerton bridge repla HOUSE APPROP (No: GUTIERREZ	2/24/2025	DPA HBY)	(16-1-0-1)
HB 2861 <sub>(BSI)</sub> SPONSOR:	social media prote BLATTMAN, LD 9		2/24/2025	DPA	(18-0-0-0)
	appropriation; ibog WILMETH, LD 2	gaine; clinical resea HOUSE APPROP (No: OLSON Pres	2/24/2025	DPA Z, SANDOVAL,	(13-1-4-0) STAHL HAMILTON,
AUSTIN)					
HB 2886(BSI) SPONSOR:	ignition interlock d VOLK, LD 17	evices; violation; c HOUSE APPROP (No: SANDOVAL	2/24/2025	DP	(17-1-0-0)
	OLSON, LD 10	ctural balance; esti HOUSE APPROP (No: GUTIERRE2	2/24/2025	DPA TAHL HAMILTC	(11-6-0-1) DN, TRAVERS,
AUSTIN, VOLK	Abs: BLATTMAN)				
HB 2926(BSI) SPONSOR:	CARBONE, LD 25	APPROP (No: BLATTMAN,	2/24/2025	DPA/SE RREZ, SANDO'	(10-8-0-0) VAL, STAHL
HAMILTON, TRAVERS, AUSTIN, VOLK)					
	<b>Commerce</b> If Weninger, LD 13 ul Benny			/lichael Way, LD \aryan Dravid	15
HB 2048(BSI) SPONSOR:	sales of securities KOLODIN, LD 3	; definition HOUSE COM	2/4/2025	DP	(10-0-0-0)
HB 2168((BSI) SPONSOR:	long-term RVs; co GRESS, LD 4	oling; prohibition HOUSE COM (No: HENDRIX)	1/28/2025	DPA	(9-1-0-0)

HB 2200 <sub>(BSI)</sub> SPONSOR:		tration; reciprocity; HOUSE COM (No: HENDRIX)	endorsement 1/28/2025	DP	(9-1-0-0)
HB 2328 <sub>(BSI)</sub> SPONSOR:	technical correctio (COM S/E: fanta WENINGER, LD 1	sy sports contests) 3 COM	) HOUSE 2/18/2025 /ILLEGAS, CAVEF	DPA/SE RO, CONNOLL	(6-4-0-0) Y)
HB 2873(BSI) SPONSOR:	tourism improvem WILMETH, LD 2	ent areas; municip HOUSE COM (Abs: HENDRIX,	2/18/2025	DPA	(8-0-0-2)
Committee on Chairman: Ma Analyst: Ch				ames Taylor, LI ane Nelson	D 29
HB 2185 <sub>(BSI)</sub> SPONSOR:	GRESS, LD 4	s; technical correc HOUSE ED (No: GUTIERRE:	tion 2/18/2025 Z, OLSON Presen	DPA/SE t: HERNANDE2	(6-2-4-0) Z L, SIMACEK,
GARCIA, ABEY	IIA)				
HB 2585(BSI) SPONSOR:	school open enrol GARCIA, LD 8	lment; tribal studer HOUSE ED (Abs: OLSON)	nts 2/18/2025	DPA	(11-0-0-1)
HB 2677 <sub>(BSI)</sub> SPONSOR:	middle school stud AGUILAR, LD 26	dents; CTE course HOUSE ED	s 2/11/2025	DP	(12-0-0-0)
HB 2867 <sub>(BSI)</sub> SPONSOR:		ic schools; prohibi HOUSE ED (No: GUTIERRE:	tion; penalties 2/18/2025 Z, SIMACEK, GAR	DPA CIA, ABEYTIA	(8-4-0-0) )
HCR 2003(BSD) SPONSOR:		school districts; au HOUSE ED (Abs: OLSON Pr	2/18/2025	DP	(10-0-1-1)
HCR 2047(BSD) SPONSOR: GARCIA, ABEY	·	HOUSE ED	2/18/2025 Z, OLSON Presen	DPA/SE I: HERNANDE2	(6-2-4-0) Z L, SIMACEK,
Committee on Federalism, Military Affairs & ElectionsChairman:John Gillette, LD 30Vice Chairman:Rachel Keshel, LD 17Analyst:Joel HobbinsIntern:Sam Robinson					

HB 2320 <sub>(BSI)</sub> appropriation; veterans' services; mental health SPONSOR: GILLETTE, LD 30 HOUSE					
	OILLETTE, LD 30	FMAE (Abs: KOLODIN)	2/12/2025	DP	(6-0-0-1)
		APPROP	2/24/2025 RREZ, SANDOVA	DP L, STAHL HAN	(14-0-4-0) IILTON, AUSTIN)
HB 2440 <sub>(BSI)</sub> SPONSOR:	attorney general; 6 KESHEL, LD 17	election certification HOUSE FMAE (No: HERNANDE	n; prohibition 2/5/2025 Z L, MÁRQUEZ, (	DP GARCIA)	(4-3-0-0)
HB 2521 <sub>(BSI)</sub> SPONSOR:	elections; foreign WAY, LD 15	HOUSE FMAE	2/5/2025 Z L, MÁRQUEZ, (	DPA GARCIA)	(4-3-0-0)
	<b>Government</b> It Blackman, LD 7 el Hobbins			sa Fink, LD 27 am Robinson	
HB 2051 <sub>(BSI)</sub> SPONSOR:	governor; questior KOLODIN, LD 3	HOUSE GOV	1/22/2025 1ILTON, VILLEGA	DP S, MÁRQUEZ)	(4-3-0-0)
HB 2160(BSI) SPONSOR:		frican-American af HOUSE GOV (Abs: KESHEL)	fairs 2/5/2025	DP	(6-0-0-1)
HB 2341 <sub>(BSI)</sub> SPONSOR:	fire protection syst MARTINEZ, LD 16	•	2/20/2025	DP	(7-0-0-0)
HB 2518(BSI) SPONSOR:		ibitions; corporatio HOUSE GOV (Present: STAHL	n commission 2/20/2025 HAMILTON, MÁF	DPA RQUEZ, GARCI	(4-0-3-0) A)
HB 2763(BSI) SPONSOR:	state contracts; fe VOLK, LD 17	deral government; HOUSE GOV (No: KESHEL, W	2/20/2025	DP	(5-2-0-0)
HB 2842 <sub>(BSI)</sub> SPONSOR:	advising; veterans TRAVERS, LD 12	' benefits; requiren HOUSE GOV	nents 2/19/2025	DP	(7-0-0-0)
HB 2868(BSI) SPONSOR:	preferential treatm WAY, LD 15	ent; discrimination HOUSE GOV (No: STAHL HAM	; policies 2/20/2025 1ILTON, MÁRQUE	DP Z, GARCIA)	(4-3-0-0)

## **Committee on Health & Human Services**

Chairman:Selina Bliss, LD 1Analyst:Ahjahna Graham		Vice Chairman: Intern:	Ralph Heap, LD Ashley Bills	10		
HB 2133 <sub>(BSI)</sub> nurses; provision SPONSOR: BLISS, LD 1	al licensure HOUSE HHS	2/3/2025	DP	(12-0-0-0)		
HB 2311 <sub>(BSI)</sub> continuation; ma (HHS S/E: stud SPONSOR: BLISS, LD 1		ooard ntinuation; massag	e therapy)			
	HHS	2/13/2025 , PINGERELLI, WE	DPA/SE ENINGER)	(9-3-0-0)		
HB 2329 <sub>(BSI)</sub> appropriation; he SPONSOR: WILLOUGHBY, I	LD 13 HHS (No: PINGEF	HOUSE 2/10/2025 RELLI)	DP	(11-1-0-0)		
	APPROP (Abs: BLATT	2/24/2025 MAN, TRAVERS)	DPA	(16-0-0-2)		
HB 2584 <sub>(BSI)</sub> nonemergency n SPONSOR: BLISS, LD 1	nedical transpor HOUSE HHS (Present: KU	2/17/2025	DP	(11-0-1-0)		
Chairman: Lupe Diaz, LD 19						
HB 2456 <sub>(BSI)</sub> appropriation; fire SPONSOR: MARSHALL, LD	7 HOUSE LARA (No: PESHL/ APPROP	2/3/2025 AKAI, SANDOVAL / 2/24/2025	DPA	(5-2-0-2) STAHL HAMILTON) (11-4-3-0)		
(No: GUTIERREZ, SANDOVAL, STAHL HAMILTON, TRAVERS Present: BLATTMAN, AUSTIN, VOLK)						
HB 2552 <sub>(BSI)</sub> dogs; hunting; ru SPONSOR: DIAZ, LD 19	HOUSE	2/10/2025 AKAI, SANDOVAL /	DPA Abs: MARTINEZ,	(5-2-0-2) STAHL HAMILTON)		
HB 2800 <sub>(BSI)</sub> fire insurance; po SPONSOR: MARTINEZ, LD	16 HOUSE LARA	2/17/2025	DPA STAHL HAMILTC	(5-3-1-0) DN Present: KESHEL)		
Committee on Natural Resources, Energy & WaterChairman:Gail Griffin, LD 19Vice Chairman:Chris Lopez, LD 16Analyst:Corbin WrightIntern:Chris Nelson						
HB 2087 <sub>(BSI)</sub> appropriation; group SPONSOR: GRIFFIN, LD 19	HOUSE NREW	arge facilities; main 2/11/2025 ERAS P, MATHIS,	DPA	(6-4-0-0) UORI)		

	APPROP (No: BLATTM	2/24/2025 AN, GUTIERREZ,	DPA SANDOVAL, STA	(11-6-0-1) .HL HAMILTON,
AUSTIN, VOLK Abs: TRAVERS)	Υ.			,
Committee on Public Safety & Chairman:David Marshall, Sr., LI Montse Torres			Pamela Carter, L Corinne Del Cast	
HB 2606 <sub>(BSI)</sub> appropriation; loca SPONSOR: NGUYEN, LD 1	HOUSE PSLE (No: TSOSIE, APPROP	rt 2/10/2025 AUSTIN, CREWS 2/24/2025 IAN, GUTIERREZ,	DP	(12-6-0-0)
TRAVERS, AUSTIN)				
Committee on TransportationChairman:Leo Biasiucci, LD 30Analyst:Luca Moldovan	& Infrastructu		Teresa Martinez, Kylee Lyon	LD 16
HB 2124 <sub>(BSI)</sub> hospitals; interfaci SPONSOR: WILLOUGHBY, LI		HOUSE 2/19/2025 NTRERAS P)	DPA	(6-0-1-0)
HB 2887 <sub>(BSI)</sub> alternative fuel vel SPONSOR: VOLK, LD 17	nicles; HOV lan HOUSE TI	es 2/19/2025	DP	(7-0-0-0)
Committee on Ways & MeansChairman:Justin Olson, LD 10Analyst:Vince Perez		Vice Chairman: Intern:	Nick Kupper, LD Douglas Dexter	25
HB 2080 <sub>(BSI)</sub> public retirement s SPONSOR: BLACKMAN, LD 7		2/5/2025	DP	(8-0-0-1)



Fifty-seventh Legislature First Regular Session House: APPROP DP 14-2-1-1

## HB 2014: public libraries; annual report; date Sponsor: Representative Livingston, LD 28 Caucus & COW

#### <u>Overview</u>

Changes the deadline for when the board of trustees of a municipal public library must make their annual report to the governing body of its city or town.

#### **History**

The governing body of a city or town may appoint residents of the municipality to a board of trustees (board) of its library. A board has charge over the library and library property and is required to meet at least once per month.

A board is required to submit to the governing body of its respective city or town an annual report that must contain: 1) a full statement of all property and money received, where derived and how used and expended; 2) the number of books, journals and other publications on hand, added by gift or purchase and the number lost, missing and loaned; and 3) other statistics that may be of general interest to the governing body. The secretary of a board must also include in the annual report a financial report, verified by oath, showing all receipts and disbursements of money. The annual report is due to the governing board of the municipality on or before the first Monday of July each year (A.R.S. § 9-418).

#### **Provisions**

- 1. Amends the deadline for when trustees are required to make their annual report to be the second Monday of July of each year. (Sec. 1)
- 2. Makes technical changes. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: ST W/D | APPROP DPA 14-1-2-1

### HB 2184: appropriations; health innovation trust fund Sponsor: Representative Bliss, LD 1 Caucus & COW

#### <u>Overview</u>

Appropriates \$2,000,000 from the General Fund (GF) to the Arizona Health Innovation Trust Fund (Trust Fund) in FY 2026; additionally, \$500,000 is appropriated for a health innovation pilot program.

#### <u>History</u>

Laws 2022, Chapter 314 established the Trust Fund to be administered by the State Treasurer, who acts as trustee. The Trust Fund is a permanent endowment fund that consists of legislative appropriations, fund earnings, gifts and grants donated or given to the Trust Fund. The State Treasurer must separately hold in trust any deposited Trust Fund monies in the state Treasury. Trust Fund monies cannot be commingled with other monies, except for investment purposes; monies earned from interest and investment income are credited to the Trust Fund. Monies in the Trust Fund are continuously appropriated and are exempt from lapsing (A.R.S. §§ 35-310; 35-313; 35-314.03).

The State Treasurer must annually allocate 4% of Trust Fund monies to an entity that is a 501(c)(3) charitable organization that supports health innovation and healthcare workforce development in Arizona, including entrepreneurial education, mentoring, workforce programs and commercialization support for small businesses in the sector. The recipient entity must have an endowment agreement with the State Treasurer and submit an annual report detailing fund usage and its social and economic impact to state officials (A.R.S. § 41-177).

#### **Provisions**

- 1. Appropriates \$2,000,000 from the GF to the Arizona health innovation trust fund in FY 2026. (Sec. 1)
- 2. Appropriates \$500,000 from the GF to the State Treasurer, to allocate to the entity that currently has an endowment agreement for the Trust Fund monies, to conduct a pilot program in FY 2026. (Sec. 1)
- 3. Declares that the legislature intends that the Trust Fund steadily grow to ultimately maintain a permanent endowment balance of at least \$200,000,000. (Sec. 1)
- 4. Exempts the appropriations from lapsing. (Sec. 1)

#### Amendment

Committee on Appropriations

1. Lowers the appropriated sum to \$250,000.



Fifty-seventh Legislature First Regular Session House: APPROP DP 13-3-1-1

### HB 2220: appropriation; Woolford Road extension Sponsor: Representative Marshall, LD 7 Caucus & COW

#### <u>Overview</u>

Appropriates \$6,000,000 from the state General Fund (GF) in FY 2026 to the Arizona Department of Transportation (ADOT) to distribute to the City of Show Low for the Woolford Road extension project.

#### <u>History</u>

<u>Laws 1973</u>, <u>Chapter 146</u> established the Arizona Department of Transportation (ADOT) to provide for an integrated and balanced state transportation system with a director responsible for the Department's administration. ADOT has exclusive control and jurisdiction over state highways, state routes, state-owned airports and all state-owned transportation systems or modes (A.R.S. § 28-331).

ADOT is required to: 1) register motor vehicles and aircraft, license drivers, collect revenues, enforce motor vehicle and aviation statutes and perform related functions; 2) do multimodal state transportation planning, cooperate and coordinate transportation planning with local governments and establish an annually updated priority program of capital improvements for all transportation modes; 3) design and construct transportation facilities in accordance with a priority plan and maintain and operate state highways, state-owned airports and state public transportation systems; 4) investigate new transportation systems and cooperate with and advise local governments concerning the development and operation of public transit systems; 5) have administrative jurisdiction of transportation safety programs and implement them in accordance with applicable law; and 6) operate a state motor vehicle fleet for all motor vehicles that are owned, leased or rented by this state (A.R.S. § 28-332).

#### **Provisions**

1. Appropriates \$6,000,000 from the state GF in FY 2026 to ADOT to distribute to Show Low for the Woolford Road extension project. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: LARA W/D | APPROP DPA 16-2-0-0

## HB 2268: fire districts; homeowner's policies; DIFI Sponsor: Representative Livingston, LD 28 S/E: wildfire prevention authority; fund Caucus & COW

## Summary of the Strike-Everything Amendment to HB 2268

#### **Overview**

Establishes the Wildfire Prevention Authority (Authority) and Wildfire Prevention Authority Fund (Fund) within the Arizona Department of Insurance and Financial Institutions (DIFI).

#### <u>History</u>

DIFI regulates the insurance industry as well as financial institutions and enterprises by issuing licenses, conducting examinations and investigating consumer complaints. DIFI's mission is to protect consumers, provide certainty on regulatory matters and perform with efficiency and integrity as good stewards of taxpayer resources (A.R.S. §§ <u>6-121</u>, <u>6-124</u>, and <u>6-126</u>)(DIFI History).

In accordance with the Arizona Fire District Association (AFDA), fire districts are special taxing districts that provide services to multiple geographical areas, including rural and unincorporated county areas. There are roughly 130 fire districts with over 4,000 training personnel that provide fire, rescue, and/or emergency medical services to 1.5 million Arizona residents (AFDA).

#### **Provisions**

#### Authority

- 1. Creates the Authority, within DIFI, to:
  - a. review fire risk data and tools to help identify communities at the greatest risk of wildfire damage;
  - b. prioritize funding to cities, towns (municipalities) and fire districts that have adopted building codes that are demonstrated to reduce wildfire risks;
  - c. review publicly available insurance data to identify communities that may be experiencing high levels of insurance nonrenewals or premium increases due to enhanced wildfire risk; and
  - d. provide grants, to the extent the Authority has available funding, to rural municipalities, counties and fire districts impacted by elevated fire risks as outlined. (Sec. 1)
- 2. Requires the Authority membership to consist of:
  - a. the DIFI Director or its designee;
  - b. the Arizona Department of Forestry and Fire Management Director or its designee;
  - c. three members who are insurance producers or employees of insurance companies that write homeowner's or commercial insurance policies;
  - d. one member who represents a rural county that experiences high fire risk;
  - e. one member who represents municipalities that experience high fire risk; and
  - f. one member who represents a rural fire district. (Sec. 1)
- 3. States the Authority members must serve staggered three-year terms beginning and ending on the third Monday in January. (Sec. 1)
- 4. Requires the Authority members, at the first meeting each year, to select a chairperson. (Sec. 1)
- 5. Instructs the Authority to meet at the call of the chairperson or on request of five members of the Authority. (Sec. 1)
- 6. Allows the Authority to hire staff members and provide work facilities and equipment as necessary. (Sec. 1)

 $\Box$  Prop 105 (45 votes)  $\Box$  Prop 108 (40 votes)  $\Box$  Emergency (40 votes)  $\Box$  Fiscal Note

#### Fund

- 7. Establishes the Fund consisting of \$20,000,000 per year from premium tax from fire insurers and any private and public monies received by the Authority. (Sec. 1)
- 8. Requires fund monies, administered by the Authority, to be used only to pay the administrative expenses of the Authority to make grant awards. (Sec. 1)
- 9. States that Fund monies are subject to legislative appropriations and exempt from lapsing. (Sec. 1)
- 10. Instructs the State Treasurer, on notice from the Authority, to invest and divest monies in the Fund. (Sec. 1)
- 11. Requires monies earned from the investment to be credited to the Fund. (Sec. 1)
- 12. States that all monies appropriated to DIFI for the Authority must be used by DIFI exclusively for the operation of the Authority. (Sec. 1)
- 13. Requires monies appropriated from the Fund that are included in the General Appropriations Act to include within separate line items the Authority operating lump sum appropriation and any local grants. (Sec. 1)
- 14. Allows the Authority to accept nonmonetary contributions as outlined that are necessary to carry out the Authority's functions. (Sec. 1)
- 15. Requires monies from the Fund to be used to supplement, not supplant, other monies that are available for wildfire prevention and mitigation. (Sec. 1)
- 16. Instructs the Authority to cause an audit, conducted by a certified public accountant, to be made of the Fund every two years. (Sec. 1)
- 17. Requires the Authority, within five days after completion of the audit, to file a certified copy of the audit with the Auditor General. (Sec. 1)
- 18. Allows the Auditor General to make further audits and examinations as deemed necessary and may take appropriate action relating to the audit. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: APPROP DPA/SE 17-0-0-1

## HB 2323: technical correction; unordered merchandise S/E: business one stop; nonlapsing Sponsor: Representative Weninger, LD 13 Caucus & COW

## Summary of the Strike-Everything Amendment to HB 2323

#### **Overview**

Extends the lapsing deadline for an existing appropriation to the Arizona Corporation Commission (ACC) for the replacement of the ACC's online records and filing system to June 30, 2026.

#### <u>History</u>

The ACC Commissioners are responsible for: 1) public utilities regulation; 2) facilitating the incorporation of businesses and organizations; 3) granting or denying rate adjustments; 4) enforcing safety and public service requirements; and 5) approving securities matters (A.R.S. § 41-101 et. seq).

The <u>FY 2024 General Appropriation Act</u> appropriated \$7,000,000 from the ACC subaccount in the Automation Projects Fund (Fund) to replace ACC's online records and filing system. ADOA is required to submit for review a report of ACC's plan to support the Arizona Business One Stop Project and its integration with the new system. The appropriation lapses on June 30, 2025.

Business One Stop provides a single online location with tools to plan and start businesses in the state (<u>AZ Business</u> <u>One Stop</u>).

#### **Provisions**

- 1. Exempts from lapsing until June 30, 2026, the \$7,000,000 previously appropriated to ACC in FY 2024 to replace its online records and filing system. (Sec. 1).
- 2. Makes technical changes. (Sec. 1).



Fifty-seventh Legislature First Regular Session House: APPROP DPA/SE 11-3-3-1

## HB 2325: technical correction; workers' compensation; investigation S/E: Arizona blockchain budget initiative; appropriation Sponsor: Representative Weninger, LD 13 Caucus & COW

## Summary of the Strike Everything Amendment to HB 2325

#### **Overview**

Establishes, as session law, the Arizona Blockchain Budget Initiative Pilot Program (Pilot Program).

#### <u>History</u>

*Blockchain* is a cryptographically secured distributed ledger that records transactions chronologically, permanently and unalterably.

*Blockchain technology* is distributed ledger technology that uses a distributed, decentralized, shared and replicated ledger, which may be public or private, permissioned or permissionless, or driven by tokenized crypto economics or tokenless. The data on the ledger is protected with cryptography, is immutable and auditable and provides an uncensored truth.

Statute provides that a signature that is secured through blockchain technology is considered to be in an electronic form and to be an electronic signature. A record or contract that is secured through blockchain technology is considered to be in an electronic form and to be an electronic record (A.R.S. § 44-7061).

#### **Provisions**

- 1. Creates, within the Arizona Department of Administration (ADOA), the Arizona Blockchain Budget Initiative Pilot Program to assess the feasibility and cost-effectiveness of using a blockchain platform to record and publish the budget data of selected agencies. (Sec. 1)
- 2. Instructs ADOA to:
  - a. select up to three agencies to participate in the Pilot Program and provides factors to consider in determining the agencies;
  - b. procure a blockchain platform that is capable of securely publishing budget allocation and expenditures and includes platform requirements;
  - c. require each agency participating in the Pilot Program to record specified information on the blockchain platform;
  - d. issue guidelines and provide training to participating agencies on data security, privacy compliance and proper methods for recording and verifying data on the blockchain platform; and
  - e. use the appropriated monies to develop or procure technology, conduct staff training and implement any necessary infrastructure. (Sec. 1)
- 3. Authorizes ADOA to pursue federal grants or public-private partnerships to support the Pilot Program if those funding sources comply with applicable state law. (Sec. 1)
- 4. Requires ADOA, by December 31, 2026, to submit a preliminary report and, by December 31, 2028, to submit a final report regarding the Pilot Program to the Executive and the Legislature and provide a copy to the Secretary of State. (Sec. 1)
- 5. Outlines information that must be included in the preliminary and final report. (Sec. 1)
- 6. Specifies the Pilot Program requirements do not require publication of confidential data. (Sec. 1)

 $\Box$  Prop 105 (45 votes)  $\Box$  Prop 108 (40 votes)  $\Box$  Emergency (40 votes)  $\Box$  Fiscal Note

- 7. Requires ADOA and participating agencies to ensure that personal identifying information and any legally protected information is redacted or excluded from the publicly accessible blockchain platform. (Sec. 1)
- 8. Repeals the Pilot Program on December 31, 2029. (Sec. 1)
- 9. Appropriates \$1,000,000 from the General Fund in FY 2026 to ADOA for the Pilot Program. (Sec. 2)
- 10. Exempts the appropriation from lapsing. (Sec. 2)



Fifty-seventh Legislature First Regular Session House: APPROP DPA 18-0-0-0

### HB 2332: postpartum depression; treatment; insurers Sponsor: Representative Willoughby, LD 13 Caucus & COW

#### <u>Overview</u>

Requires health care insurers and the Arizona Health Care Cost Containment System (AHCCCS) to provide coverage for postpartum depression (PPD) screening and prohibits step therapy protocol from being imposed for drugs approved for the treatment of PPD by the Food and Drug Administration (FDA). Directs the Arizona Department of Health Services (DHS) to develop and distribute resources for maternal mental health conditions.

#### <u>History</u>

*Health care insurers* include disability insurers, group disability insurers, blanket disability insurers, health care services organizations, hospital service corporations and medical service corporations (insurers) (A.R.S. § 20-1379). AHCCCS contracts with health professionals to provide medically necessary health and medical services to eligible members, including inpatient and outpatient health services and early and periodic health screening and diagnostic services (A.R.S. § 36-2907). The Department of Insurance and Financial Institutions regulates policies, certificates, evidence of coverage and contracts of insurance (insurance policies) that are issued or delivered by health care insurers.

PPD screening consists of the use of a standard criterion-referenced screening tool for screening of the mother/parent for signs and symptoms of PPD during the one-, two-, four- and six-month well-child visits. Positive screening results require referral to appropriate case managers and services via the respective health plan (<u>AHCCCS</u>). **Provisions** 

- 1. Requires an insurance policy, by January 1, 2026, to provide coverage for PPD screening and additional reimbursement costs to adequately compensate a health care professional for the screening. (Sec. 1-5).
- 2. Requires AHCCCS and its contractors to provide coverage for PPD screening and reimbursement costs to adequately compensate a health care professional for the screening. (Sec. 8)
- 3. Requires health care insurers and AHCCCS to provide broad access to PPD screening that is consistent with evidence-based guidelines. (Sec. 1-5)
- 4. Prohibits a health care insurer, health care plan, pharmacy benefit manager, utilization review agent and AHCCCS or its contractors from requiring or imposing a step therapy protocol for an FDA approved drug used to treat PPD. (Sec. 6, 8)
- 5. Requires DHS to develop written educational materials and information for health care professionals and patients regarding maternal health conditions, including PPD. (Sec. 7)
- 6. Specifies that the materials must include information on the symptoms and methods of coping with PPD, as well as treatment options and resources. (Sec. 7)
- 7. Directs DHS to periodically review the materials and information for accuracy. (Sec. 7)
- 8. Instructs DHS to post the materials on its public website and make physical forms of the materials available or distributable on request. (Sec. 7)
- 9. Requires health care institutions, as appropriate, to distribute the materials to new parents and family members on discharge. (Sec. 7)
- 10. Requires any health care institution, primary care physician or practitioner or any health care professional who renders postnatal care or provides pediatric infant care to provide the materials to any woman who presents signs

 $\Box$  Prop 105 (45 votes)  $\Box$  Prop 108 (40 votes)  $\Box$  Emergency (40 votes)  $\Box$  Fiscal Note

of a maternal mental health disorder. (Sec. 7)

- 11. Requires any primary care physician or practitioner, or any health care professional who renders postnatal care or provides pediatric infant care to ensure PPD screening is offered to the patient or the birth mother of the infant patient, as applicable. (Sec. 7)
- 12. Specifies that if there is no objection to the PPD screening, the health care professional must ensure that the patient is appropriately screened for PPD consistent with evidence-based guidelines. (Sec. 7)
- 13. Requires a health professional that determines through PPD screening that a patient is likely to be suffering from PPD to provide appropriate referrals and discuss the availability of treatments for PPD, including pharmacological treatments. (Sec. 7)
- 14. Defines health care institution, primary care physician and primary care practitioner. (Sec. 7)

### <u>Amendments</u>

*Committee on Appropriations* 

- 1. Removes provisions that require health care insurers and AHCCCS to provide coverage related to PPD screening.
- 2. Requires DHS to identify and compile relevant educational materials and information regarding maternal health conditions that have been developed by organizations with expertise in mental health conditions.
- 3. Directs DHS to periodically review the materials and information to ensure accuracy and reflect the most up-to-date information.
- 4. Instructs DHS if unable to identify existing materials to take into consideration the following when developing written educational materials:
  - a) relevant clinical practice guidelines;
  - b) peer-reviewed studies; and
  - c) recommendations from expert in maternal mental health care, including:
    - i. the Centers for Disease Control and Prevention;
    - ii. professional associations; and
    - iii. patient advocacy groups.
- 5. Requires any health care institution, primary care physician or practitioner or any health care professional who renders prenatal care to provide the compiled materials to any woman on learning of a pregnancy or who presents signs of a maternal health disorder at any time during a pregnancy or postpartum period.
- 6. Makes conforming changes.



Fifty-seventh Legislature First Regular Session House: APPROP DP 12-0-5-1

### HB 2557: appropriation; State Route 347; widening Sponsor: Representative Lopez, LD 16 Caucus & COW

#### **Overview**

Appropriates \$16,291,610 from the state General Fund (GF) in FY 2026 to the Arizona Department of Transportation (ADOT) to widen and improve State Route 347 between Interstate 10 and the city of Maricopa.

#### <u>History</u>

Laws 1973, Chapter 146 established the Arizona Department of Transportation (ADOT) to provide for an integrated and balanced state transportation system with a director responsible for the Department's administration (A.R.S. § 28-331). ADOT has exclusive control and jurisdiction over state highways, state routes, state-owned airports and all state-owned transportation systems or modes.

ADOT is required to: 1) register motor vehicles and aircraft, license drivers, collect revenues, enforce motor vehicle and aviation statutes and perform related functions; 2) do multimodal state transportation planning, cooperate and coordinate transportation planning with local governments and establish an annually updated priority program of capital improvements for all transportation modes; 3) design and construct transportation facilities in accordance with a priority plan and maintain and operate state highways, state-owned airports and state public transportation systems; 4) investigate new transportation systems and cooperate with and advise local governments concerning the development and operation of public transit systems; 5) have administrative jurisdiction of transportation safety programs and implement them in accordance with applicable law; and 6) operate a state motor vehicle fleet for all motor vehicles that are owned, leased or rented by this state (A.R.S. § 28-332).

#### **Provisions**

1. Appropriates \$16,291,610 from the state GF in FY 2026 to ADOT to widen and improve State Route 347 between Interstate 10 and the city of Maricopa. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: APPROP DPA 16-1-0-1

### HB 2562: appropriation; Somerton bridge replacement Sponsor: Representative Peña, LD 23 Caucus & COW

#### <u>Overview</u>

Appropriates \$1,300,000 from the state General Fund (GF) in FY 2026 to the Arizona Department of Transportation (ADOT) to distribute to the City of Somerton for the bridge replacement project on Somerton Avenue between West County 10th Street and West County 11th Street.

#### <u>History</u>

<u>Laws 1973</u>, <u>Chapter 146</u> established the Arizona Department of Transportation (ADOT) to provide for an integrated and balanced state transportation system with a director responsible for the Department's administration. ADOT has exclusive control and jurisdiction over state highways, state routes, state-owned airports and all state-owned transportation systems or modes (A.R.S. § 28-331).

ADOT is required to: 1) register motor vehicles and aircraft, license drivers, collect revenues, enforce motor vehicle and aviation statutes and perform related functions; 2) do multimodal state transportation planning, cooperate and coordinate transportation planning with local governments and establish an annually updated priority program of capital improvements for all transportation modes; 3) design and construct transportation facilities in accordance with a priority plan and maintain and operate state highways, state-owned airports and state public transportation systems; 4) investigate new transportation systems and cooperate with and advise local governments concerning the development and operation of public transit systems; 5) have administrative jurisdiction of transportation safety programs and implement them in accordance with applicable law; and 6) operate a state motor vehicle fleet for all motor vehicles that are owned, leased or rented by this state (A.R.S. § 28-332).

#### **Provisions**

 Appropriates \$1,300,000 from the state GF in FY 2026 to ADOT to distribute to Somerton for the bridge replacement project on Somerton Avenue between West County 10th Street and West County 11th Street. (Sec. 1)

#### <u>Amendments</u>

Committee on Appropriations

- 1. Directs ADOT to distribute the appropriation to Yuma County rather than the City of Somerton.
- 2. Requires Yuma County to demonstrate a commitment of matching monies for the project from sources other than the state in the amount of at least \$200,000 in order to receive the appropriation.



Fifty-seventh Legislature First Regular Session House: COM W/D | APPROP DPA 18-0-0-0

## HB 2861: social media protections; minors Sponsor: Representative Blattman, LD 9 Caucus & COW

#### <u>Overview</u>

Provides regulations for a social media platform providing an online service, product or feature that is likely to be accessed by a minor.

#### <u>History</u>

The <u>Children's Online Privacy Protection Act</u> prohibits unfair or deceptive acts or practices in connection with the collection, use and disclosure of personal information from and about children on the internet. <u>Federal rules</u>, as enforced by the Federal Trade Commission, make it unlawful for any operator of a web site or online service directed to children, or any operator that has actual knowledge that it is collecting or maintaining personal information from a child in a manner that violates specified regulations. An operator is required to: 1) provide notice on the web site or online service of what information it collects from children, how it uses such information, and its disclosure practices for such information; 2) obtain verifiable parental consent prior to any collection, use, and/or disclosure of personal information from children; 3) provide a reasonable means for a parent to review the personal information in a game, the offering of a prize, or another activity on the child disclosing more personal information than is reasonably necessary to participate in such activity; and 5) establish and maintain reasonable procedures to protect the confidentiality, security, and integrity of personal information collected from children.

#### **Provisions**

- 1. Requires each social media platform that provides an online service, product or feature which is likely to be accessed by a minor to:
  - a. establish default settings that provide a high degree of privacy protections to each user;
  - b. allow each minor using the service, product or feature to opt out of the collection and use of the minor's personal information, beyond what is necessary; and
  - c. prohibit the personal information of a minor who uses an online service, product or feature from being used to target advertising to the minor based on the minor's personal information, except the minor's age and location. (Sec. 1)
- 2. Defines de-identified data, personal information and social media platform. (Sec. 1)
- 3. Specifies an online service, product or feature does not include a *telecommunications service* or a *broadband interactive access service* as defined by federal law. (Sec. 1)
- 4. Provides a delayed effective date of 90 days after the general effective date. (Sec. 2)
- 5. Cites this act as "Protecting Children on Social Media Act." (Sec. 3)

#### **Amendments**

Committee on Appropriations

- 1. Applies the regulations to social media platforms that provided online services or products to minors regardless of if such platforms are likely to be accessed by minors.
- 2. Adds that the Attorney General has the exclusive authority to enforce the regulations and that a violation does not create a private right of action.
- 3. Includes a definition of *minor*.

□ Prop 105 (45 votes) □ Prop 108 (40 votes) □ Emergency (40 votes) □ Fiscal Note

- 4. Extends the delayed effective date to 180 days after the general effect date.
- 5. Makes clarifying changes.



Fifty-seventh Legislature First Regular Session House: APPROP DPA 13-1-4-0

### HB 2871: appropriation; ibogaine; clinical research study Sponsor: Representative Wilmeth, LD 2 Caucus & COW

#### <u>Overview</u>

Appropriates \$10,000,000 from the state General Fund (GF) in FY 2026 to the Arizona Department of Health Services (DHS) to award a grant to conduct a research study on the use of ibogaine for the treatment of neurological diseases.

#### <u>History</u>

DHS is required to advance research in this state relating to: 1) the causes, epidemiology and diagnosis of diseases; 2) the formulation of cures for diseases; and 3) the development of medially accepted treatment and prevention of diseases, including the discovery and development of new drugs. In so doing, DHS may enter into research and development agreements concerning new products developed or to be developed through DHS-funded research (A.R.S.  $\frac{8}{36-272}, \frac{36-273}{36-273}$ ).

#### **Provisions**

- 1. Appropriates \$10,000,000 from the GF in FY 2026 to DHS to award a grant to conduct a certified clinical research study on the use of ibogaine for the treatment of neurological diseases, including traumatic brain injury and post-traumatic stress disorder. (Sec. 1)
- 2. Specifies that DHS may grant awards only to an entity that has all the following:
  - a. a history of proven research and treatment of neurological diseases;
  - b. a neurosurgery program with the requisite clinical and research facilities and that is staffed by professionals having expertise in the most challenging neurological and neurosurgical conditions; and
  - c. the ability to facilitate pioneering research and innovation in diagnosis and treatment of neurological conditions. (Sec. 1)
- 3. Exempts the appropriation from lapsing. (Sec. 1)

#### <u>Amendments</u>

- Committee on Appropriations
- 1. Reduces the GF appropriation to \$5,000,000 in FY 2026.
- 2. Requires the entity receiving the research grant to demonstrate to DHS that it has at least \$5,000,000 in matching monies from sources other than the state to complete the study.



Fifty-seventh Legislature First Regular Session House: JUD W/D | APPROP DP 17-1-0-0

### HB 2886: ignition interlock devices; violation; classification Sponsor: Representative Volk, LD 17 Caucus & COW

#### <u>Overview</u>

Increases the penalty for knowingly lending a vehicle to an individual required to use an ignition interlock device if a consequent collision results in death or serious injury.

#### <u>History</u>

A.R.S. § 28-1464 establishes restrictions and penalties related to ignition interlock devices for individuals with restricted driving privileges due to DUI-related offenses. It prohibits renting, leasing or lending a vehicle to such individuals unless the vehicle is equipped with an ignition interlock device, except in cases of substantial emergency. Restricted drivers must notify vehicle providers of their ignition interlock requirements and are prohibited from bypassing their ignition interlock devices. Violations of this statute constitute a class 1 misdemeanor, with certain violations leading to an extension of the ignition interlock device requirement for up to one year.

#### **Provisions**

- 1. Makes it a class 6 felony to knowingly lend a motor vehicle to someone in violation of the ignition interlock statutes, if that person subsequently is involved in a collision that results in death or serious physical injury. (Sec. 1)
- 2. Makes technical changes. (Sec. 1)





Fifty-seventh Legislature First Regular Session House: APPROP DPA 11-6-0-1

### HB 2919: state budget; structural balance; estimates Sponsor: Representative Olson, LD 10 Caucus & COW

#### <u>Overview</u>

Requires the General Appropriation Act to be balanced for each fiscal year (FY). Prohibits the deferral of the basic state aid and additional state aid payments to school districts (K-12 rollover).

#### <u>History</u>

The Arizona Legislature adopts a budget for each FY that contains general appropriations. <u>Article IV, Section 20, Part</u> 2 of the Arizona Constitution requires the General Appropriation Act to contain only appropriations for the different state departments, state institutions, public schools and interest on public debt.

The General Appropriation Act must include a provision that outlines the revenue and expenditure estimates for the following three years. The expenditure estimates must be based on existing statutory funding requirements (<u>A.R.S. §</u> <u>35-125</u>).

The format of the appropriations for the support and maintenance of state departments and institutions must be for each FY for all budget units (A.R.S. § 35-121).

For the ongoing K-12 rollover, the <u>FY 2025 General Appropriation Act</u> advance appropriates \$800,727,700 from the State General Fund (GF) in FY 2026 to fund the \$800,727,700 deferred obligation from FY 2025. The funding deferral does not apply to charter schools or to school districts with a student count of less than 4,000.

#### **Provisions**

- 1. Requires the General Appropriation Act and its expenditure estimates to be balanced for each FY. (Sec. 2)
- 2. Specifies that the General Appropriation Act and its expenditure estimates are balanced if the unreserved State GF beginning balance, together with the GF revenue estimate for that FY, is greater than or equal to that FY's GF expenditure estimate. (Sec. 2)
- 3. Requires the expenditure estimates to recognize any spending authorized in the budget year that was also approved in the prior FY as ongoing spending to calculate the structural balance of the FY. (Sec. 2)
- 4. Requires, for each FY, the format of the appropriations for the support and maintenance of the Arizona Department of Education and the Superintendent of Public Instruction to recognize the basic state aid and additional state aid entitlement paid to school districts in the same FY as the FY that the school district's budget capacity recognizes the state aid. (Sec. 1)

#### Amendments

#### Committee on Appropriations

- 1. Lowers the K-12 rollover payment owed to each school district in FY 2026 by the school district's total ending cash balances as of June 30, 2024, from the school district's maintenance and operations fund or unrestricted capital outlay fund as reported in the school district's FY 2024 annual financial report that was not included in the school district's FY 2025 adopted budget.
- 2. Allows the Governing Board of a school district to use any portion of the school district's total ending cash balances as of June 30, 2024, from the school district's maintenance and operations fund or unrestricted capital outlay fund as reported in the school district's FY 2024 annual financial report that was not included in the school district's FY 2025 adopted budget to replace any revenue from the reduced K-12 rollover payment.





Fifty-seventh Legislature First Regular Session House: APPROP DPA/SE 10-8-0-0

## HB 2926: TPT reimbursement; residential development S/E: AHCCCS; eligibility Sponsor: Representative Carbone, LD 25 Caucus & COW

## Summary of the Strike-Everything Amendment to HB 2926

#### **Overview**

Specifies that if the state's federal match rate for the Medicaid expansion population drops below 90%, rather than 80%, then the Arizona Health Care Cost Containment System (AHCCCS) must discontinue eligibility for those eligible persons. Outlines conditions that must be met for AHCCCS to continue eligibility for persons covered under the Medicaid expansion.

#### <u>History</u>

Established in 1981, AHCCCS is 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. Through its contracted health plans, AHCCCS delivers health care to qualifying individuals including low-income adults, their children or people with certain disabilities. Current statute outlines covered health and medical services offered to AHCCCS members (A.R.S. § <u>36-2907</u>).

The Section 1115 Waiver refers to section 1115 of the federal Social Security Act (SSA). States are required to comply with Title XIX (Medicaid) and Title XXI (Children's Health Insurance Program) of the SSA. AHCCCS has been operating under an 1115 Research and Demonstration Waiver that exempts AHCCCS from certain provisions of the SSA. Any modification to the waiver must be submitted and approved by the Centers for Medicare and Medicaid Services (CMS).

The Affordable Care Act (ACA) was passed by Congress in March 2010. The ACA expanded access to health insurance to various groups of the uninsured. It extended Medicaid eligibility to individuals up to 133% of the federal poverty level (FPL) (Medicaid expansion population).

Laws 2013, First Special Session, Chapter 10 included provisions relating to the expansion of Medicaid. Included in the expansion is the increase in the income eligibility level for all children up to 133% FPL, childless adults up to 100% FPL and adults up to 133% FPL, instituting a hospital assessment for the benefit of providing health care for eligible persons, the requirement that AHCCCS pursue cost sharing requirements for members, a hospital transparency report, a notice to AHCCCS members that their enrollment may depend on federal financial participation and other provisions related to the expansion.

The Hospital Assessment Fund is an assessment on hospital revenues, discharges or beds days. The purpose of the fund is to cover the non-federal share of Proposition 204 services and the adult population who became eligible for AHCCCS services on January 1, 2014.

AHCCCS is required to discontinue eligibility for the Medicaid expansion population and the Hospital Assessment if any of the following occur: 1) the federal matching rate for adults in this category or childless adults falls below 80%; 2) the maximum amount that can be generated from the hospital assessment is insufficient to pay for the newly eligible populations; or 3) the ACA is repealed.

#### **Provisions**

1. Requires AHCCCS to discontinue eligibility for persons under 65 years of age whose household's modified adjusted gross income is more than 100% but equal to or less than 133% FPL if the federal medical assistance percentage (FMAP) is less than 90%, rather than 80%. (Sec. 1)

 $\Box$  Prop 105 (45 votes)  $\Box$  Prop 108 (40 votes)  $\Box$  Emergency (40 votes)  $\Box$  Fiscal Note

- 2. Requires AHCCCS to discontinue eligibility for persons under 65 years of age whose household's modified adjusted gross income is more than 100% but equal to or less than 133% FPL if any of the following is not met by the administration:
  - a. has implemented a work requirement for able-bodied adults who are enrolled in the system in which a person is not eligible to participate in the system unless the person meets the listed exceptions;
  - b. has maintained a Medicaid improper payment rate of 5% or less;
  - c. has suspended requirements, with federal approval, if necessary, to automatically renew eligibility based on available information and use pre-populated forms;
  - d. has received an approved waiver and implemented a lifetime benefit limit of 60 months for able-bodied adults, counting only time spent in that eligibility category;
  - e. has implemented, with federal approval, if necessary, biannual redeterminations for persons who are eligible under federal law;
  - f. has limited, with federal approval, if necessary, hospital presumptive eligibility determinations to children and pregnant women. (Sec. 1)
- 3. Directs AHCCCS to implement an able-bodied work requirement in which a person is not eligible to participate in the system unless the person:
  - a. works at least 20 hours per week, averaged monthly;
  - b. participates and complies with the work program requirements of at least 20 hours per week, as determined by AHCCCS;
  - c. volunteers at least 20 hours per week, as determined by AHCCCS;
  - d. meets any combination of working and participating in a work program for at least 20 hours per week, as determined by AHCCCS; or
  - e. participates and complies with the workfare program requirements unless the person meets any of the listed exemptions. (Sec. 1)
- 4. Excludes the following populations from participating and complying with the workfare program requirements: a. a person under 19 years of age;
  - b. a person at least 64 years of age;
  - c. a person who is pregnant;
  - d. a person who is medically certified as physically or mentally unfit for employment;
  - e. a parent or caretaker who is responsible for the care of a dependent child who is under six years of age;
  - f. a parent or caretaker who is personally providing the care for a dependent child who has a serious medical condition or disability, as determined by AHCCCS;
  - g. a person who participates in a drug addiction or alcohol treatment and rehabilitation program; or
  - h. a person who receives unemployment compensation and complying with work requirements that are part of the federal-state unemployment compensation system. (Sec. 1)
- 5. Requires AHCCCS to provide to the Senate and House of Representatives Health and Human Services (HHS) Committees or their successor committees every two years for review data provided by AHCCCS to CMS that demonstrates its Medicaid improper payment rate for the preceding two years. (Sec. 1)
- 6. Requires AHCCCS to submit any necessary amendments or waivers to the current Section 1115 waiver to CMS no later than 90 days after October 1, 2025, to implement these requirements. (Sec. 1)
- 7. Requires AHCCCS to take all actions necessary to implement the requirements as practicable. (Sec. 1)
- 8. Requires AHCCCS to notify the Senate and House of Representatives HHS Committees, or their successor committees, within 30 days after the submission, approval, rejection or withdrawal of any federal amendment, waiver request or state plan amendment submitted to carry out these requirements. (Sec. 1)
- 9. Requires AHCCCS to terminate eligibility for eligible persons no later than January 1, 2027, if any conditions required for eligibility are not met before 90 days after April 1, 2026. (Sec. 1)
- 10. Requires AHCCCS to terminate eligibility for eligible persons within 90 days after the date the conditions are not met if all conditions required for eligibility are met within 90 days after April 1, 2026, but are not met at any point thereafter. (Sec. 1)
- 11. Prohibits AHCCCS from collecting an assessment for costs associated with service after the effective date of any reduction of the FMAP that is less than 90%, rather than 80%. (Sec. 2)

- 12. Conditions, as session law, the repeal of Medicaid expansion and the hospital assessment if the FMAP falls below 90%, rather than 80%. (Sec. 3)
- 13. Requires the AHCCCS Director to notify the Director of Legislative Council if the FMAP drops below 90%, rather than 80%. (Sec. 3)
- 14. Makes technical changes. (Sec. 1 and 3)



Fifty-seventh Legislature First Regular Session House: COM DP 10-0-0-0

## HB 2048: sales of securities; definition Sponsor: Representative Kolodin, LD 3 Caucus & COW

#### <u>Overview</u>

Modifies the definition of *offer to sell* or *offer for sale* in the context of the sale of securities.

#### **History**

The Arizona Corporation Commission (ACC) regulates securities in Arizona through the registration of securities being offered or sold and the registration of dealers who sell, purchase or offer to sell or buy securities in Arizona. The sale of a federal covered security that complies with ACC filing requirements is exempt from the requirement to register securities. Statute also outlines exemptions to dealer registration and ACC filing requirements (<u>Title 44</u>, <u>Chapter 12</u>, <u>A.R.S.</u>).

A *security*, in general, is any tradeable interest or instrument such as a note, stock, treasury stock, bond, commodity investment contract, commodity option, debenture or evidence of indebtedness. A security must be registered with the ACC, unless it is a covered federal security, and may only be sold by a dealer or salesmen who is registered with the ACC before an offer to sell a security may be made (A.R.S.  $\frac{44-1814}{4-1842}$ ).

Statute defines *offer to sell* as an attempt or offer to dispose of, or solicitation of an order or offer to buy, a security or interest in a security for value or any sale or offer for sale of a warrant or right to subscribe to another security of the same issuer or of another issuer. Any sale or offer for sale of a security that gives the holder thereof a present or future right or privilege to convert such security into another security of the same issuer or of another issuer shall be deemed an offer to sell the security to be acquired pursuant to such right or privilege, but the existence thereof shall not be construed as affecting the registration or exemption under this chapter of the security to which it attaches (A.R.S.  $\S$  44-1801).

#### **Provisions**

1. Includes, to the definition of *offer to sell* or *offer for sale*, an offer, including an offer to sell or offer for sale, occurs only where acceptance of the offer and payment of consideration would complete the sale. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: COM DPA 9-1-0-0

### HB 2168: long-term RVs; cooling; prohibition Sponsor: Representative Gress, LD 4 Caucus & COW

#### <u>Overview</u>

Prevents a recreational vehicle park landlord from prohibiting the installation of cooling methods on a tenant's recreational vehicle.

#### <u>History</u>

The Recreational Vehicle Long-Term Rental Space Act regulates and determines rights, obligations and remedies for a recreational vehicle space that is rented in a recreational vehicle park or mobile home park by the same tenant under a rental agreement for more than 180 consecutive days (A.R.S. § 33-2101).

A landlord must adopt written rules concerning the tenant's use and occupancy of the premises. Such rules are enforceable against the tenant only if: 1) they apply to all tenants on the premises in a fair manner; 2) they are sufficiently explicit in prohibition, direction or limitation of the tenant's conduct to fairly inform the tenant of what the tenant must or must not do to comply; 3) they are not for the purpose of evading the obligations of the landlord; and 4) the prospective tenant has a copy of the current rules before entering into the rental agreement. A new tenant who brings a recreational vehicle into a park or who purchases an existing recreational vehicle or mobile home must comply with all current rules.

Statute outlines prohibitions for landlords pertaining to the tenant's use and occupancy, including requiring an existing tenant to furnish permanent improvements that cannot be removed without damage to the improvements or to the recreational vehicle space by a tenant at the expiration of the rental agreement (A.R.S. § 33-2132).

#### **Provisions**

1. Precludes a recreational vehicle park landlord from prohibiting a tenant from installing reasonably necessary commercial cooling methods on the tenant's recreational vehicle. (Sec. 1)

#### Amendments

Committee on Commerce

1. Adds an emergency clause.



Fifty-seventh Legislature First Regular Session House: COM DP 9-1-0-0

### HB 2200: professional registration; reciprocity; endorsement Sponsor: Representative Wilmeth, LD 2 Caucus & COW

#### <u>Overview</u>

Outlines the qualifications for professional registration through reciprocity or endorsement.

#### **History**

The State <u>Board of Technical Registration</u> (BTR) provides for safety, health and welfare of the public through the promulgation and enforcement of standards of qualification for those individuals who are registered or certified and seeking registration or certification (<u>A.R.S. § 32-101</u>).

The BTR serves as a regulatory agency and regulates the professions of the alarm industry (alarm agents and alarm businesses), architects, engineers, geologists, home inspectors, landscape architects and land surveyors. The BTR reviews applications for these professions and additionally accepts complaints from the public, alleging violations of the standards of practice for these fields and creates policy statements for public guidance on welfare issues related to the practice of these professions.

Individuals desiring to practice any board-regulated profession or occupation must apply for such registration or certification with the BTR. Applicants for a professional registration as an architect, engineer, geologist or landscape architect or land surveyor must pass the in-training and professional examinations in the profession in which registration is sought. An applicant for registration as an architect, engineer, geologist or landscape architect must be actively engaged in education or experience, or both, in the profession for which registration is sought for at least eight years while an applicant for land surveyor registration must be actively engaged in education or experience in the profession for which registration is sought for at least six years (A.R.S.  $\S$  32-122.01).

A *reciprocal license* means that a professional license obtained in one state can be recognized and accepted in another state, allowing the holder to practice their profession in that new state without having to retake a licensing exam or go through the full licensing process again.

#### **Provisions**

- 1. Declares a person who meets the outlined qualifications for registration is eligible for registration. (Sec. 1)
- 2. Requires an applicant for professional registration as an engineer, architect, land surveyor or landscape architect in this state through reciprocity or endorsement must hold both:
  - a. a valid license, registration or certification issued by specified authorities; and
  - b. a certification or model law designation from the applicable profession's national council. (Sec. 1)
- 3. Adds, as an additional requirement for an applicant for a professional engineer registration, that the person holds a record from the profession's national council verifying that the person meets at least one of the outlined criteria in the branch of engineering in which registration is sought. (Sec. 1)
- 4. Adds, as an additional requirement for an applicant for a land surveyor registration, that the person passes the examination relating to surveying methods and legal principles in this state as prescribed by the BTR. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: COM DPA/SE 6-4-0-0

## HB 2328: technical correction; liquor licenses S/E: fantasy sports contests Sponsor: Representative Weninger, LD 13 Caucus & COW

## Summary of the Strike Everything Amendment to HB 2328

#### <u>Overview</u>

Clarifies what constitutes as a fantasy sports contest.

#### <u>History</u>

Laws 2021, Chapter 234, established laws regulating fantasy sports betting and event wagering, including licensing requirements for fantasy sports contests and event wagering operators.

A person is required to be licensed as a fantasy sports contest operator in order to offer fantasy sports contests in this state. An individual may offer one or more fantasy sports contests if:

- 1) the fantasy sports contests are not made available to the general public;
- 2) each of the fantasy sports contests is limited to not more than fifteen total fantasy sports contest players; and
- 3) the individual collects not more than \$10,000 in total entry fees for all fantasy sports contests offered in a calendar year, at least 95% of which are awarded to the fantasy sports contest players.

*Fantasy sports contest* is a simulated game or contest that is offered to the public with an entry fee and that meets all of the following conditions:

- 1) no fantasy sports contest team is composed of the entire roster of a real-world sports team;
- 2) no fantasy sports contest team is composed entirely of individual athletes who are members of the same real-world sports team;
- 3) each prize or award or the value of all prizes or awards offered to winning fantasy sports contest players is made known to the fantasy sports contest players in advance of the fantasy sports contest;
- 4) each winning outcome reflects the relative knowledge and skill of the fantasy sports contest players and is determined by the aggregated statistical results of the performance of multiple individual athletes or participants selected by the fantasy sports contest player to form the fantasy sports contest team, whose individual performances in the fantasy sports contest directly correspond with the actual performance of those athletes or participants in the athletic events in which those individual athletes or participants participated; and
- 5) a winning outcome is not based on randomized or historical events or on the score, point spread or performance in an athletic event of a single real-world sports team, a single athlete or any combination of real-world sports teams (A.R.S. § 5-1201).

#### **Provisions**

- 1. Specifies a fantasy sports contest conducted by an *operator* as defined in the fantasy sports contest statutes does not constitute *event wagering* as defined in the event wagering statutes. (Sec. 2)
- 2. Stipulates that the applicable conditions required to offer a fantasy sports contests apply as conditions for offering a fantasy sports contests without a license. (Sec. 2)

□ Prop 105 (45 votes) □ Prop 108 (40 votes) □ Emergency (40 votes) □ Fiscal Note

- 3. Modifies the definition of *fantasy sports contest* to mean a simulated game or contest that is offered to the public with an entry fee *in which participants compete against each other or a single participant competes against a target score set the operator.* (Sec. 1)
- 4. Removes the specification that a *fantasy sports contest* does not constitute or involve a contest that involves or results in betting on a race, a game, a contest or a sport that constitutes event wagering. (Sec. 1)
- 5. Makes technical changes. (Sec. 1, 2)



Fifty-seventh Legislature First Regular Session House: COM DPA 8-0-0-2

### HB 2873: tourism improvement areas; municipalities; counties Sponsor: Representative Wilmeth, LD 2 Caucus & COW

#### <u>Overview</u>

Enables a governing body to approve the formation of a tourism improvement area.

#### <u>History</u>

Special taxing districts are usually created to fill a need and to enable the provision of services in an area that might otherwise be limited from receiving those services for various reasons, including size, location, financial limitations or unavailability of other government support. The formation of a special taxing district creates a funding stream to pay for the desired or needed services by placing the responsibility on those who benefit from that service.

<u>Title 48</u> of the Arizona Revised Statutes currently allows and outlines the process for the formation of various types of special taxing districts including fire districts, irrigation districts, hospital districts, pest abatement districts and power districts. Although the specific process depends on the type of district created, the formation in many cases requires the submission of petitions to the county board of supervisors followed by a public hearing. Sometimes an election may be required to form a district.

#### **Provisions**

#### Tourism Improvement Area

- 1. Authorizes a governing body, on presentation of a petition, to approve the formation of a tourism improvement area. (Sec. 1)
- 2. Delineates information that a petition for the formation of the tourism improvement area must include. (Sec. 1)
- 3. Allows a lodging business owner to appoint an authorized agent to act as the lodging business owner's representative. (Sec. 1)
- 4. Deems the lodging business owner's representative as the business owner for the purposes of any signature required or other purpose authorized by the lodging business owner. (Sec. 1)
- 5. Asserts a governing body has no obligation to obtain other information as to the ownership of the lodging business and its determination of ownership is final and conclusive. (Sec. 1)

#### Tourism Improvement Area Plan

- 6. Requires a tourism improvement area plan to be prepared before a required public hearing on the proposed tourism improvement area is held. (Sec. 1)
- 7. Outlines information that must be included in the tourism improvement area plan. (Sec. 1)
- 8. Asserts lodging business assessments levied will provide benefits to lodging businesses located within the tourism improvement area that are subject to the assessment. (Sec. 1)
- 9. Specifies that lodging business assessments may vary by types or classes of lodging businesses as described in the tourism improvement area plan. (Sec. 1)
- 10. Allows the lodging business assessment to be levied based on:
  - a. a fixed amount;
  - b. rate per transaction;
  - c. fixed rate per transaction per day;
  - d. percentage of sales; or
  - e. any combination of such methods. (Sec. 1)

 $\Box$  Prop 105 (45 votes)  $\Box$  Prop 108 (40 votes)  $\Box$  Emergency (40 votes)  $\Box$  Fiscal Note

- 11. Outlines stipulations for contesting the validity of a lodging business assessment. (Sec. 1)
- 12. Requires tourism improvement area activities be designed to promote tourism and lodging to enhance the economic development climate in the improvement area. (Sec. 1)
- 13. Allows tourism improvement area activities to supplement, but not replace governmental services including the planning, administration and management of activities designed to benefit the tourism improvement area. (Sec. 1)

#### Tourism Improvement Area Formation

- 14. Requires a governing body, upon receipt of a valid petition, to adopt a resolution of intention to consider the formation of a tourism improvement area. (Sec. 1)
- 15. Outlines information which must be included in the resolution of intention, including the date, time and place of a public hearing to consider the petition for formation of a tourism improvement area. (Sec. 1)
- 16. Provides requirements for noticing the public hearing. (Sec. 1)
- 17. Instructs the governing body to conduct the public hearing at least 30 days after mailing the notice to all lodging business owners identified in the notice. (Sec. 1)
- 18. Requires the governing body to consider public testimony regarding a proposed tourism improvement area. (Sec. 1)
- 19. Allows an assessed lodging business to submit a written objection to the governing body prior to the conclusion of the public hearing (Sec. 1)
- 20. Stipulates for written objections received from lodging business owners representing 50% or more of the total rooms within the proposed tourism improvement area:
  - a. the public hearing must end; and
  - b. no further proceedings on the formation of the tourism improvement area may be held for a period of one year after the date of the hearing. (Sec. 1)
- 21. Allows a governing body to adopt a resolution forming a proposed tourism improvement area provided the governing body determines that the written objections submitted total less than 34% of total rooms within a proposed tourism improvement area. (Sec. 1)
- 22. Prohibits the governing body of a municipality from forming a proposed tourism improvement area in an unincorporated territory of a county without consent from the county board of supervisors. (Sec. 1)
- 23. Prohibits a governing body or board of supervisors from forming a tourism improvement area within territorial jurisdiction of another municipality or county without consent of the governing body or board of supervisors of that area. (Sec. 1)
- 24. Allows for the boundaries of tourism improvement areas to overlap with another tourism improvement area boundary or district created for special assessments. (Sec. 1)
- 25. Limits the initial term and subsequent renewals of the tourism improvement area to 10 years. (Sec. 1)
- 26. Requires any lodging business subject to lodging business assessment commencing operations during the term of a tourism improvement area be subject to the lodging business assessment. (Sec. 1)

#### Tourism Improvement Area Management

- 27. Requires an owners' association to manage the tourism improvement area and be contracted with the governing body to administer the tourism improvement area activities. (Sec. 1)
- 28. Requires, for newly formed nonprofit corporations designated as the owner's association, the certificate of incorporation or bylaws provide that the governing board of the owners' association be composed of a majority of the lodging business owners, or their representatives located within the tourism improvement area. (Sec. 1)
- 29. Allows for a representative of a municipality or county to have a nonvoting, ex officio seat on the governing board.

- 30. Provides requirements for an existing nonprofit corporation that is designated as the owners' association. (Sec. 1)
- 31. Asserts a tourism improvement area owners' association authority includes any powers possessed by a nonprofit corporation, including accepting donations and receiving grants. (Sec. 1)
- 32. Provides reporting requirements for the governing board of the tourism improvement area owners' association. (Sec. 1)

#### Tourism Improvement Area Plan Amendments

- 33. Allows a governing body to amend the tourism improvement area plan on written request of the tourism improvement area owners' association. (Sec. 1)
- 34. Instructs a governing body, for tourism improvement area plan amendments that include a new or increase lodging assessment, to hold a public hearing on the amendment and provide a meeting notice to the owner of each lodging business subject to the lodging business assessment. (Sec. 1)
- 35. Stipulates the governing body must hold a public hearing on the amendment if the amendment does not include a new or increased assessment. (Sec. 1)

#### Lodging Business Assessments

- 36. Requires the owner's association to establish, charge and collect lodging business assessments on the lodging businesses located in the tourism improvement area. (Sec. 1)
- 37. Limits the assessments to \$5 per room sold per night on the lodging business rooms in the tourism improvement area and allows the assessment rate to be tiered based on the annual average daily room rate for the affected lodging business. (Sec. 1)
- 38. Outlines the process for the lodging business owner in levying the assessments and paying the assessments to the Department of Revenue (DOR). (Sec. 1)
- 39. Instructs DOR to report the amount of assessments collected to the State Treasurer. (Sec. 1)
- 40. Instructs the State Treasurer to transmit monthly the amount collected from lodging business assessments within the tourism improvement area to the treasurer or officer exercising the functions of treasurer of the municipality or county where the tourism improvement area is located. (Sec. 1)
- 41. Instructs the owners' association and the participating governing body to report the amount of the lodging business assessment to DOR and to supply DOR and the State Treasurer any requested information. (Sec. 1)

#### Tourism Improvement Area Renewal and Dissolution

- 42. Allows a tourism improvement area to be renewed and engage in different tourism improvement activities than the original tourism improvement area. (Sec. 1)
- 43. Specifies any remaining monies held by the tourism improvement area be transferred to the renewed tourism improvement area. (Sec. 1)
- 44. Stipulates a 30-day period each year in which the lodging business owners may request dissolution of the tourism improvement area. (Sec. 1)
- 45. Outlines the process for tourism improvement area dissolution, including petition submission and holding a public hearing. (Sec. 1)
- 46. Allows the governing body to adopt a resolution dissolving the tourism improvement area upon the area satisfying all debts of the tourism improvement area. (Sec. 1)
- 47. Stipulates the governing body may dissolve the tourism improvement area upon finding that there has been misappropriation of monies, malfeasance or a violation of law in connection with the management of the tourism improvement area. (Sec. 1)
- 48. Requires the resolution dissolving the tourism improvement area to:
  - a. state the reason for the dissolution;

- b. state the time and date of the public hearing; and
- c. contain a proposal to dispose of any assets acquired with the monies of the lodging business assessments levied within the tourism improvement area. (Sec. 1)
- 49. Provides notice and public hearing requirements relating to the dissolution. (Sec. 1)
- 50. Requires remaining monies of the tourism improvement area to the spent in accordance with the area plan or refunded to the appropriate lodging business owners. (Sec. 1)
- 51. Stipulates monies must be refunded using the same method and basis that was used to calculate the assessments levied in the fiscal year in which the tourism improvement area is dissolved or expires. (Sec. 1)

#### Miscellaneous

- 52. Prohibits the governing body from eliminating or reducing the funding level of any services customarily provided in the tourism improvement area boundaries. (Sec. 1)
- 53. Stipulates the governing body, unless a reduction in service is part of a municipality-wide or countywide pro rata reduction in services necessitated by fiscal considerations or budgetary constraints, must continue to provide the customary funding and services levels of each service within the tourism improvement area. (Sec. 1)
- 54. Defines pertinent terms. (Sec. 1)
- 55. Contain a legislative findings clause. (Sec. 2)

#### Amendments

Committee on Commerce

- 1. Removes the definition of owner's association and provides a definition of owners' board.
- 2. Adds that the lodging business owner's representative must be considered the lodging business owner for the purposes of any signature required for serving on a board or committee.
- 3. Clarifies that the lodging business assessment will provide benefits to associated industries located within the tourism improvement area that are subject to the assessment.
- 4. Deletes language relating to tourism improvement area activities supplementing but not replace governmental services.
- 5. Requires the public hearing notice be disseminated at least 30 days, rather than 10 days, before the date of the hearing.
- 6. Deletes language relating to the governing body adopting a resolution provided the written objections submitted by lodging business owners do not represent 34% of the total rooms.
- 7. Removes language allowing the boundaries of a tourism improvement area to overlap.
- 8. Modifies requirements relating to the management of a tourism improvement area.
- 9. Replaces the term owners' association with destination marketing organization.
- 10. Deletes language relating to a governing body eliminating or reducing funding levels regarding government services.



Fifty-seventh Legislature First Regular Session House: ED DPA/SE 6-2-4-0

# HB 2185: exchange teachers; technical correction Sponsor: Representative Gress, LD 4 S/E: schools; teacher salary increases; reporting Caucus & COW

## Summary of the Strike-Everything Amendment to HB 2185

#### **Overview**

Requires, if the voters approve the increase to the Permanent State School Fund's annual distribution rate, each school district and charter school to revise its salary schedules to increase the base salary of all eligible teachers above the FY 2026 base salary. Creates the Teacher Pay Fund (Fund) and details calculation, compliance and reporting requirements.

#### <u>History</u>

The Arizona State Land Department (ASLD) manages approximately 9.2 million acres of state trust lands for 13 beneficiaries designated by the Enabling Act (<u>ASLD</u>). A permanent fund is established for each of the 13 beneficiaries, each of which consists of permanent and expendable receipts (<u>JLBC</u>). The largest beneficiary of state land trust monies is common (K-12) schools, with distributions made from the Permanent State School Fund (<u>Ariz. Const. Art. 10, § 7</u>). <u>Proposition 123</u> increases, for FYs 2016-2025, the annual distribution rates of the permanent funds from 2.5% to 6.9% of the preceding five-year average monthly market values. Beginning in FY 2026, each permanent fund's annual distribution rate returns to 2.5%.

A school district governing board (governing board) is authorized to fix the salaries and benefits of employees for the next year. A governing board may also reduce salaries or eliminate certificated teachers to effectuate economies in the operation of the school district or to improve the efficient conduct and administration of its schools. A notice of general salary reduction must be given to each affected certificated teacher (A.R.S. §§ <u>15-502</u> and <u>15-544</u>).

Each governing board and charter school governing body (governing body) must establish a system to evaluate the performance of teachers that results in at least one evaluation each school year and includes the following four performance classifications: 1) highly effective; 2) effective; 3) developing; and 4) ineffective (A.R.S. §§ <u>15-189.06</u> and <u>15-537</u>).

#### **Provisions**

### Base Salary of Eligible Teachers

- 1. Mandates each school district and charter school, if the voters approve the increase to the Permanent State School Fund distribution rate, revise its salary schedules to increase the base salary of all eligible teachers who are or will be employed. (Sec. 2)
- 2. Prohibits a school district or charter school, if salary increases are required, from reducing the base salary of eligible teachers who are or will be employed below the FY 2026 base salary schedule reported to the Arizona Department of Education (ADE). (Sec. 2)
- 3. Defines *eligible teacher* as a person who is employed by a charter school or school district and who either: a. meets both of the following:
  - i. is employed for a full school day or full class load, or the equivalents, as determined by ADE; and
  - ii. devotes more than 75% of their work time to nonadministrative activities that provide student instruction;
    - or
  - b. meets both of the following:
    - i. is employed as a special education teacher for a full school day or full class load, or the equivalents, as determined by ADE; and

- ii. devotes more than 50% of their work time to support student academic achievement as prescribed by the governing board or governing body. (Sec. 2)
- 4. Includes, in *eligible teacher*, current teachers and teachers who begin work for the school district or charter school after the effective date of this legislation. (Sec. 2)
- 5. Excludes, from *eligible teacher*, an administrator or a person designated in either of the two lowest performance classifications after a teacher performance evaluation. (Sec. 2)
- 6. Allows a school district or charter school, in any budget year in which its estimated total current expenditures per pupil is below its total current expenditures per pupil calculated by ADE for FY 2026, to:
  - a. reduce the base salary of eligible teachers below the base salary reported to ADE in FY 2026 by an amount that does not exceed the percentage reduction in the total current expenditures per pupil for the budget year compared to the total current expenditures per pupil for FY 2026; and
  - b. apply the base salary reduction only to the current budget year. (Sec. 2)
- 7. States a school district's or charter school's authority to adjust an individual teacher's salary in a manner consistent with the applicable base salary schedule is not restricted. (Sec. 2)

#### Fund

- 8. Establishes the Fund that consists of legislative appropriations and Permanent State School Fund distributions. (Sec. 2)
- 9. Tasks ADE with administering the Fund and establishing procedures for determining eligibility for Fund monies. (Sec. 2)
- 10. States Fund monies are continuously appropriated and exempt from lapsing. (Sec. 2)
- 11. Declares Fund monies that are distributed are in addition to any other monies the school district or charter school receives from any lawful source and may not supplant, replace or otherwise cause a reduction in other funding sources. (Sec. 2)
- 12. Exempts Fund monies that are distributed from the revenue control limit. (Sec. 2)
- 13. Stipulates the required eligible teacher base salary increases must be:
  - a. the State Treasurer's estimate of the Permanent State School Fund distributions that will be deposited in the Fund for the budget year; and
  - b. the same amount for each eligible teacher, regardless of experience level. (Sec. 2)
- 14. Directs ADE, if salary increases are required, to allocate Fund monies to eligible school districts and charter schools in an amount equal to the per teacher amount determined by Joint Legislative Budget Committee (JLBC) Staff, multiplied by the number of eligible teachers employed by the school district or charter school. (Sec. 2)
- 15. Requires the following to occur by March 30 annually:
  - a. the Treasurer must provide JLBC Staff an estimate of Permanent State School Fund distributions that will be deposited in the Fund for the budget year; and
  - b. JLBC Staff must determine a per teacher amount from the Fund for the budget year using the statewide number of eligible teachers and based on the Treasurer's estimate. (Sec. 2)
- 16. Mandates ADE allocate monies appropriated by the Legislature to the Fund for other salary increases to each eligible school district and charter school according to the terms of the appropriation. (Sec. 2)

#### Fund Reporting and Compliance

- 17. Instructs a school district or charter school that receives Fund monies to submit, by November 15 annually and to the Superintendent of Public Instruction, a report that provides an accounting of the expenditures of Fund monies during the previous fiscal year. (Sec. 2)
- 18. Tasks ADE, in conjunction with the Auditor General (OAG), with prescribing the format of the school district and charter school Fund expenditures report. (Sec. 2)
- 19. Requires ADE, on report from the OAG, to determine whether school districts and charter schools are complying with the prescribed Fund and salary requirements. (Sec. 2)

20. Declares a school district or charter school that is determined to be in noncompliance, or that has failed to correct a deficiency within 90 days of notice from the OAG, is ineligible to receive Fund monies from the date of the determination until the OAG reports that the school district or charter school is in compliance. (Sec. 2)

### Miscellaneous

- 21. Adds that a charter school's budget must contain:
  - a. the salary schedule for eligible teachers who are employed for the current school year; and
  - b. a statement identifying the number of eligible teachers who are employed for the current year. (Sec. 1)
- 22. Includes, in a school district's budget format, a statement identifying the number of eligible teachers who are employed for the current year. (Sec. 3)
- 23. Makes conforming changes. (Sec. 3)



Fifty-seventh Legislature First Regular Session House: ED DPA 11-0-0-1

## HB 2585: school open enrollment; tribal students Sponsor: Representative Garcia, LD 8 Caucus & COW

#### <u>Overview</u>

Includes, in the definition of *resident transfer pupil* as it relates to open enrollment, a pupil whose residence is on tribal land and who is enrolled in or seeking enrollment in a school that is within one of the three closest school districts to the pupil's residence.

#### <u>History</u>

School district governing boards must establish and implement an open enrollment policy, which is a policy to allow a: 1) resident pupil (pupil whose residence is within the attendance area of a school) to enroll in any school located within other school districts; 2) resident transfer pupil (resident pupil who is enrolled in or seeking enrollment in a school that is within the school district but outside the attendance area of the pupil's residence) to enroll in any school within the school district; and 3) nonresident pupil (pupil who resides in Arizona and who is enrolled in or is seeking enrollment in a school district that they do not reside in) to enroll in any school within the school district (A.R.S. § 15-816)

A school district must enroll at any time any resident pupil who applies for enrollment to the school district. A school district must give enrollment preference to and reserve capacity for: 1) resident pupils; 2) pupils returning to the school from the prior year; and 3) siblings of enrolled pupils. A school district may give enrollment preference to children who: 1) are in foster care; 2) are *unaccompanied youth*; 3) attend a closing school; 4) are the children of a U.S. Armed Forces member who is on active duty or was killed in the line of duty. A school district may give enrollment preference to and reserve capacity for: 1) pupils who are the children of school district employees; 2) resident transfer pupils and their siblings; and 3) pupils who meet additional criteria established by the school district governing board (A.R.S. § 15-816.01).

#### <u>Provisions</u>

- 1. Expands the definition of *resident transfer pupil*, as it relates to open enrollment, to include a pupil:
  - a. whose residence is located on tribal land; and
  - b. who is enrolled in or seeking enrollment in a school that is within one of the three closest school districts to the pupil's residence, other than the school district in which the pupil resides. (Sec. 1)
- 2. Determines the closest school districts to the pupil's residence by calculating the shortest distance from the pupil's residence to the boundaries of each school district. (Sec. 1)
- 3. Defines *tribal land*. (Sec. 1)

#### Amendments

 $Committee \ on \ Education$ 

1. Narrows *resident transfer pupil* to a pupil whose residence is located on tribal land and outside the boundaries of any school district.



Fifty-seventh Legislature First Regular Session House: ED DP 12-0-0-0

## HB 2677: middle school students; CTE courses Sponsor: Representative Aguilar, LD 26 Caucus & COW

#### <u>Overview</u>

Permits a public school to offer career and technical education (CTE) courses to middle school students that count towards 8th grade promotion and high school graduation. Requires public schools to accept credits earned by middle school students in CTE courses.

#### <u>History</u>

A career technical education district (CTED) provides CTE courses and programs that meet statutorily prescribed requirements to students. A person may enroll in a CTED, regardless of their age or high school graduation status, though the CTED may not include in its student count a student who: 1) is in kindergarten or the 1st-8th grades; 2) has graduated from high school or received a general equivalency diploma, unless otherwise permitted; or 3) is older than 21 years old. A CTED governing board may enter into an intergovernmental agreement (IGA) or other written contract with another CTED, a school district, a charter school or a community college district to provide CTE instruction (A.R.S. §§ <u>15-391</u> and <u>15-393</u>).

The State Board of Education (SBE) must authorize a school district to maintain a department consisting of CTE and vocational education programs and program improvement services for students in the 7th-12th grades if the school: 1) has satisfactory facilities and equipment; 2) has qualified trained instructors; and 3) teaches the CTE and vocational education program in accordance with SBE rules (A.R.S. § 15-782).

#### **Provisions**

- 1. Allows, during the 2025-2026, 2026-2027 and 2027-2028 school years, any school operated by a school district (district school) or charter school that instructs middle school students to offer CTE courses that may be counted for the:
  - a. promotion of students from the 8th grade; and
  - b. graduation of students from high school. (Sec. 1)
- 2. Requires each public school to accept credits earned by a middle school student in CTE courses, except credits that were not earned because the student did not complete the course or earn a passing grade. (Sec. 1)
- 3. Instructs a school district or charter school that operates a school that offers CTE courses to middle school students to enter into an IGA or contract with a:
  - a. CTED;
  - b. school approved by SBE to provide CTE and vocational education; or
  - c. community college district that provides CTE courses approved by the Arizona Department of Education (ADE) in accordance with federal law. (Sec. 1)
- 4. Directs each school district or charter school that operates a school that offered CTE courses to middle school students during the previous school year to report to ADE, by July 1st annually and for the previous school year, the number of:
  - a. CTE courses offered by each district school or charter school; and
  - b. students in each district school or charter school who successfully completed a CTE course. (Sec. 1)
- 5. Requires ADE, by December 31, 2028, to compile the reports, prepare a summary of the reports and submit the reports and summary to specified individuals. (Sec. 1)
- 6. Repeals the authorization and requirement relating to CTE courses for middle school students on January 1, 2037. (Sec. 1)

7. Defines *middle school student* as a student in the 6th, 7th or 8th grades. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: ED DPA 8-4-0-0

## HB 2867: antisemitism; public schools; prohibition; penalties Sponsor: Representative Way, LD 15 Caucus & COW

#### <u>Overview</u>

Establishes prohibitions for public schools, the state and state agencies regarding the teaching or promoting of antisemitism or anti-Semitic conduct, acts or processes. Details civil liability and discipline procedures for violations of the prohibitions.

#### <u>History</u>

On May 26, 2016, the 31 member states (including the United States) of the International Holocaust Remembrance Alliance (IHRA) adopted a non-legally binding working definition of antisemitism. Under the IHRA working definition, *antisemitism* means a certain perception of Jews, which may be expressed as hatred towards Jews. *Antisemitism* includes rhetorical and physical manifestations of antisemitism [that] are directed toward Jewish or non-Jewish individuals and/or their property, toward Jewish community institutions and religious facilities. The IHRA maintains contemporary examples of antisemitism in public life, the media, schools, the workplace and in the religious sphere (U.S. Department of State) (IHRA Antisemitism Working Definition).

#### Provisions

#### Prohibitions on Antisemitism and Anti-Semitic Conduct, Acts or Processes

- 1. Prohibits a public school, teacher, principal, school administrator or a volunteer or contractor of a public school from:
  - a. teaching, instructing or training students, or promoting or providing professional development in, any antisemitism or anti-Semitic conduct, acts or processes that constitute harassment or discrimination and create a hostile educational or work environment;
  - b. calling for the genocide or murder of any group; and
  - c. requiring a student to advocate for or against a specific topic or point of view to receive coursework credit across every subject area or to receive credits for high school graduation. (Sec. 1)
- 2. Restricts the state, state agencies, public schools and teachers from:
  - a. applying for, soliciting, receiving or using monies or in-kind goods or services from any source for:
    - i. teaching, instructing or training students in antisemitism or anti-Semitic conduct, acts or processes;
    - ii. developing, purchasing or acquiring a curriculum or course materials for a course that promotes antisemitism or anti-Semitic conduct, acts or processes;
    - iii. providing teacher training or professional development for a course that promotes antisemitism or anti-Semitic conduct, acts or processes; or
    - iv. hiring or retaining a contractor for any of these specified purposes;
  - b. using any public monies to support the costs of teaching antisemitism or anti-Semitic conduct, acts or processes;
  - c. providing grants or other monies to other state agencies, public schools or teachers to support the costs of teaching antisemitism or anti-Semitic conduct, acts or processes; and
  - d. accepting or using monies intended or required to be used to support the costs of teaching or promoting antisemitism or anti-Semitic conduct, acts or processes to public school students. (Sec. 1)
- 3. Prevents a public school from:
  - a. taking any adverse employment action against an employee because the employee refused to:
    - i. teach or promote antisemitism or anti-Semitic conduct, acts or processes; or
    - ii. support, believe, endorse, embrace, confess, act on or otherwise assist antisemitism or anti-Semitic conduct, acts or processes;

□ Prop 105 (45 votes) □ Prop 108 (40 votes) □ Emergency (40 votes) □ Fiscal Note

- b. requiring an employee, as a condition of employment, to complete a curriculum that includes any antisemitism or anti-Semitic conduct, acts or processes; or
- c. awarding academic credit to a high school student for completing a course that includes or promotes any antisemitism or anti-Semitic conduct, acts or processes. (Sec. 1)

### Civil Liability and Discipline

- 4. Authorizes a student who is at least 18 years old, or a minor student's parents, to bring an action in a court of competent jurisdiction to enjoin any violation of the prohibitions that creates a hostile educational environment. (Sec. 1)
- 5. Declares an individual or public school that is a named defendant in a civil action brought by an adult student, or a minor student's parents, is not immune from civil liability, and each individual is personally liable for any damages arising from their conduct in violation of the prohibitions. (Sec. 1)
- 6. Prohibits the state, a state agency or a public school from using taxpayer monies to:
  - a. satisfy a judgment entered against the state, state agency or public school in an action brought by an adult student or a minor student's parents; or
  - b. reimburse an individual defendant found liable for violating the prohibitions. (Sec. 1)
- 7. Details the damages, costs and fees a court may award in an action brought by an adult student or a minor student's parents. (Sec. 1)
- 8. Allows a student, parent, teacher or member of the public to report an alleged violation of the prohibitions to the Arizona Department of Education (ADE). (Sec. 1)
- 9. Directs ADE, if the Superintendent of Public Instruction (SPI) determines a teacher or principal has knowingly or recklessly violated the prohibitions, to notify the State Board of Education (SBE). (Sec. 1)
- 10. Instructs SBE to take the following action against the teacher or principal who is found to have violated the prohibitions:
  - a. for a first offense, issue a formal reprimand;
  - b. for a second offense, suspend the teacher's or principal's certificate for a period determined by SBE based on the severity and circumstances of the violation; and
  - c. for a third offense, revoke the teacher's or principal's certificate. (Sec. 1)
- 11. Asserts an individual is not prohibited from discussing or using instructional materials as part of a course of instruction about the history of Jews, Judaism or the State of Israel. (Sec. 1)
- 12. States the prohibitions do not diminish or infringe on any right protected under the Arizona Constitution or the First Amendment. (Sec. 1)
- 13. Requires SBE to adopt rules to implement and enforce the prohibitions, subject to approval by the SPI. (Sec. 1)

#### Miscellaneous

- 14. Defines *antisemitism* to mean antisemitism as defined by the IHRA on May 26, 2016, and as adopted by the U.S. Department of State, including the contemporary examples of antisemitism identified in the adopted definition. (Sec. 1)
- 15. Defines hostile educational environment. (Sec. 1)
- 16. Requires ADE to transmit a copy of this legislation to each public school within 30 days of the general effective date. (Sec. 2)
- 17. Entitles this legislation as the Antisemitism in Education Act. (Sec. 3)

#### Amendments

#### $Committee \ on \ Education$

- 1. Subjects a faculty member, administrator, employee, contractor or volunteer of a higher education institution to the prescribed prohibitions on antisemitism and anti-Semitic conduct that apply to a public school, teacher, principal, school administrator or a volunteer or contractor of a public school.
- 2. Applies the outlined civil liability and court procedures for public school students to students of higher education institutions.

- 3. Outlines procedures for a student, parent, faculty member or member of the public to report an alleged violation of the prohibitions to the highest-ranking official at the higher education institution and details penalties for violations.
- 4. Requires each higher education institution to:
  - a) revise its policies and procedures to implement and enforce the prohibitions and notify all employees and contractors of the revised policies;
  - b) consider as a negative factor any confirmed report that an employee or contractor violated the prohibitions in any employment or tenure decision;
  - c) review its grant and scholarship programs to determine whether the program requires recipients to certify that the recipients will not use monies to promote antisemitism or anti-Semitic conduct;
  - d) review its employee training programs to ensure compliance with the prohibitions;
  - e) ensure that each employee and contractor complies with the prohibitions;
  - f) take actions to encourage employees and contractors to not discriminate against their Jewish and non-Jewish colleagues as specified;
  - g) protect each guest lecturer and student organization that invites a guest lecturer against any demonstrator who engages in antisemitism or anti-Semitic conduct;
  - h) refuse to recognize or revoke the recognition of and support for any student organization that engages in specified acts relating to antisemitism or anti-Semitic conduct; and
  - i) annually review and assess its compliance with the prohibitions and submit a compliance report to the Legislature.
- 5. Defines higher education institution.
- 6. Establishes the requirement for ADE, the Arizona Board of Regents and the State Board for Private Postsecondary Education to provide a copy of this legislation to specified educational institutions.



Fifty-seventh Legislature First Regular Session House: ED DP 10-0-1-1

### HCR 2003: expenditure limit; school districts; authorization Sponsor: Representative Gress, LD 4 Caucus & COW

#### <u>Overview</u>

Allows school districts to exceed the aggregate expenditure limitation (AEL) in FY 2026.

#### **History**

In 1980, Arizona voters approved <u>Proposition 109</u>, which established the AEL for school districts in the Arizona Constitution. The AEL functions as an aggregate spending cap for all school districts. The state Constitution and statute detail the formula to calculate the AEL and procedures if the AEL is exceeded.

Prior to May 1, the Economic Estimates Commission (EEC) must publish the AEL for the following year. The AEL is calculated by adjusting FY 1980 local revenue expenditures for all school districts to reflect changes in student population and the cost of living. This amount is then multiplied by 10%. The state Constitution details the monies, revenues, funds, property and receipts that comprise *local revenues* (Ariz. Const. art. 9 § 21).

By November 1, the State Board of Education (SBE) must determine the current year aggregate expenditures of local revenues for all school districts. If this amount exceeds the AEL, two options may occur. The Legislature may authorize, by March 1, the expenditures of local revenues in excess of the AEL upon two-thirds approval in both the House of Representatives and Senate. If the Legislature does not authorize the expenditures of local revenues in excess of the AEL, SBE must inform each school district, by March 5, of the amount by which the school district must reduce its expenditures of local revenues. Then, by April 1, each school district governing board must adopt a revised current year budget that is reduced by the amount determined by SBE (A.R.S.  $\S$  15-911).

#### **Provisions**

1. Authorizes school districts to spend local revenues in excess of the AEL in FY 2026, subject to two-thirds approval in both the House of Representatives and Senate.



Fifty-seventh Legislature First Regular Session House: ED DPA/SE 6-2-4-0

# HCR 2047: state land trust; permanent funds Sponsor: Representative Gress, LD 4 S/E: permanent funds; state land trust Caucus & COW

## <u>Summary of the Strike-Everything Amendment to HCR 2047</u>

#### **Overview**

Subject to voter approval in a special election on an unspecified date in 2025, amends the Arizona Constitution to prohibit the state or any state officer from reducing the Permanent State School Fund's annual distribution rate below 6.9% until FY 2036, except as otherwise authorized. Directs the 57th Legislature to enact legislation for a statewide classroom teacher compensation program.

#### <u>History</u>

The Arizona State Land Department (ASLD) manages approximately 9.2 million acres of state trust lands for 13 beneficiaries designated by the Enabling Act (ASLD). A permanent fund is established for each of the 13 beneficiaries, each of which consists of permanent and expendable receipts. Permanent receipts are one-time revenues deposited into the appropriate beneficiary's permanent fund. Expendable receipts are typically generated as recurring revenue by ASLD and are distributed directly to beneficiaries. The State Treasurer generates expendable receipts by investing monies in the permanent funds; these monies are distributed monthly according to a distribution formula outlined in the Arizona Constitution (JLBC). The largest beneficiary of state land trust monies is common (K-12) schools, with distributions made to the Permanent State School Fund (Ariz. Const. art. 10, § 7).

<u>Proposition 123</u> increases, for FYs 2016-2025, the annual distribution rate of the permanent funds from 2.5% to 6.9% of the preceding five-year average monthly market values. The increase in expendable earnings from the Permanent State School Fund that result in the increased distribution rate that would otherwise go to the Classroom Site Fund (CSF) are appropriated for basic state aid (including inflation adjustments). Beginning in FY 2026, each permanent fund's annual distribution rate returns to 2.5%.

Proposition 123 also requires the Governor's Office of Strategic Planning and Budgeting (OSPB) and the Joint Legislative Budget Committee (JLBC) directors to notify the executive and legislative branches, by February 1 annually, that a reduction to the permanent fund's annual distribution rate is necessary to preserve its capital if the preceding five-year average monthly market values have decreased compared to the five-year average monthly market values preceding those five years. After notification, the Legislature may, with the Governor's approval, reduce the annual distribution rate for the next fiscal year to between 2.5% and 6.9% of the permanent fund's preceding five-year average monthly market values.

#### **Provisions**

- 1. Prohibits, to promote continuity in educational funding and services for current and future students in educational programs, the state or any state officer from reducing below the level on the effective date, except with an affirmative vote of at least three-fourths the members of the House of Representatives and Senate, the Permanent State School Fund's annual distribution rate below:
  - a. 6.9% of its preceding five-year average monthly market values until FY 2036; or
  - b. 2.5% of its preceding five-year average monthly market values.
- 2. Declares the Permanent State School's distribution rate may be set below the 6.9% annual distribution rate required until FY 2036 in accordance with existing constitutional language that:
  - i. requires the OSPB and JLBC directors to jointly notify the executive and legislative branches that a reduction to the Permanent State School Fund's annual distribution rate is necessary to preserve its capital if the

preceding five-year average monthly market values have decreased compared to the five-year average monthly market values preceding those five years;

- ii. allows the Legislature, with the Governor's approval, to reduce the annual distribution rate for the next fiscal year to between 2.5% and 6.9% of the preceding five-year average monthly market values;
- iii. specifies any amount reduced is not required to be paid or distributed from any other source of public monies in any subsequent fiscal year; and
- iv. details procedures regarding the base level if the Permanent State School Fund's annual distribution rate is reduced.
- 3. Requires, beginning in FY 2036, any increase in the expendable earnings that results from a distribution rate of more than 2.5% of the Permanent State School Fund's preceding five-year average monthly market values and that would otherwise go to the CSF to be appropriated for a statewide classroom teacher compensation program to increase the base salary and base salary schedules of all eligible classroom teachers.
- 4. Requires the 57th Legislature to enact legislation for a statewide classroom teacher compensation program that:
  - a. ensures that the program distinguishes between performing and underperforming teachers;
  - b. establishes reporting and auditing requirements for the program;
  - c. requires schools to update teacher salary schedules;
  - d. requires each school that receives monies to allocate an equal amount per teacher to all eligible employed teachers;
  - e. allocates monies to a classroom teacher only if the teacher:
    - i. is full-time;
    - ii. spends a majority of their time on nonadministrative activities that provide classroom instruction to students; and
    - iii. meets or exceeds performance requirements; and
  - f. requires monies to supplement, and not supplant, teacher compensation monies from other sources.
- 5. Directs the Secretary of State to submit this proposition to the voters at a special election to be held on an unspecified date in 2025.



Fifty-seventh Legislature First Regular Session House: FMAE DP 6-0-0-1 | APPROP DP 14-0-4-0

### HB 2320: appropriation; veterans' services; mental health Sponsor: Representative Gillette, LD 30 Caucus & COW

#### <u>Overview</u>

Appropriates \$1,000,000 from the Consumer Remediation Subaccount to the Department of Veterans Affairs in FY 2026 for grant programs to nonprofit organizations that provide specified behavioral health services for veterans and members of the armed forces.

#### <u>History</u>

The Consumer Restitution and Remediation Revolving Fund (Fund) is administered by the Attorney General for consumer fraud education and investigative operations for consumer protection. The Fund consists of certain application fees and court costs, attorney fees or civil penalties recovered by the Attorney General as a result of consumer protection or consumer fraud (A.R.S. § 44-1531.01).

The Consumer Remediation Subaccount (Subaccount) consists of monies collected by the Attorney General resulting from court orders or settlements relating to consumer protection and other monies recovered from the enforcement of consumer protection laws. Subaccount monies may be used by the Attorney General for programs intended to rectify violations of consumer protection laws (A.R.S. § 44-1531.02).

#### **Provisions**

- 1. Appropriates \$1,000,000 from the Fund's Subaccount to the Department of Veterans Services in FY 2026 for grants to nonprofit organizations that perform certain services for active-duty service members and veterans of all eras and discharge statuses and their families. (Sec. 1)
- 2. Requires a nonprofit organization that administers specified services to do so in partnership with qualified hospital systems and state universities in Arizona regardless of military service dates or discharge dates. (Sec. 1)
- 3. Exempts the appropriation from lapsing. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: FMAE DP 4-3-0-0

## HB 2440: attorney general; election certification; prohibition Sponsor: Representative Keshel, LD 17 Caucus & COW

#### <u>Overview</u>

Prohibits the Attorney General from prosecuting a member of a Board of Supervisors for voting against the certification of an election in specified circumstances.

#### <u>History</u>

The governing board of a county must meet and canvass the results of a primary election no later than the second Monday after the election or the third Thursday after the general election. The secretary of state must conduct their election canvass no later than the third Thursday after the primary election or the third Monday after the general election (A.R.S. 16-642).

#### **Provisions**

- Prohibits the Attorney General from bringing criminal or civil actions against a County Board of Supervisors member based on their vote against the certification of an election canvass if they do so in a good faith belief or if they have been presented documentation or evidence showing irregularities or errors in the election process. (Sec. 1)
- 2. Specifies the measure does not preclude the Attorney General from investigating or prosecuting other electionrelated offenses not directly tied to a member of the County Board of Supervisors voting against an election canvass certification. (Sec. 1)
- 3. Defines good faith belief and documentation or other evidence. (Sec. 1)
- 4. Contains a delayed effective date of January 1, 2026. (Sec. 2)
- 5. Contains a severability clause. (Sec. 3)



Fifty-seventh Legislature First Regular Session House: FMAE DPA 4-3-0-0

# HB 2521: elections; foreign money Sponsor: Representative Way, LD 15 Caucus & COW

### <u>Overview</u>

Prohibits the use of monies or in-kind goods and services from a foreign government in election administration.

### **History**

Campaign finance reports are required to be filed by any candidate committee, political action committee or political party. These reports must include the total receipts during the reporting period including contributions from out-of-state individuals and political action committees. In addition, disbursements or expenditures advocating for the election or defeat of a candidate and the passage or defeat of a ballot measure must be included. Campaign finance reports must be accompanied by a certification by a committee's treasurer, issued under penalty of perjury, that the contents of the report are true and correct (A.R.S. §§ 16-901, 16-926).

The Attorney General enforces election statutes and regulations through civil and criminal actions (A.R.S. § 16-1021).

### **Provisions**

- 1. Prohibits government entities from using monies or in-kind goods or services that are donated by a foreign government or foreign nongovernmental source for election administration. (Sec. 1)
- 2. Requires a person or vendor that provides services to a government entity for election administration to provide a certification including a dated and sworn statement to the Secretary of State. (Sec. 1)
- 3. Specifies that this certification must be updated annually. (Sec. 1)
- 4. Requires, upon receipt of previously unknown information, the person update their certification and include a new statement that the person is not knowingly the recipient of donations from a foreign source. (Sec. 1)
- 5. Mandates that the Secretary of State require government entities to provide a quarterly report that lists any person or vendor providing services to that government entity for election administration. (Sec. 1)
- 6. Establishes that the Secretary of State must notify the government entity by email if the government entity fails to file its quarterly report and advise them of possible enforcement actions. (Sec. 1)
- 7. Requires records of the certifications to be maintained by the Secretary of State and posted online. (Sec. 1)
- 8. Specifies that failing to provide the certification or providing an inaccurate certification invalidates any agreement with the government entity and bars the government entity from entering or continuing any agreement with that person. (Sec. 1)
- 9. Establishes a civil penalty and the amount of the penalty for a person or vendor knowingly failing to provide an accurate certification. (Sec. 1)
- 10. Prohibits a foreign government from knowingly giving and a person, entity or committee from knowingly accepting or using in-kind goods or services contributed by a foreign government or a foreign nongovernmental source to influence the outcome of an election or ballot measure. (Sec. 2)
- 11. Requires any person, entity or committee required to file campaign finance reports to certify under penalty of perjury that they did not accept or use monies or in-kind goods or services from a foreign government or foreign nongovernmental source. (Sec. 2)
- 12. Specifies that a foreign government does not include federally recognized sovereign tribal nations. (Sec. 1, 2)

13. Defines foreign nongovernmental source and person. (Sec. 1, 2)

### $\underline{Amendments}$

Committee on Federalism, Military Affairs & Elections

- 1. Authorizes the Attorney General to file an action regarding a person knowingly violating the above provisions.
- 2. Allows any qualified elector or state official to bring a civil action to enjoin or enforce a violation of the above provisions.



Fifty-seventh Legislature First Regular Session House: GOV DP 4-3-0-0

## HB 2051: governor; question time Sponsor: Representative Kolodin, LD 3 Caucus & COW

#### <u>Overview</u>

Establishes a monthly questioning time during the legislative session for members of the Legislature to ask the Governor questions starting in 2027.

#### <u>History</u>

The Arizona Constitution requires the Governor to perform their duties including communicating the condition of the state at every legislative session and making recommendations as they deem expedient (Art. V. Sec. 4, Constitution of Arizona). Arizona statute further describes the powers and authorities of the Governor including being the sole official means of communicating between other governments and the State of Arizona, requesting any officer or board to make special reports upon demand and supervising all official conduct of executive and ministerial officers (A.R.S.  $\S$  41-101).

#### **Provisions**

- 1. Requires the Governor to appear for questioning by the Legislature starting on January 4, 2027, on the third Wednesday of each month during the legislative session. (Sec. 1)
- 2. Establishes that the Governor must appear for questioning in front of the House of Representatives and the Senate on alternating months, beginning with the Senate in odd-numbered years and the House in even-numbered years. (Sec.1)
- 3. Requires the Governor to answer all the following questions:
  - a. two questions from the Majority Leader or their designee;
  - b. two questions from the Minority Leader or their designee;
  - c. one question each from four members of the legislative body, randomly selected by the presiding officer of the legislative body; and
  - d. one follow-up question to each question asked if requested by the questioner. (Sec. 1)
- 4. Allows the Lieutenant Governor to perform these duties if the Governor is not in the state or in other circumstances with the approval of the Legislature's presiding officer. (Sec. 1)
- 5. Specifies that the measure does not create or disparage any existing rights or privileges and does not prevent the Legislature from enforcing their rules, including decorum. (Sec. 1)
- 6. Contains a legislative findings clause. (Sec 2.)



Fifty-seventh Legislature First Regular Session House: GOV DP 6-0-0-1

### HB 2160: Arizona office of African-American affairs Sponsor: Representative Crews, LD 26 Caucus & COW

#### <u>Overview</u>

Changes the name of the Arizona Commission of African-American Affairs to the Arizona Office of African-American Affairs.

#### <u>History</u>

The Arizona Commission of African-American Affairs powers and duties include advising the Governor on how to be responsive to the needs of the African-American community, acting as a liaison to federal, state and local agencies about programs affecting African-Americans and assisting community groups to implement strategies and programs to enhance the social, cultural and economic status of the African-American community. The commission meets quarterly or more as needed. In addition, the commission facilitates an African-American legislative day on the second Thursday and Friday of February to pay tribute to the history and culture of African-Americans and to their contributions to the prosperity and cultural diversity of the United States (A.R.S. §§ <u>41-532</u>; <u>41-533</u>).

#### **Provisions**

- 1. Replaces the name of the Arizona Commission of African-American affairs to the Arizona Office of African-American Affairs. (Sec. 1)
- 2. Makes technical and conforming changes. (Sec. 2-5)



Fifty-seventh Legislature First Regular Session House: GOV DP 7-0-0-0

## HB 2341: fire protection systems; inspections. Sponsor: Representative Martinez, LD 16 Caucus & COW

#### <u>Overview</u>

Instructs inspections of fire protection systems in a city, town or county to be performed in accordance with the standards established by a nationally recognized standards developing organization.

#### <u>History</u>

The Board of Supervisors (BOS) can enact a fire prevention code in unincorporated areas where a fire district has not enacted a fire code. Any fire code adopted will remain active until a fire district is established and the necessary code is adopted. BOS is limited to only enacting fire prevention codes that a national organization or association has adopted and are as stringent as the Arizona fire codes (A.R.S. § 11-861).

The State Forester has the authority to prevent, manage or suppress wildfires on state and private lands. The Assistant Director of the State Fire Marshal can appoint an assistant fire inspector from any fire chief of a municipality or other outlined locations with the State Forester's approval. The assistant fire inspector can inspect any property, issue violation notices and enforce the jurisdiction's fire codes. A municipality or county can appoint a fire inspector from a private or public fire service provider in the area to inspect the property. The inspectors are allowed to issue violation notices and enforce the fire code. The fire inspector must report all their actions to the municipalities or county manager (A.R.S. §§ <u>37-1303</u>, <u>37-1382</u>).

#### **Provisions**

- 1. Requires inspections of smoke dampers and fire dampers in a fire protection system required by a municipality building or fire code to be completed following the standards set by a nationally recognized standard developing organization. (Sec. 1, 2)
- 2. Allows the local authority responsible for fire and smoke damper inspections to request certified inspectors and other resources from the State Forester and State Fire Marshal. (Sec. 1, 2)
- 3. Directs every municipality or county with a fire code to adopt regulations to enforce this Act by January 1, 2026. (Sec. 3)



Fifty-seventh Legislature First Regular Session House: GOV DPA 4-0-3-0

### HB 2518: employment; prohibitions; corporation commission Sponsor: Representative Olson, LD 10 Caucus & COW

#### <u>Overview</u>

Adds restrictions on who can be employed by the Arizona Corporation Commission and where former employees of the Commission can work.

#### <u>History</u>

Individuals related to a corporation regulated by the Arizona Corporation Commission (Commission) including, being an employee, owning stocks or bonds, or having a pecuniary interest are prohibited from being a commissioner or employed by the Commission. If a commissioner or employee of the Commission becomes the owner of stocks or bonds, or becomes pecuniarily interested in such a corporation involuntarily they must divest themselves within a reasonable time. Failure to divest will result in the forced vacation of their office. Commissioners and employees of the Commission are also subject to the same conflict of interest laws that all other public officers and employees of the state and its political subdivisions are required to comply with (A.R.S.  $\S$  <u>40-101</u>, 40-102).

#### **Provisions**

- 1. Prohibits entities regulated by the Commission from employing an individual who served as a commissioner or was employed by the Commission. (Sec. 1)
- 2. Prohibits the Commission from employing an individual who was employed in any capacity by an entity regulated by the Commission. (Sec. 1)

### <u>Amendments</u>

Committee on Government

1. Adds individuals with independent contractor agreements to the listed prohibitions.



Fifty-seventh Legislature First Regular Session House: GOV DP 5-2-0-0

### HB 2763: state contracts; federal government; applicability Sponsor: Representative Volk, LD 17 Caucus & COW

#### **Overview**

Exempts the federal government from the state's requirement that any state contract may be terminated, within three years, under specified circumstances.

#### <u>History</u>

Any political subdivision in the state is permitted to cancel any contract without penalty within three years after its execution should a party from that political subdivision be found to be an employee of any other party to the contract. Cancellation of the contract is effective upon written notice from the Governor, or the Chief Executive Officer or governing body of the political subdivision. The political subdivision can recoup any fee or commission paid or due to any person significantly involved in the contract from any other party to the contract. It is required that notice of this rule be included in every contract to which it applies (A.R.S.  $\S$  38-511).

#### **Provisions**

1. Specifies the term *any other party*, in a state contract, does not include the federal government or any federal agency. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: DP GOV 7-0-0-0

## HB 2842: advising; veterans' benefits; requirements Sponsor: Representative Travers, LD 12 Caucus & COW

#### <u>Overview</u>

Details restrictions for receiving compensation for advisement in a veterans' benefits matter and specifies instructions for relevant persons and entities involved in this process.

#### <u>History</u>

The United States Department of Veterans Affairs (VA) is responsible for the creation, maintenance and oversight of various veterans' benefit programs that focus on the transition between active duty and civilian life. The Arizona Department of Veterans Services (ADVS) provides services to connect veterans to several state and federally funded programs. ADVS is responsible for connecting approximately 500,000 veterans with \$400,000,000 in compensation, pension, grants and educational and medical benefits. In addition they publish an Arizona Veterans' Benefits Guide that outlines available benefits to veterans, where to find these benefits and other relevant information (VA Website, ADVS Website, AZ Veterans' Benefits Guide).

The State Bar of Arizona has published rules of professional conduct that were adopted by the Arizona Supreme Court. These rules dictate guidelines for how an attorney should practice law and specifies that a lawyer may not charge unreasonable fees, defined by the amount of labor required, customary fees and other factors (<u>AZ State Bar</u>).

#### **Provisions**

- 1. Prohibits persons from receiving compensation directly from an individual regarding a veterans' benefits matter unless the person is accredited by the VA for:
  - a) advising, consulting or assisting an individual regarding a veterans' benefits matter before the ADVS or VA; or
  - b) referring an individual to another person to prepare, present or prosecute a claim or advise, consult or assist with a veteran's benefits matter before the ADVS or VA. (Sec. 1)
- 2. Requires a person who advises, consults or assists an individual regarding a veterans' benefits matter to notify the individual of the free services available to them through veterans' service organizations. (Sec. 1)
- 3. Prohibits a business engaged in the preparation of a benefits claim from:
  - a. guaranteeing a successful outcome or that an individual will receive specific veterans' benefits or a specific level, percentage or amount of benefits; and
  - b. receiving excessive or unreasonable compensation for providing services. (Sec. 1)
- 4. Instructs ADVS to post on their website all free services that ADVS offers to individuals intending to file a benefits claim. (Sec. 1)
- 5. Specifies that these provisions do not prohibit a division of fees between attorneys that are in accordance with the rules of professional conduct. (Sec. 1)
- 6. States these provisions do not supersede any federal law or regulation. (Sec. 1)
- 7. Requires enforcement of the above provisions by the Attorney General of Arizona. (Sec. 1)
- 8. Defines compensation, person and veterans' benefits matter. (Sec. 1)

□ Prop 105 (45 votes) □ Prop 108 (40 votes) □ Emergency (40 votes) □ Fiscal Note



Fifty-seventh Legislature First Regular Session House: GOV DP 4-3-0-0

### HB 2868: preferential treatment; discrimination; policies Sponsor: Representative Way, LD 15 Caucus & COW

#### <u>Overview</u>

Expands prohibitions on preferential treatment and discrimination on the basis of race or ethnicity in public education, spending and hiring practices.

#### <u>History</u>

The Arizona Constitution prohibits the state from granting preferential treatment or discriminating on the basis of sex, race, color, ethnicity or national origin in the operation of public employment, education or contracting. This prohibition does not include qualifications based on sex that are reasonable and necessary, actions to establish or maintain federal programs that would otherwise result in a loss of federal money or invalidate court orders and consent decrees (Article II § 36, Const. of Ariz.).

#### **Provisions**

- 1. Prohibits the state and its political subdivisions from compelling an applicant, employee, student or contractor to endorse or support an individual on the basis of race or ethnicity as a condition of admission, graduation, hiring, promotion, certification, contracting decision or other employment function or scholarship opportunity. (Sec. 2)
- 2. Prohibits the state and its political subdivisions from requiring or soliciting the previously mentioned individuals' statements in support of the following:
  - a. theories or practices that advocate for differential treatment on the basis of race or ethnicity;
  - b. formulations of race-based diversity, equity, inclusion, or intersectionality in contemporary American society beyond equal protections of law guaranteed by the United States Constitution; or
  - c. belief that a racially neutral or colorblind law, policy or institution perpetuates racial oppression, injustice or race-based privilege in contemporary American society. (Sec. 2)
- 3. Prohibits the state and its political subdivisions from requiring or soliciting an individual to confess race-based privilege or discuss the individual's race, ethnicity or views and experience of others race and ethnicity. (Sec. 2)
- 4. Prohibits the state and its political subdivisions from giving preferable consideration to an individual for an opinion or act in support of another individual or group based on their race or ethnicity. (Sec. 2)
- 5. Prohibits the state and its political subdivisions from requiring training or courses that promote the tenets of provisions 2, 3 and 4. (Sec. 2)
- 6. Prohibits the state from spending public money to operate or contract an office or position in a public educational institution responsible for promoting preferential treatment or discrimination toward an individual or group based on race or ethnicity. (Sec. 2)
- 7. Specifies that the previous provision prohibits using appropriated money or revenue to promote or promulgate the following:
  - a. efforts to manipulate or influence the composition of the faculty or student body with reference to race, sex or ethnicity except from ensuring colorblind and sex neutral admission and hiring practices according to federal and state antidiscrimination laws;
  - b. differential treatment or special benefits based on race or ethnicity;
  - c. policies and procedures designed or implemented in reference to race or ethnicity;
  - d. training, programming, or activities with reference to race, ethnicity, intersectionality, gender identity or sexual orientation; or
  - e. related practices or concepts as prescribed by the Legislature. (Sec. 2)

- 8. Clarifies the prohibition does not include the following:
  - a. academic instruction, research or creative work and its dissemination by students, faculty or research personnel;
  - b. activities of registered student organizations or arrangements with guest speakers or performers for short-term engagements; or
  - c. mental or physical health services provided by a licensed professional. (Sec. 1)
- 9. Prohibits the state from implementing disciplinary policies or practices that treat students or employees differently based on race or ethnicity. (Sec. 1)
- 10. Prevents prohibitions on the following;
  - a. sex-specific spaces or designations that are reasonable and necessary for the operation of public employment, education or contracting;
  - b. establishing or maintaining a federal program if ineligibility results in a loss of federal money to the state and the action that would be otherwise prohibited is limited to outreach, advertising or communication and does not modify the application criteria or evaluation of students, employees or candidates;
  - c. qualifications based on tribal membership for programs designed to serve Indian tribes;
  - d. data collection, advertising or outreach required by federal law;
  - e. mental or physical health services provided by a licensed professional;
  - f. training, programs or activities created by an attorney and approved by an institution's general counsel and governing board for the sole purpose of complying with an applicable court order, or anti-discrimination laws;
  - g. identifying and discussing historical movements, ideologies or instances of racial hatred or discrimination including slavery, Indian removal, the Holocaust or Japanese-American internment;
  - h. requiring disclosures of a state applicant, employee or contractor's scholarly research or creative work;
  - i. requiring a state applicant, employee or contractor to certify compliance with state and federal antidiscrimination laws; or
  - j. requiring a state applicant, employee or contractor to certify the existence of an affirmative action plan that does not include preferential treatment based on race or ethnicity if required by federal law. (Sec. 2)
- 11. Requires remedies for a violation are the same regardless of the injured party's race, sex, color, ethnicity or national origins otherwise available for a violation of existing antidiscrimination laws of the state. (Sec. 2)
- 12. Clarifies the definition of *public university*. (Sec. 2)
- 13. Renames Article 10 of Title 41, Chapter 9 from "Training and Instruction" to Preferential Treatment." (Sec. 1)



Fifty-seventh Legislature First Regular Session House: HHS DP 12-0-0-0

## HB 2133: nurses; provisional licensure Sponsor: Representative Bliss, LD 1 Caucus & COW

#### <u>Overview</u>

Requires the Arizona State Board of Nursing (AZBN) to issue a provisional license or certificate to an out-of-state advanced practice registered nurse (APRN) or registered nurse (RN) within five business days after receiving an application and any associated fees if certain criteria are met.

#### <u>History</u>

Established in 1921, AZBN was created to regulate the practice of nursing in Arizona. AZBN duties include: 1) issuing and renewing licenses and certificates to qualified applicants; 2) investigating complaints; 3) administering disciplinary actions for violations of statutes and rules; 4) approving nursing education programs; and 5) providing information to the public about licensees and certificate holders.

*APRNs* are either registered nurse practitioners, certified nurse midwives, certified nurse anesthetists or clinical nurse specialists certified by AZBN (<u>A.A.C. R4-19-101</u>). An *RN* or *professional nurse* means a person who practices registered nursing and holds an issued license pursuant to state laws, regulations and multistate compact privileges (<u>A.R.S. § 32-1601</u>).

An applicant for a license to practice as an RN must file with AZBN a verified written application accompanied by the prescribed fee and must submit satisfactory proof that: 1) the applicant has completed satisfactorily the basic curriculum in an approved RN program and holds a diploma or degree from that program; 2) the applicant, if convicted of one or more felonies, has received an absolute discharge from the sentences for all felony convictions three or more years before the date of filing an application; and 3) if the applicant has been convicted of a felony, the court has entered judgement of conviction for a class 1 misdemeanor (A.R.S. § 32-1632).

AZBN may issue a license to practice registered nursing to an applicant who has been duly licensed or registered as an RN in another state or a territory of the United States (U.S.), if in the opinion of the board, the applicant meets the qualifications required of an RN in this state. AZBN is prohibited from issuing a license to an applicant that has one or more felony convictions and has not received an absolute discharge from the sentences for all felony convictions that are three or more years before the date of filing an application (A.R.S. § 32-1634).

Time frames for each type of licensure, certification or approval issued by AZBN are pursuant to the licensing time frame statutes and described in rule (<u>A.A.C. R4-19-102</u>).

#### **Provisions**

- 1. Requires AZBN to issue a provisional license or certificate to an out-of-state APRN or RN within five business days after receiving an application and any related fees if the person:
  - a. holds an APRN or RN license or certificate to practice in at least one other U.S. state or territory that is in good standing in all states and territories in which the person is licensed to practice;
  - b. provides proof of a valid and unencumbered license or certificate in another state or U.S. territory through board review of a national nurse license verification system or in another manner determined by the AZBN as sufficient proof that the person is in good standing with all licensing entities;
  - c) has not had a license or certificate revoked or voluntarily surrendered the license or certificate in any other state or U.S. territory while under investigation by a licensing entity;
  - d) has had discipline imposed by any licensing entity in another state or U.S. territory and the AZBN has determined that the matter has been resolved;
  - e) does not have a complaint or investigation pending before another licensing entity in another state or U.S. territory;

- f) is an Arizona resident or attests in the application that the person is physically working or has accepted an offer to physically work in this state; and
- g) has submitted a full set of fingerprints for the purpose of obtaining a state and federal criminal records check. (Sec. 1)
- 2. Allows the Arizona Department of Public Safety to exchange the fingerprint data with the Federal Bureau of Investigation. (Sec. 1)
- 3. Prohibits AZBN, if it determines a matter has not been resolved by another jurisdiction, from issuing or denying a provisional license or certificate until the matter is resolved and any discipline imposed has been completed. (Sec. 1)
- 4. Requires AZBN to suspend the application process and not issue or deny a provisional license or certificate to an applicant until all pending complaints or investigations are resolved. (Sec. 1)
- 5. Requires AZBN to acknowledge by written or oral communication to an applicant for a provisional license or certificate the date of receipt of the application. (Sec. 1)
- 6. Requires AZBN within five days to provide to an applicant either:
  - a. a notice of provisional licensure or certification approval; or
  - b. a written explanation of the reason or reasons the applicant is not eligible for provisional licensure or certification. (Sec. 1)
- 7. Requires AZBN to further investigate the application as necessary to determine if the applicant can be licensed or certified. (Sec. 1)
- 8. Subjects a person who receives a provisional license or certificate to the laws regulating APRN and RN practice in Arizona and to the jurisdiction of AZBN. (Sec. 1)
- 9. States that an issued provisional license or certificate is valid only in this state and allows the person to practice as an APRN or RN in Arizona. (Sec. 1)
- 10. Specifies that a provisional license or certificate:
  - a. becomes permanent six months after it is issued; and
  - b. is valid until the permanent license or certificate is required to be renewed. (Sec. 1)
- 11. Permits AZBN to terminate a provisional license or certificate within six months after receiving a completed application if it determines after receiving background and fingerprint report information or other information that there is a reasonable basis to require restriction or termination. (Sec. 1)
- 12. Requires AZBN to offer the provisional licensee or certificate holder the following options before termination:
  - a. to continue the provisional license or certificate on acceptance of remedial actions offered by AZBN; or
  - b. to accept the termination of the provisional license or certificate, which may not be classified as a revocation or denial for required reporting or if the applicant subsequently applies for a permanent license or certificate. (Sec. 1)
- 13. Waives any fees that are required to provide the provisional licenses or certificates to veterans and spouses of active-duty military members. (Sec. 1)
- 14. Defines *licensing entity* as a state's or territory's regulatory body that is responsible for regulating the practice of nursing and APRN. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: HHS DPA/SE 9-3-0-0

# HB 2311: continuation; massage therapy board S/E: study committee; continuation; massage therapy board Sponsor: Representative Bliss, LD 1 Caucus & COW

## Summary of the Strike-Everything Amendment to HB 2311

#### <u>Overview</u>

An emergency measure that continues the State Board of Massage Therapy (Board) for 2 years. Creates a Study Committee on the Continuation of the Arizona Board of Massage Therapy (Study Committee) and outlines membership and duties.

#### <u>History</u>

Established in 2003, the Board licenses and regulates massage therapists who specialize in the wellness, relaxation, stress reduction, pain relief, postural improvement or therapeutic benefits of the public. Its mission is to protect the health, safety and welfare of Arizona citizens by regulating and maintaining the standards of the massage therapy profession. The Board evaluates the professional competency of massage therapists and promotes continued competency and fitness by investigating complaints, holding hearings, monitoring the activities of its licensees, providing information to the public and enforcing the standards of practice for the massage therapy profession as set forth by law (A.R.S.  $\frac{32-4203}{32-4254}$  and  $\frac{32-4259}{32-4259}$ ).

The Board consists of five members, three public members and two massage therapists all appointed by the Governor (A.R.S. § 32-4202).

The Senate Health and Human Services and House Health & Human Services Committees of Reference (COR) met jointly on January 17, 2025, to conduct a review of the Board. The COR recommended that the Board be consolidated.

#### **Provisions**

#### Board of Massage Therapy Continuation Study Committee

- 1. Establishes the 12-member Study Committee, consisting of:
  - a. three members of the Senate, appointed by the Senate President (President), not more than two of whom are members of the same political party, one of whom to serve as Co-chairperson;
  - b. three members of the House of Representatives, appointed by the Speaker of the House (Speaker), not more than two of whom are members of the same political party, one of whom to serve as Co-chairperson;
  - c. the Executive Director of the Governor's Office of Boards and Commissions or their designee;
  - d. the Executive Director of the Board or their designee;
  - e. a representative of private postsecondary schools who is appointed by the Speaker;
  - f. a representative of law enforcement who is appointed by the President;
  - g. a representative of a state or national massage therapy association who is appointed by the Speaker; and
  - h. a representative of a national association of massage therapy licensing boards and agencies whose primary interest is public and consumer protection who is appointed by the President. (Sec. 3)
- 2. Requires the Study Committee to study the Board and make recommendations regarding:
  - a. whether the Board should continue in its current form, remain a stand-alone health board or be combined with an existing board;
  - b. the state's role in expediting background checks;
  - c. whether the Board's information technology project that was implemented beginning in February 2025 is sufficient to deal with existing issues; and

- d. whether an establishment license should be required in this state as a tool to eliminate sex trafficking. (Sec. 3)
- 3. Requires the Study Committee to collect:
  - a. comparable data points between any previous technology and the new technology solution implemented in February 2025; and
  - b. feedback from stakeholders, licensed massage therapists throughout Arizona, local law enforcement agencies and victims' services advocates to make any recommended change to the structure of the Board or to implement any additional licensure types. (Sec. 3)
- 4. Specifies that Study Committee members are ineligible to receive compensation but are eligible for reimbursement of expenses. (Sec. 3)
- 5. Requires the Study Committee to produce a report by December 31, 2026, that includes the recommendations and submit the report to the President and Speaker. (Sec. 3)
- 6. Requires the Study Committee to submit a copy of the report to the Secretary of State. (Sec. 3)
- 7. Repeals the Study Committee on July 1, 2027. (Sec. 3)

### Massage Therapy Continuation

- 8. Continues, retroactively to July 1, 2025, the Board until July 1, 2027. (Sec. 2, 5)
- 9. Repeals the Board on January 1, 2028. (Sec. 2)
- 10. Contains a purpose statement. (Sec. 4)
- 11. Contains an emergency clause. (Sec. 6)
- 12. Makes a conforming change. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: APPROP DPA 11-1-0-0

## HB 2329: appropriation; health care directives registry Sponsor: Representative Willoughby, LD 13 Caucus & COW

#### <u>Overview</u>

Requires the Arizona Department of Health Services (DHS), by December 31, 2025 and June 30, 2026, to submit a report to the Governor and Legislature that includes information regarding the Arizona Healthcare Directives Registry (AzHDR). Appropriates an unspecified amount from the state General Fund (GF) in FY 2026 to DHS for AzHDR operations.

#### <u>History</u>

*Health care directive* means a document drafted to deal with a person's future health care decisions and includes a written designation of an agency to make heath care and mental health care decisions (A.R.S. § <u>36-3201</u>). AzHDR is an online registry that stores health care directives for Arizona residents (<u>AzHDR</u>).

DHS is required to designate a qualifying health information exchange organization to operate a health care directives registry. Subject to the availability of monies, the qualifying health information exchange organization must establish and maintain a health care directives registry (A.R.S. § <u>36-3291</u>).

A person may submit to the health care directives registry, in a manner prescribed by the qualifying health information exchange organization, health care directives, including prehospital medical care directives and any amendments to or revocations of these documents. The qualifying health information exchange must establish a process for authenticating the identity of the person who submits a document to a health care directives registry (A.R.S. § <u>36-3292</u>).

#### **Provisions**

- 1. Requires, by December 31, 2025 and June 30, 2026, DHS to submit a report to the Governor and Legislature that includes the following information:
  - a) an overview of operations and technological capabilities of the AzHDR;
  - b) a description of the subscriber organizations using AzHDR in the preceding six months;
  - c) the average time to process documents in AzHDR; and
  - d) an overview of the past growth in AzHDR year over year. (Sec. 1)
- 2. Requires DHS to include in the reports the total number of:
  - a) individual AzHDR accounts;
  - b) individual AzHDR accounts created in the preceding six months;
  - c) AzHDR document uploads;
  - d) AzHDR document uploads in the preceding six months;
  - e) subscriber organizations using AzHDR;
  - f) active AzHDR users; and
  - g) participant searches. (Sec. 1)
- 3. Requires DHS to provide a copy of the AzHDR reports to the Secretary of State. (Sec. 1)
- 4. Repeals the AzHDR reporting requirement on January 1, 2027. (Sec. 1)
- 5. Appropriates an unspecified amount from the state GF in FY 2026 to DHS for the operation of AzHDR. (Sec. 2)

#### Amendments

Committee on Appropriations

1. Appropriates \$500,000 from the state GF in FY 2026 to DHS for the operation of AzHDR. (Sec. 2)



Fifty-seventh Legislature First Regular Session House: HHS DP 11-0-1-0

### HB 2584: nonemergency medical transportation; study Sponsor: Representative Bliss, LD 1 Caucus & COW

#### <u>Overview</u>

Allows the Arizona Health Care Cost Containment System Administration (AHCCCS) to receive funding from nonemergency medical transportation (NEMT) providers and other interested enterprises to cover the costs of an NEMT rate reimbursement study. Outlines guidelines and requirements regarding the study.

#### <u>History</u>

Currently, AHCCCS covers medically necessary nonemergency ground and air transportation to and from a required medical service for most recipients. Nonemergency transportation is not covered for Federal Emergency Services Members. NEMT must bill the number of trips and the number of loaded miles as units of service on the Centers for Medicare & Medicaid Services' 1500 claim form. Loaded mileage is defined as the distance traveled, measured in statute miles, with a recipient on board the vehicle and being transported to receive medically necessary covered services.

In addition, AHCCCS conducts retrospective audits of NEMT providers to verify that the mileage, medical condition, and specific location are correct and justifiable. AHCCCS recommends documentation of the member's current medical concern and specific medical service to which member is being transported (<u>AHCCCS</u>).

### **Provisions**

- 1. Allows AHCCCS to receive funding from NEMT providers and other interested enterprises to cover the costs of an NEMT rate reimbursement study. (Sec. 1)
- 2. Requires AHCCCS, if a sufficient amount of money is received, to contract with an independent consulting firm for a study of the adequacy and appropriateness of Medicaid reimbursement rates to transportation network companies and NEMT brokers for providing medically necessary nonemergency transportation when transporting members to and from a covered physical or behavioral health service. (Sec. 1)
- 3. Requires the study to review the costs necessary to meet the requirements for the transportation of members as well as the costs to collect and maintain records of the actual services provided to AHCCCS's policy for NEMT, transportation network companies and the NEMT broker. (Sec. 1)
- 4. Requires the consulting firm to examine in detail the costs associated with the delivery of services including programmatic, administrative, technology and indirect costs in providing NEMT services in rural and urban areas in Arizona when determining the adequacy of the rates in the study. (Sec. 1)
- 5. Allows AHCCCS to require its contracted providers and managed care organizations to provide financial data to assist in the study. (Sec. 1)
- 6. Requires AHCCCS's contracted providers and managed care organizations to provide all data required by AHCCCS. (Sec. 1)
- 7. Requires the study of reimbursement rates to be completed within one calendar year after AHCCCS receives sufficient funding. (Sec. 1)
- 8. Directs AHCCCS to provide the results of the study to the Joint Legislative Budget Committee (JLBC). (Sec. 1)
- 9. Requires AHCCCS to include results of the study in its next capitation rate request immediately following the completion of the study and in its reimbursement rates for NEMT. (Sec. 1)

□ Prop 105 (45 votes) □ Prop 108 (40 votes) □ Emergency (40 votes) □ Fiscal Note

10. Requires AHCCCS, if results of the study are not completely incorporated into the capitation rate, to provide a report to JLBC within 30 days after setting the final capitation rate that includes the reason or reasons for any difference between the actual rates and those included in the study. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: LARA DP 5-2-0-2 | APPROP DPA 11-4-3-0

## HB 2456: appropriation; fire incident management grants.. Sponsor: Representative Marshall, LD 7 Caucus & COW

#### <u>Overview</u>

Appropriates \$6,500,000 to the Arizona Department of Administration (ADOA) for a Fire Incident Management Grant Program (Grant Program) from the state General Fund (GF) in FY 2026.

#### <u>History</u>

The Fire Incident Management Fund (Fund), administered by ADOA, was established to provide grants to municipal fire departments and fire districts for hardware and software that:

- 1) enables the statewide deployment of a secure incident management platform to fire and law enforcement agencies;
- 2) provides a standardized incident command and management platform based on Federal Emergency Management Agency (FEMA) standards that enable diverse incident management and support entities to work together; and
- 3) provide a collaboration and communications solutions (Laws 2023, Ch. 138).

The General Appropriations Act appropriated the following one-time monies to ADOA for fire incident management system grants:

- 1) \$6,100,000 in FY 2023; and
- 2) \$12,200,000 in FY 2024 (Laws 2022, Ch. 313 and Laws 2023, Ch. 133).

#### **Provisions**

- 1. Appropriates \$6,500,000 from the state GF in FY 2026 to ADOA for a Grant Program. (Sec. 1)
- 2. Prohibits ADOA from using more than \$250,000 to administer the Grant Program, including conducting audits of grant recipients. (Sec. 1)
- 3. Requires the remaining monies be use towards providing grants to municipal fire departments and fire districts for hardware and software that:
  - a. enable the statewide deployment of a secure incident management platform to fire and law enforcement agencies;
  - b. provide a standardized incident command and management platform based on FEMA standards that enable diverse incident management and support entities to work together; and
  - c. provide a collaboration and communications solution. (Sec. 1)
- 4. States a standardized incident command and management platform must ensure:
  - a. a clearly defined chain of command;
  - b. the use of common terminology;
  - c. the safety of first responders and others;
  - d. the achievement of response objectives; and
  - e. the efficient use of resources. (Sec. 1)
- 5. Requires a collaboration and communications solution to:
  - a. identify the location, status and assignment of assigned resources;
  - b. allow status updates, tracking and management of an incident;
  - c. allow secure messaging and file sharing to all users involved in an incident;
  - d. allow the sharing of collaborative maps, building floor plans and images between public safety agencies;
  - e. allow collaboration and information sharing between disparate agencies during a mass casualty incident;

- f. define a FEMA or National Incident Management Systems based organizational structure for the management of incidents;
- g. provide the ability to print standard integrated computer solutions forms for tracking and cost reimbursement;
- h. provide enhanced telemetry-based firefighter safety monitoring;
- i. work in areas without internet access in a disconnected mode;
- j. provide a seamless and connected platform for notification, response and rostering;
- k. provide cross platform functionality; and
- 1. provides a smartphone-based application for notification, accountability and situational awareness. (Sec. 1)
- 6. Allows each fire district or municipal fire department in Arizona to submit a grant request to ADOA for the costs of the secure incident management system. (Sec. 1)
- 7. Instructs ADOA to award grants on a first-come, first-served basis. (Sec. 1)
- 8. Requires awarded grants to fully fund the costs of the secure incident management system for each municipal fire department or fire district for three years. (Sec. 1)

#### Amendments

Committee on Appropriations

1. Lowers the appropriation from \$6,500,000 to \$2,000,000.



Fifty-seventh Legislature First Regular Session House: LARA DPA 5-2-0-2

# HB 2552: dogs; hunting; rules; prohibition Sponsor: Representative Diaz, LD 19 Caucus & COW

<u>Overview</u>

Allows the use of dogs for hunting wildlife.

#### <u>History</u>

The Arizona Game and Fish Commission (Commission) is responsible for establishing the rules and regulations for managing, conserving and protecting wildlife. The Commission is comprised of five members appointed by the governor, subject to Senate confirmation, who serve five-year terms. The Arizona Game and Fish Department (Department) administers the rules and regulations as set by the Commission (A.R.S. §§ <u>17-201</u>, <u>17-231</u> and <u>38-211</u>).

A person may take wildlife only during daylight hours and by means of:

- 1) firearms, fishing equipment, archery equipment or other implements in hand as regulated by the Commission, including hunting or fishing license;
- 2) snares, traps not designed to kill or nets to take wildlife for scientific research projects, sport falconry or relocation of the wildlife;
- 3) poisons or nets by the Department to take and manage aquatic wildlife; or
- 4) traps or poison to control wild and domestic rodents (A.R.S. § 17-301).

#### **Provisions**

- 1. Prohibits the rules adopted by the Commission from restricting the use of dogs to take wildlife. (Sec. 1)
- 2. Allows a person to take wildlife with the aid of dogs. (Sec. 2)

#### Amendments

Committee on Land, Agriculture & Rural Affairs

- 1. Removes the provision that the Commission cannot adopt rules that restrict the use of dogs to take wildlife.
- 2. Clarifies that a person can take small game, predators', fur-bearing animals, bears and mountain lions with the aid of dogs as outlined.



Fifty-seventh Legislature First Regular Session House: LARA DPA 5-3-1-0

## HB 2800: fire insurance; policy cancellation; prohibition Sponsor: Representative Martinez, LD 16 Caucus & COW

#### <u>Overview</u>

Restricts an insurance producer from cancelling or refusing to renew a fire insurance policy upon the Governor declaring a state of emergency after a natural disaster or wildfire.

#### <u>History</u>

The Governor may proclaim a state of emergency, which takes effect immediately in an area affected or likely to be affected if the Governor finds existence of extreme peril to the safety of persons or property within Arizona caused by air pollution, fire, flood or floodwater, storm, epidemic, riot, earthquake or other causes as outlined (A.R.S. §§ <u>26-301</u> and <u>26-303</u>).

The Governor may extend the state of emergency for 120 days, but any extension may not be for a period of more than 30 days. The state of emergency terminates after 120 days, unless extended, in whole or in part, by passage of a concurrent resolution of the Legislature. The powers granted to the Governor terminate when the state of emergency is terminated by the Governor or by a concurrent resolution of the Legislature (A.R.S. § 26-303).

An insurance policy is a contract in which an insurer indemnifies an insured against losses from specific contingencies or perils. Fire insurance policies, which insure against perils of fire or lightning, are written under the Arizona Standard Fire Policy. Statute requires the Arizona Standard Fire Policy to conform with the <u>New York Standard Fire Policy</u> (A.R.S §§ <u>20-103</u>, <u>20-1503</u> and <u>20-1507</u>).

For an insurance policy renewal, or a new policy that has been in effect for 60 days, a notice of cancellation must be based on specified occurrences that transpire after the effective date of the policy. If an occurrence meets the outlined conditions and an insurer does not renew a policy, the insured must be given 30 days' notice to remedy the identified conditions. If remedied, coverage must be renewed. If not remedied, the insured may pay the premium and be given an additional 30 days to meet satisfactory conditions (A.R.S. § 20-1652).

If an insurer does not mail or deliver a notice of its intention to not renew a policy to the named insured at the address shown in the policy, the insurer must renew the policy on the effective date of the renewal, upon payment of the premium (A.R.S. § 20-1654).

#### **Provisions**

1. Prohibits an insurance producer, upon the Governor declaring a state of emergency after a natural disaster or wildfire, from cancelling or refusing to renew, for the next 24 months, a fire insurance policy with an insured who resides or that is located within a 5 mile radius of the natural disaster or wildfire. (Sec. 1)

#### **Amendments**

#### Committee on Land, Agriculture & Rural Affairs

1. Clarifies that an insurer, rather than an insurance producer, is prohibited from cancelling or refusing to renew, for the next 24 months, a fire insurance policy upon the Governor declaring a state of emergency after a natural disaster or wildfire.



Fifty-seventh Legislature First Regular Session House: NREW DPA 6-4-0-0 | APPROP DPA 11-6-0-1

### HB 2087: appropriation; groundwater recharge facilities; maintenance Sponsor: Representative Griffin, LD 19 Caucus & COW

#### <u>Overview</u>

Appropriates monies for the purpose of cleaning and restoring artificial groundwater recharge facilities.

#### <u>History</u>

Artificial groundwater recharge is the practice of increasing the amount of water that is recharged into an aquifer by human-controlled means typically through projects such as:

- a) infiltration basins or ponds;
- b) redirecting water through canals;
- c) irrigation furrows; and
- d) injection wells (<u>USGS</u>).

There are currently 7 active management areas (AMAs) that are subject to regulation according to the <u>Arizona</u> <u>Groundwater Code</u>. There are 5 initial AMAs (Prescott, Phoenix, Pinal, Tucson and Santa Cruz) and 2 subsequent AMAs (<u>Douglas</u> and <u>Willcox</u>) (<u>ADWR</u>).

#### **Provisions**

- 1. Appropriates an unspecified amount of monies from the General Fund (GF) to an unspecified department in fiscal year (FY) 2026 for the purpose of cleaning and restoring artificial groundwater recharge facilities that:
  - a. are located in a subsequent AMA; and
  - b. provide flood control benefits.
- 2. Exempts the appropriation from lapsing.

#### **Amendments**

Committee on Natural Resources, Energy and Water

1. Appropriates a sum of \$250,000.

#### Committee on Appropriations

1. Appropriates \$250,000 from the GF in FY 2026 to the State Natural Resource Conservation Board.



Fifty-seventh Legislature First Regular Session House: PSLE DP 9-6-0-0

## HB 2606: appropriation; local border support Sponsor: Representative Nguyen, LD 1 Caucus & COW

#### <u>Overview</u>

Appropriates \$50,000,000 from the state General Fund (GF) in FY 2026 to the Arizona Department of Public Safety (DPS) for enforcement, prosecution and detention of border-related crimes and to support local communities.

#### <u>History</u>

DPS is responsible for creating and coordinating services for use by local enforcement agencies in protecting public safety. DPS is also tasked with establishing: 1) crime prevention services; 2) apprehending violators; 3) training law enforcement; and 4) promoting public safety. DPS cannot override local agencies' jurisdiction and authority. DPS comprises the divisions of: 1) Arizona Highway Patrol; 2) narcotics enforcement and criminal investigation; 3) scientific criminal analysis; 4) training and education; and 5) major incident (A.R.S.  $\frac{1}{100}$ 

#### **Provisions**

- 1. Appropriates \$50,000,000 from the state GF in FY 2026 to DPS for local border support. (Sec. 1)
- 2. Requires the monies be used to fund local law enforcement officer positions for drug interdiction to deter and capture individuals who are charged with drug trafficking, human smuggling, illegal immigration and other border-related crimes. (Sec. 1)
- 3. Directs DPS to use the monies to help cities, towns and counties with the costs associated with prosecuting and detaining individuals charged with border-related crimes as outlined. (Sec. 1)
- 4. Allows DPS to fund all capital-related equipment. (Sec. 1)



Fifty-seventh Legislature First Regular Session House: TI DPA 6-0-1-0

## HB 2124: hospitals; interfacility transport Sponsor: Representative Willoughby, LD 13 Caucus & COW

#### <u>Overview</u>

Provides an exemption from the requirement of a certificate of necessity (CON) for certain ambulance services.

#### <u>History</u>

The Department of Health Services (DHS) regulates the operation of ambulances and ambulance services, including regulating the response times of ambulances to meet the needs of the public and to ensure adequate service. Individuals wishing to operate an ambulance service in this state must apply for a CON. Upon determining that the public necessity requires the service, or any part of the service proposed by the applicant, DHS issues the certificate provided the applicant is found to be fit and proper to provide the service and has paid and filed the appropriate fees and bonds.

Statute grants an exemption from the requirement to obtain a CON for certain vehicles and persons that are statutorily exempted from a certificate of registration as well as ambulance services operating under temporary authority to operate in urgent circumstances (A.R.S. §§ <u>36-2232</u>, <u>36-2233</u>).

A *certificate of necessity* is a certificate that is issued to an ambulance service by DHS and that describes the service area, level of service, type of service, hours of operation, effective date, expiration date, legal name and address of the ambulance service and any limiting or special provisions DHS prescribes (<u>A.R.S. § 36-2201</u>).

#### **Provisions**

- 1. Exempts ambulance services that are owned or operated by a direct or indirect owner of a hospital for interfacility transports from requiring a CON. (Sec. 2)
- 2. Specifies that all rules adopted by the Department of Health Services relating to interfacility transportation apply to a direct or indirect owner of a hospital that operates an ambulance service for interfacility transport. (Sec. 2)
- 3. Defines direct owner, hospital, indirect owner and interfacility transport. (Sec. 1)
- 4. Includes, to the definition of *fit and proper*, a hospital providing interfacility transport. (Sec. 1)
- 5. Makes technical changes. (Sec. 1)

#### Amendments

Committee on Transportation & Infrastructure

- 1. Modifies a definition, by clarifying that an *interfacility transport* means *a ground* ambulance transport of a patient from one health care institution (institution) to another institution.
- 2. Directs an ambulance service holding a CON for interfacility transport to have the right of first refusal to provide interfacility transportation within its service area if the transfer can be made both:
  - a) Within the time frame specified by the current CON or as negotiated between the institution and the ambulance service; and
  - b) With the medical equipment and trained personnel necessary to transfer the patient safely as determined by the patient's treating medical provider.

□ Prop 105 (45 votes) □ Prop 108 (40 votes) □ Emergency (40 votes) □ Fiscal Note

- 3. Requires the transferring institution to document the communication made to the ambulance service that holds the CON for interfacility transport and the interfacility transport details, including:
  - a) The details of the transfer request;
  - b) The required time frame for the transfer as specified by the current CON or as negotiated between the institution and the ambulance service;
  - c) The required medical equipment and trained personnel as specified by the patient's treating medical provider;
  - d) Whether the ambulance service that holds the CON for interfacility transport exercised the right of first refusal; and
  - e) Which ambulance service ultimately transported the patient and the reasons why.
- 4. Allows the transferring institution to make other interfacility transport arrangements for the patient, if an ambulance service holding a CON for interfacility transport exercises the right of first refusal to provide interfacility transportation within its service area but does not meet the time frame as specified by the current CON or as negotiated between the institution and the ambulance service or does not meet the required medical equipment or trained personnel as specified by the patient's treating medical provider.
- 5. Mandates that a separate contract must be negotiated between the ambulance service and the institution specifying reasonable performance guidelines for interfacility transport services if a CON does not outline response times for interfacility transport.
- 6. Directs the current ambulance service holding the CON for interfacility transports to maintain primary responsibility for interfacility transports until the agreement is reached.
- 7. Permits an ambulance service and an institution to use binding arbitration to finalize a reasonable contract at the expense of the institution.



Fifty-seventh Legislature First Regular Session House: TI DP 7-0-0-0

## HB 2887: alternative fuel vehicles; HOV lanes Sponsor: Representative Volk, LD 17 Caucus & COW

#### <u>Overview</u>

Allows, rather than requires, an owner of a vehicle that has either been converted or manufactured to use an alternative fuel to apply for alternative fuel vehicle (AFV) special plates. Permits the owner who does not apply for an AFV special plate to apply for a license plate or a special license plate and an alternative vehicle sticker and requires the owner to pay associated fees.

#### <u>History</u>

A person who owns a motor vehicle that has either been converted or manufactured to use an alternative fuel as the vehicle's exclusive fuel source and that is incapable of operating on any other type of fuel and the alternative fuel was subject to the use fuel tax imposed before April 1, 1997, must apply for Alternative Fuel Vehicle (AFV) special plates.

The Arizona Department of Transportation (ADOT) must issue AFV special plates, or an AFV sticker to a person who:

- 1) owns a motor vehicle exclusively powered by an alternative fuel and that is incapable of operating on any other type of fuel;
- 2) provides proof as follows:
  - a) for an original equipment manufactured AFV, the dealer who sells the motor vehicle must provide to ADOT and the owner of the motor vehicle a certificate indicating that the motor vehicle is exclusively powered by an alternative fuel and is incapable of operating on any other type of fuel and the emission classification of the motor vehicle as low, inherently low, ultralow or zero;
  - b) for a converted motor vehicle or a motor vehicle that is assembled by the owner, the Arizona Department of Environmental Quality (ADEQ) or an agent of ADEQ must provide a certificate to ADOT and the owner of the motor vehicle indicating that the motor vehicle is exclusively powered by an alternative fuel and is incapable of operating on any other type of fuel; and
- 3) pays an eight dollar special plate administration fee. ADOT must deposit all special plate administration fees in the State Highway Fund (A.R.S. § 28-2416).

#### **Provisions**

- 1. Permits, rather than directs, a person who owns a motor vehicle that has either been converted or manufactured to use an alternative fuel as the vehicle's exclusive fuel source and that is incapable of operating on any other type of fuel and the alternative fuel was subject to the use fuel tax before April 1, 1997, to apply for AFV special plates. (Sec. 1)
- 2. Allows, if an AFV owner who does not apply for an AFV special plate, to apply and must pay associated fees for:a) a license plate; or
  - b) a special license plate issued and an AFV sticker. (Sec. 1)
- 3. Permits a person to be issued an AFV special plate or an AFV sticker, if in addition to meeting specified requirements, pays an eight dollar special plate administration fee *or AFV sticker*. (Sec. 1)
- 4. Requires ADOT to deposit all special plate administration or AFV sticker fees in the State Highway Fund. (Sec. 1)
- 5. Makes technical and conforming changes. (Sec. 1)

□ Prop 105 (45 votes) □ Prop 108 (40 votes) □ Emergency (40 votes) □ Fiscal Note



Fifty-seventh Legislature First Regular Session House: WM DP 8-0-0-1

## HB 2080: public retirement systems; administration Sponsor: Representative Blackman, LD 7 Caucus & COW

#### <u>Overview</u>

Specifies eligibility for the Elected Officials Defined Contribution Retirement Disability Program, removes being reemployed in the same position at any time as a limiting factor to members receiving pension payments, allows the board of trustees (board) of the Public Safety Personnel Retirement System (PSPRS) to invest in *stocks acquired as an investment in any commingled investment* and expands eligible groups for defined contribution plans to include the State elected officials who were subject to term limits and exempt state officers and employees who elected to participate in the defined contribution retirement plan.

#### <u>History</u>

Under the Elected Officials Defined Contribution Retirement System (EODCRS) members can receive benefits is the member develops a total disability (<u>A.R.S. § 38-833</u>).

The board of PSPRS has the power to invest and reinvest, alter and change monies accumulated under PSPRS and other retirement plans and trusts the board administers. When making investments the board is limited to corporate stocks and exchange traded funds with the exception of bank stocks, insurance stocks, stocks acquired for coinvestment in connection with the system's or the plans' or trusts' commingled investments and interests in limited liability companies and mutual funds (A.R.S. § 38-848).

PSPRS currently restricts the pensions of members who became reemployed by the same employer before six months after their date of retirement and to those who become reemployed by the same employer to the same position at any time. The restriction: 1) requires the board to advise PSPRS in writing of the retired members reemployment. 2) Prevents the PSPRS from making pension payments during the period of reemployment. 3) Prevents the reemployed member from making employee contributions or receive service credit during time of reemployment. 4) Allows for the repayment of pension payments to PSPRS if a retired member who became reemployed during the six month period received payments while reemployed (A.R.S. 38-849).

#### **Provisions**

### Elected Officials' Defined Contribution Retirement System

- 1. Replaces plan with system. (Sec. 1)
- 2. Specifies that members who are not an active, inactive, or retired member of the elected officials' retirement plan or a member of the elected officials' retirement plan with a disability are able to receive benefits if the member develops a total disability. (Sec. 1)

#### Public Safety Retirement System

- 3. Adds *stocks acquired as an investment in any commingled investment* as an exception to the restriction of board investments to stocks and exchange traded funds. (Sec. 2)
- 4. Removes retired members being reemployed *in the same position at any time* by the same employer from being subject to the requirements limiting pensions. (Sec. 3)
- 5. Specifies that a retired members reemployment must be with the employer that the member retired during the 6-month period. (Sec. 3)
- 6. Removes in a position other than the same position from which the member retired. (Sec. 3)

#### Defined Contribution Plans

- 7. Adds State elected officials who were subject to term limits and exempt state officers and employees who elected to participate in the defined contribution retirement plan option established pursuant to 18 section 38-952 in effect on August 6, 1999, to the definition of an eligible group. (Sec. 4)
- 8. Makes technical changes. (Sec. 1)