

Government Committee

Senator Jake Hoffman, Chairperson



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GOVERNMENT COMMITTEE

LEGISLATION ENACTED

homeowners' associations; flagpoles (S.B. 1016) – Chapter 155

Allows a homeowners' association to limit a member to the display of two wall mounted flagpole holders.

reviser's technical corrections; 2024 (S.B. 1049) – Chapter 105

Makes annual non-substantive technical reviser's corrections to correct defective or conflicting statutory text from the previous session's legislative enactments.

state land auctions; electronic means (S.B. 1079) – Chapter 228

[SEE THE NATURAL RESOURCES, ENERGY & WATER COMMITTEE.](#)

monument and memorial repair fund (S.B. 1110) – Chapter 49

Stipulates that all monies in the State Monument and Memorial Repair Fund are continuously appropriated, rather than subject to legislative appropriation.

telecommunications fund; report; posting (NOW: residential zoning; housing; assessment; hearings) (S.B. 1162) – Chapter 172

Requires, by January 1, 2025, a municipality to adopt an amendment to the municipality's zoning ordinance that requires the municipality to determine whether a zoning application is administratively complete within 30 days after receiving the application. The municipality must determine whether a resubmitted application is administratively complete within 15 days after receiving the resubmitted application. After determining that an application is administratively complete, the municipality must approve or deny the application within 180 days. A municipality may extend the 180-day time frame for extenuating circumstances or if an applicant requests an extension. The zoning application time frames do not apply to land designated as a district of historical significance by a municipality, an area designated as historic on the National Register of Historic Places or a planned area development.

Excludes government-owned property from the 20 percent property threshold in a zoning area over which the property owners may file a protest against a proposed zoning amendment.

Requires, beginning January 1, 2025, and every five years thereafter, each municipality to publish a housing needs assessment that includes prescribed municipal population and job growth data and the total need for additional residential housing units. A municipality that has conducted a housing needs assessment report as of January 1, 2021, must amend all existing reports to include

the newly required information. Beginning January 1, 2025, each municipality must submit an annual report to the Arizona Department of Housing (ADOH) accounting for prescribed residential housing data. ADOH must compile the annual reports received from each municipality and submit the reports to the Governor, President of the Senate and Speaker of the House of Representatives. The housing needs assessment and annual report requirements do not apply to a municipality located on tribal land or a municipality with a population of fewer than 30,000 persons.

~~technical correction; juvenile offenders; notice~~ (NOW: legislative vacancies; appointment) ([S.B. 1278](#)) – Chapter 174

[SEE THE ELECTIONS COMMITTEE.](#)

~~appropriation; older individuals; blind.~~ (NOW: public notice; municipal land sales) ([S.B. 1335](#)) – Chapter 198

Increases, from more than \$1,500,000 to more than \$15,000,000, the property value threshold that requires a city or town to hold a special election to sell municipal real property. A city or town may not sell real property valued between \$1,500,000 and \$15,000,000, unless the city or town governing body: 1) holds at least one hearing to take public comment on the proposed sale after publishing the invitation for bids at least 30 days before the scheduled approval of the purchase agreement; and 2) adopts a resolution approving the property sale. The public hearing notice must be provided at least 10 days before the hearing and include outlined information. The property sale terms must be posted on the city's or town's website on completion of the sale. Real property sold by a city or town must be sold at no less than the appraised property value.

~~occupational license; criminal record~~ ([S.B. 1367](#)) – Chapter 83

[SEE THE FINANCE & COMMERCE COMMITTEE.](#)

~~youth businesses; licenses; tax; exemption~~ ([S.B. 1370](#)) – Chapter 237

Prohibits a municipality or county from requiring any type of license or permit for a business that operates only occasionally by a person who is under 19 years old and exempts a person who is under 19 years old from the requirement to obtain a transaction privilege tax (TPT) license and pay TPT, use tax and local excise taxes, if the business's gross proceeds of sales or gross income is less than \$10,000 per calendar year.

~~land and buildings transfers; Yuma~~ ([S.B. 1441](#)) – Chapter 14

Transfers, from the Arizona Historical Society to the City of Yuma, ownership of: 1) the Sanguinetti House Museum and Gardens and Jack Mellon House located in Yuma, Arizona; and 2) the Molina Block in Yuma, Arizona. The President of the Arizona Historical Society must deliver a properly signed and recorded deed or patent to the City of Yuma by September 29, 2024. The transferred land and buildings must be used by the City of Yuma for public purposes perpetually and may not be sold, exchanged or bartered.

public-private partnership contracts (S.B. 1670) – Chapter 201 E

An emergency measure effective May 29, 2024, that allows, until October 1, 2026, the Arizona Department of Administration (ADOA) and the Department of Emergency and Military Affairs (DEMA), on legislative authorization, to issue a request for proposals (RFP) and enter into a public-private partnership (P3) contract for military rotary wing aviation flight and maintenance training services at locations that DEMA owns, administers or controls. ADOA and DEMA must develop an RFP to procure a private sector entity to perform all elements and duties of the P3 contract. The private sector entity must provide evidence, to the satisfaction of ADOA and DEMA, that the entity has the capacity to: 1) operate all facets of the P3 contract without using any state monies; and 2) administer the P3 contract under DEMA oversight. Executed P3 contracts must not cause the state to share in the liabilities of the private sector partner or exempt the private sector partner from state law and regulations unless an exemption is specified under state law.

DEMA must have written agreements with the private sector entity for reimbursement and cost recovery which may include accepting desired in-kind services for any allocated space or resources used by the private sector entity. DEMA may not use any state monies to pay for services rendered by the private sector entity to the United States or any foreign military personnel unless written agreements have been established regarding reimbursement for the expenditures. ADOA and DEMA must consult with Joint Legislative Budget Committee (JLBC) Staff regarding the potential fiscal impact of the P3 contract and cooperate with and be responsive to information requests made by the JLBC Staff regarding the operation of the P3 contract.

Exempts the establishment of a P3 for a military aviation training program from the statutory prohibition on state competition with private enterprise if there is training only of military personnel and use only of aircraft in the U.S. Department of Defense's inventory or procured by a foreign partner for military purposes through the U.S. Foreign Military Sales Program.

rulemaking; legislative ratification; regulatory costs (S.C.R. 1012)

Subject to voter approval, statutorily requires a state agency to submit a proposed rule that is estimated to increase regulatory costs in Arizona by more than \$100,000 within five years after implementation to the Office of Economic Opportunity (OEO) for review. If the OEO confirms that the proposed rule is estimated to increase regulatory costs in Arizona by more than \$500,000 within five years of implementation, the proposed rule may not become effective until the Legislature enacts legislation ratifying the proposed rule. On the Governor's proclamation that the legislative ratification requirement is approved by the voters, any rule that increases regulatory costs by more than \$500,000 within five years of implementation is void and unenforceable, unless the Legislature enacts legislation ratifying the rule. A legislator or a person regulated by a state agency that is proposing a rule may request the OEO to review the proposed rule.

The OEO must submit a proposed rule to the Administrative Rules Oversight Committee (Oversight Committee) at least 30 days before the next regular legislative session. The Oversight Committee must submit the proposed rules to the Legislature as soon as practicable. A state agency may not file a final rule with the Secretary of State before obtaining legislative approval. If the Legislature does not enact legislation to ratify the proposed rule during the current legislative

session, the state agency must terminate the proposed rulemaking. Emergency rules and the Arizona Corporation Commission are exempt from the legislative ratification requirement. Requires the Secretary of State to submit the proposition to the voters at the next general election. Becomes effective if approved by the voters and on proclamation of the Governor.

food handler certificate; volunteers; limits (H.B. 2079) – Chapter 87

Prohibits a county from requiring a person who volunteers three or fewer times in a calendar year at any activity or function where food is being packaged or heated to obtain a food handler certificate or identification card or to participate in a food handler certificate training course, if the person is overseen by a certified food protection manager or person in charge.

~~registrar of contractors agency; continuation~~ (NOW: agency continuations; technical registration; contractors) (H.B. 2091) – Chapter 204

Continues the Arizona Board of Technical Registration (AZBTR) for six years, until July 1, 2030, retroactive to July 1, 2024, and narrows the complaints on which the AZBTR may hear and act to only complaints or charges specified by a complainant. The AZBTR may investigate a complaint and take necessary disciplinary or enforcement action only if the complainant either: 1) currently has a contractual relationship with the person who is the complaint subject or had a contractual relationship with the person at the time of the alleged misconduct; or 2) was harmed by the alleged misconduct or possesses firsthand knowledge of the alleged misconduct. Eliminates the AZBTR's authority to do all other things necessary to carry out the purpose of regulating technical registrants and repeals the Home Inspectors Rules and Standards Committee.

Continues the Registrar of Contractors (ROC) for eight years, until July 1, 2032, retroactive to July 1, 2024. The ROC must study and compile a report on commercial contractors to determine whether opportunities exist to statutorily remove the ROC's oversight of the commercial contracting profession. The ROC must submit the findings to the President of the Senate and Speaker of the House of Representatives by December 31, 2024.

mechanics' liens; notice (H.B. 2110) – Chapter 89

Stipulates that a preliminary 20-day notice of a mechanic's lien that otherwise complies with statutory requirements is not defective based on the failure to use bold-faced type or the largest type on the document, or both.

~~homeowner's associations; fees; related parties (NOW: real property)~~ (NOW: homeowner's associations; fees) (H.B. 2119) – Chapter 131

Prohibits 501(c)(3) or 501(c)(4) nonprofit organizations and specified nonprofit mandatory membership organizations from charging certain document fees, except outlined service fees, for any property conveyance between: 1) familial parties when the residential property transfer has nominal actual consideration; or 2) business or trust parties when the transfer has nominal or no consideration.

condominiums; interior improvements; approvals (H.B. 2141) – Chapter 27

Precludes a condominium unit owners' association from prohibiting a unit owner from: 1) improving or altering the unit's interior in a manner that may disturb adjacent unit occupants if the unit owner purchases and installs any reasonably necessary improved materials, accessories or other adjustments to eliminate or minimize potential disturbances; and 2) using any manner of decoration on the unit's interior.

~~technical correction; conservation easements; applicability (NOW: barbering; cosmetology; conforming legislation) (H.B. 2168) – Chapter 250~~

Laws 2021, Chapter 334 consolidated the Board of Barbers and the Board of Cosmetology into the Barbering and Cosmetology Board (Board).

Repeals the Barbering statutes, incorporates barbering into the Cosmetology statutes and repeals the Board's authority to employ a supervisor of examinations and examiners. Exempts, from the Barbering and Cosmetology statutes, a person who performs services without compensation in either an emergency or domestic administration or in a licensed funeral establishment. Modifies specified Board-established fees. Eliminates the requirements for the Board to: 1) annually report to the Governor on official acts, financial transactions and necessary recommendations; and 2) only issue a duplicate license on receipt of a written request that states the reason for the request.

Decreases, from 10 years to 5 years, the time period for a Board-issued license to be inactive before automatic suspension. Adds completing a Board-provided infection prevention, sanitation and law review class to the qualifications for an instructor license or license reciprocity. An applicant may appeal the Board's denial of an instructor license by requesting a hearing. The hearing must be before the Board at its next regular meeting that follows the Board's receipt of the request. At the hearing, the burden of proof is on the applicant to demonstrate that the alleged deficiencies that are the basis of the denial do not exist.

Allows an aesthetician or cosmetologist to perform eyelash extensions without registering as an eyelash technician. Each barbering, cosmetology, aesthetics, nail technology, hairstyling or eyelash extensions establishment (establishment) must display the current registration for each eyelash technician practicing in the establishment. Operating an establishment without being licensed by the Board and without having an individual designated as the manager is an unlawful act subject to a class 1 misdemeanor.

A school that holds a barbering and cosmetology school license may offer courses on both barbering and cosmetology if an instructor licensed as a cosmetologist teaches the cosmetology courses and an instructor licensed as a barber teaches the barbering courses. A school must post a conspicuous notice to the public that all services are performed by students under the direct supervision of a licensed instructor. A violation of the posting requirement is an unlawful act and subject to a class 1 misdemeanor. A student who desires to transfer from one school to another may apply to another school of the student's choice, rather than execute a Board-prescribed transfer application. The transferring school must provide the student with a completion form documenting

the hours and courses that the student has successfully completed. The form must include the school's name, address and license number and the student's dates of attendance.

Appropriates \$200,000 from the Barbering and Cosmetology Fund (Fund) to the Board in FYs 2025 and 2026 for information technology development and appropriates \$298,250 and four FTEs from the Fund to the Board in FY 2025 to enforce the Barbering and Cosmetology statutes. Exempts the appropriations from lapsing.

~~industrial commission of Arizona; continuation~~ (NOW: industrial commission of Arizona; continuations) ([H.B. 2209](#)) – Chapter 205

[SEE THE FINANCE & COMMERCE COMMITTEE.](#)

~~occupational safety advisory committee; continuation~~ (NOW: state agencies; continuations; duties) ([H.B. 2210](#)) – Chapter 206

[SEE THE FINANCE & COMMERCE COMMITTEE.](#)

~~professional employer organization; repeal~~ ([H.B. 2252](#)) – Chapter 67

Repeals the requirement for a professional employer organization (PEO) to register with the Secretary of State (SOS) and repeals related statutes. A bond required to be maintained by a PEO must be held by an insured depository institution, rather than by an SOS-designated depository.

~~firefighters; peace officers; PTSD; coverage~~ (NOW: theme park districts; formation) ([H.B. 2274](#)) – Chapter 252

Decreases, from more than 1,000,000 persons to 500,000 persons, the population threshold for the governing body of a city to establish a theme park district (district) in conjunction with the county in which the city is entirely located. Allows the governing body of a city with a population of more than 500,000 persons or the governing body of a county with a population of more than 125,000 persons to establish a district while acting alone. A district is limited to properties whose owners have consented to being included in the district, including any sites added after the district is initially established, and more than one district may be located in a county or city.

If a district is formed by a county in conjunction with a city or by a city acting on its own, the district may include theme park sites in only the city participating in establishing the district. If a district is formed by a county acting on its own, the geographic boundaries of the district must include only theme park sites, consist of only contiguous property and be located entirely and only in the county's unincorporated area.

If a county does not participate in establishing a district, the city must elect two members of its governing body to be members of the district's board of directors. If a city does not participate in establishing a district, the county must elect two members of its governing body to be members of the district's board of directors. Modifies legislative appointments to a district board of directors.

~~adaptive reuse; commercial buildings; zoning (NOW: zoning; adaptive reuse; commercial buildings)~~ (NOW: commercial buildings; adaptive reuse) ([H.B. 2297](#)) – Chapter 141

Requires, by January 1, 2025, the governing body of a municipality with a population of 150,000 or more persons to establish objective standards to allow multifamily residential development or adaptive reuse on up to 10 percent of the total existing commercial, office or mixed-use buildings within the municipality without requiring a conditional use permit, a planned unit development or rezoning application or any other application that would require a public hearing. The objective standards must meet prescribed requirements. Prohibits withholding a demolition permit for multifamily residential development and adaptive reuse projects, as prescribed. The municipality's governing body may modify the percentage of existing commercial, office or mixed-use buildings within the municipality available for multifamily residential development or adaptive reuse every 10 years.

A municipality's governing body may designate commercial or employment hubs and other essential commercial or employment use areas where existing commercial, office, employment or mixed-use buildings are excluded from the multifamily residential development and adaptive reuse requirements. The municipal designation of commercial or employment hubs may not exceed 10 percent of the existing commercial, office, employment or mixed-use buildings within the municipality. A municipality may modify the excluded commercial or employment hubs once every 10 years.

The multifamily residential development and adaptive reuse requirements do not apply to: 1) land in an area designated historic by a local government or that is on the National Register of Historic Places; 2) land in the territory in the vicinity of a military airport or ancillary military facility, a Federal Aviation Administration commercially licensed airport or general aviation airport; or 3) land in a municipality that is located on tribal land.

Buffalo Soldiers Arizona territory monument ([H.B. 2304](#)) – Chapter 32

Designates the memorial dedicated to the commemoration of Buffalo Soldiers in Wesley Bolin Plaza as the *Buffalo Soldiers Arizona Territory Monument*.

backyard fowl; regulation; prohibition ([H.B. 2325](#)) – Chapter 192

[SEE THE NATURAL RESOURCES, ENERGY & WATER COMMITTEE.](#)

non-contiguous county island fire districts ([H.B. 2381](#)) – Chapter 71

Specifies that a non-contiguous county island fire district board may expand its boundaries to include unincorporated parcels within a city's or town's municipal planning area only if the parcel is contiguous with the city's or town's boundaries or the existing district.

Arizona racing commission; continuation ([H.B. 2415](#)) – Chapter 177

Continues the Arizona Racing Commission for two years, until July 1, 2026, retroactive to July 1, 2024.

proper venue; challenges; policy statements (H.B. 2490) – Chapter 194

Allows a party that appeals a final administrative decision to the superior court to bring the action to any proper venue, including: 1) the county where the plaintiff, claimant or appellant resides; 2) the county where the plaintiff's, claimant's or appellant's principal place of business is located; 3) the county where the state agency is headquartered; or 4) Maricopa County. A state agency may not restrict the proper venue for any appeal of a final administrative decision or require a party to travel to the state agency's county, venue or headquarters to submit or receive documentation that supports the analysis used to propose or finalize a final administrative decision. If the proper venue for an action to review a final administrative decision is expressly prescribed by statute, the venue must control.

~~motor vehicle manufacturers; TPT; exemption~~ (NOW: condominiums; planned communities; lien; assessment) (H.B. 2648) – Chapter 151

[SEE THE FINANCE & COMMERCE COMMITTEE.](#)

homeowners' associations; meeting agendas (H.B. 2662) – Chapter 180

Requires the secretary of a condominium unit owners' association or planned community association to provide an agenda for any meeting of the association by hand delivery, mail, website posting, email or other electronic means or posting at a community center or other similar location. All meeting agendas must be provided to the unit owners or association members in advance of all meetings. For meetings of the board of directors that are held after the termination of declarant control, meeting agendas must be given to the unit owners or association members at least 48 hours in advance of the meeting by newsletter, conspicuous posting or any other reasonable means. The failure of any unit owner or association member to receive a meeting agenda does not affect the validity of any action taken at the meeting.

~~planned communities; declarant control~~ (NOW: declarant control; planned communities) (H.B. 2698) – Chapter 124

Requires each declaration that provides for a period of declarant control of a homeowners' association (HOA) to also provide a date of or method for calculating the declarant control termination date. For every planned community, without regard to whether the community documents provide for the termination of declarant control, declarant control terminates no later than the date on which the second to last lot in the planned community is conveyed to a buyer. After termination of the period of declarant control and while the declarant owns one or more lots in the planned community, the HOA: 1) must provide at least the same level maintenance of common areas that the declarant provided; and 2) may not impede the declarant's ability to develop, construct and sell its lots or impede access to and use of common areas by the declarant in the same manner as other members.

accessory dwelling units; requirements. (H.B. 2720) – Chapter 196

[SEE THE FINANCE & COMMERCE COMMITTEE.](#)

municipal zoning; middle housing (H.B. 2721) – Chapter 197

[SEE THE FINANCE & COMMERCE COMMITTEE.](#)

interstate compact; fire management; aid (H.B. 2751) – Chapter 190 E

[SEE THE NATURAL RESOURCES, ENERGY & WATER COMMITTEE.](#)

~~agency; licensing; information (NOW: hoopouses; building permits; exemption)~~
(NOW: hoopouses; polyhouses; regulation; compliance) (H.B. 2846) – Chapter 186

Exempts the construction of a hoopouse or polyhouse from municipal and county building permit requirements if the hoopouse or polyhouse meets prescribed requirements. A *hoopouse* or *polyhouse* is a greenhouse used exclusively for producing and storing live plants and must: 1) be anchored in a way that allows removal and relocation of the structure at the discretion of the property owner and in a manner that prevents unintended detachment or relocation; and 2) comply with all height, setback, and lot coverage requirements contained in municipal or county zoning and land use regulations for detached accessory buildings or structures. A device contained within or connected to a hoopouse or polyhouse that is subject to municipal electrical or mechanical codes and regulations or connected to the potable water system for backflow prevention must be permitted by the municipality or county.

A municipality or county may: 1) adopt an ordinance to regulate a hoopouse's or polyhouse's height above the fence line if the structure is located on a lot less than one acre in size within a residential community; 2) establish an administrative review process for a hoopouse or polyhouse constructed without a building permit; 3) require an owner who intends to build a hoopouse or polyhouse to submit information regarding the construction of the structure; and 4) determine if the planned construction of the hoopouse or polyhouse meets the statutory requirements for an exemption from building permit requirements.

local government; 2024-2025 (H.B. 2907/S.B. 1745) – Chapter 219

[SEE THE APPROPRIATIONS COMMITTEE.](#)

state buildings; management; 2024-2025 (H.B. 2908/S.B. 1746) – Chapter 220

[SEE THE APPROPRIATIONS COMMITTEE.](#)

self-supporting regulatory agencies; funds; 2024-2025 (H.B. 2910/S.B. 1748) – Chapter 222

[SEE THE APPROPRIATIONS COMMITTEE.](#)

federal land acquisition; acreage return ([H.C.M. 2004](#))

Urges the U.S. Congress to immediately pass, and the U.S. President to sign, legislation that requires the federal government, for every acre of county or state land acquired or federal public domain land expressly reserved or withdrawn by the federal government, to give to the applicable county or the state: 1) one acre of land of equal or greater size and value; or 2) in the absence of land of equal or greater size and value, land of a size and value as proximate as possible to the acquired, reserved or withdrawn land and in lieu payments for the value of the difference.

federal lands; transfer to states ([H.C.M. 2005](#))

Urges the U.S. Congress to immediately pass, and the U.S. President to sign, legislation that requires 30 percent of all federally controlled lands in the west to be given to the respective states by 2030 under the equal footing doctrine. Urges the U.S. Congress to engage in good faith communication, cooperation, coordination and consultation with each state regarding the immediate disposal of the public lands directly to those states.

LEGISLATION VETOED

committees of reference; deadline; extension ([S.B. 1061](#)) – VETOED

Extends, from the third Friday in January to the last day in January, the deadline for each committee of reference (COR) to: 1) hold at least one public hearing after receiving a preliminary sunset review report; and 2) deliver the final sunset review report to the President of the Senate, Speaker of the House of Representatives, Governor, Auditor General and the affected agency.

The Governor indicates in her [veto message](#) that legislators currently have the ability to hold COR hearings in the interim, prior to the deadlines at the start of the legislative session.

regulatory costs; rulemaking; legislative ratification ([S.B. 1153](#)) – VETOED

Requires a state agency to submit a proposed rule that is estimated to increase regulatory costs in Arizona by more than \$100,000 within five years after implementation to the Office of Economic Opportunity (OEO) for review. If the OEO confirms that the proposed rule is estimated to increase regulatory costs in Arizona by more than \$500,000 within five years of implementation, the proposed rule may not become effective until the Legislature enacts legislation ratifying the proposed rule. Any rule that increases regulatory costs by more than \$500,000 within five years of implementation is void and unenforceable, unless the Legislature enacts legislation ratifying the rule. A legislator or a person regulated by a state agency that is proposing a rule may request the OEO to review the proposed rule.

The OEO must submit a proposed rule to the Administrative Rules Oversight Committee (Oversight Committee) at least 30 days before the next regular legislative session. The Oversight Committee must submit the proposed rules to the Legislature as soon as practicable. A state agency may not file a final rule with the Secretary of State before obtaining legislative approval. If the Legislature does not enact legislation to ratify the proposed rule during the current legislative

session, the state agency must terminate the proposed rulemaking. Emergency rules and the Arizona Corporation Commission are exempt from the legislative ratification requirement.

The Governor indicates in her [veto message](#) that S.B. 1153 would create an unnecessary burden on state agencies that would inhibit their ability to carry out duties in a timely manner.

agency review; rules; automatic expiration (S.B. 1343) – VETOED

Requires any rule analysis performed by a state agency in accordance with the five-year rule review that also examines the economic impact or other costs of a rule to use the actual impacts and costs from the last five years that the rule has been in effect as the basis for any calculation. Any rule regarding occupational licenses adopted by a state agency must automatically expire at the conclusion of the five-year review unless the state agency: 1) performs a five-year review; 2) readopts the statutorily required code chapter; 3) publishes an evaluation of the burdens on similar occupational licenses in all states that border Arizona and justifies any instance where Arizona imposes a greater burden on a licensee than any neighboring states; and 4) publishes a report that includes analyses and responses to public comments. The automatic expiration does not apply to any rule that is required to comply with federal law or receive federal monies. If an occupational licensing agency rule automatically expires, the Governor's Regulatory Review Council must notify specified entities that the rule has expired and is no longer enforceable.

The Governor indicates in her [veto message](#) that the state agency rulemaking process is rigorous, transparent and essential to allowing state government to function and serve Arizonans.

agencies; single audit reports; penalty (S.B. 1473) – VETOED

Requires a state agency that is required to comply with federal single audit requirements to be assessed a penalty of one percent of any federal monies received annually by the agency for every 30 days the agency is late in submitting a Schedule of Expenditures of Federal Awards (SEFA) to the Auditor General. When a state agency submits a SEFA late, the Auditor General must notify the State Treasurer of the penalty amount and the State Treasurer must withhold that amount from the agency's appropriation for the next fiscal year.

The Governor indicates in her [veto message](#) that state agencies provide critical services to Arizonans and should not be punished for leveraging a once in a generation influx of federal funding to improve the lives of everyday Arizonans.

county supervisors; population; membership (H.B. 2031) – VETOED

Allows, rather than requires, a qualifying county to submit to the electors the question on whether the county should elect five members to the county board of supervisors (BOS). Decreases, from 150,000 persons to 125,000 persons, the population threshold for a county to submit to the electors the question on whether the county should change from a three-member to a five-member county BOS.

The Governor indicates in her [veto message](#) that H.B. 2031 is unnecessary.

administrative completeness review; licensing (H.B. 2100) – VETOED

Requires a state agency to make available to the public on the agency's website a comprehensive list of items needed for an application to be deemed administratively complete. At the time an applicant obtains an application, the licensing state agency must provide a copy of the comprehensive list. An application with a state agency is deemed administratively complete if the agency issues a timely written notice of deficiencies that is substantive in nature within the administrative completeness review time frame. A state agency may not: 1) determine the substantive merits or outcome of an application or notify an applicant of the agency's determination of the substantive merits or outcome of an application while the application is within the administrative completeness review time frame; or 2) make a final decision on an application or notify an applicant of the outcome of the application based on the findings or conclusions of a document or report that is not included in the application or listed on the agency's comprehensive list unless the document or report was subject to public inspection and the applicant has an opportunity to challenge the document or report and its findings before submitting the application.

The Governor indicates in her [veto message](#) that H.B. 2100 would add onerous processes to licensing agencies that would result in longer wait times for applicants and increased costs for state agencies.

annexation; notice; approval (H.B. 2125) – VETOED

Increases, from 50 percent to 60 percent, the percentage of property owners in a county with a population of more than 4,000,000 persons that are required to sign a petition for the purpose of extending or increasing the corporate limits of a city or town by annexation. Notice of the public hearing to discuss the annexation proposal must be sent to the county board of supervisors by certified mail and the certified mail cost must be covered by the city or town governing body.

The Governor indicates in her [veto message](#) that H.B. 2125 would favor the voices of some Arizonans over others and create an unfair power imbalance in Arizona communities.

settlement agreements; report; approval (H.B. 2275) – VETOED

Declares legally binding contracts entered into by a city, town or county (local government) as a matter of statewide concern due to the impact on public finance. At least 90 days before entering into a settlement agreement that is \$500,000 or more, the local government must submit a settlement agreement report to the Governor, Legislature and Attorney General (AG) describing the proposed settlement agreement terms. Before entering into a settlement agreement that is \$1,000,000 or more, the local government must submit the proposed settlement agreement to the Joint Legislative Budget Committee (JLBC) for review. JLBC may recommend that the local government amend the proposed settlement agreement.

At least 30 days before entering into a settlement agreement, the AG must submit a settlement agreement report to the Legislature describing its terms.

The Governor indicates in her [veto message](#) that H.B. 2275 is unnecessary and undermines separation of powers.

mobile food vendors; operation; rules (H.B. 2328) – VETOED

Allows a mobile food vendor to operate on private residential property if the mobile food vendor meets prescribed requirements and caps, at \$150, the annual fee that a city or town may require a mobile food vendor to pay for each fixed location or mobile food unit. Department of Health Services licensing standards must allow a mobile food unit to request an exemption from the commissary or other servicing area requirements if the mobile food unit is sufficiently equipped to meet health and safety standards without the use of a commissary or other servicing area. A county board of supervisors may not require generators to be permanently affixed to a mobile food unit.

The Governor indicates in her [veto message](#) that H.B. 2328 was crafted without input from key community stakeholders and fails to strike a balance between deregulation and safety.

guaranteed income program; prohibition (H.B. 2375) – VETOED

Prohibits a municipality or a county from: 1) establishing, adopting, enforcing or maintaining any ordinance, order or rule that has the purpose or effect of making payments to persons as part of a guaranteed income program; and 2) interpreting or applying a law of general application in a manner that conflicts with the guaranteed income program prohibition.

The Governor indicates in her [veto message](#) that the broad language in H.B. 2375 could threaten housing, food and emergency need programs if administered at the local level.

federal government; land acquisition; consent (H.B. 2376) – VETOED

[SEE THE NATURAL RESOURCES, ENERGY & WATER COMMITTEE.](#)

administrative rules oversight committee; dissent (H.B. 2491) – VETOED

Allows a person to file a complaint with the Administrative Rules Oversight Committee (Oversight Committee) concerning an existing statute, rule, agency practice or substitutive policy statement that is alleged to be inconsistent with legislative intent or beyond an agency's statutory authority. Allows the Oversight Committee to review the complaints in the same manner as other complaints. The Oversight Committee may prepare a dissent letter expressing disagreement with any statutes, rules, agency practices or substantive policy statements that are duplicative, onerous, inconsistent with legislative intent or beyond the agency's statutory authority. The dissent letter must be filed with the Secretary of State and placed in the Arizona Administrative Code. The Oversight Committee's annual report to the Legislature must include recommended legislation to ensure consistency with legislative intent.

Increases GRRC membership from six members to eight members.

The Governor indicates in her [veto message](#) that H.B. 2491 is unnecessary.

planning; home design; restrictions; prohibition (H.B. 2570/S.B. 1112) – VETOED

Prohibits a municipality from interfering with a home buyer's right to choose the features, amenities, structure, floor plan and interior and exterior design of a home. A municipality may not require: 1) a homeowners' association, a condominium association or any other association (HOA); 2) a shared feature or amenity that would require an HOA to maintain or operate the feature or amenity, unless necessary for stormwater management; 3) screening, walls or fences; or 4) private streets or roads.

Prohibits a municipality from adopting or enforcing any requirement establishing, for single-family home developments, prescribed minimum or maximum lot sizes, lot coverage, square footage or dimensions, building setbacks or design, architectural or aesthetic elements. The single-family home development standards only apply to developments constructed in a municipality with a population of more than 70,000 persons that is designated as an urban area by the U.S. Census Bureau or is located on tribal land. Designates this legislation as the *Arizona Starter Homes Act*.

The Governor indicates in her [veto message](#) that H.B. 2570 is an expansive bill that lacks the nuance necessary for statewide reform and there is great promise in other ongoing efforts in the Legislature to build more attainable housing in Arizona.

physical presence; resident (H.B. 2581) – VETOED

Specifies that a *resident* is an individual who has actual physical presence in Arizona for at least 181 days with the intent to remain, which applies only for the purposes of: 1) property tax; 2) vehicle registration; and 3) voter registration. The county assessor, the Director of the Arizona Department of Transportation and the county recorder may establish a physical presence requirement of less than 181 days if the individual demonstrates an intent to remain by providing prescribed evidence.

The Governor indicates in her [veto message](#) that H.B. 2581 creates additional, unnecessary barriers for individuals registering to vote.

forced labor; child labor; prohibitions (H.B. 2591) – VETOED

Prohibits a public power entity (PPE) or a public service corporation (PSC) from entering into or renewing a contract with a person or company to acquire land, electric vehicles, utility scale batteries or solar panels, unless the contract includes a sworn certification that the person or company does not knowingly use: 1) forced labor; 2) oppressive child labor; or 3) any goods or services produced by forced labor or oppressive child labor. A public entity may not enter into or renew a contract with a person or company to acquire or dispose of land, services, supplies, information technology, goods, including electric vehicles, batteries, solar panels and the minerals used to create batteries and solar panels, or construction unless the contract includes a sworn certification that the person or company does not knowingly use: 1) forced labor; 2) oppressive child labor; 3) any goods or services produced by forced labor or oppressive child labor; or 4) any

contractors, subcontractors or suppliers that use forced labor or oppressive child labor or any goods or services produced by forced labor or oppressive child labor.

If a person or company that has provided a sworn certification becomes aware during the term of the contract that they are not in compliance with the sworn certification, the person or company must notify the PPE, PSC or public entity within five business days. If the person or company does not provide the PPE, PSC or public entity with a sworn certification that the person or company has remedied the noncompliance within 180 days, the contract terminates. A person, company, PPE, PSC or public entity that knowingly violates the sworn certification requirements is subject to a civil penalty of up to \$10,000 for each violation.

Eliminates the requirement for a company entering into or renewing a contract with a public entity to provide a written certification that the company does not use the forced labor of ethnic Uyghurs in the People's Republic of China.

The Governor indicates in her [veto message](#) that current federal law addresses this prohibition.

United Nations; sustainable development; prohibition (H.B. 2788) – VETOED

Prohibits the state and each political subdivision from spending public monies to enforce the goals adopted in 2015 by the United Nations as the 2030 Agenda for Sustainable Development.

The Governor indicates in her [veto message](#) that the United Nations' core goals include decreasing hunger and poverty and ensuring a quality education for all, and that H.B. 2788 would limit the ability to meaningfully address these issues to ensure the long-term prosperity of Arizona and its constituents.