

REFERENCE TITLE: state hospital; governing board; governance

State of Arizona  
Senate  
Fifty-sixth Legislature  
First Regular Session  
2023

## **SB 1710**

Introduced by  
Senators Gowan: Borrelli, Shamp, Shope, Wadsack

### AN ACT

AMENDING SECTIONS 3-607, 11-812 AND 23-618.01, ARIZONA REVISED STATUTES; REPEALING SECTION 36-103.01, ARIZONA REVISED STATUTES; AMENDING SECTIONS 36-132, 36-136, 36-137, 36-201, 36-202, 36-202.01, 36-203, 36-204 AND 36-205, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTIONS 36-205.01 AND 36-205.02; AMENDING SECTIONS 36-206, 36-208, 36-209, 36-210, 36-212 AND 36-213, ARIZONA REVISED STATUTES; REPEALING SECTION 36-214, ARIZONA REVISED STATUTES; AMENDING SECTIONS 36-216, 36-217 AND 36-218, ARIZONA REVISED STATUTES; AMENDING TITLE 36, CHAPTER 2, ARTICLE 1, ARIZONA REVISED STATUTES, BY ADDING SECTION 36-220; AMENDING SECTIONS 36-501, 36-502.01, 36-545.01, 36-545.08, 36-1672 AND 49-104, ARIZONA REVISED STATUTES; APPROPRIATING MONIES; RELATING TO THE ARIZONA STATE HOSPITAL.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 3-607, Arizona Revised Statutes, is amended to  
3 read:

4 3-607. Annual licenses; inspections; revocation; fees;  
5 exceptions

6 A. A person shall not operate a milk distributing plant or a  
7 manufacturing milk processing plant, engage in the business of  
8 producer-distributor or producer-manufacturer, or engage in the business  
9 of selling at wholesale milk or dairy products, or both, without a  
10 license. This section does not require:

11 1. An Arizona dairy farm producing raw milk for sale to be  
12 processed to secure a license to operate.

13 2. A retailer or wholesaler to secure a license from the division  
14 to convert a pasteurized mix into frozen dessert.

15 3. A food establishment regulated by the department of health  
16 services to secure a license from the division to manufacture frozen  
17 desserts using pasteurized milk or pasteurized milk-based products if the  
18 frozen dessert is manufactured and sold at the same food establishment for  
19 consumption on the premises and the food establishment has submitted a  
20 plan for approval to the regulatory authority under title 36 demonstrating  
21 that the manufacturing process complies with the rules adopted pursuant to  
22 section 36-136, subsection ~~H~~ H, including pasteurization as defined in  
23 rule. The division or the regulatory authority under title 36 may require  
24 a food establishment that manufactures frozen desserts using pasteurized  
25 milk or pasteurized milk-based products to provide samples of the frozen  
26 dessert to verify that the frozen dessert is pasteurized.

27 B. An application for a license shall be in writing in the form the  
28 associate director prescribes and shall be accompanied by the required  
29 filing fee. On receipt of an application, the associate director or an  
30 authorized representative shall examine the premises in which the  
31 applicant proposes to do business, and if it appears that the applicant  
32 has complied with all provisions of law, the license shall be issued.

33 C. After issuance of the first annual license, a license may be  
34 issued on inspection of the premises and payment not later than February 1  
35 of each year of the required fee. The inspection shall be made by the  
36 associate director or an authorized representative to determine whether  
37 the premises are maintained in compliance with law. A written report of  
38 the inspection shall be filed in the division office. An annual license  
39 is valid for the period beginning January 1 and ending December 31 of each  
40 year, and a license that is not renewed on or before February 1 of each  
41 year is void.

42 D. An application for a license to produce grade A milk for human  
43 consumption shall be made in the manner prescribed by subsections A and B  
44 of this section. The license shall be valid until revoked for failure to  
45 comply with the provisions of this article relating to the production of

1 milk. The associate director may suspend a license pending correction of  
2 deficiencies that violate this article. If the identified deficiencies  
3 are not corrected within a reasonable time after the licensee is notified,  
4 the associate director may proceed to revoke the license. Notice of a  
5 pending revocation shall be in writing, stating the cause, and setting a  
6 time during which the licensee may correct the cause for revocation. If  
7 the cause for revocation is not corrected within the time specified, the  
8 associate director, after a hearing and three days' notice of intention,  
9 may revoke the license. The director shall review the associate  
10 director's action on request of any person adversely affected by the  
11 action. A person holding a permit issued by a governmental agency  
12 operating outside of this state whose requirements are substantially the  
13 same as the requirements of this state shall be deemed to have a license  
14 meeting the requirements of this article, provided the facilities have  
15 first been inspected and approved also by a resident Arizona inspector, if  
16 in the opinion of the associate director such an inspection should be  
17 made. Any expense incurred for such an inspection shall be at the expense  
18 of the licensee.

19 E. Fees shall be paid as follows:

20 1. For a license or renewal of a license to operate a milk  
21 distributing plant or business, \$50.

22 2. For a license or renewal of a license to operate a manufacturing  
23 milk processing plant, \$50.

24 3. For a license or renewal of a license to engage in the business  
25 of producer-distributor or producer-manufacturer, \$25.

26 4. For a license or renewal of a license to engage in the business  
27 of selling at wholesale milk or dairy products, or both, \$25.

28 F. The associate director or dairy inspectors are authorized to  
29 inspect premises affected by this article and located outside of this  
30 state, and they shall receive subsistence and travel expenses in the  
31 amount provided for state officers, which shall be paid to the inspector  
32 by the owner of the premises inspected.

33 G. This section does not apply to a producer of raw milk.

34 Sec. 2. Section 11-812, Arizona Revised Statutes, is amended to  
35 read:

36 11-812. Restriction on regulation; exceptions; aggregate  
37 mining regulation; definitions

38 A. ~~Nothing contained in~~ Any ordinance authorized by this chapter  
39 shall NOT:

40 1. Affect existing uses of property or the right to its continued  
41 use or the reasonable repair or alteration of the property for the purpose  
42 for which used at the time the ordinance affecting the property takes  
43 effect.

1           2. Prevent, restrict or otherwise regulate the use or occupation of  
2 land or improvements for railroad, mining, metallurgical, grazing or  
3 general agricultural purposes, if the tract concerned is five or more  
4 contiguous commercial acres. For the purposes of this paragraph:

5           (a) "General agricultural purposes" includes agritourism as defined  
6 in section 3-111, but does not include any of the following:

7           (i) Food establishments ~~THAT ARE~~ under the authority of the  
8 department of health services pursuant to section 36-136, subsection ~~H~~ **H**  
9 **AND** that are associated with an agritourism business.

10           (ii) Rodeo events that are open to the general public and that sell  
11 tickets for admission. For the purposes of this item, rodeo events do not  
12 include generally accepted agricultural practices associated with  
13 livestock and equine operations.

14           (iii) The cultivation of cannabis as defined in section 13-3401 or  
15 marijuana as defined in section 13-3401 or 36-2801.

16           (b) "Mining" has the same meaning prescribed in section 27-301.

17           3. Prevent, restrict or otherwise regulate the use or occupation of  
18 land or improvements for agricultural composting, if the tract is five or  
19 more contiguous commercial acres. An agricultural composting operation  
20 shall notify in writing the board of supervisors and the nearest fire  
21 department of the location of the composting operation. If the nearest  
22 fire department is located in a city, town or fire district where the  
23 agricultural composting is not located, the agricultural composting  
24 operation shall also notify in writing the fire district in which the  
25 operation is located. Agricultural composting is subject to sections  
26 3-112 and 49-141. For the purposes of this paragraph, "agricultural  
27 composting" has the same meaning prescribed in section 9-462.01,  
28 subsection G.

29           4. Prevent, restrict or otherwise regulate the otherwise lawful  
30 discharge of a firearm or air gun or use of archery equipment on a private  
31 lot or parcel of land that is not open to the public on a commercial or  
32 membership basis.

33           B. A nonconforming business use within a district may expand if the  
34 expansion does not exceed one hundred ~~per cent~~ **PERCENT** of the area of the  
35 original business.

36           C. For the purposes of subsection A, paragraph 2 of this section,  
37 mining does not include aggregate mining operations in an aggregate mining  
38 operations zoning district established pursuant to this section. The  
39 board of supervisors of any county with a population of more than two  
40 million persons shall designate and establish the boundaries of an  
41 aggregate mining operations zoning district on the petition of at least  
42 one hundred persons who reside within one-half mile of an existing  
43 aggregate mining operation. In addition, the board of supervisors of any  
44 county may establish, in its discretion and on the board's initiative, one  
45 or more aggregate mining operations zoning districts. Aggregate mining

1 operations zoning districts may only be located in areas that are  
2 inventoried and mapped as areas of known reserves or in areas with  
3 existing aggregate mining operations. Subject to subsections E and F of  
4 this section, a county and the state mine inspector may jointly adopt, as  
5 internal administrative regulations, reasonable aggregate mining  
6 operations zoning district standards limited to permitted uses, procedures  
7 for approval of property development plans and site development standards  
8 for dust control, height regulations, setbacks, days and hours of  
9 operation, off-street parking, screening, noise, vibration and air  
10 pollution control, signs, roadway access lanes, arterial highway  
11 protection and property reclamation for which aggregate mining operations  
12 are not otherwise subject to federal, state or local regulation or a  
13 governmental contractual obligation. Regulations jointly adopted pursuant  
14 to this subsection by the county and the state mine inspector shall not  
15 prohibit the activities included in the definition of mine pursuant to  
16 section 27-301, ~~paragraph 8~~ or duplicate, conflict with or be more  
17 stringent than applicable federal, state or local laws.

18 D. The board of supervisors of any county that establishes an  
19 aggregate mining operations zoning district shall appoint an aggregate  
20 mining operations recommendation committee for the district. The  
21 committee consists of not more than seven operators, or representatives of  
22 operators, of active aggregate mining operations in any district within  
23 the county and an equal number of private citizens, who are not operators,  
24 who are not employed by operators and who do not represent operators,  
25 residing within three miles of the boundaries of aggregate mining  
26 operations or a proposed aggregate mining operation in the district for  
27 which the committee is established. The initial members appointed to the  
28 committee shall be deemed the primary members, and the board of  
29 supervisors shall appoint not more than five alternate members who  
30 represent operators and shall appoint not more than five alternate members  
31 who are private citizens. Alternate members may serve at meetings of the  
32 committee when a primary member is unable to attend. An aggregate mining  
33 operator may serve on more than one committee in the same county. The  
34 board of supervisors shall determine the length of terms of members of the  
35 committee and shall stagger the initial appointments so that not all  
36 members' terms expire at the same time. Members of the committee who no  
37 longer qualify for membership as provided by this subsection are subject  
38 to removal and replacement by the board of supervisors. The committee  
39 shall elect a member who is an aggregate mining operator to serve as  
40 chairperson for the first year in which the committee is created. For  
41 each year thereafter, the chairperson shall be elected by the members of  
42 the committee with a member who is a private citizen and a member who is  
43 an aggregate mining operator serving as chairperson in alternate years.  
44 The committee is subject to the open meeting requirements of title 38,  
45 chapter 3, article 3.1.

1 E. Within ninety days after an aggregate mining operations  
2 recommendation committee is established, the committee shall notify all  
3 existing aggregate mining operators in the district of the application of  
4 this section and title 27, chapter 3, article 6 to the aggregate mining  
5 operation. In addition, the committee shall:

6 1. By a majority vote of all members, make recommendations to the  
7 board of supervisors for aggregate mining zoning districts and  
8 administrative regulations as provided in this section. The board of  
9 supervisors may adopt or reject the recommendations but may not make any  
10 modifications to the recommendations unless the modification is approved  
11 by a majority of the members of the recommendation committee.

12 2. Serve as a forum for mediation of disputes between members of  
13 the public and aggregate mining owners or operators. If the committee is  
14 unable to resolve a dispute, the committee shall transmit the matter to  
15 the state mine inspector, with written findings and recommendations, for  
16 further action.

17 3. Hear written complaints filed with the state mine inspector  
18 regarding alleged material deviations from approved community notices for  
19 aggregate mining operations and make written recommendations to the state  
20 mine inspector pursuant to section 27-446.

21 F. Any administrative regulations adopted by a board of supervisors  
22 pursuant to this section are not effective until the regulations are  
23 approved by the state mine inspector. The inspector may disapprove the  
24 administrative regulations adopted by the board of supervisors only if  
25 they duplicate, conflict with or are more stringent than applicable  
26 federal, state or local laws, rules or regulations. If the inspector  
27 disapproves the administrative regulations, the inspector must provide  
28 written reasons for the disapproval. The inspector shall not make any  
29 modification to the administrative regulations as adopted by the board of  
30 supervisors unless the modification is approved by a majority of the  
31 members of the board of supervisors.

32 G. A person or entity is subject to this chapter if the use or  
33 occupation of land or improvements by the person or entity consists of or  
34 includes changing, remanufacturing or treating human sewage or sludge for  
35 distribution or resale. These activities are not exempt from this chapter  
36 under subsection A, paragraph 2 of this section.

37 H. A county shall not require as a condition for a permit or for  
38 any approval, or otherwise cause, an owner or possessor of property to  
39 waive the right to continue an existing nonconforming outdoor advertising  
40 use or structure without acquiring the use or structure by purchase or  
41 condemnation and paying just compensation unless the county, at its  
42 option, allows the use or structure to be relocated to a comparable site  
43 in the county with the same or a similar zoning classification, or to  
44 another site in the county acceptable to both the county and the owner of  
45 the use or structure, and the use or structure is relocated to the other

1 site. The county shall pay for relocating the outdoor advertising use or  
2 structure including the cost of removing and constructing the new use or  
3 structure that is at least the same size and height. This subsection does  
4 not apply to county rezoning of property at the request of the property  
5 owner to a more intensive zoning district.

6 I. For the purposes of this section:

7 1. "Aggregate" has the same meaning prescribed in section 27-441.

8 2. "Aggregate mining" has the same meaning prescribed in section  
9 27-441.

10 3. "Aggregate mining operation" means property that is owned,  
11 operated or managed by the same person for aggregate mining.

12 4. "Operators" means persons who are actively engaged in aggregate  
13 mining operations within the zoning district or proposed zoning district  
14 and who have given notice to the state mine inspector pursuant to section  
15 27-303.

16 Sec. 3. Section 23-618.01, Arizona Revised Statutes, is amended to  
17 read:

18 23-618.01. Definition of hospital

19 "Hospital" means an institution ~~which~~ THAT has been licensed,  
20 certified, ~~or~~ approved by the ~~Arizona state~~ department of health ~~SERVICES~~  
21 as a hospital.

22 Sec. 4. Repeal

23 Section 36-103.01, Arizona Revised Statutes, is repealed.

24 Sec. 5. Section 36-132, Arizona Revised Statutes, is amended to  
25 read:

26 36-132. Department of health services; functions; contracts

27 A. The department, in addition to other powers and duties vested in  
28 it by law, shall:

29 1. Protect the health of the people of the state.

30 2. Promote the development, maintenance, efficiency and  
31 effectiveness of local health departments or districts of sufficient  
32 population and area that they can be sustained with reasonable economy and  
33 efficient administration, provide technical consultation and assistance to  
34 local health departments or districts, provide financial assistance to  
35 local health departments or districts and services that meet minimum  
36 standards of personnel and performance and in accordance with a plan and  
37 budget submitted by the local health department or districts to the  
38 department for approval, and recommend the qualifications of all  
39 personnel.

40 3. Collect, preserve, tabulate and interpret all information  
41 required by law in reference to births, deaths and all vital facts, and  
42 obtain, collect and preserve information relating to the health of the  
43 people of this state and the prevention of diseases as may be useful in  
44 the discharge of functions of the department not in conflict with chapter  
45 3 of this title and sections 36-693, 36-694 and 39-122.

1           4. Operate ~~such~~ sanitariums, hospitals or other facilities assigned  
2 to the department by law or by the governor.

3           5. Conduct a statewide program of health education relevant to the  
4 powers and duties of the department, prepare educational materials and  
5 disseminate information as to conditions affecting health, including basic  
6 information ~~for the promotion of~~ TO PROMOTE good health on the part of  
7 individuals and communities, and prepare and disseminate technical  
8 information concerning public health to the health professions, local  
9 health officials and hospitals. In cooperation with the department of  
10 education, the department of health services shall prepare and disseminate  
11 materials and give technical assistance for the purpose of ~~education of~~  
12 EDUCATING children in hygiene, sanitation and personal and public health,  
13 and provide consultation and assistance in community organization to  
14 counties, communities and groups of people.

15           6. Administer or supervise a program of public health nursing,  
16 prescribe the minimum qualifications of all public health nurses engaged  
17 in official public health work, and encourage and aid in coordinating  
18 local public health nursing services.

19           7. Encourage and aid in coordinating local programs concerning  
20 control of preventable diseases in accordance with statewide plans that  
21 shall be formulated by the department.

22           8. Encourage and aid in coordinating local programs concerning  
23 maternal and child health, including midwifery, antepartum and postpartum  
24 care, infant and preschool health and the health of schoolchildren,  
25 including special fields such as the prevention of blindness and  
26 conservation of sight and hearing.

27           9. Encourage and aid in ~~the coordination of~~ COORDINATING local  
28 programs concerning nutrition of the people of this state.

29           10. Encourage, administer and provide dental health care services  
30 and aid in coordinating local programs concerning dental public health, in  
31 cooperation with the Arizona dental association. The department may bill  
32 and receive payment for costs associated with providing dental health care  
33 services and shall deposit the monies in the oral health fund established  
34 by section 36-138.

35           11. Establish and maintain adequate serological, bacteriological,  
36 parasitological, entomological and chemical laboratories with qualified  
37 assistants and facilities necessary for routine examinations and analyses  
38 and for investigations and research in matters affecting public health.

39           12. Supervise, inspect and enforce the rules concerning the  
40 operation of public bathing places and public and semipublic swimming  
41 pools adopted pursuant to section 36-136, subsection ~~F~~ H, paragraph 10.

42           13. Take all actions necessary or appropriate to ensure that  
43 bottled water sold to the public and water used to process, store, handle,  
44 serve and transport food and drink are free from filth, disease-causing  
45 substances and organisms and unwholesome, poisonous, deleterious or other



1 foreign substances. All state agencies and local health agencies involved  
2 with water quality shall provide to the department any assistance  
3 requested by the director to ensure that this paragraph is effectuated.

4 14. Enforce the state food, caustic alkali and acid laws in  
5 accordance with chapter 2, article 2 of this title, chapter 8, article 1  
6 of this title and chapter 9, article 4 of this title, and collaborate in  
7 the ~~enforcement of~~ ENFORCING the federal food, drug, and cosmetic act  
8 (52 Stat. 1040; 21 United States Code sections 1 through 905).

9 15. Recruit and train personnel for state, local and district  
10 health departments.

11 16. Conduct continuing evaluations of state, local and district  
12 public health programs, study and appraise state health problems and  
13 develop broad plans for use by the department and for recommendation to  
14 other agencies, professions and local health departments for the best  
15 solution of these problems.

16 17. License and regulate health care institutions according to  
17 chapter 4 of this title.

18 18. Issue or direct the issuance of licenses and permits required  
19 by law.

20 19. Participate in the state civil defense program and develop the  
21 necessary organization and facilities to meet wartime or other disasters.

22 20. Subject to the availability of monies, develop and administer  
23 programs in perinatal health care, including:

24 (a) Screening in early pregnancy for detecting high-risk  
25 conditions.

26 (b) Comprehensive prenatal health care.

27 (c) Maternity, delivery and postpartum care.

28 (d) Perinatal consultation, including transportation of the  
29 pregnant woman to a perinatal care center when medically indicated.

30 (e) Perinatal education oriented toward professionals and  
31 consumers, focusing on early detection and adequate intervention to avert  
32 premature labor and delivery.

33 21. License and regulate the health and safety of group homes for  
34 persons with developmental disabilities. The department shall issue a  
35 license to an accredited facility for a period of the accreditation,  
36 except that ~~no~~ A licensing period shall NOT be longer than three years.  
37 The department is authorized to conduct an inspection of an accredited  
38 facility to ensure that the facility meets health and safety licensure  
39 standards. The results of the accreditation survey shall be public  
40 information. A copy of the final accreditation report shall be filed with  
41 the department of health services. For the purposes of this paragraph,  
42 "accredited" means accredited by a nationally recognized accreditation  
43 organization.

1           B. The department may accept from the state or federal government,  
2 or any agency of the state or federal government, and from private donors,  
3 trusts, foundations or eleemosynary corporations or organizations grants  
4 or donations for or in aid of the construction or maintenance of any  
5 program, project, research or facility authorized by this title, or in aid  
6 of the extension or enforcement of any program, project or facility  
7 authorized, regulated or prohibited by this title, and enter into  
8 contracts with the federal government, or an agency of the federal  
9 government, and with private donors, trusts, foundations or eleemosynary  
10 corporations or organizations, to carry out such purposes. All monies  
11 made available under this section are special project grants. The  
12 department may also expend these monies to further applicable scientific  
13 research within this state.

14           C. The department, in establishing fees authorized by this section,  
15 shall comply with title 41, chapter 6. The department shall not set a fee  
16 at more than the department's cost of providing the service for which the  
17 fee is charged. State agencies are exempt from all fees imposed pursuant  
18 to this section.

19           D. The department may enter into contracts with organizations that  
20 perform nonrenal organ transplant operations and organizations that  
21 primarily assist in the management of end-stage renal disease and related  
22 problems to provide, as payors of last resort, prescription medications  
23 necessary to supplement treatment and transportation to and from treatment  
24 facilities. The contracts may provide for department payment of  
25 administrative costs it specifically authorizes.

26           Sec. 6. Section 36-136, Arizona Revised Statutes, is amended to  
27 read:

28           36-136. Powers and duties of director; compensation of  
29           personnel; rules; definitions

30           A. The director shall:

31           1. Be the executive officer of the department of health services  
32 and the state registrar of vital statistics but shall not receive  
33 compensation for services as registrar.

34           2. Perform all duties necessary to carry out the functions and  
35 responsibilities of the department.

36           3. Prescribe the organization of the department. The director  
37 shall appoint or remove personnel as necessary for the efficient work of  
38 the department and shall prescribe the duties of all personnel. The  
39 director may abolish any office or position in the department that the  
40 director believes is unnecessary.

41           4. Administer and enforce the laws relating to health and  
42 sanitation and the rules of the department.

43           5. Provide for the examination of any premises if the director has  
44 reasonable cause to believe that on the premises there exists a violation  
45 of any health law or rule of this state.

1           6. Exercise general supervision over all matters relating to  
2 sanitation and health throughout this state. When in the opinion of the  
3 director it is necessary or advisable, a sanitary survey of the whole or  
4 of any part of this state shall be made. The director may enter, examine  
5 and survey any source and means of water supply, sewage disposal plant,  
6 sewerage system, prison, public or private place of detention, asylum,  
7 hospital, school, public building, private institution, factory, workshop,  
8 tenement, public washroom, public restroom, public toilet and toilet  
9 facility, public eating room and restaurant, dairy, milk plant or food  
10 manufacturing or processing plant, and any premises in which the director  
11 has reason to believe there exists a violation of any health law or rule  
12 of this state that the director has the duty to administer.

13           7. Prepare sanitary and public health rules.

14           8. Perform other duties prescribed by law.

15           B. If the director has reasonable cause to believe that there  
16 exists a violation of any health law or rule of this state, the director  
17 may inspect any person or property in transportation through this state,  
18 and any car, boat, train, trailer, airplane or other vehicle in which that  
19 person or property is transported, and may enforce detention or  
20 disinfection as reasonably necessary for the public health if there exists  
21 a violation of any health law or rule.

22           ~~C. The director, after consultation with the department of~~  
23 ~~administration, may take all necessary steps to enhance the highest and~~  
24 ~~best use of the state hospital property, including contracting with third~~  
25 ~~parties to provide services, entering into short-term lease agreements~~  
26 ~~with third parties to occupy or renovate existing buildings and entering~~  
27 ~~into long-term lease agreements to develop the land and buildings. The~~  
28 ~~director shall deposit any monies collected from contracts and lease~~  
29 ~~agreements entered into pursuant to this subsection in the Arizona state~~  
30 ~~hospital charitable trust fund established by section 36-218. At least~~  
31 ~~thirty days before issuing a request for proposals pursuant to this~~  
32 ~~subsection, the department of health services shall hold a public hearing~~  
33 ~~to receive community and provider input regarding the highest and best use~~  
34 ~~of the state hospital property related to the request for proposals. The~~  
35 ~~department shall report to the joint committee on capital review on the~~  
36 ~~terms, conditions and purpose of any lease or sublease agreement entered~~  
37 ~~into pursuant to this subsection relating to state hospital lands or~~  
38 ~~buildings or the disposition of real property pursuant to this subsection,~~  
39 ~~including state hospital lands or buildings, and the fiscal impact on the~~  
40 ~~department and any revenues generated by the agreement. Any lease or~~  
41 ~~sublease agreement entered into pursuant to this subsection relating to~~  
42 ~~state hospital lands or buildings or the disposition of real property~~  
43 ~~pursuant to this subsection, including state hospital lands or buildings,~~  
44 ~~must be reviewed by the joint committee on capital review.~~

1           ~~D.~~ C. The director may deputize, in writing, any qualified officer  
2 or employee in the department to do or perform on the director's behalf  
3 any act the director is by law empowered to do or charged with the  
4 responsibility of doing.

5           ~~E.~~ D. The director may delegate to a local health department,  
6 county environmental department or public health services district any  
7 functions, powers or duties that the director believes can be competently,  
8 efficiently and properly performed by the local health department, county  
9 environmental department or public health services district if:

10           1. The director or superintendent of the local health ~~agency~~  
11 DEPARTMENT, environmental ~~agency~~ DEPARTMENT or public health services  
12 district is willing to accept the delegation and agrees to perform or  
13 exercise the functions, powers and duties conferred in accordance with the  
14 standards of performance established by the director of the department of  
15 health services.

16           2. Monies appropriated or otherwise made available to the  
17 department for distribution to or division among counties or public health  
18 services districts for local health work may be allocated or reallocated  
19 in a manner designed to ensure the accomplishment of recognized local  
20 public health activities and delegated functions, powers and duties in  
21 accordance with applicable standards of performance. If in the director's  
22 opinion there is cause, the director may terminate all or a part of any  
23 delegation and may reallocate all or a part of any ~~funds~~ MONIES that may  
24 have been conditioned on the further performance of the functions, powers  
25 or duties conferred.

26           ~~F.~~ E. The compensation of all personnel shall be as determined  
27 pursuant to section 38-611.

28           ~~G.~~ F. The director may make and amend rules necessary for the  
29 proper administration and enforcement of the laws relating to the public  
30 health.

31           ~~H.~~ G. Notwithstanding subsection ~~I.~~ H, paragraph 1 of this  
32 section, the director may define and prescribe emergency measures for  
33 detecting, reporting, preventing and controlling communicable or  
34 infectious diseases or conditions if the director has reasonable cause to  
35 believe that a serious threat to public health and welfare exists.  
36 Emergency measures are effective for not longer than eighteen months.

37           ~~I.~~ H. The director, by rule, shall:

38           1. Define and prescribe reasonably necessary measures for  
39 detecting, reporting, preventing and controlling communicable and  
40 preventable diseases. The rules shall declare certain diseases  
41 reportable. The rules shall prescribe measures, including isolation or  
42 quarantine, that are reasonably required to prevent the occurrence of, or  
43 to seek early detection and alleviation of, disability, insofar as  
44 possible, from communicable or preventable diseases. The rules shall

1 include reasonably necessary measures to control animal diseases THAT ARE  
2 transmittable to humans.

3 2. Define and prescribe reasonably necessary measures, in addition  
4 to those prescribed by law, regarding the preparation, embalming,  
5 cremation, interment, disinterment and transportation of dead human bodies  
6 and the conduct of funerals, relating to and restricted to communicable  
7 diseases and regarding the removal, transportation, cremation, interment  
8 or disinterment of any dead human body.

9 3. Define and prescribe reasonably necessary procedures that are  
10 not inconsistent with law in regard to the use and accessibility of vital  
11 records, delayed birth registration and the completion, change and  
12 amendment of vital records.

13 4. Except as relating to the beneficial use of wildlife meat by  
14 public institutions and charitable organizations pursuant to title 17,  
15 prescribe reasonably necessary measures to ensure that all food or drink,  
16 including meat and meat products and milk and milk products sold at the  
17 retail level, provided for human consumption is free from unwholesome,  
18 poisonous or other foreign substances and filth, insects or  
19 disease-causing organisms. The rules shall prescribe reasonably necessary  
20 measures governing the production, processing, labeling, storing,  
21 handling, serving and transportation of these products. The rules shall  
22 prescribe minimum standards for the sanitary facilities and conditions  
23 that shall be maintained in any warehouse, restaurant or other premises,  
24 except a ~~meat packing~~ MEATPACKING plant, slaughterhouse, wholesale meat  
25 processing plant, dairy product manufacturing plant or trade product  
26 manufacturing plant. The rules shall prescribe minimum standards for any  
27 truck or other vehicle in which food or drink is produced, processed,  
28 stored, handled, served or transported. The rules shall provide for the  
29 inspection and licensing of premises and vehicles so used, and for  
30 abatement as public nuisances of any premises or vehicles that do not  
31 comply with the rules and minimum standards. The rules shall provide an  
32 exemption relating to food or drink that is:

33 (a) Served at a noncommercial social event such as a potluck.

34 (b) Prepared at a cooking school that is conducted in an  
35 owner-occupied home.

36 (c) Not potentially hazardous and prepared in a kitchen of a  
37 private home for occasional sale or distribution for noncommercial  
38 purposes.

39 (d) Prepared or served at an employee-conducted function that lasts  
40 less than four hours and is not regularly scheduled, such as an employee  
41 recognition, an employee fundraising or an employee social event.

42 (e) Offered at a child care facility and limited to commercially  
43 prepackaged food that is not potentially hazardous and whole fruits and  
44 vegetables that are washed and cut on-site for immediate consumption.

1 (f) Offered at locations that sell only commercially prepackaged  
2 food or drink that is not potentially hazardous.

3 (g) A cottage food product that is not potentially hazardous or a  
4 time or temperature control for safety food and that is prepared in a  
5 kitchen of a private home for commercial purposes, including fruit jams  
6 and jellies, dry mixes made with ingredients from approved sources, honey,  
7 dry pasta and roasted nuts. Cottage food products must be packaged at  
8 home with an attached label that clearly states the name and registration  
9 number of the food preparer, lists all the ingredients in the product and  
10 the product's production date and includes the following statement: "This  
11 product was produced in a home kitchen that may process common food  
12 allergens and is not subject to public health inspection." If the product  
13 was made in a facility for individuals with developmental disabilities,  
14 the label must also disclose that fact. The person preparing the food or  
15 supervising the food preparation must complete a food handler training  
16 course from an accredited program and maintain active certification. The  
17 food preparer must register with an online registry established by the  
18 department pursuant to paragraph 13 of this subsection. The food preparer  
19 must display the preparer's certificate of registration when operating as  
20 a temporary food establishment. For the purposes of this subdivision,  
21 "not potentially hazardous" means cottage food products that meet the  
22 requirements of the food code published by the United States food and drug  
23 administration, as modified and incorporated by reference by the  
24 department by rule.

25 (h) A whole fruit or vegetable grown in a public school garden that  
26 is washed and cut on-site for immediate consumption.

27 (i) Produce in a packing or holding facility that is subject to the  
28 United States food and drug administration produce safety rule (21 Code of  
29 Federal Regulations part 112) as administered by the Arizona department of  
30 agriculture pursuant to title 3, chapter 3, article 4.1. For the purposes  
31 of this subdivision, "holding", "packing" and "produce" have the same  
32 meanings prescribed in section 3-525.

33 (j) Spirituous liquor produced on the premises licensed by the  
34 department of liquor licenses and control. This exemption includes both of  
35 the following:

36 (i) The area in which production and manufacturing of spirituous  
37 liquor occurs, as defined in an active basic permit on file with the  
38 United States alcohol and tobacco tax and trade bureau.

39 (ii) The area licensed by the department of liquor licenses and  
40 control as a microbrewery, farm winery or craft distiller that is open to  
41 the public and serves spirituous liquor and commercially prepackaged food,  
42 crackers or pretzels for consumption on the premises. A producer of  
43 spirituous liquor may not provide, allow or expose for common use any cup,  
44 glass or other receptacle used for drinking purposes. For the purposes of  
45 this item, "common use" means the use of a drinking receptacle for

1 drinking purposes by or for more than one person without the receptacle  
2 being thoroughly cleansed and sanitized between consecutive uses by  
3 methods prescribed by or acceptable to the department.

4 5. Prescribe reasonably necessary measures to ensure that all meat  
5 and meat products for human consumption handled at the retail level are  
6 delivered in a manner and from sources approved by the Arizona department  
7 of agriculture and are free from unwholesome, poisonous or other foreign  
8 substances and filth, insects or disease-causing organisms. The rules  
9 shall prescribe standards for sanitary facilities to be used in ~~identity,~~  
10 ~~storage~~ IDENTIFYING, STORING, handling and ~~sale of~~ SELLING all meat and  
11 meat products sold at the retail level.

12 6. Prescribe reasonably necessary measures regarding production,  
13 processing, labeling, handling, serving and transportation of bottled  
14 water to ensure that all bottled drinking water distributed for human  
15 consumption is free from unwholesome, poisonous, deleterious or other  
16 foreign substances and filth or disease-causing organisms. The rules  
17 shall prescribe minimum standards for the sanitary facilities and  
18 conditions that shall be maintained at any source of water, bottling plant  
19 and truck or vehicle in which bottled water is produced, processed, stored  
20 or transported and shall provide for inspection and certification of  
21 bottled drinking water sources, plants, processes and transportation and  
22 for abatement as a public nuisance of any water supply, label, premises,  
23 equipment, process or vehicle that does not comply with the minimum  
24 standards. The rules shall prescribe minimum standards for  
25 bacteriological, physical and chemical quality for bottled water and for  
26 ~~the submission of~~ SUBMITTING samples at intervals prescribed in the  
27 standards.

28 7. Define and prescribe reasonably necessary measures governing ice  
29 production, handling, storing and distribution to ensure that all ice sold  
30 or distributed for human consumption or for preserving or storing food for  
31 human consumption is free from unwholesome, poisonous, deleterious or  
32 other foreign substances and filth or disease-causing organisms. The  
33 rules shall prescribe minimum standards for the sanitary facilities and  
34 conditions and the quality of ice that shall be maintained at any ice  
35 plant, storage and truck or vehicle in which ice is produced, stored,  
36 handled or transported and shall provide for inspection and licensing of  
37 the premises and vehicles, and for abatement as public nuisances of ice,  
38 premises, equipment, processes or vehicles that do not comply with the  
39 minimum standards.

40 8. Define and prescribe reasonably necessary measures concerning  
41 sewage and excreta disposal, garbage and trash collection, storage and  
42 disposal, and water supply for recreational and summer camps, campgrounds,  
43 motels, tourist courts, trailer coach parks and hotels. The rules shall  
44 prescribe minimum standards for preparing food in community kitchens,  
45 adequacy of excreta disposal, garbage and trash collection, storage and

1 disposal and water supply for recreational and summer camps, campgrounds,  
2 motels, tourist courts, trailer coach parks and hotels and shall provide  
3 for inspection of these premises and for abatement as public nuisances of  
4 any premises or facilities that do not comply with the rules. Primitive  
5 camp and picnic grounds offered by this state or a political subdivision  
6 of this state are exempt from rules adopted pursuant to this paragraph but  
7 are subject to approval by a county health department under sanitary  
8 regulations adopted pursuant to section 36-183.02. Rules adopted pursuant  
9 to this paragraph do not apply to two or fewer recreational vehicles as  
10 defined in section 33-2102 that are not park models or park trailers, that  
11 are parked on owner-occupied residential property for less than sixty days  
12 and for which no rent or other compensation is paid. For the purposes of  
13 this paragraph, "primitive camp and picnic grounds" means camp and picnic  
14 grounds that are remote in nature and without accessibility to public  
15 infrastructure such as water, electricity and sewer.

16 9. Define and prescribe reasonably necessary measures concerning  
17 the sewage and excreta disposal, garbage and trash collection, storage and  
18 disposal, water supply and food preparation of all public schools. The  
19 rules shall prescribe minimum standards for sanitary conditions that shall  
20 be maintained in any public school and shall provide for inspection of  
21 these premises and facilities and for abatement as public nuisances of any  
22 premises that do not comply with the minimum standards.

23 10. Prescribe reasonably necessary measures to prevent pollution of  
24 water used in public or semipublic swimming pools and bathing places and  
25 to prevent deleterious health conditions at these places. The rules shall  
26 prescribe minimum standards for sanitary conditions that shall be  
27 maintained at any public or semipublic swimming pool or bathing place and  
28 shall provide for inspection of these premises and for abatement as public  
29 nuisances of any premises and facilities that do not comply with the  
30 minimum standards. The rules shall be developed in cooperation with the  
31 director of the department of environmental quality and shall be  
32 consistent with the rules adopted by the director of the department of  
33 environmental quality pursuant to section 49-104, subsection B,  
34 paragraph 12.

35 11. Prescribe reasonably necessary measures to keep confidential  
36 information relating to diagnostic findings and treatment of patients, as  
37 well as information relating to contacts, suspects and associates of  
38 communicable disease patients. ~~in no event shall~~ Confidential information  
39 MAY NOT be made available for political or commercial purposes.

40 12. Prescribe reasonably necessary measures regarding human  
41 immunodeficiency virus testing as a means to control the transmission of  
42 that virus, including the designation of anonymous test sites as dictated  
43 by current epidemiologic and scientific evidence.

44 13. Establish an online registry of food preparers that are  
45 authorized to prepare cottage food products for commercial purposes



1 pursuant to paragraph 4 of this subsection. A registered food preparer  
 2 shall renew the registration every three years and shall provide to the  
 3 department updated registration information within thirty days after any  
 4 change.

5 14. Prescribe an exclusion for fetal demise cases from the  
 6 standardized survey known as "the hospital consumer assessment of  
 7 healthcare providers and systems".

8 ~~I.~~ I. The rules adopted under the authority conferred by this  
 9 section shall be observed throughout ~~the~~ THIS state and shall be enforced  
 10 by each local board of health or public health services district, but this  
 11 section does not limit the right of any local board of health or county  
 12 board of supervisors to adopt ordinances and rules as authorized by law  
 13 within its jurisdiction, ~~provided that~~ IF the ordinances and rules do not  
 14 conflict with state law and are equal to or more restrictive than the  
 15 rules of the director.

16 ~~K.~~ J. The powers and duties prescribed by this section do not  
 17 apply in instances in which regulatory powers and duties relating to  
 18 public health are vested by the legislature in any other state board,  
 19 commission, agency or instrumentality, except that with regard to the  
 20 regulation of meat and meat products, the department of health services  
 21 and the Arizona department of agriculture within the area delegated to  
 22 each shall adopt rules that are not in conflict.

23 ~~L.~~ K. The director, in establishing fees authorized by this  
 24 section, shall comply with title 41, chapter 6. The department shall not  
 25 set a fee at more than the department's cost of providing the service for  
 26 which the fee is charged. State agencies are exempt from all fees imposed  
 27 pursuant to this section.

28 ~~M.~~ L. After consultation with the state superintendent of public  
 29 instruction, the director shall prescribe the criteria the department  
 30 shall use in deciding whether or not to notify a local school district  
 31 that a pupil in the district has tested positive for the human  
 32 immunodeficiency virus antibody. The director shall prescribe the  
 33 procedure by which the department shall notify a school district if,  
 34 pursuant to these criteria, the department determines that notification is  
 35 warranted in a particular situation. This procedure shall include a  
 36 requirement that before notification the department shall determine to its  
 37 satisfaction that the district has an appropriate policy relating to  
 38 nondiscrimination of the infected pupil and confidentiality of test  
 39 results and that proper educational counseling has been or will be  
 40 provided to staff and pupils.

41 ~~N.~~ M. Until the department adopts exemptions by rule as required  
 42 by subsection ~~I.~~ H, paragraph 4, subdivision (f) of this section, food and  
 43 drink are exempt from the rules prescribed in subsection ~~I.~~ H of this  
 44 section if offered at locations that sell only commercially prepackaged

1 food or drink that is not potentially hazardous, without a limitation on  
2 its display area.

3 ~~Q.~~ N. Until the department adopts exemptions by rule as required  
4 by subsection ~~F~~ H, paragraph 4, subdivision (h) of this section, a whole  
5 fruit or vegetable grown in a public school garden that is washed and cut  
6 on-site for immediate consumption is exempt from the rules prescribed in  
7 subsection ~~F~~ H of this section.

8 ~~P.~~ O. Until the department adopts an exclusion by rule as required  
9 by subsection ~~F~~ H, paragraph 14 of this section, the standardized survey  
10 known as "the hospital consumer assessment of healthcare providers and  
11 systems" may not include patients who experience a fetal demise.

12 ~~Q.~~ P. Until the department adopts exemptions by rule as required  
13 by subsection ~~F~~ H, paragraph 4, subdivision (j) of this section,  
14 spirituous liquor and commercially prepackaged food, crackers or pretzels  
15 that meet the requirements of subsection ~~F~~ H, paragraph 4, subdivision  
16 (j) of this section are exempt from the rules prescribed in subsection  
17 ~~F~~ H of this section.

18 ~~R.~~ Q. For the purposes of this section:

19 1. "Cottage food product":

20 (a) Means a food that is not potentially hazardous or a time or  
21 temperature control for safety food as defined by the department in rule  
22 and that is prepared in a home kitchen by an individual who is registered  
23 with the department.

24 (b) Does not include foods that require refrigeration, perishable  
25 baked goods, salsas, sauces, fermented and pickled foods, meat, fish and  
26 shellfish products, beverages, acidified food products, nut butters or  
27 other reduced-oxygen packaged products.

28 2. "Fetal demise" means a fetal death that occurs or is confirmed  
29 in a licensed hospital. Fetal demise does not include an abortion as  
30 defined in section 36-2151.

31 Sec. 7. Section 36-137, Arizona Revised Statutes, is amended to  
32 read:

33 36-137. Annual report of director

34 The director shall submit annually to the governor, the president of  
35 the senate and the speaker of the house of representatives a copy of the  
36 annual report setting forth:

37 1. The condition of public health in ~~the~~ THIS state.

38 2. The activities of the department during the preceding fiscal  
39 year.

40 3. The work done in each county.

41 4. The character and extent of all diseases reported.

42 5. The expenditures of the department and of each county or  
43 district health department.

44 6. Recommendations the director deems advisable for protection of  
45 the public health.

1 ~~7. The financial statement of the affairs of the Arizona state~~  
2 ~~hospital.~~

3 ~~8.~~ 7. The operations and administration of the program of service  
4 for children with a physical disability or who are suffering from  
5 conditions that lead to a physical disability.

6 Sec. 8. Section 36-201, Arizona Revised Statutes, is amended to  
7 read:

8 36-201. Definitions

9 In this article, unless the context otherwise requires:

10 1. "Chief medical officer" means the chief medical officer of the  
11 state hospital.

12 ~~2. "Department" means the department of health services.~~

13 ~~3.~~ 2. "Director" means the director of the ~~department of health~~  
14 ~~services~~ STATE HOSPITAL.

15 ~~4.~~ 3. "Employee" means an officer or employee of the state  
16 hospital.

17 4. "GOVERNING BOARD" MEANS THE STATE HOSPITAL GOVERNING BOARD.

18 5. "State hospital" means THE Arizona state hospital.

19 ~~6. "Superintendent" means the superintendent of the state hospital.~~

20 Sec. 9. Section 36-202, Arizona Revised Statutes, is amended to  
21 read:

22 36-202. Arizona state hospital; purpose; facilities and  
23 equipment

24 A. A state hospital shall be maintained for the care and treatment  
25 of persons with mental disorders and persons with other personality  
26 disorders or emotional conditions who will benefit from care and  
27 treatment. Admissions to the state hospital shall be in accordance with  
28 law. THE STATE HOSPITAL SHALL ADMIT PATIENTS BASED ON CLINICAL NEED FOR  
29 TREATMENT AND MAY NOT PLACE ANY LIMIT ON ADMISSION BASED ON A PATIENT'S  
30 COUNTY OF RESIDENCE. The hospital shall be called the Arizona state  
31 hospital.

32 B. Subject to legislative appropriation, the state hospital may  
33 provide services to persons suffering from alcoholism and to persons  
34 suffering from drug abuse.

35 C. The state hospital shall have adequate facilities and equipment  
36 for enlightened and scientific treatment of nervous and mental diseases in  
37 accordance with approved methods of mental therapeutics. The facilities  
38 shall include, among other things:

39 1. Facilities for medical and psychiatric treatment with special  
40 attention to occupational therapy and other special therapies.

41 2. Facilities for proper segregation and care of child patients.

42 3. Facilities for recreation and physical training.

43 4. An institutional library for the use of patients.

44 5. A properly equipped dental department.

45 6. A properly equipped laboratory and x-ray department.

1           7. A patient tracking system approved by the director that monitors  
2 individual progress on an inpatient basis and ensures suitable aftercare  
3 placement.

4           D. The state hospital shall be under the charge and control of the  
5 ~~GOVERNING BOARD AND THE~~ director ~~of the department of health services,~~  
6 pursuant to this article.

7           Sec. 10. Section 36-202.01, Arizona Revised Statutes, is amended to  
8 read:

9           36-202.01. Admission of juveniles to state hospital

10          The ~~Arizona~~ state hospital shall collect census data for juvenile  
11 treatment programs to establish maximum capacity and the allocation  
12 formula required pursuant to section 36-206, subsection D. The ~~Arizona~~  
13 state hospital is not required to provide services to juveniles that  
14 exceed the funded capacity. If the ~~Arizona~~ state hospital reaches its  
15 funded capacity for juveniles, the ~~superintendent of the state hospital~~  
16 ~~DIRECTOR~~ shall establish a waiting list for admission based on the date of  
17 the commitment or treatment order.

18          Sec. 11. Section 36-203, Arizona Revised Statutes, is amended to  
19 read:

20          36-203. Persons with intellectual disabilities; admission to  
21 state hospital; governing board duties

22          A. The ~~department of health services~~ ~~GOVERNING BOARD~~ shall develop  
23 and provide, in coordination with the department of economic security,  
24 specialized treatment programs for persons with an intellectual disability  
25 who have been admitted to the state hospital. The ~~department of health~~  
26 ~~services~~ ~~GOVERNING BOARD~~ may contract with the department of economic  
27 security in providing these programs.

28          B. The ~~department~~ ~~GOVERNING BOARD~~, to the extent practicable, shall  
29 provide separate areas at the state hospital for persons ~~WHO ARE~~ diagnosed  
30 with intellectual disabilities and, to the extent practicable, shall  
31 provide that treatment programs developed pursuant to subsection A of this  
32 section are separate from treatment programs for other patients and for  
33 separate use of facilities by persons ~~WHO ARE~~ diagnosed with intellectual  
34 disabilities.

35          C. The ~~department of health services~~ ~~GOVERNING BOARD~~, on request of  
36 a parent or guardian of a minor with an intellectual disability or the  
37 guardian of an adult with an intellectual disability or on the request of  
38 an adult with an intellectual disability, shall notify the department of  
39 economic security before the release of that person from the state  
40 hospital and request that the department of economic security provide  
41 placement evaluation and case management services for that person. The  
42 evaluation shall consider the person's needs for housing, day programs,  
43 employment training, employment and support services.

44          D. The ~~department~~ ~~GOVERNING BOARD~~, on the application of a parent  
45 or guardian of a minor with an intellectual disability or the guardian of

1 an adult with an intellectual disability or on the request of an adult  
2 with an intellectual disability, when the person has been authorized for  
3 discharge from the state hospital, may provide interim care and custody  
4 for that person pending the availability of intellectual disability  
5 programs and services in accordance with section 36-556.

6 Sec. 12. Section 36-204, Arizona Revised Statutes, is amended to  
7 read:

8 36-204. Duties of director

9 The director shall:

10 1. Adopt rules for inpatient services that ensure proper review of  
11 treatment and discharge plans, arrangement for aftercare placements,  
12 transfer of medical records and assistance with medications.

13 2. If deemed advisable, establish a nurses' training school in  
14 connection with the state hospital, ~~which shall be under the supervision~~  
15 ~~of the superintendent.~~

16 3. Prescribe forms of complaints, certificates of mental illness  
17 and commitments.

18 4. Adopt rules for ~~the commitment of~~ COMMITTING mentally ill  
19 persons that are not inconsistent with provisions of law.

20 5. Adopt rules for ~~the administration of~~ ADMINISTERING the state  
21 hospital and to carry out the purposes of this article.

22 Sec. 13. Section 36-205, Arizona Revised Statutes, is amended to  
23 read:

24 36-205. Director of state hospital; appointment;  
25 compensation; qualifications; chief medical officer

26 A. ~~There shall be a superintendent~~ THE DIRECTOR of the state  
27 hospital ~~who~~ shall be appointed by and under the supervision of the  
28 ~~director~~ GOVERNING BOARD. THE DIRECTOR IS THE CHIEF ADMINISTRATIVE  
29 OFFICER OF THE STATE HOSPITAL.

30 B. The compensation to be paid to the ~~superintendent~~ DIRECTOR shall  
31 be determined pursuant to section 38-611.

32 C. The ~~superintendent shall be removed~~ GOVERNING BOARD MAY REMOVE  
33 THE DIRECTOR only for cause.

34 D. The ~~superintendent~~ DIRECTOR shall have the following  
35 qualifications:

36 1. Administrative experience in the private sector.

37 2. An educational background that prepares the ~~superintendent~~  
38 DIRECTOR for the administrative responsibilities assigned to the position.

39 3. Mental health-related experience in both an institutional and  
40 community setting.

41 E. The ~~superintendent~~ DIRECTOR, with the approval of the ~~director~~  
42 GOVERNING BOARD, shall appoint a chief medical officer of the state  
43 hospital who is a physician ~~and who is~~ licensed pursuant to title 32,  
44 chapter 13 or 17. The chief medical officer shall have ~~not less than~~ AT  
45 LEAST three years' experience in ~~the treatment of~~ TREATING psychiatric

1 disorders and shall be board-certified in psychiatry by the board of  
2 psychiatry and neurology. The chief medical officer is eligible for  
3 compensation pursuant to section 38-611. The chief medical officer is  
4 responsible for the clinical administration of the hospital and shall  
5 report directly to the ~~superintendent~~ DIRECTOR.

6 Sec. 14. Title 36, chapter 2, article 1, Arizona Revised Statutes,  
7 is amended by adding sections 36-205.01 and 36-205.02, to read:

8 36-205.01. State hospital governing board; membership;  
9 appointments; duties; emergency members;  
10 compensation

11 A. THE STATE HOSPITAL GOVERNING BOARD IS ESTABLISHED CONSISTING OF  
12 FIVE MEMBERS WHO ARE APPOINTED BY THE GOVERNOR PURSUANT TO SECTION  
13 38-211. NOT MORE THAN THREE MEMBERS MAY BE OF THE SAME POLITICAL PARTY,  
14 AND NOT MORE THAN THREE MEMBERS MAY BE RESIDENTS OF THE SAME COUNTY.  
15 MEMBERS OF THE GOVERNING BOARD SHALL:

16 1. HAVE AT LEAST ONE OF THE FOLLOWING QUALIFICATIONS:

17 (a) HELD AN EXECUTIVE LEVEL POSITION AT A PSYCHIATRIC OR ACUTE CARE  
18 HOSPITAL.

19 (b) ADMINISTRATIVE EXPERIENCE IN A BEHAVIORAL HEALTH FACILITY.

20 (c) HELD A CLINICAL LEADERSHIP POSITION FOR A BEHAVIORAL HEALTH  
21 SERVICES PROVIDER.

22 (d) ADMINISTRATIVE EXPERIENCE AT A HEALTH PLAN THAT PROVIDES  
23 BEHAVIORAL HEALTH SERVICES.

24 2. BEFORE APPOINTMENT BY THE GOVERNOR, SUBMIT A FULL SET OF  
25 FINGERPRINTS TO THE GOVERNOR FOR THE PURPOSE OF OBTAINING A STATE AND  
26 FEDERAL CRIMINAL RECORDS CHECK PURSUANT TO SECTION 41-1750 AND PUBLIC LAW  
27 92-544. THE DEPARTMENT OF PUBLIC SAFETY MAY EXCHANGE THIS FINGERPRINT  
28 DATA WITH THE FEDERAL BUREAU OF INVESTIGATION.

29 3. NOT HAVE ANY FAMILIAL RELATIONSHIP WITH A PATIENT IN ANY OF THE  
30 FACILITIES LOCATED ON THE GROUNDS OF THE STATE HOSPITAL.

31 4. NOT BE A PARTY TO OR REPRESENT ANY PARTY IN ANY CURRENT PENDING  
32 LITIGATION AGAINST THE STATE HOSPITAL OR ANY OF ITS EMPLOYEES.

33 5. NOT BE ON EITHER THE UNITED STATES DEPARTMENT OF HEALTH AND  
34 HUMAN SERVICES OFFICE OF INSPECTOR GENERAL'S LIST OF EXCLUDED INDIVIDUALS  
35 AND ENTITIES OR THE UNITED STATES GENERAL SERVICES ADMINISTRATION'S SYSTEM  
36 FOR AWARD MANAGEMENT DATABASE.

37 6. NOT BE CURRENTLY EMPLOYED BY, OR OTHERWISE ASSOCIATED WITH,  
38 ANOTHER PSYCHIATRIC OR BEHAVIORAL ENTITY THAT MAY REFER PATIENTS FOR  
39 ADMISSION TO THE STATE HOSPITAL.

40 7. NOT HAVE HAD A LICENSE OR CERTIFICATION REVOKED OR SUSPENDED BY  
41 ANY HEALTH PROFESSION LICENSING BOARD.

42 B. GOVERNING BOARD APPOINTMENTS ARE FOR A TERM OF FIVE YEARS AND  
43 EXPIRE ON THE THIRD MONDAY IN JANUARY OF THE APPROPRIATE YEAR. THE  
44 CHAIRPERSON OF THE INDEPENDENT OVERSIGHT COMMITTEE AT THE ARIZONA STATE  
45 HOSPITAL ESTABLISHED PURSUANT TO SECTION 41-3803 SHALL SERVE AS A

1 NONVOTING MEMBER OF THE GOVERNING BOARD AND IS NOT COUNTED FOR THE PURPOSE  
2 OF DETERMINING IF A QUORUM IS PRESENT. THE GOVERNING BOARD SHALL MEET AT  
3 LEAST ONCE EVERY MONTH.

4 C. EACH GOVERNING BOARD MEMBER:

5 1. SHALL SIGN AN AGREEMENT TO COMPLY WITH ALL CONFIDENTIALITY  
6 REQUIREMENTS OF MATTERS THAT COME BEFORE THE GOVERNING BOARD.

7 2. MAY NOT HAVE ANY OFFICIAL COMMUNICATION WITH STATE HOSPITAL  
8 PATIENTS OR THE PATIENTS' FAMILIES OUTSIDE OF MEETINGS OF THE GOVERNING  
9 BOARD, UNLESS AUTHORIZED BY THE GOVERNING BOARD.

10 3. IS SUBJECT TO THE PROVISIONS OF TITLE 38, CHAPTER 3, ARTICLE 8  
11 RELATING TO CONFLICT OF INTEREST, SHALL SIGN A CONFLICT OF INTEREST  
12 STATEMENT THAT IDENTIFIES AND DISCLOSES ANY POTENTIAL CONFLICT OF INTEREST  
13 AND MAY NOT PARTICIPATE, IN ANY MANNER, IN ANY MATTER IN WHICH THE  
14 GOVERNING BOARD MEMBER HAS A CONFLICT OF INTEREST. FOR THE PURPOSES OF  
15 THIS PARAGRAPH, "CONFLICT OF INTEREST" MEANS THE OWNERSHIP AND CONTROL OF  
16 ANY HEALTH CARE DELIVERY ORGANIZATION THAT IS CORPORATELY AND FUNCTIONALLY  
17 RELATED TO THE STATE HOSPITAL.

18 4. MAY NOT VOTE ON ANY MEASURE IN WHICH THE GOVERNING BOARD MEMBER  
19 OR A FAMILY MEMBER OR PARTNER OF THE GOVERNING BOARD MEMBER HAS A  
20 PECUNIARY INTEREST.

21 5. MAY NOT MISS MORE THAN ONE MEETING WITHIN A SIX-MONTH PERIOD.

22 D. THE GOVERNOR MAY REMOVE A GOVERNING BOARD MEMBER ONLY FOR CAUSE.  
23 A BOARD MEMBER WHO IS REMOVED FOR CAUSE MUST BE PROVIDED WRITTEN NOTICE  
24 AND AN OPPORTUNITY TO RESPOND. THE GOVERNOR MAY REMOVE A GOVERNING BOARD  
25 MEMBER BASED ON WRITTEN FINDINGS THAT SPECIFY THE REASON FOR REMOVAL.

26 E. IF THE GOVERNING BOARD DOES NOT HAVE ENOUGH MEMBERS TO TAKE  
27 OFFICIAL ACTION, THE FOLLOWING STATE EMPLOYEES IN THE FOLLOWING ORDER  
28 SHALL SERVE AS EMERGENCY MEMBERS OF THE GOVERNING BOARD:

29 1. THE DIRECTOR OF THE DEPARTMENT OF HEALTH SERVICES OR THE  
30 DIRECTOR'S DESIGNEE.

31 2. THE DIRECTOR OF THE ARIZONA HEALTH CARE COST CONTAINMENT SYSTEM  
32 OR THE DIRECTOR'S DESIGNEE.

33 3. THE DIRECTOR OF THE DEPARTMENT OF VETERANS' SERVICES OR THE  
34 DIRECTOR'S DESIGNEE.

35 4. THE DIRECTOR OF THE DEPARTMENT OF ECONOMIC SECURITY.

36 5. THE CHIEF MEDICAL OFFICER OR MEDICAL DIRECTOR FROM THE FOLLOWING  
37 AGENCIES IN THE FOLLOWING ORDER:

38 (a) THE DEPARTMENT OF HEALTH SERVICES.

39 (b) THE DEPARTMENT OF VETERANS' SERVICES.

40 (c) THE DEPARTMENT OF ECONOMIC SECURITY.

41 F. THE GOVERNING BOARD SHALL ADMINISTER THE LAWS OF THIS STATE  
42 RELATING TO THE STATE HOSPITAL.

43 G. THE MEMBERS OF THE GOVERNING BOARD ARE ELIGIBLE TO RECEIVE  
44 COMPENSATION NOT TO EXCEED \$200 PER DAY FOR EACH DAY SPENT IN THE

1 DISCHARGE OF THEIR DUTIES AND ALL EXPENSES NECESSARILY AND PROPERLY  
2 INCURRED IN ATTENDING MEETINGS.

3 36-205.02. Governing board; duties

4 IN ACCORDANCE WITH STATE LICENSING RULES, THE REGULATIONS OF THE  
5 CENTERS FOR MEDICARE AND MEDICAID SERVICES AND THE JOINT COMMISSION'S  
6 ACCREDITATION STANDARDS, THE GOVERNING BOARD SHALL:

7 1. REVIEW, MODIFY AS NECESSARY AND ADOPT THE ARIZONA STATE HOSPITAL  
8 GOVERNING BOARD BYLAWS AT LEAST EVERY TWO YEARS.

9 2. IN CONSULTATION WITH THE DIRECTOR, SET GOALS FOR THE STATE  
10 HOSPITAL AND FOR ACHIEVING THOSE GOALS.

11 3. ADVISE THE DIRECTOR REGARDING FACILITIES, MAINTENANCE, STAFFING,  
12 PROGRAMS, SERVICES AND POLICIES.

13 4. ENSURE COMPLIANCE WITH STANDARDS FOR PATIENTS' RIGHTS.

14 5. REVIEW AND APPROVE BUDGET REQUESTS FOR THE ANNUAL BUDGET.

15 6. ASSIST IN EDUCATING THE COMMUNITY CONCERNING THE ROLE OF THE  
16 STATE HOSPITAL.

17 7. ENSURE THAT THE STATE HOSPITAL COORDINATES SERVICES, PROGRAMS  
18 AND POLICIES BETWEEN THE STATE HOSPITAL AND COMMUNITY MENTAL HEALTH CARE  
19 PROGRAMS AND FACILITIES, INCLUDING ADMISSION, DISCHARGE AND AFTERCARE.

20 8. REVIEW AND APPROVE CONTRACTS FOR THE USE OF STATE HOSPITAL  
21 FACILITIES FOR OTHER PROGRAMS, SERVICES AND AGENCIES.

22 9. ENSURE THAT ALL GOVERNING BOARD MEMBERS ARE PROVIDED WITH AN  
23 ORIENTATION TO THE STATE HOSPITAL.

24 10. PROVIDE FOR ONGOING, EFFECTIVE COMMUNICATION BETWEEN THE  
25 GOVERNING BOARD, THE STATE HOSPITAL ADMINISTRATION AND THE STATE HOSPITAL  
26 MEDICAL STAFF.

27 11. ENSURE FULL DISCLOSURE OF OWNERSHIP AND CONTROL OF THE STATE  
28 HOSPITAL AS REQUIRED BY STATUTE AND RELATED ACCREDITING AND OVERSIGHT  
29 AGENCIES.

30 12. PARTICIPATE IN ACCREDITATION, CERTIFICATION AND LICENSURE  
31 PROCESSES, AND BE AVAILABLE TO ATTEND SUMMATION AND EXIT CONFERENCES.

32 13. EVALUATE THE STATE HOSPITAL'S PERFORMANCE ANNUALLY IN RELATION  
33 TO ITS VISION, MISSION AND GOALS.

34 14. REVIEW AND APPROVE THE QUALITY ASSURANCE AND PERFORMANCE  
35 IMPROVEMENT PLAN AND INSTITUTIONAL PLAN AND BUDGET AT LEAST ANNUALLY.

36 15. EVALUATE AND MODIFY, AS NECESSARY, THE STAFFING ACUITY PLAN AT  
37 LEAST ANNUALLY.

38 16. ENSURE FULL IMPLEMENTATION OF THE STATE HOSPITAL'S QUALITY  
39 ASSURANCE AND PERFORMANCE IMPROVEMENT PLAN AND PROVIDE FEEDBACK TO THE  
40 STATE HOSPITAL'S DEPARTMENTS AND TEAMS REGARDING IMPROVEMENT ACTIVITIES.

41 17. REQUEST INFORMATION AS NEEDED TO MONITOR THE STATUS OF  
42 INDIVIDUAL PROJECTS.

43 18. REVIEW ALL STATE HOSPITAL REPORTS.

44 19. REVIEW AND APPROVE THE STATE HOSPITAL MEDICAL STAFF BYLAWS AND  
45 THE MEDICAL STAFF RULES AND REGULATIONS TO ADDRESS SELF-GOVERNANCE AND



1 ENSURE THAT THE MEDICAL STAFF IS ACCOUNTABLE TO THE GOVERNING BOARD FOR  
2 THE QUALITY OF MEDICAL CARE, TREATMENT AND SERVICES.

3 20. PERFORM ALL FUNCTIONS AND DUTIES REQUIRED FOR GOVERNANCE BY THE  
4 JOINT COMMISSION, THE CENTERS FOR MEDICARE AND MEDICAID SERVICES AND THE  
5 DEPARTMENT OF HEALTH SERVICES FOR STATE LICENSURE.

6 21. REVIEW REPORTS OF CONTRACTOR PERFORMANCE FOR DIRECT CARE  
7 PATIENT SERVICES AT LEAST ANNUALLY.

8 22. AUTHORIZE, APPROVE AND SUPPORT THE STATE HOSPITAL MEDICAL STAFF  
9 BY:

10 (a) REVIEWING CREDENTIALS AND APPROVING OR DENYING INDIVIDUAL  
11 PRIVILEGES.

12 (b) APPROVING INDIVIDUALS FOR MEDICAL STAFF MEMBERSHIP AFTER  
13 CONSIDERING THE RECOMMENDATIONS OF THE EXISTING MEDICAL STAFF.

14 (c) ENSURING THAT THE CRITERIA FOR SELECTION ARE INDIVIDUAL  
15 CHARACTER, COMPETENCE, TRAINING, EXPERIENCE AND JUDGMENT AND THAT STAFF  
16 MEMBERSHIP OR PROFESSIONAL PRIVILEGES IN THE STATE HOSPITAL ARE NOT  
17 ACCEPTED DEPENDING SOLELY ON CERTIFICATION, FELLOWSHIP OR MEMBERSHIP IN A  
18 SPECIALTY BODY OR SOCIETY.

19 (d) RENDERING THE FINAL DETERMINATION CONCERNING INDIVIDUAL  
20 CREDENTIALS AND PRIVILEGES.

21 (e) PRESCRIBING THE PROCEDURES BY WHICH MEMBERSHIP OF THE MEDICAL  
22 STAFF MAY BE TERMINATED.

23 (f) PRESCRIBING FAIR HEARING PROCEDURES AT THE MEDICAL EXECUTIVE  
24 COMMITTEE LEVEL.

25 (g) PROVIDING FOR APPEALS OF MEDICAL EXECUTIVE COMMITTEE  
26 CREDENTIALING AND PRIVILEGING DECISIONS TO THE GOVERNING BOARD.

27 23. CONSULT DIRECTLY WITH THE STATE HOSPITAL CHIEF MEDICAL OFFICER  
28 PERIODICALLY ON MATTERS RELATED TO THE QUALITY OF MEDICAL CARE PROVIDED TO  
29 STATE HOSPITAL PATIENTS.

30 24. ENSURE THAT SYSTEMS ARE IN PLACE AND OPERATIONAL AT THE STATE  
31 HOSPITAL FOR TRACKING ALL INFECTION SURVEILLANCE, PREVENTION AND CONTROL  
32 AND ANTIBIOTIC USE ACTIVITIES IN ORDER TO DEMONSTRATE THE IMPLEMENTATION,  
33 SUCCESS AND SUSTAINABILITY OF SUCH ACTIVITIES.

34 25. ENSURE THAT ALL HOSPITAL-ACQUIRED INFECTIONS AND OTHER  
35 INFECTIOUS DISEASES IDENTIFIED BY THE INFECTION PREVENTION AND CONTROL  
36 PROGRAM AS WELL AS ANTIBIOTIC USE ISSUES IDENTIFIED BY THE ANTIBIOTIC  
37 STEWARDSHIP PROGRAM ARE ADDRESSED IN COLLABORATION WITH STATE HOSPITAL  
38 QUALITY ASSURANCE AND PERFORMANCE IMPROVEMENT LEADERSHIP.

39 Sec. 15. Section 36-206, Arizona Revised Statutes, is amended to  
40 read:

41 36-206. Duties of director; deputies; cost estimate; program  
42 assessment; funded capacity and allocation formula

43 A. The director has charge of the state hospital and ~~the~~  
44 ~~superintendent~~ shall supervise and direct its activities. ~~, subject to the~~  
45 ~~provisions of law and approval of the director. The superintendent is~~

1 ~~directly responsible to the director for carrying out the purposes for~~  
2 ~~which the hospital is maintained. Subject to the approval of the~~  
3 ~~director,~~ The ~~superintendent~~ DIRECTOR may deputize any qualified officer  
4 of the state hospital to do or perform any act the ~~superintendent~~ DIRECTOR  
5 is empowered to do or IS charged with the responsibility of doing by law.

6 B. ~~The superintendent~~ In December each year THE DIRECTOR shall  
7 estimate the probable daily per capita cost of ~~treatment~~ TREATING and  
8 ~~maintenance of~~ MAINTAINING each category of patients for the next ensuing  
9 year as determined in accordance with standard accounting practices. THE  
10 DIRECTOR SHALL PROVIDE a statement of the estimate ~~shall be provided~~ to  
11 the ~~director~~ GOVERNING BOARD in January of the following year.

12 C. The ~~superintendent~~ DIRECTOR, on request, shall provide to the  
13 ~~director~~ GOVERNING BOARD a clinical assessment of the state hospital's  
14 programs.

15 D. On or before August 1 of each year, the director shall establish  
16 maximum funded capacity and a percentage allocation formula for forensic  
17 and civil bed capacity at the Arizona state hospital based on census data  
18 collected pursuant to sections 13-3992, 13-4512, 36-202.01 and 36-503.03.  
19 ~~By~~ ON OR BEFORE June 1 of each year, the director shall solicit and  
20 consider the recommendations of representatives of the county board of  
21 supervisors, the Arizona prosecuting attorneys' advisory council and the  
22 superior court when establishing this formula. In addition to  
23 establishing the formula, the director, the county board of supervisors,  
24 the Arizona prosecuting attorneys' advisory council and the superior court  
25 shall develop a contingency plan for ~~the placement of~~ PLACING patients  
26 subject to sections 13-3992, 13-4512, 36-202.01 and 36-503.03 in times of  
27 emergency and other unforeseen circumstances. The director shall notify  
28 the GOVERNING BOARD, THE governor, the president of the senate, the  
29 speaker of the house of representatives and the chairperson of each county  
30 board of supervisors of the funded capacity and allocation formula for the  
31 current fiscal year. Thirty days before the notification of the forensic  
32 and civil bed funded capacity formula, the director shall provide this  
33 information to the representatives of the county board of supervisors, the  
34 Arizona prosecuting attorneys' advisory council and the superior court for  
35 comment. The director shall include these comments when issuing the  
36 formula.

37 Sec. 16. Section 36-208, Arizona Revised Statutes, is amended to  
38 read:

39 36-208. Employees; discharges; report; compensation

40 A. Except as otherwise provided by this article, the director shall  
41 employ all employees of the state hospital. The director may employ  
42 necessary medical consultants ~~on recommendation of the superintendent.~~  
43 The director may ~~permit~~ ALLOW members of the medical staff to act as  
44 consultants in psychiatry.

1 B. Subject to the laws of this state governing state personnel  
2 administration, the ~~superintendent~~ DIRECTOR may discharge an employee for  
3 cause. An employee so discharged, on request, may have the reasons for  
4 the discharge reviewed and determined by the ~~director~~ GOVERNING BOARD.  
5 The ~~superintendent~~ DIRECTOR shall file a written report with the ~~director~~  
6 GOVERNING BOARD of each discharge setting forth the reasons for the  
7 discharge.

8 C. The compensation of employees of the state hospital shall be as  
9 determined pursuant to section 38-611.

10 Sec. 17. Section 36-209, Arizona Revised Statutes, is amended to  
11 read:

12 36-209. Reporting requirements; director; governing board

13 A. At ~~such A~~ time ~~as~~ the ~~director~~ GOVERNING BOARD designates, the  
14 ~~superintendent~~ DIRECTOR shall submit to the ~~director~~ GOVERNING BOARD a  
15 report of the activities of the state hospital during the preceding fiscal  
16 year, including:

17 1. The number of patients received, conditionally discharged and  
18 discharged and voluntary patients treated.

19 2. THE methods of treatment used and the results.

20 3. The total number, including the number of such persons who were  
21 committed on a voluntary and involuntary basis, of seriously mentally ill  
22 patients as defined in section 36-550 and the place to which each person  
23 was discharged.

24 4. Census data for treatment programs pursuant to sections 13-3992,  
25 13-4512, 36-202.01 and 36-503.03.

26 5. A complete employment and personnel record.

27 6. The condition of existing equipment.

28 7. Recommendations for ~~improvement of~~ IMPROVING the ~~institution~~  
29 STATE HOSPITAL.

30 8. Other matters required by the ~~director~~ GOVERNING BOARD or deemed  
31 advisable by the ~~superintendent~~ DIRECTOR to present a complete description  
32 of the condition and activities of the STATE hospital.

33 B. Not later than the fifteenth day of each month, the ~~director~~  
34 GOVERNING BOARD shall prepare in duplicate a financial statement of the  
35 affairs of the state hospital, including:

36 1. The amounts appropriated for the current fiscal year for  
37 operation, maintenance and improvement.

38 2. The amount ~~expended~~ SPENT during the preceding calendar month.

39 3. The balance on hand.

40 4. The estimated expenditures for the current month.

41 5. An inventory report.

42 C. The original report and statements required by this section  
43 shall be filed with and retained as records of the ~~director~~ GOVERNING  
44 BOARD and duplicates filed with the director of the department of  
45 administration.

1 D. At ~~such~~ A time ~~as~~ the ~~director~~ GOVERNING BOARD designates, the  
2 ~~superintendent~~ DIRECTOR OF THE STATE HOSPITAL shall submit to the ~~director~~  
3 GOVERNING BOARD a financial statement of the affairs of the state hospital  
4 during the preceding fiscal year in a form prescribed by the director of  
5 the department of administration.

6 E. ~~By~~ ON OR BEFORE October 1 of each year, the ~~director~~ GOVERNING  
7 BOARD shall submit to the governor a comprehensive report of the  
8 activities of the state hospital during the preceding fiscal year, which  
9 shall include the annual reports of the ~~superintendent~~ DIRECTOR, and shall  
10 contain:

11 1. An account of the work done.

12 2. Recommendations for improvements.

13 3. Financial statements that clearly reflect the origin and  
14 disposition of all monies that have come into the hands of the ~~director~~  
15 GOVERNING BOARD or an employee through appropriations or otherwise.

16 F. The ~~director~~ GOVERNING BOARD shall make such supplemental  
17 reports as the governor or the legislature requests.

18 G. The annual report prescribed by subsection E of this section  
19 shall be published for the information of the public, and five copies  
20 shall be delivered to the chief clerk of the house of representatives and  
21 the secretary of the senate, respectively, who shall keep them on file for  
22 the use of the members of each house.

23 Sec. 18. Section 36-210, Arizona Revised Statutes, is amended to  
24 read:

25 36-210. Expenditures

26 A. This article does not give the director or any employee  
27 authority to create a debt or obligation in excess of the amount  
28 appropriated by the legislature to carry out ~~its~~ THE provisions OF THIS  
29 ARTICLE. If monies are not appropriated to carry out the purpose of this  
30 article, the ~~director~~ GOVERNING BOARD shall submit recommendations to the  
31 legislature, with a statement of the cost when an improvement is  
32 requested.

33 B. Except as provided by subsection D of this section, the director  
34 of the department of administration shall not issue a warrant for  
35 expenditures by the state hospital ~~in excess of~~ FOR MORE THAN the estimate  
36 contained in the monthly financial statement unless the ~~superintendent~~  
37 DIRECTOR OF THE STATE HOSPITAL submits a written request that is approved  
38 in writing by the ~~director of the department of health services~~ GOVERNING  
39 BOARD and that states the reasons for the request. The director of the  
40 department of administration shall not issue warrants ~~in excess of~~ FOR  
41 MORE THAN the amount available for the current quarter.

42 C. If a patient in the state hospital requires a health care  
43 service that the state hospital or a facility or provider contracted by  
44 the state hospital cannot provide, the ~~department of health services~~

1 GOVERNING BOARD shall pay approved claims from a facility or provider that  
2 provides these required services as follows:

3 1. For inpatient and outpatient hospital services, ~~the~~ THIS state  
4 shall reimburse at a level that does not exceed the reimbursement  
5 methodology established in section 36-2903.01, subsection G.

6 2. For health and medical services, ~~the~~ THIS state shall reimburse  
7 providers at a level that does not exceed the capped fee-for-service  
8 schedule that is adopted by the Arizona health care cost containment  
9 system administration pursuant to chapter 29, article 1 of this title and  
10 that is in effect at the time the service is delivered.

11 D. Monies appropriated for capital investment may be ~~expended~~ SPENT  
12 at any time during the fiscal period for which the monies are appropriated  
13 as directed by the ~~director~~ GOVERNING BOARD.

14 Sec. 19. Section 36-212, Arizona Revised Statutes, is amended to  
15 read:

16 36-212. Maximum security area required

17 The ~~superintendent~~ DIRECTOR, under the direction of the ~~director~~  
18 GOVERNING BOARD, shall equip, staff and supervise the operation of an area  
19 consisting of one or more separate buildings on the state hospital grounds  
20 in Phoenix to be designated a maximum security area. The ~~superintendent~~  
21 DIRECTOR shall designate which patients shall be confined within ~~a~~ THE  
22 maximum security area, which shall be equipped, staffed and maintained in  
23 order to provide treatment and necessary supervision to prevent the  
24 patients from leaving the area without authorization.

25 Sec. 20. Section 36-213, Arizona Revised Statutes, is amended to  
26 read:

27 36-213. Store and canteen; outside entity; rental and service  
28 charges; state hospital donations fund

29 A. The ~~superintendent~~ DIRECTOR, with the approval of the ~~director~~  
30 GOVERNING BOARD, may set aside and designate any space on the grounds of  
31 the STATE hospital that is not needed for other authorized purposes ~~for~~  
32 ~~the establishment and maintenance of~~ TO ESTABLISH AND MAINTAIN store and  
33 canteen facilities ~~for the sale of~~ TO SELL candies, cigarettes, food,  
34 nonalcoholic beverages, sundries and other articles to patients and  
35 employees and for the benefit of THE patients of the state hospital.

36 B. The ~~superintendent~~ DIRECTOR, with the approval of the ~~director~~  
37 GOVERNING BOARD, may contract with an outside firm, individual or agency  
38 to lease and operate the store and canteen facilities. The outside firm,  
39 individual or agency shall provide a bond in an amount set by the  
40 ~~superintendent~~ DIRECTOR with the approval of the ~~director~~ GOVERNING BOARD.  
41 The facilities shall be conducted subject to the rules ~~and regulations of~~  
42 ~~the department~~ OF THE GOVERNING BOARD, and rental and service charges  
43 shall be established by the ~~superintendent~~ DIRECTOR, with the approval of  
44 the ~~director~~ GOVERNING BOARD, ~~as will~~ TO reimburse the STATE hospital for  
45 the cost ~~thereof~~ OF THE STORE AND CANTEEN FACILITIES.

1 C. THE STATE HOSPITAL DONATIONS FUND IS ESTABLISHED FOR THE BENEFIT  
2 OF THE PATIENTS OF THE STATE HOSPITAL. THE DIRECTOR SHALL ADMINISTER THE  
3 FUND. THE FUND IS CONTINUOUSLY APPROPRIATED. THE FUND CONSISTS OF any  
4 profits derived from the operation of ~~such~~ THE STORE AND CANTEEN  
5 facilities, after reimbursement to the STATE hospital, ~~shall be deposited~~  
6 ~~in the department of health services donations fund created by authority~~  
7 ~~of section 36-132, subsection B~~ AND ANY OTHER DONATIONS RECEIVED BY THE  
8 GOVERNING BOARD FOR THE BENEFIT OF THE PATIENTS OF THE STATE HOSPITAL. The  
9 monies may be ~~expended~~ SPENT as the director directs for the benefit of  
10 the patients of the state hospital. ~~The provisions of~~ Title 35, chapter 1  
11 ~~to~~ DOES not apply to the monies in the fund.

12 Sec. 21. Repeal

13 Section 36-214, Arizona Revised Statutes, is repealed.

14 Sec. 22. Section 36-216, Arizona Revised Statutes, is amended to  
15 read:

16 36-216. Budget request; proposed budget

17 A. The ~~department~~ GOVERNING BOARD shall present a budget request  
18 that includes all information on the potential availability of other  
19 monies, including federal monies, that may be used in the following fiscal  
20 year to fund the state hospital.

21 B. The budget request presented pursuant to subsection A of this  
22 section shall include a proposed budget for the state hospital, with a  
23 specific amount of the total budget estimated to be used for patients who  
24 are seriously mentally ill.

25 C. Monies appropriated to the ~~department~~ GOVERNING BOARD for the  
26 state hospital programs, fees generated by the ~~department~~ GOVERNING BOARD  
27 for these programs and grants and gifts to the ~~department~~ GOVERNING BOARD  
28 shall be maintained in the appropriate fund to pay program and  
29 administrative costs. The administrative costs of each program shall be  
30 separately identified in the accounting records of the ~~department~~  
31 GOVERNING BOARD.

32 Sec. 23. Section 36-217, Arizona Revised Statutes, is amended to  
33 read:

34 36-217. Annual report; patient health information

35 A. On or before January 1 of each year, the director shall submit  
36 to the governor, the speaker of the house of representatives and the  
37 president of the senate a financial and programmatic report on the state  
38 hospital for the preceding fiscal year. In addition to information that  
39 the ~~department~~ GOVERNING BOARD deems relevant, this report shall include  
40 all of the following information:

41 1. All revenues and expenditures of the state hospital, including  
42 specific identification of administrative costs for and the number of  
43 patients served at the state hospital.

- 1           2. A breakdown of the patients served at each facility at the state  
2 hospital, including information on the following:  
3           (a) Gender.  
4           (b) Race.  
5           (c) Age.  
6           (d) Legal status.  
7           (e) County of origin.  
8           (f) Program type.  
9           (g) Census by unit.  
10          (h) Primary diagnosis of each by category.  
11          (i) Length of stay.

12          3. Admissions by civil commitment, including the number of  
13 admissions and discharges, the time between the request for each admission  
14 and the date of the admission or denial of the admission and aggregate  
15 data for reason of denial by category.

16          4. Data collected from the state hospital's safety plan, including  
17 all of the following:

18           (a) The number and type of all assaults by category, with sexual  
19 assaults reported as a separate category.

20           (b) The number of assaults reported to law enforcement, regulatory  
21 agencies and accreditation agencies.

22           (c) The number of times law enforcement was called to the state  
23 hospital in response to an assault.

24          5. An update on the establishment of a psychiatric center of  
25 excellence.

26          B. This section does not require the release of individually  
27 identifiable health information of any specific patient.

28          Sec. 24. Section 36-218, Arizona Revised Statutes, is amended to  
29 read:

30           36-218. Arizona state hospital charitable trust fund

31           The Arizona state hospital charitable trust fund is established  
32 consisting of monies collected from contracts and lease agreements entered  
33 into pursuant to section ~~36-136, subsection C~~ 36-220. The director shall  
34 administer the fund. Monies in the fund are continuously appropriated and  
35 may be spent for the benefit of persons with mental illness in this state.  
36 Monies in the fund do not revert to the state general fund at the end of a  
37 fiscal year.

38          Sec. 25. Title 36, chapter 2, article 1, Arizona Revised Statutes,  
39 is amended by adding section 36-220, to read:

40           36-220. State hospital property; contracts and lease  
41           agreements; deposits; public hearing; report

42           A. THE DIRECTOR, AFTER CONSULTATION WITH THE DEPARTMENT OF  
43 ADMINISTRATION, MAY TAKE ALL NECESSARY STEPS TO ENHANCE THE HIGHEST AND  
44 BEST USE OF THE STATE HOSPITAL PROPERTY, INCLUDING CONTRACTING WITH THIRD  
45 PARTIES TO PROVIDE SERVICES, ENTERING INTO SHORT-TERM LEASE AGREEMENTS

1 WITH THIRD PARTIES TO OCCUPY OR RENOVATE EXISTING BUILDINGS AND ENTERING  
2 INTO LONG-TERM LEASE AGREEMENTS TO DEVELOP THE LAND AND BUILDINGS. THE  
3 DIRECTOR SHALL DEPOSIT ANY MONIES COLLECTED FROM CONTRACTS AND LEASE  
4 AGREEMENTS ENTERED INTO PURSUANT TO THIS SECTION IN THE ARIZONA STATE  
5 HOSPITAL CHARITABLE TRUST FUND ESTABLISHED BY SECTION 36-218.

6 B. AT LEAST THIRTY DAYS BEFORE ISSUING A REQUEST FOR PROPOSALS  
7 PURSUANT TO THIS SECTION, THE GOVERNING BOARD SHALL HOLD A PUBLIC HEARING  
8 TO RECEIVE COMMUNITY AND PROVIDER INPUT REGARDING THE HIGHEST AND BEST USE  
9 OF THE STATE HOSPITAL PROPERTY RELATED TO THE REQUEST FOR PROPOSALS. THE  
10 GOVERNING BOARD SHALL REPORT TO THE JOINT COMMITTEE ON CAPITAL REVIEW ON  
11 THE TERMS, CONDITIONS AND PURPOSE OF ANY LEASE OR SUBLEASE AGREEMENT  
12 ENTERED INTO PURSUANT TO THIS SECTION RELATING TO STATE HOSPITAL LANDS OR  
13 BUILDINGS OR THE DISPOSITION OF REAL PROPERTY PURSUANT TO THIS SECTION,  
14 INCLUDING STATE HOSPITAL LANDS OR BUILDINGS, AND THE FISCAL IMPACT ON THE  
15 GOVERNING BOARD AND ANY REVENUES GENERATED BY THE AGREEMENT. ANY LEASE OR  
16 SUBLEASE AGREEMENT ENTERED INTO PURSUANT TO THIS SECTION RELATING TO STATE  
17 HOSPITAL LANDS OR BUILDINGS OR THE DISPOSITION OF REAL PROPERTY PURSUANT  
18 TO THIS SECTION, INCLUDING STATE HOSPITAL LANDS OR BUILDINGS, MUST BE  
19 REVIEWED BY THE JOINT COMMITTEE ON CAPITAL REVIEW.

20 Sec. 26. Section 36-501, Arizona Revised Statutes, is amended to  
21 read:

22 36-501. Definitions

23 In this chapter, unless the context otherwise requires:

24 1. "Administration" means the Arizona health care cost containment  
25 system administration.

26 2. "Admitting officer" means a psychiatrist or other physician or  
27 psychiatric and mental health nurse practitioner with experience in  
28 performing psychiatric examinations who has been designated as an  
29 admitting officer of the evaluation agency by the person in charge of the  
30 evaluation agency.

31 3. "Authorized transporter" means a transportation entity that is  
32 contracted with a city, town or county to provide services pursuant to  
33 this chapter and that is either:

34 (a) An ambulance service that holds a valid certificate of  
35 necessity.

36 (b) A transportation provider authorized by this state to provide  
37 safe behavioral health transportation for individuals requiring  
38 transportation pursuant to this chapter.

39 4. "Chief medical officer" means the chief medical officer under  
40 the supervision of the ~~superintendent~~ DIRECTOR of the state hospital.

41 5. "Contraindicated" means that access is reasonably likely to  
42 endanger the life or physical safety of the patient or another person.

43 6. "Court" means the superior court in the county in this state in  
44 which the patient resides or was found before screening or emergency  
45 admission under this title.



1           7. "Criminal history" means police reports, lists of prior arrests  
2 and convictions, criminal case pleadings and court orders, including a  
3 determination that the person has been found incompetent to stand trial  
4 pursuant to section 13-4510.

5           8. "Danger to others" means that the judgment of a person who has a  
6 mental disorder is so impaired that the person is unable to understand the  
7 person's need for treatment and as a result of the person's mental  
8 disorder the person's continued behavior can reasonably be expected, on  
9 the basis of competent medical opinion, to result in serious physical  
10 harm.

11           9. "Danger to self":

12           (a) Means behavior that, as a result of a mental disorder:

13           (i) Constitutes a danger of inflicting serious physical harm on  
14 oneself, including attempted suicide or the serious threat thereof, if the  
15 threat is such that, when considered in the light of its context and in  
16 light of the individual's previous acts, it is substantially supportive of  
17 an expectation that the threat will be carried out.

18           (ii) Without hospitalization will result in serious physical harm  
19 or serious illness to the person.

20           (b) Does not include behavior that establishes only the condition  
21 of having a grave disability.

22           10. "Department" means the department of health services.

23           11. "Detention" means the taking into custody of a patient or  
24 proposed patient.

25           12. "Director" means the director of the administration.

26           13. "Evaluation" means:

27           (a) A professional multidisciplinary analysis that may include  
28 firsthand observations or remote observations by interactive audiovisual  
29 media and that is based on data describing the person's identity,  
30 biography and medical, psychological and social conditions carried out by  
31 a group of persons consisting of not less than the following:

32           (i) Two licensed physicians who are qualified psychiatrists, if  
33 possible, or at least experienced in psychiatric matters, and who shall  
34 examine and report their findings independently. The person against whom  
35 a petition has been filed shall be notified that the person may select one  
36 of the physicians. A psychiatric resident in a training program approved  
37 by the American medical association or by the American osteopathic  
38 association may examine the person in place of one of the psychiatrists if  
39 the resident is supervised in the examination and preparation of the  
40 affidavit and testimony in court by a qualified psychiatrist appointed to  
41 assist in the resident's training, and if the supervising psychiatrist is  
42 available for discussion with the attorneys for all parties and for court  
43 appearance and testimony if requested by the court or any of the  
44 attorneys.

1 (ii) Two other individuals, one of whom, if available, is a  
2 psychologist and in any event a social worker familiar with mental health  
3 and human services that may be available placement alternatives  
4 appropriate for treatment. An evaluation may be conducted on an inpatient  
5 basis, an outpatient basis or a combination of both, and every reasonable  
6 attempt shall be made to conduct the evaluation in any language preferred  
7 by the person.

8 (b) A physical examination that is consistent with the existing  
9 standards of care and that is performed by one of the evaluating  
10 physicians or by or under the supervision of a physician who is licensed  
11 pursuant to title 32, chapter 13 or 17 or a registered nurse practitioner  
12 who is licensed pursuant to title 32, chapter 15 if the results of that  
13 examination are reviewed or augmented by one of the evaluating physicians.

14 14. "Evaluation agency" means a health care agency that is licensed  
15 by the department and that has been approved pursuant to this title,  
16 providing those services required of such agency by this chapter.

17 15. "Family member" means a spouse, parent, adult child, adult  
18 sibling or other blood relative of a person undergoing treatment or  
19 evaluation pursuant to this chapter.

20 16. "Grave disability" means a condition evidenced by behavior in  
21 which a person, as a result of a mental disorder, is likely to come to  
22 serious physical harm or serious illness because the person is unable to  
23 provide for the person's own basic physical needs.

24 17. "Health care decision maker" has the same meaning prescribed in  
25 section 12-2801.

26 18. "Health care entity" means a health care provider, the  
27 department, the administration or a regional behavioral health authority  
28 that is under contract with the administration.

29 19. "Health care provider" means a health care institution as  
30 defined in section 36-401 that is licensed as a behavioral health provider  
31 pursuant to department rules or a mental health provider.

32 20. "Independent evaluator" means a licensed physician, psychiatric  
33 and mental health nurse practitioner or psychologist who is selected by  
34 the person to be evaluated or by such person's attorney.

35 21. "Informed consent" means a voluntary decision following  
36 presentation of all facts necessary to form the basis of an intelligent  
37 consent by the patient or guardian with no minimizing of known dangers of  
38 any procedures.

39 22. "Least restrictive treatment alternative" means the treatment  
40 plan and setting that infringe in the least possible degree with the  
41 patient's right to liberty and that are consistent with providing needed  
42 treatment in a safe and humane manner.

43 23. "Licensed physician" means any medical doctor or doctor of  
44 osteopathy who is either:

45 (a) Licensed in this state.

1 (b) A full-time hospital physician licensed in another state and  
2 serving on the staff of a hospital operated or licensed by the United  
3 States government.

4 24. "Medical director of an evaluation agency" means a  
5 psychiatrist, or other licensed physician experienced in psychiatric  
6 matters, who is designated in writing by the governing body of the agency  
7 as the person in charge of the medical services of the agency for the  
8 purposes of this chapter and may include the chief medical officer of the  
9 state hospital.

10 25. "Medical director of a mental health treatment agency" means a  
11 psychiatrist, or other licensed physician experienced in psychiatric  
12 matters, who is designated in writing by the governing body of the agency  
13 as the person in charge of the medical services of the agency for the  
14 purposes of this chapter and includes the chief medical officer of the  
15 state hospital.

16 26. "Mental disorder" means a substantial disorder of the person's  
17 emotional processes, thought, cognition or memory. Mental disorder is  
18 distinguished from:

19 (a) Conditions that are primarily those of drug abuse, alcoholism  
20 or intellectual disability, unless, in addition to one or more of these  
21 conditions, the person has a mental disorder.

22 (b) The declining mental abilities that directly accompany  
23 impending death.

24 (c) Character and personality disorders characterized by lifelong  
25 and deeply ingrained antisocial behavior patterns, including sexual  
26 behaviors that are abnormal and prohibited by statute unless the behavior  
27 results from a mental disorder.

28 27. "Mental health provider" means any physician or provider of  
29 mental health or behavioral health services who is involved in evaluating,  
30 caring for, treating or rehabilitating a patient.

31 28. "Mental health treatment agency" means the state hospital or a  
32 health care agency that is licensed by the department and that provides  
33 those services that are required of the agency by this chapter.

34 29. "Outpatient treatment" or "combined inpatient and outpatient  
35 treatment" means any treatment program not requiring continuous inpatient  
36 hospitalization.

37 30. "Outpatient treatment plan" means a treatment plan that does  
38 not require continuous inpatient hospitalization.

39 31. "Patient" means any person who is undergoing examination,  
40 evaluation or behavioral or mental health treatment under this chapter.

41 32. "Peace officers" means sheriffs of counties, constables,  
42 marshals and policemen of cities and towns.

43 33. "Persistent or acute disability" means a severe mental disorder  
44 that meets all the following criteria:

1 (a) Significantly impairs judgment, reason, behavior or capacity to  
2 recognize reality.

3 (b) If not treated, has a substantial probability of causing the  
4 person to suffer or continue to suffer severe and abnormal mental,  
5 emotional or physical harm.

6 (c) Substantially impairs the person's capacity to make an informed  
7 decision regarding treatment, and this impairment causes the person to be  
8 incapable of understanding and expressing an understanding of the  
9 advantages and disadvantages of accepting treatment and understanding and  
10 expressing an understanding of the alternatives to the particular  
11 treatment offered after the advantages, disadvantages and alternatives are  
12 explained to that person.

13 (d) Has a reasonable prospect of being treatable by outpatient,  
14 inpatient or combined inpatient and outpatient treatment.

15 34. "Prepetition screening" means the review of each application  
16 requesting court-ordered evaluation, including an investigation of facts  
17 alleged in the application, an interview with each applicant and an  
18 interview, if possible, with the proposed patient. The purpose of the  
19 interview with the proposed patient is to assess the problem, explain the  
20 application and, when indicated, attempt to persuade the proposed patient  
21 to receive, on a voluntary basis, evaluation or other services.

22 35. "Prescribed form" means a form established by a court or the  
23 rules of the administration in accordance with the laws of this state.

24 36. "Professional" means a physician who is licensed pursuant to  
25 title 32, chapter 13 or 17, a psychologist who is licensed pursuant to  
26 title 32, chapter 19.1 or a psychiatric and mental health nurse  
27 practitioner who is certified pursuant to title 32, chapter 15.

28 37. "Proposed patient" means a person for whom an application for  
29 evaluation has been made or a petition for court-ordered evaluation has  
30 been filed.

31 38. "Prosecuting agency" means the county attorney, attorney  
32 general or city attorney who applied or petitioned for an evaluation or  
33 treatment pursuant to this chapter.

34 39. "Psychiatric and mental health nurse practitioner" means a  
35 registered nurse practitioner as defined in section 32-1601 who has  
36 completed an adult or family psychiatric and mental health nurse  
37 practitioner program and who is certified as an adult or family  
38 psychiatric and mental health nurse practitioner by the state board of  
39 nursing.

40 40. "Psychiatrist" means a licensed physician who has completed  
41 three years of graduate training in psychiatry in a program approved by  
42 the American medical association or the American osteopathic association.

43 41. "Psychologist" means a person who is licensed under title 32,  
44 chapter 19.1 and who is experienced in the practice of clinical  
45 psychology.

1           42. "Records" means all communications that are recorded in any  
2 form or medium and that relate to patient examination, evaluation or  
3 behavioral or mental health treatment. Records include medical records  
4 that are prepared by a health care provider or other providers. Records  
5 do not include:

6           (a) Materials that are prepared in connection with utilization  
7 review, peer review or quality assurance activities, including records  
8 that a health care provider prepares pursuant to section 36-441, 36-445,  
9 36-2402 or 36-2917.

10           (b) Recorded telephone and radio calls to and from a publicly  
11 operated emergency dispatch office relating to requests for emergency  
12 services or reports of suspected criminal activity.

13           43. "Regional behavioral health authority" has the same meaning  
14 prescribed in section 36-3401.

15           44. "Screening agency" means a health care agency that is licensed  
16 by the department and that provides those services required of such agency  
17 by this chapter.

18           45. "Social worker" means a person who has completed two years of  
19 graduate training in social work in a program approved by the council of  
20 social work education and who has experience in mental health.

21           46. "State hospital" means the Arizona state hospital.

22           ~~47. "Superintendent" means the superintendent of the state~~  
23 ~~hospital.~~

24           Sec. 27. Section 36-502.01, Arizona Revised Statutes, is amended to  
25 read:

26           36-502.01. Director of the state hospital; powers and duties;  
27 rules; expenditure limit

28           A. The director of the ~~department~~ STATE HOSPITAL shall make rules  
29 that include standards for the state hospital when providing services as  
30 an evaluation agency or mental health agency and shall prescribe forms as  
31 may be necessary for the proper administration and enforcement of those  
32 responsibilities. The rules shall be applicable to patients admitted to,  
33 evaluated by or treated in the state hospital as set forth in this chapter  
34 and shall provide for periodic inspections of the state hospital.

35           B. The director of the ~~department~~ STATE HOSPITAL shall make rules  
36 concerning the admission of patients to the state hospital and the  
37 transfer of patients between the state hospital and other mental health  
38 treatment agencies. A patient undergoing court-ordered treatment may be  
39 transferred between the state hospital and another mental health treatment  
40 agency in accordance with the rules of the director of the ~~department~~  
41 STATE HOSPITAL, subject to the approval of the court. The director of the  
42 ~~department~~ STATE HOSPITAL shall consult with the director of the  
43 administration on rules relating to transfers to and from the state  
44 hospital and other mental health treatment agencies.

1 C. The director of the ~~department~~ STATE HOSPITAL may make rules  
2 concerning leaves, visits and absences of patients from the state  
3 hospital.

4 D. The total amount of state monies that may be spent in any fiscal  
5 year by the ~~department~~ STATE HOSPITAL GOVERNING BOARD for mental health  
6 services pursuant to this chapter may not exceed the amount appropriated  
7 or authorized by section 35-173 for that purpose. This chapter does not  
8 impose a duty on an officer, agent or employee of this state to discharge  
9 a responsibility or create any right in a person or group if the discharge  
10 or right would require an expenditure of state monies in excess of the  
11 expenditure authorized by legislative appropriation for that specific  
12 purpose.

13 Sec. 28. Section 36-545.01, Arizona Revised Statutes, is amended to  
14 read:

15 36-545.01. Costs and expenses; patient ability to pay; power  
16 and duty of court; acceptance of other benefits;  
17 per capita cost limit; conservatorship; parental  
18 liability; lien; enforcement

19 A. When a patient is admitted to the state hospital for  
20 court-ordered treatment pursuant to article 5 of this chapter or pursuant  
21 to section 13-3992, the business manager of the state hospital shall  
22 inquire into the ability of the patient to pay the costs of examination,  
23 maintenance and treatment. The business manager shall file with the clerk  
24 of the court a written report of the manager's findings and the basis of  
25 those findings.

26 B. If the patient is able to pay all or any portion of the charges,  
27 the court shall order the ~~payment of~~ PATIENT TO PAY the amount the patient  
28 can afford of the per capita cost for examination, treatment and  
29 maintenance as estimated by the ~~superintendent~~ DIRECTOR OF THE STATE  
30 HOSPITAL. The court, on petition of an interested person and at a hearing  
31 of which all concerned parties have received notice, may increase or  
32 decrease the maintenance charge payable by the patient or the patient's  
33 estate.

34 C. Notwithstanding subsection B of this section, any federal,  
35 state, public or private medical benefits that are payable to the state  
36 hospital where the patient is receiving care and treatment or that are  
37 payable to the patient may be accepted by the state hospital without a  
38 court order, except that the state hospital shall not accept any benefits  
39 that alone or in addition to any amounts payable pursuant to subsection B  
40 of this section exceed the per capita cost for the patient.

41 D. The court, if necessary, may appoint a conservator of the  
42 patient to carry out this section. If a conservator is appointed, the  
43 clerk of the court shall file a certificate so stating. All proceedings  
44 relating to that conservatorship shall be had as provided by law for

1 conservators of estates. The conservator shall pay the amount ordered by  
2 the court pursuant to subsection B of this section.

3 E. If the patient is a minor, the business manager of the state  
4 hospital shall inquire into the ability of the minor's parents to bear  
5 charges pursuant to this section. All obligations, charges and liens that  
6 may be imposed on a patient pursuant to this section shall be imposed on  
7 the minor's parents if it is determined that the parents have the ability  
8 to pay.

9 F. The charges fixed by the court as provided by this section and  
10 ordered paid by the patient or the patient's estate, on filing with the  
11 county recorder, become a lien on the property of the patient or the  
12 patient's estate.

13 G. The county attorney of each county, on an order of a judge of  
14 the superior court, shall enforce the lien and collect the charges from  
15 the person ordered to pay if the charges become delinquent.

16 H. Costs of examination, treatment and maintenance shall not be  
17 charged to any patient found by a court of competent jurisdiction to be  
18 unlawfully detained.

19 I. Notwithstanding section 36-545.02, the ~~department~~ STATE HOSPITAL  
20 GOVERNING BOARD shall deposit, pursuant to sections 35-146 and 35-147,  
21 monies collected through contracts entered into pursuant to section  
22 36-3410 in the Arizona state hospital fund established by section  
23 36-545.08. The ~~department~~ STATE HOSPITAL GOVERNING BOARD shall use these  
24 monies ~~for the treatment of~~ TO TREAT patients at the state hospital or ~~for~~  
25 ~~the placement of~~ TO PLACE clients in the community.

26 Sec. 29. Section 36-545.08, Arizona Revised Statutes, is amended to  
27 read:

28 36-545.08. Arizona state hospital fund; accounts; purpose

29 A. The Arizona state hospital fund is established for the purposes  
30 prescribed in section 36-545.01, subsection I. The ~~department of health~~  
31 ~~services~~ DIRECTOR OF THE STATE HOSPITAL shall administer the fund. The  
32 fund consists of the following:

33 1. Monies reimbursed by the federal government under title XIX of  
34 the social security act for services provided at the state hospital.

35 2. Monies collected pursuant to section 36-3410 for services to  
36 clients at the state hospital.

37 3. Monies collected from counties for the cost of a defendant's  
38 inpatient competency restoration treatment.

39 B. The ~~department~~ DIRECTOR OF THE STATE HOSPITAL shall deposit  
40 monies collected pursuant to subsection A of this section into three  
41 separate accounts.

42 C. Monies in the fund deposited under subsection A, paragraphs 1  
43 and 3 of this section are subject to legislative appropriation and are  
44 designated for state hospital operations. Monies in the fund deposited  
45 under subsection A, paragraph 2 of this section are a continuing

1 appropriation and are exempt from the provisions of section 35-190  
2 relating to lapsing of appropriations. Monies in the fund deposited under  
3 subsection A, paragraph 3 of this section ~~remaining~~ THAT REMAIN unexpended  
4 and unencumbered at the end of the fiscal year revert to the state general  
5 fund. Monies in the fund deposited under subsection A, paragraph 1 of  
6 this section are exempt from the provisions of section 35-190 relating to  
7 lapsing of appropriations.

8 Sec. 30. Section 36-1672, Arizona Revised Statutes, is amended to  
9 read:

10 36-1672. Local programs

11 A. The department is authorized to develop and conduct local  
12 programs ~~for the prevention, detection~~ TO PREVENT, DETECT and ~~treatment of~~  
13 TREAT lead-based paint poisoning, subject to legislative appropriation.  
14 Such authorization shall include:

15 1. ~~DEVELOPING~~ DEVELOPING educational programs intended to communicate the  
16 health danger and prevalence of lead-based paint poisoning among children  
17 to parents, educators and local health officials.

18 2. ~~Development~~ DEVELOPING and carrying out ~~of~~ community testing  
19 programs designed to detect incidence of lead poisoning due to lead-based  
20 paint and other sources among community residents and to ensure prompt  
21 medical treatment for such afflicted individuals.

22 B. The director may delegate to any local agency the authority to  
23 conduct the local program within the local agency's jurisdiction as  
24 provided in section 36-136, subsection ~~E~~ D.

25 Sec. 31. Section 49-104, Arizona Revised Statutes, is amended to  
26 read:

27 49-104. Powers and duties of the department and director

28 A. The department shall:

29 1. Formulate policies, plans and programs to implement this title  
30 to protect the environment.

31 2. Stimulate and encourage all local, state, regional and federal  
32 governmental agencies and all private persons and enterprises that have  
33 similar and related objectives and purposes, cooperate with those  
34 agencies, persons and enterprises and correlate department plans, programs  
35 and operations with those of the agencies, persons and enterprises.

36 3. Conduct research on its own initiative or at the request of the  
37 governor, the legislature or state or local agencies pertaining to any  
38 department objectives.

39 4. Provide information and advice on request of any local, state or  
40 federal agencies and private persons and business enterprises on matters  
41 within the scope of the department.

42 5. Consult with and make recommendations to the governor and the  
43 legislature on all matters concerning department objectives.



- 1           6. Promote and coordinate the management of air resources to ensure  
2 their protection, enhancement and balanced utilization consistent with the  
3 environmental policy of this state.
- 4           7. Promote and coordinate the protection and enhancement of the  
5 quality of water resources consistent with the environmental policy of  
6 this state.
- 7           8. Encourage industrial, commercial, residential and community  
8 development that maximizes environmental benefits and minimizes the  
9 effects of less desirable environmental conditions.
- 10          9. Ensure the preservation and enhancement of natural beauty and  
11 man-made scenic qualities.
- 12          10. Provide for the prevention and abatement of all water and air  
13 pollution including that related to particulates, gases, dust, vapors,  
14 noise, radiation, odor, nutrients and heated liquids in accordance with  
15 article 3 of this chapter and chapters 2 and 3 of this title.
- 16          11. Promote and recommend methods for the recovery, recycling and  
17 reuse or, if recycling is not possible, the disposal of solid wastes  
18 consistent with sound health, scenic and environmental quality policies.  
19 The department shall report annually on its revenues and expenditures  
20 relating to the solid and hazardous waste programs overseen or  
21 administered by the department.
- 22          12. Prevent pollution through the regulation of the storage,  
23 handling and transportation of solids, liquids and gases that may cause or  
24 contribute to pollution.
- 25          13. Promote the restoration and reclamation of degraded or  
26 despoiled areas and natural resources.
- 27          14. Participate in the state civil defense program and develop the  
28 necessary organization and facilities to meet wartime or other disasters.
- 29          15. Cooperate with the Arizona-Mexico commission in the governor's  
30 office and with researchers at universities in this state to collect data  
31 and conduct projects in the United States and Mexico on issues that are  
32 within the scope of the department's duties and that relate to quality of  
33 life, trade and economic development in this state in a manner that will  
34 help the Arizona-Mexico commission to assess and enhance the economic  
35 competitiveness of this state and of the Arizona-Mexico region.
- 36          16. Unless specifically authorized by the legislature, ensure that  
37 state laws, rules, standards, permits, variances and orders are adopted  
38 and construed to be consistent with and ~~no~~ NOT more stringent than the  
39 corresponding federal law that addresses the same subject matter. This  
40 paragraph does not adversely affect standards adopted by an Indian tribe  
41 under federal law.
- 42          17. Provide administrative and staff support for the oil and gas  
43 conservation commission.

- 1           B. The department, through the director, shall:
- 2           1. Contract for the services of outside advisers, consultants and
- 3 aides reasonably necessary or desirable to enable the department to
- 4 adequately perform its duties.
- 5           2. Contract and incur obligations reasonably necessary or desirable
- 6 within the general scope of department activities and operations to enable
- 7 the department to adequately perform its duties.
- 8           3. ~~Utilize~~ USE any medium of communication, publication and
- 9 exhibition when disseminating information, advertising and publicity in
- 10 any field of its purposes, objectives or duties.
- 11           4. Adopt procedural rules that are necessary to implement the
- 12 authority granted under this title, but that are not inconsistent with
- 13 other provisions of this title.
- 14           5. Contract with other agencies, including laboratories, in
- 15 furthering any department program.
- 16           6. Use monies, facilities or services to provide matching
- 17 contributions under federal or other programs that further the objectives
- 18 and programs of the department.
- 19           7. Accept gifts, grants, matching monies or direct payments from
- 20 public or private agencies or private persons and enterprises for
- 21 department services and publications and to conduct programs that are
- 22 consistent with the general purposes and objectives of this chapter.
- 23 Monies received pursuant to this paragraph shall be deposited in the
- 24 department fund corresponding to the service, publication or program
- 25 provided.
- 26           8. Provide for the examination of any premises if the director has
- 27 reasonable cause to believe that a violation of any environmental law or
- 28 rule exists or is being committed on the premises. The director shall
- 29 give the owner or operator the opportunity for its representative to
- 30 accompany the director on an examination of those premises. Within
- 31 forty-five days after the date of the examination, the department shall
- 32 provide to the owner or operator a copy of any report produced as a result
- 33 of any examination of the premises.
- 34           9. Supervise sanitary engineering facilities and projects in this
- 35 state, authority for which is vested in the department, and own or lease
- 36 land on which sanitary engineering facilities are located, and operate the
- 37 facilities, if the director determines that owning, leasing or operating
- 38 is necessary for the public health, safety or welfare.
- 39           10. Adopt and enforce rules relating to approving design documents
- 40 for constructing, improving and operating sanitary engineering and other
- 41 facilities for disposing of solid, liquid or gaseous deleterious matter.
- 42           11. Define and prescribe reasonably necessary rules regarding the
- 43 water supply, sewage disposal and garbage collection and disposal for
- 44 subdivisions. The rules shall:

1 (a) Provide for minimum sanitary facilities to be installed in the  
2 subdivision and may require that water systems plan for future needs and  
3 be of adequate size and capacity to deliver specified minimum quantities  
4 of drinking water and to treat all sewage.

5 (b) Provide that the design documents showing or describing the  
6 water supply, sewage disposal and garbage collection facilities be  
7 submitted with a fee to the department for review and that no lots in any  
8 subdivision be offered for sale before compliance with the standards and  
9 rules has been demonstrated by approval of the design documents by the  
10 department.

11 12. Prescribe reasonably necessary measures to prevent pollution of  
12 water used in public or semipublic swimming pools and bathing places and  
13 to prevent deleterious conditions at those places. The rules shall  
14 prescribe minimum standards for the design of and for sanitary conditions  
15 at any public or semipublic swimming pool or bathing place and provide for  
16 abatement as public nuisances of premises and facilities that do not  
17 comply with the minimum standards. The rules shall be developed in  
18 cooperation with the director of the department of health services and  
19 shall be consistent with the rules adopted by the director of the  
20 department of health services pursuant to section 36-136, subsection ~~F~~ H,  
21 paragraph 10.

22 13. Prescribe reasonable rules regarding sewage collection,  
23 treatment, disposal and reclamation systems to prevent the transmission of  
24 sewage borne or insect borne diseases. The rules shall:

25 (a) Prescribe minimum standards for the design of sewage collection  
26 systems and treatment, disposal and reclamation systems and for operating  
27 the systems.

28 (b) Provide for inspecting the premises, systems and installations  
29 and for abating as a public nuisance any collection system, process,  
30 treatment plant, disposal system or reclamation system that does not  
31 comply with the minimum standards.

32 (c) Require that design documents for all sewage collection  
33 systems, sewage collection system extensions, treatment plants, processes,  
34 devices, equipment, disposal systems, on-site wastewater treatment  
35 facilities and reclamation systems be submitted with a fee for review to  
36 the department and may require that the design documents anticipate and  
37 provide for future sewage treatment needs.

38 (d) Require that construction, reconstruction, installation or  
39 initiation of any sewage collection system, sewage collection system  
40 extension, treatment plant, process, device, equipment, disposal system,  
41 on-site wastewater treatment facility or reclamation system conform with  
42 applicable requirements.

43 14. Prescribe reasonably necessary rules regarding excreta storage,  
44 handling, treatment, transportation and disposal. The rules may:

1 (a) Prescribe minimum standards for human excreta storage,  
2 handling, treatment, transportation and disposal and shall provide for  
3 inspection of premises, processes and vehicles and for abating as public  
4 nuisances any premises, processes or vehicles that do not comply with the  
5 minimum standards.

6 (b) Provide that vehicles transporting human excreta from privies,  
7 septic tanks, cesspools and other treatment processes ~~shall~~ be licensed by  
8 the department subject to compliance with the rules. The department may  
9 require payment of a fee as a condition of licensure. The department may  
10 establish by rule a fee as a condition of licensure, including a maximum  
11 fee. As part of the rulemaking process, there must be public notice and  
12 comment and a review of the rule by the joint legislative budget  
13 committee. The department shall not increase that fee by rule without  
14 specific statutory authority for the increase. The fees shall be  
15 deposited, pursuant to sections 35-146 and 35-147, in the solid waste fee  
16 fund established by section 49-881.

17 15. Perform the responsibilities of implementing and maintaining a  
18 data automation management system to support the reporting requirements of  
19 title III of the superfund amendments and reauthorization act of 1986  
20 (P.L. 99-499) and article 2 of this chapter.

21 16. Approve remediation levels pursuant to article 4 of this  
22 chapter.

23 17. Establish or revise fees by rule pursuant to the authority  
24 granted under title 44, chapter 9, article 8 and chapters 4 and 5 of this  
25 title for the department to adequately perform its duties. All fees shall  
26 be fairly assessed and impose the least burden and cost to the parties  
27 subject to the fees. In establishing or revising fees, the department  
28 shall base the fees on:

29 (a) The direct and indirect costs of the department's relevant  
30 duties, including employee salaries and benefits, professional and outside  
31 services, equipment, in-state travel and other necessary operational  
32 expenses directly related to issuing licenses as defined in title 41,  
33 chapter 6 and enforcing the requirements of the applicable regulatory  
34 program.

35 (b) The availability of other funds for the duties performed.

36 (c) The impact of the fees on the parties subject to the fees.

37 (d) The fees charged for similar duties performed by the  
38 department, other agencies and the private sector.

39 18. Appoint a person with a background in oil and gas conservation  
40 to act on behalf of the oil and gas conservation commission and administer  
41 and enforce the applicable provisions of title 27, chapter 4 relating to  
42 the oil and gas conservation commission.

43 C. The department may:

44 1. Charge fees to cover the costs of all permits and inspections it  
45 performs to ensure compliance with rules adopted under section 49-203,

1 except that state agencies are exempt from paying those fees that are not  
2 associated with the dredge and fill permit program established pursuant to  
3 chapter 2, article 3.2 of this title. For services provided under the  
4 dredge and fill permit program, a state agency shall pay either:

5 (a) The fees established by the department under the dredge and  
6 fill permit program.

7 (b) The reasonable cost of services provided by the department  
8 pursuant to an interagency service agreement.

9 2. Monies collected pursuant to this subsection shall be deposited,  
10 pursuant to sections 35-146 and 35-147, in the water quality fee fund  
11 established by section 49-210.

12 3. Contract with private consultants for the purposes of assisting  
13 the department in reviewing applications for licenses, permits or other  
14 authorizations to determine whether an applicant meets the criteria for  
15 issuance of the license, permit or other authorization. If the department  
16 contracts with a consultant under this paragraph, an applicant may request  
17 that the department expedite the application review by requesting that the  
18 department use the services of the consultant and by agreeing to pay the  
19 department the costs of the consultant's services. Notwithstanding any  
20 other law, monies paid by applicants for expedited reviews pursuant to  
21 this paragraph are appropriated to the department for use in paying  
22 consultants for services.

23 D. The director may:

24 1. If the director has reasonable cause to believe that a violation  
25 of any environmental law or rule exists or is being committed, inspect any  
26 person or property in transit through this state and any vehicle in which  
27 the person or property is being transported and detain or disinfect the  
28 person, property or vehicle as reasonably necessary to protect the  
29 environment if a violation exists.

30 2. Authorize in writing any qualified officer or employee in the  
31 department to perform any act that the director is authorized or required  
32 to do by law.

33 Sec. 32. Initial terms of members of the state hospital  
34 governing board

35 A. Notwithstanding section 36-205.01, Arizona Revised Statutes, as  
36 added by this act, the initial terms of members of the state hospital  
37 governing board are:

38 1. One term ending January 1, 2027.

39 2. Two terms ending January 1, 2028.

40 B. The governor shall make all subsequent appointments as  
41 prescribed by statute.

42 Sec. 33. Succession; transfer; effect

43 A. As provided by this act, the state hospital governing board  
44 succeeds to the authority, powers, duties and responsibilities of the  
45 department of health services relating to the Arizona state hospital.

1 B. This act does not alter the effect of any actions that were  
2 taken or impair the valid obligations of the department of health services  
3 relating to the Arizona state hospital in existence before January 1,  
4 2025.

5 C. Administrative rules and orders that were adopted by the  
6 department of health services relating to the Arizona state hospital  
7 continue in effect until superseded by administrative action by the state  
8 hospital governing board.

9 D. All administrative matters, contracts and judicial and  
10 quasi-judicial actions, whether completed, pending or in process, of the  
11 department of health services relating to the Arizona state hospital on  
12 January 1, 2025 are transferred to and retain the same status with the  
13 state hospital governing board.

14 E. All certificates, licenses, registrations, permits and other  
15 indicia of qualification and authority that were issued by the department  
16 of health services relating to the Arizona state hospital retain their  
17 validity for the duration of their terms of validity as provided by law.

18 F. All equipment, records, furnishings and other property, all data  
19 and investigative findings, all obligations and all appropriated monies  
20 that remain unexpended and unencumbered on January 1, 2025 of the  
21 department of health services relating to the Arizona state hospital are  
22 transferred to the state hospital governing board.

23 G. All personnel who are under the state personnel system and  
24 employed by the department of health services relating to the Arizona  
25 state hospital are transferred to comparable positions and pay  
26 classifications in the respective administrative units of the state  
27 hospital governing board on January 1, 2025.

28 Sec. 34. Conforming legislation

29 The legislative council staff shall prepare proposed legislation  
30 conforming the Arizona Revised Statutes to the provisions of this act for  
31 consideration in the fifty-sixth legislature, second regular session.

32 Sec. 35. Effective date

33 This act is effective from and after December 31, 2024.